CDK GLOBAL®

Central Parent Inc.
Central Merger Sub Inc.

$750,000,000 % First Lien Notes due 2029

Central Parent Inc. (the "Issuer" or "Parent"), a Delaware corporation, and Central Merger Sub Inc. (the "Co-Issuer" or "Merger Sub" and, together with the Issuer, the "Issuers"), a Delaware corporation, are jointly and severally offering as co-issuers $750,000,000 in aggregate principal amount of % First Lien Notes due 2029 (the "Notes"). Merger Sub is a wholly-owned subsidiary of Parent, and Parent is a wholly-owned subsidiary of Central Holdings Inc., a Delaware corporation ("Holdings") formed by affiliates of Brookfield Asset Management Inc. and Brookfield Capital Partners VI L.P. (together, "Brookfield"). The Notes are being issued in connection with the proposed acquisition (the "Acquisition") by Parent of CDK Global, Inc., a Delaware corporation (the "Company" or "CDK") through a cash tender offer (the "Equity Tender Offer") by Merger Sub to purchase all the outstanding shares of common stock of CDK and, subject to the consummation of the Equity Tender Offer, the merger (the "Merger") of Merger Sub with and into CDK with CDK as the surviving entity, in each case, as further described herein.

This offering may be completed prior to the consummation of the Acquisition. In that case, upon consummation of this offering, we will deposit the gross proceeds of the offering into a segregated escrow account until the date (the "Escrow Release Date") that certain conditions (the "Escrow Release Conditions") are satisfied. The Escrow Release Conditions include the consummation of the Acquisition in accordance with the terms of the Agreement and Plan of Merger, dated April 7, 2022 (as it may be amended from time to time, the "Merger Agreement"), by and among Parent, Merger Sub and CDK. Prior to the consummation of the Acquisition, the Notes will only be guaranteed by Holdings and will only be secured by a first-priority security interest in the escrow account and all deposits and investment property therein. If the Acquisition is not consummated on or prior to January 5, 2023 as described herein (the "Escrow End Date") or if we notify the Trustee and the Escrow Agent (each as defined herein) in writing that the Merger Agreement has been terminated in accordance with its terms, the Notes will be subject to a special mandatory redemption. The special mandatory redemption price will be equal to 100% of the initial issue price of the Notes (as set forth below), plus accrued and unpaid interest, if any, from the issue date of the Notes, up to, but not including, the date of such special mandatory redemption. If the closing of this offering of Notes occurs on the closing date of the Acquisition, the escrow provisions set forth herein will not be applicable. See "Description of Notes—Escrow of Gross Proceeds; Special Mandatory Redemption."

The Notes will mature on , 2029. The Notes will bear interest at a rate of % per annum. Interest on the Notes will accrue from , 2022 and the Issuers will pay interest on the Notes semi-annually, in cash in arrears, on and of each year, beginning on , 2022. From and after the Escrow Release Date, the Notes will be, jointly and severally, unconditionally guaranteed by Holdings and each of the Issuer's existing and future wholly-owned domestic subsidiaries that will guarantee the Issuers' obligations under the New Credit Facilities (as defined herein) (together with Holdings, the "Guarantors").

From and after the Escrow Release Date, the Notes and related guarantees will be secured by first-priority liens on the Collateral (as defined herein), which consists of substantially all of the assets that secure the Issuers' and the Guarantors' obligations under the New Credit Facilities, subject to certain exceptions and permitted liens as described herein. See "Description of Notes—Security for the Notes." From and after the Escrow Release Date, the Notes will (i) be *pari passu* in right of payment with all of the Issuers' and the Guarantors' existing and future senior indebtedness secured on a first-lien basis, including the Issuers' existing and future borrowings under the New First Lien Credit Facilities (as defined herein), (ii) rank senior in lien priority to junior lien indebtedness of the Issuers and the Guarantors, including the Issuers' existing and future borrowings under the New Second Lien Credit Facilities (as defined herein), (iii) rank effectively senior in right of payment to all of the Issuers' and the Guarantors' existing and future senior unsecured indebtedness, including the Existing Notes (as defined herein), to the extent of the value of the Collateral and (iv) be structurally subordinated to any existing and future obligations of any subsidiaries of the Issuers that do not guarantee the Notes.

The Notes will be redeemable, in whole or in part, at any time on or after , 2025 on the applicable redemption dates and at the redemption prices specified in this offering memorandum. Prior to such dates, we may redeem some or all of the Notes at a redemption price of 100% of the principal amount, plus accrued and unpaid interest, if any, to the redemption date, plus a "make whole" premium. We may also redeem (i) up to 40% of the aggregate principal amount of the Notes before , 2025 with the net cash proceeds from certain equity offerings, (ii) up to 10% of the aggregate principal amount of the Notes during any 12-month period prior to , 2025 and/or (iii) an aggregate principal amount of the Notes in amount not to exceed the proceeds received from any disposition of our non-automotive DMS business line during the 12-month period prior to , 2023 provided that at least $300.0 million of the aggregate principal amount of the Notes remains outstanding immediately after the occurrence of each such redemption (unless all the Notes are redeemed substantially concurrently), in each case at the applicable redemption prices described herein. If we experience a Change of Control (as defined herein), we must offer to repurchase the Notes at 101% of their principal amount, plus accrued and unpaid interest, if any, to, but excluding, the repurchase date.

You should read this offering memorandum carefully before you invest in the Notes. Investing in the Notes involves risks. See "Risk Factors" beginning on page 33 for a discussion of certain risks that you should consider in connection with an investment in the Notes.

Issue price: % (plus accrued interest, if any, from , 2022)

The Notes have not been and will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws and the Notes are being offered and sold only to persons reasonably believed to be "qualified institutional buyers" in accordance with Rule 144A under the Securities Act ("Rule 144A") and outside the United States in accordance with Regulation S under the Securities Act ("Regulation S"). Prospective purchasers are hereby notified that the seller of the Notes may be relying on Rule 144A. Holders of the Notes will not have the benefit of registration rights with respect to the Notes. For a description of restrictions on transfers of the Notes, see "Transfer Restrictions."

The initial purchasers of the Notes (the "initial purchasers") expect to deliver to investors the Notes only in book-entry form through the facilities of The Depository Trust Company ("DTC") on or about , 2022 (the "Closing Date").

Joint Book-Running Managers

Credit Suisse	**Goldman Sachs & Co. LLC**	**BMO Capital Markets**
Barclays	**Deutsche Bank Securities**	**RBC Capital Markets**
TD Securities	**Wells Fargo Securities**	**BofA Securities**
BNP PARIBAS	**CIBC Capital Markets**	**Scotiabank**
Credit Agricole CIB	**MUFG**	**SOCIETE GENERALE**

, 2022

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For purposes of this offering memorandum, unless otherwise indicated or the context otherwise requires, the term "Issuers" refers to Central Merger Sub Inc. and Central Parent Inc. or CDK Global, Inc., as the context requires, collectively. The terms "we," "us," "our," "our company" and "Company" refer to CDK or the Issuers, as the context requires, in each case, together with its or their consolidated subsidiaries, and for purposes of the description of the business, giving effect to the completion of the Acquisition as further described herein.

Unless otherwise specified or the context otherwise requires, references to "fiscal year" and "2021," "2020" and "2019" are references to the Company's fiscal years ended June 30 of the applicable year.

We and the initial purchasers have not authorized anyone to provide any information other than that contained in this document or to which we or the initial purchasers have referred you. We and the initial purchasers take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This document may only be used where it is legal to sell these securities. You should not assume that the information contained in this offering memorandum is accurate as of any date other than the date on the front cover of this offering memorandum.

This offering memorandum has been prepared by us solely for use in connection with the proposed offering of the Notes described herein. This offering memorandum is confidential and 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 memorandum to any person other than the offeree and those persons, if any, retained to advise such offeree with respect to this offering memorandum is unauthorized and any disclosure of any of its contents without our prior written consent is prohibited. By accepting delivery of this offering memorandum, you agree to the foregoing and not to make any photocopies, in whole or in part, of this offering memorandum or any documents delivered in connection with this offering memorandum.

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

The information contained in this offering memorandum is as of the date of this offering memorandum and is subject to change, completion or amendment without notice. Neither the delivery of this offering memorandum at

any time nor the offer, sale or delivery of any Note shall, under any circumstances, create any implication that there has been no change in the information set forth in this offering memorandum or in our affairs since the date of this offering memorandum.

No person is authorized in connection with this offering to give any information or to make any representation not contained in this offering memorandum, and, if given or made, such other information or representation must not be relied upon as having been authorized by the Issuers or the initial purchasers or any of the Issuers' or the initial purchasers' respective representatives.

Neither the Securities and Exchange Commission (the "SEC") nor any state securities commission nor any other regulatory authority has approved or disapproved of these securities or determined if this offering memorandum is truthful or complete. Any representation to the contrary is a criminal offense.

By purchasing the Notes, you will be deemed to have made acknowledgments, representations, warranties and agreements as set forth under "Transfer Restrictions" in this offering memorandum. We are not, and the initial purchasers are not, making an offer to sell the Notes in any jurisdiction except where an offer or sale is permitted.

We are 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 except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable state securities laws. Laws in certain jurisdictions may restrict the distribution of this offering memorandum and the offer and sale of the Notes. Persons into whose possession this offering memorandum 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 nor the initial purchasers will have any responsibility therefor.

The Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and applicable state securities laws pursuant to registration or exemption therefrom. As a prospective purchaser, you should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time. See "Plan of Distribution" and "Transfer Restrictions."

The offering is being made on the basis of this offering memorandum and is subject to the terms described in this offering memorandum and the indenture relating to the Notes. In making an investment decision, prospective investors must rely on their own examination of the Issuers and the terms of the offering, including the merits and risks involved. Prospective investors should not construe anything in this offering memorandum as legal, business or tax advice. Each prospective investor should consult its own advisors as needed to make its investment decision and to determine whether it is legally permitted to purchase the securities under applicable legal investment or similar laws or regulations.

Each prospective investor must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells Notes or possesses or distributes this offering memorandum and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales, and neither we nor the initial purchasers nor any of our or their respective representatives shall have any responsibility therefor.

The Issuers do not intend to apply for listing of the Notes on any securities exchange or for inclusion of the Notes in any automated quotation system.

The Notes will be available in book-entry form only. We expect that the Notes sold pursuant to this offering memorandum will be issued in the form of one or more global certificates, which will be deposited with, or on behalf of, DTC, and registered in its name or in the name of Cede & Co., its nominee. Beneficial interests in the global certificates relating to the Notes will be shown on, and transfers of such global certificates will be effected only through, records maintained by DTC and its direct and indirect participants. After the initial issuance of the global certificates, Notes in certificated form will be issued in exchange for the global certificates only as set forth in the indenture that will govern the Notes. See "Book Entry, Delivery and Form."

The Issuers reserve the right to withdraw this offering of Notes at any time and the Issuers and the initial purchasers reserve the right to reject any commitment to subscribe for the Notes, in whole or in part. The Issuers and the initial purchasers also reserve the right to allot to you less than the full amount of Notes sought by you. The initial purchasers and certain related entities may acquire for their own account a portion of the Notes.

In connection with this offering, the initial purchasers may purchase and sell Notes in the open market. The initial purchasers may engage in transactions that stabilize, maintain or otherwise affect the price of the Notes that, if commenced, may be discontinued. Specifically, the initial purchasers may over-allot in connection with this offering and may bid for and purchase the Notes in the open market. For a description of these activities, see "Plan of Distribution."

This offering memorandum contains summaries believed to be accurate with respect to certain documents, but reference is made to the actual documents for complete information. All of those summaries are qualified in their entirety by this reference. Copies of documents referred to herein will be made available to prospective investors upon request to the Issuers or the initial purchasers.

By accepting delivery of this offering memorandum, 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 memorandum, (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 memorandum 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, this offering or the Notes described in this offering memorandum, other than as contained in this offering memorandum.

This offering memorandum 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.

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 memorandum.

ALTERNATIVE SETTLEMENT CYCLE

We expect that delivery of the Notes will be made to investors on or about , 2022, which will be the business day following the date of this offering memorandum (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 hereunder more than two business days prior to the scheduled closing date for this offering 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 hereunder during such period should consult their advisors.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This offering memorandum contains forward-looking statements that are forward-looking and, therefore, subject to risks and uncertainties. All statements other than statements of historical fact or relating to present facts or current conditions included in this offering memorandum are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements generally include statements that are predictive in nature and depend upon or refer to future events or conditions, and include words such as "believes," "plans," "anticipates," "projects," "estimates," "expects," "intends," "strategy," "future," "opportunity," "may," "will," "should," "could," "potential," or similar expressions. By their nature, forward-looking statements involve risks and uncertainty because they relate to events and depend on circumstances that will occur in the future, and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. Forward-looking statements include, among other things, statements about the ability of the parties to complete the Transactions (as defined herein) and the expected timing of completion of the Transactions; as well as any assumptions underlying any of the foregoing. The forward-looking statements are, and will be, based on management's current views and assumptions regarding future events and operating performance and speak only as of their dates. We caution that these statements are subject to numerous important risks, uncertainties, assumptions and other factors, some of which are beyond our control, that could cause our actual results to differ materially from those expressed or implied by such forward-looking statements. Investors are therefore cautioned not to place undue reliance on any forward-looking statements. Forward-looking statements are only made as of the date hereof, and we assume no obligation, and disclaim any obligation, to update forward-looking statements to reflect events or circumstances occurring after the date hereof, except as required by applicable law or regulations. The following are some important factors that could cause our actual results to differ from current expectations:

- the impact of the ongoing COVID-19 pandemic on how we and our customers are operating our businesses, and the duration and extent to which this will impact our business, results of operations, and financial condition remains uncertain;
- risks relating to intense competition we face in the industry and the need to respond quickly to technological developments or customers' shifting technological requirements or to compete effectively against other providers of technology solutions to automotive retailers, OEMs, and other participants in the automotive retail industry;
- market trends influencing the automotive retail industry;
- market acceptance of and influence over our products and services being concentrated in a limited number of automobile OEMs and consolidated retailer groups;
- our ability to develop and bring products and services in development to market or bring new products and services to market in a timely manner or at all;
- our failure or inability to execute any element of our business strategy;
- dependency on our key management, direct sales force, and technical personnel for continued success;
- real or perceived errors or failures in our software and systems negatively impacting our results of operations and growth prospects;
- cyber-attacks and security vulnerabilities leading to reduced revenue, increased costs, liability claims, or damage to our reputation;
- interruption or failure of our networks, systems, and infrastructure hurting our ability to effectively provide our products and services, which could damage our reputation and/or subject us to litigation or contractual penalties;
- events beyond our control;

- risk relating to our utilizing certain key technologies, data, and services from, and integrating certain of our solutions with, third parties that we may be unable to replace if they become obsolete, unavailable, or incompatible with our solutions;
- dependence on suppliers and manufacturers;
- risks relating to our involvement in litigation that is expensive and time consuming and, if resolved adversely, may materially adversely affect us;
- protection of our intellectual property and other proprietary rights;
- claims that we or our technologies infringe upon the intellectual property or other proprietary rights of a third party requiring us to incur significant costs, enter into royalty or licensing agreements, or develop or license substitute technology;
- risks relating to our strategic acquisitions and formed strategic alliances and our ability to find suitable acquisitions or alliance partners that strengthen our value proposition to customers or to achieve the expected benefits from such acquisitions or alliances;
- liability for contract or product liability claims, and disputes over such claims;
- failure of our customers to renew subscriptions in accordance with our expectations;
- downturns or upturns in new business not being immediately reflected in our operating results because we recognize a majority of our revenue from our subscription-based products and services over the term of the subscription;
- return on investment in research and development efforts for new and existing products and technologies and technical sales support being lower or developing more slowly than we expect;
- inability to access capital markets on terms acceptable to us or at all;
- extensive and complex laws and regulations in the U.S. and abroad that our business is directly and indirectly subject to, and new laws and regulations and/or changes to existing laws and regulations, as well as any associated inquiries or investigations or any other government action;
- new regulations that restrict the manner and extent to which we can control access to our DMS and other software applications and limit what, if anything, we may charge for integration with those applications;
- complex and rapidly evolving U.S. and foreign laws and regulation regarding privacy and data protection that our business is directly and indirectly subject to;
- changes in, or interpretations of, accounting principles;
- exposure to unanticipated tax liabilities;
- changes in tax laws or tax rulings;
- risks related to our current level of indebtedness including our ability to raise additional capital to fund our operations and our ability to react to changes in the economy or our industry;
- high levels of indebtedness and debt service obligations effectively reducing the amount of funds available for other business purposes; and
- negative rating actions by credit rating agencies.

See “Risk Factors” for a further description of these risks and other factors that could prevent us from achieving our goals, and cause the assumptions underlying forward-looking statements and the actual results to differ materially from those expressed in or implied by those forward-looking statements.

ROUNDING

Certain figures included in this offering memorandum have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be arithmetic aggregations of the figures that precede them.

NON-GAAP FINANCIAL MEASURES

We have included certain supplemental financial measures of our performance in this offering memorandum that have not been calculated in accordance with accounting principles generally accepted in the United States of America ("GAAP"), including, for example, Adjusted EBITDA, Pro Forma Adjusted EBITDA, Adjusted EBITDA Margin, Free Cash Flow, Free Cash Flow Conversion and Pro Forma Adjusted Revenue. Adjusted EBITDA, Pro Forma Adjusted EBITDA, Adjusted EBITDA Margin, Free Cash Flow, Free Cash Flow Conversion and Pro Forma Adjusted Revenue are not prepared with a view towards compliance with published guidelines of the SEC, and are not measures of net income, operating income or any other performance measure derived in accordance with GAAP, and is subject to important limitations. Our use of the terms Adjusted EBITDA, Pro Forma Adjusted EBITDA, Adjusted EBITDA Margin, Free Cash Flow, Free Cash Flow Conversion and Pro Forma Adjusted Revenue may vary from others in our industry. For additional information regarding our use of Adjusted EBITDA, Pro Forma Adjusted EBITDA, Adjusted EBITDA Margin, Free Cash Flow, Free Cash Flow Conversion and Pro Forma Adjusted Revenue including the reasons that we believe this information is useful to management and to investors, and a reconciliation of Adjusted EBITDA, Pro Forma Adjusted EBITDA, Adjusted EBITDA Margin, Free Cash Flow, Free Cash Flow Conversion and Pro Forma Adjusted Revenue to the most closely comparable financial measure calculated in accordance with GAAP, see "Summary—Summary Historical Consolidated Financial and Other Data."

Adjusted EBITDA, Pro Forma Adjusted EBITDA, Adjusted EBITDA Margin, Free Cash Flow, Free Cash Flow Conversion and Pro Forma Adjusted Revenue have important limitations as analytical tools and you should not consider them in isolation or as substitutes for analysis of our financial performance as reported under GAAP and should not be considered as alternatives to net income or any other performance measures derived in accordance with GAAP as measures of operating performance or as alternatives to cash flow from operating activities as measures of our liquidity.

We do not as a matter of course make public projections as to future sales, earnings or other results. However, our management team, together with external advisors and Brookfield, has prepared the prospective financial information set forth below and described under "Summary—Identified margin improvement initiatives" to present the expected margin improvements. The accompanying prospective financial information was not prepared with a view toward public disclosure or with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of the Company's management, was prepared on a reasonable basis, reflects the best currently available estimates and judgments, and presents, to the best of management's knowledge and belief, the expected course of action and the expected future financial performance of the Company. However, this information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this offering memorandum are cautioned not to place undue reliance on the prospective financial information. Neither the Company's independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information. See "Risk Factors—We may not realize the anticipated cost savings and margin improvements from the Transactions."

NO SEC REVIEW; NO REGISTRATION RIGHTS

The information included in this offering memorandum does not conform to information that would be required if this offering were made pursuant to a registration statement filed with the SEC. This offering memorandum, as well as any other documents in connection with this offering, will not be reviewed by the SEC. There are no registration rights associated with the Notes, and we have no intention to offer Notes in a transaction registered under the Securities Act in exchange for the Notes or to file a registration statement with respect to the Notes. The indenture that will govern 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 will provide the information required pursuant to Rule 144A(d)(4) upon request.

INDUSTRY AND MARKET DATA

Some of the market and industry data contained in this offering memorandum are based on independent industry publications or other publicly available information. Certain of the market and industry data presented in this offering memorandum was also gathered prior to the onset of the COVID-19 pandemic and may not be directly comparable. Although we believe that these independent publications and other publicly available information are reliable as of their respective dates, we have not verified the accuracy or completeness of the data presented from independent sources.

In addition, certain market and industry data contained in this offering memorandum are based on internal data, studies and management estimates, which are derived from information obtained from analysts' reports, independent industry publications or publicly available sources, as well as our clients, partners, trade and business organizations and other contacts in the markets in which we operate, and also reflect our management's understanding of industry conditions. Although we believe that such information included in this offering memorandum is reliable as of their respective dates, such data, studies and estimates, particularly as they relate to market size, market growth, penetration, market share and our general expectations, involve important risks, uncertainties and assumptions and are subject to change based on various factors, including those discussed under "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" in this offering memorandum. These and other factors could cause results to differ materially from those expressed in the estimates and beliefs made by the independent parties and by us.

TRADEMARKS AND TRADENAMES

This offering memorandum includes registered and unregistered trademarks of ours. All trademarks, tradenames and service marks appearing in this offering memorandum are the property of their respective owners.

Solely for convenience, certain trademarks, service marks and trade names referred to in this offering memorandum are listed without the ® and ™ symbols, but such references are not intended to indicate in any way that we will not assert, to the fullest extent under applicable law, our rights to these trademarks, service marks and trade names. We do not intend our use or display of other companies' trade names, trademarks or service marks to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

WHERE YOU CAN FIND ADDITIONAL INFORMATION; INCORPORATION BY REFERENCE

In this offering memorandum, we incorporate by reference the information contained in all documents CDK files with the SEC pursuant to Sections 13(a), 13(c) or 15(d) of the Exchange Act (other than portions of these documents that are either (1) described in paragraph (e) of Item 201 of Registration S-K or paragraphs (d)(1)-(3) and (e)(5) of Item 407 of Regulation S-K promulgated by the SEC or (2) furnished under Item 2.02 or Item 7.01 of a Current Report on Form 8-K (including any exhibits included with such items, unless otherwise indicated therein) after the date of this offering memorandum and prior to the termination of the offering under this offering memorandum. The information contained in any such document will be considered part of this offering memorandum from the date the document is filed with the SEC.

Any statement contained in a document incorporated or deemed to be incorporated by reference in this offering memorandum will be deemed to be modified or superseded to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference in this offering memorandum modifies or supersedes that statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this offering memorandum.

Upon completion of the Transactions, we will not be subject to the periodic reporting and other informational requirements of the Exchange Act. Under the terms of the indenture that will govern the Notes, we will agree that for so long as any of the Notes remain outstanding, we will furnish to the Trustee and holders of the Notes the information specified therein.

SUMMARY

This summary highlights selected information appearing elsewhere in this offering memorandum. Because it is a summary, it does not contain all of the information that you should consider before investing in the Notes. You should read this entire offering memorandum, together with all information incorporated by reference herein, carefully, including the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the notes thereto included elsewhere in this offering memorandum, before investing in the Notes.

Business Overview

CDK Global Inc. is a leading provider of mission critical technology and software-as-a-service ("SaaS") data solutions for dealerships in the automotive retail and adjacent heavy truck, recreation, and heavy equipment industries in North America. Our solutions automate and integrate all aspects of operating a dealership and the vehicle buying and servicing process, including the acquisition, sale, financing, insuring, parts supply, and repair and maintenance of vehicles. Enabling end-to-end, omnichannel retail commerce through open, agnostic technology, we provide our solutions to both dealers and original equipment manufacturers ("OEMs") and served over 15,000 dealer sites and adjacent businesses served across North America as of March 31, 2022.

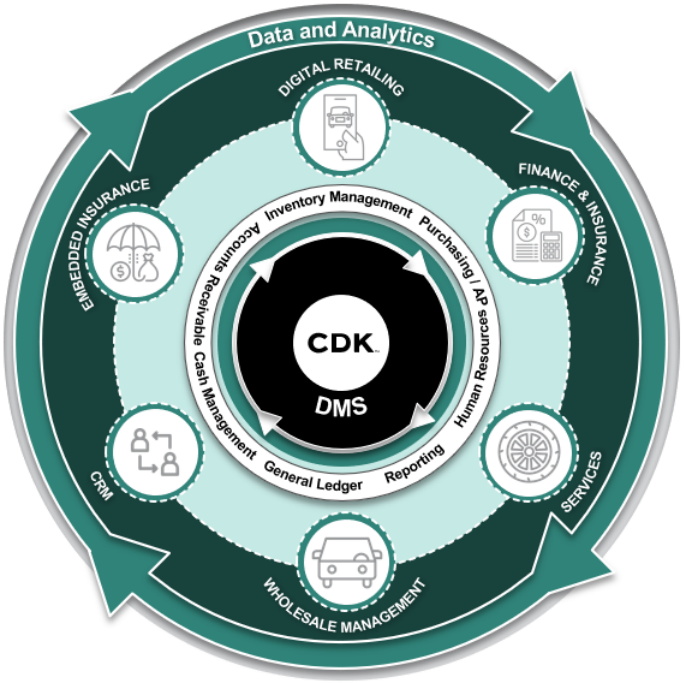
We generate revenue primarily by providing a broad suite of subscription-based software and technology solutions to automotive retailers in North America, as well as to retailers and manufacturers of heavy trucks, construction equipment, agricultural equipment, motorcycles, boats, and other marine and recreational vehicles. We are focused on the use of SaaS and mobile-centric solutions that are highly functional, flexible, and fast. Our flagship Dealer Management System ("DMS") software solutions are hosted enterprise resource planning ("ERP") applications tailored to the unique requirements of the retail automotive industry. Our DMS solutions facilitate most activities that generate revenue within a dealership including: the sale of new and used vehicles, consumer financing, repair and maintenance services, and vehicle and parts inventory management. These solutions also enable our customers to have company-wide accounting, financial reporting, cash flow management, and payroll services. We also provide a broad portfolio of layered software applications and services, a robust and secure interface to the DMS through our Partner Program, data management and business intelligence solutions, a variety of professional services, and a full range of customer support solutions. These additional products are integrated with the DMS and provide a full software solution suite to our customers. Our DMSs are typically integrated with OEM data processing systems that enable automotive retailers to order vehicles and parts, receive vehicle records, process warranties, and check recall campaigns and service bulletins while helping them to fulfill their franchisee responsibilities to their OEM franchisers.

We believe we are the market leader in North America and have the largest installed base of DMS in the industry. CDK has consistently grown market share and served over 5,600 customers representing over 15,000 dealer sites and adjacent businesses as of March 31, 2022, compared to 14,681 as of Fiscal Year 2019. Within the core automotive space, CDK is primarily focused on the largest and most sophisticated dealerships, with 78% of dealership customers having three or more dealer sites in fiscal year 2021, which positions the Company to benefit from the consolidation trends in the industry. We are deeply embedded in our customers' operations – the majority of our customers use three to five CDK products on average, and our average customer tenure is approximately 20 years. The average customer contract length is approximately four years. In the last twelve months ("LTM") ended March 31, 2022, approximately 78% of our revenue was generated from multi-year subscription contracts where revenue is tied to customer site count, not transaction volume.

The strength of our business model is reflected in our financial performance. In the LTM period ended March 31, 2022, we generated approximately $1,763 million of Pro Forma Adjusted Revenue, which represents a 3% compound annual growth rate ("CAGR") since fiscal 2019, and $811 million of Pro Forma Adjusted EBITDA, which represents a margin of approximately 46% including $146 million of margin improvement initiatives identified by Brookfield.

Product Offerings

Our primary solutions include Dealer Management Systems, layered software applications, and value-added services and solutions.



Our flagship DMS software solutions are hosted ERP applications tailored to the unique requirements of the dealer in multiple industries. Dealers use this software solution to manage critical business processes, including most revenue producing activities as well as the system of record for accounting and OEM reporting. With multi-location management ability, dealers receive real-time data with actionable insights to deliver immediate business improvements. Our DMS products facilitate the sale of new and used vehicles, consumer financing, repair and maintenance services, and vehicle and parts inventory management.

Complementary to our core DMS, we also provide a portfolio of layered software applications and services to address the unique needs of automotive retail workflows. In recent years, we have strategically focused on delivering solutions that solve key pain points for our customers. This includes consolidating technology vendors within a dealer location and removing friction from the vehicle-buying experience. Specifically, we digitized critical pieces of the sales process with products such as Connected Store, ELEAD1ONE ("ELEAD") customer relationship management ("CRM"), Digital Contracting and eSign. On an as-needed basis, we have also implemented installation procedures for our DMS and layered application products on a fully remote basis to meet the needs of our dealers. Our acquisition of Roadster in 2021 provided capabilities to enable dealers to sell new and used vehicles completely online, while also giving consumers the option to begin and end the vehicle-buying process anywhere they choose – online or in-store. These solutions are often integrated into and targeted at users of our DMSs, but may, in some cases, be provided to customers that do not otherwise use our DMS.

We further connect the automotive ecosystem by providing third party retail solution providers with robust and secure interfaces to the core DMS through our Partner Program. For both automotive retailers and OEMs, we provide data management and business intelligence solutions through our open Neuron intelligent data platform that extract, cleanse, normalize, enhance, and distribute billions of pieces of industry information and turn it into usable data that provides actionable insights and products.

We also offer automotive retailers and OEMs a variety of professional services, custom programming, consulting, IT solutions, implementation and training solutions, as well as a full range of customer support solutions.

Technology

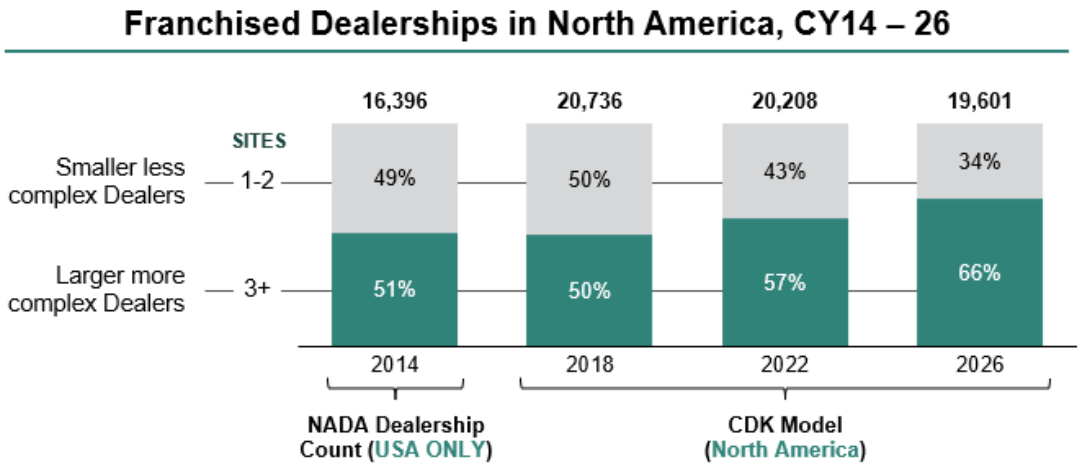
To enable end-to-end automotive commerce, our strategy is to invest for the long-term in integrated software products and an open technology platform that can deliver seamless, workflow-driven solutions for our customers. The automotive retail market is evolving and demand for new and integrated technology solutions is growing – consumers increasingly expect a seamless omnichannel experience when purchasing or servicing vehicles; OEMs see technology as a tool to ensure a consistent and positive customer experience across their retail networks; and retailers are seeking integrated workflow technology solutions to help them improve both customer satisfaction and dealership cost structure. We believe that the best way to compete in a world with numerous providers of unconnected software solutions for numerous automotive retailers, OEMs, consumers, and vehicles is to provide integrated technology solutions and platform tools that can connect the disparate elements to create continuous retail workflows.

The DMS is a mission critical central software system that is connected to all aspects of the dealer technology landscape – it enables the dealers' day-to-day operations, and the replacement process can be complex.

Industry Overview

Dealership Consolidation

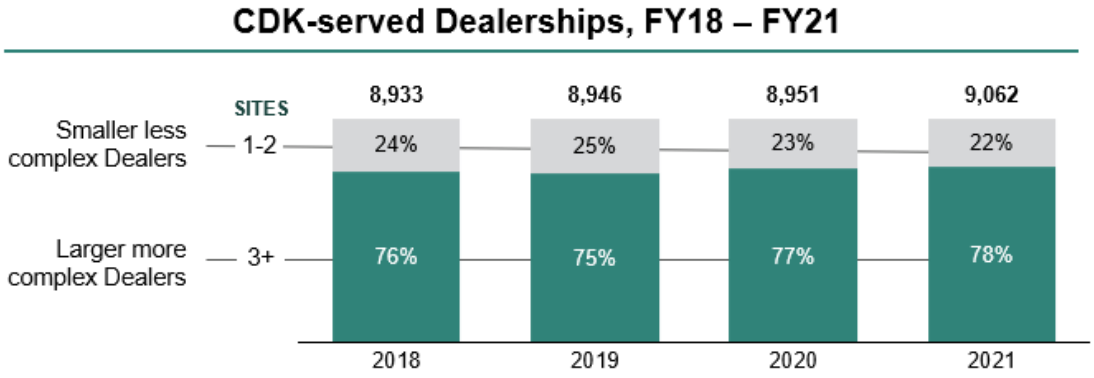
The dealership market in North America has experienced continued consolidation in recent years, with the larger dealers (i.e. those with three or more dealership rooftops) driving industry growth. According to McKinsey research, dealers with three or more sites have grown at a CAGR of approximately 1.4% since 2015 while the overall number of rooftops has increased by approximately 0.1%. We expect this consolidation to continue, with key trends such as increasing penetration of electric vehicles ("EVs") and associated larger capital requirements further accelerating consolidation. According to Bain research, approximately 66% of all automotive dealerships in North America are expected to be owned by dealers with three or more dealerships by 2026, compared to approximately 50% in 2018.



Source: Bain.

We believe CDK is well positioned to continue to benefit from dealer consolidation. Larger, more sophisticated dealers have more complex software requirements and are CDK's core customer. CDK offers a differentiated product with ties to OEMs that can be easily adapted to handle the complexities of large dealer groups. In fiscal 2021 approximately 78% of CDK-served dealerships were owned by dealers with three or more rooftops. CDK has a leading market share among the largest dealers and currently serves more than 60 of the 100 largest dealers in

North America. As dealer consolidation continues, we believe this will drive additional market share gains and growth in site count.



Source: CDK data.

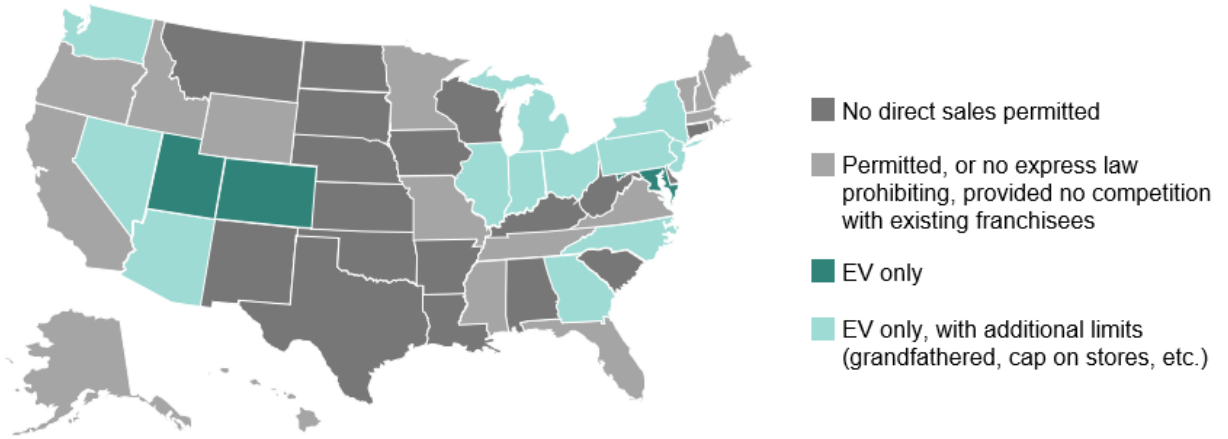
Embedded Economic and Operating Moat and Regulatory Landscape

The dealership model benefits from an embedded economic and operating moat. While OEMs are using digital platforms to optimize the customer journey, dealership networks remain integral to new and used car sales and the service value chain. Dealers are a cost-efficient distribution method for OEMs, and dealerships remain an essential part of the customer journey to provide an omnichannel experience. Consumers increasingly research potential vehicle purchases online, but they still prefer to visit a dealer in order to test drive, complete the purchase and take delivery. Consumers expect a seamless experience across digital and physical channels. According to research from Cox Automotive, 72% of customers seek to finalize the deal in-store and 67% of 'Gen Z' consumers agree that face-to-face interaction is critical to the purchasing decision. In addition, the dealership acts as part of a nationwide footprint of service centers for the OEM and helps ensure that a car purchased at one dealer can be serviced by all dealers under that OEM brand.

The dealership industry also benefits from a favorable regulatory landscape. Every state in the U.S. has franchise laws that protect existing franchise networks. Specific laws vary on a state-by-state basis but can include:

- Outright prohibition on OEMs selling directly against their franchisees
- Requirement for warranty service for vehicles and OEM parts to be provided through the franchise dealers
- Constraints on ability to terminate franchises, allocate inventory, allocate incentives and impose restrictions on dealer autonomy

The net impact of these regulations is that major OEMs cannot sell under existing brands except through their dealer networks and even new entrants face limitations on their ability to sell direct-to-consumer. We believe these elements create a robust and protective moat around our business.



Source: National Conference of State Legislatures.

Vehicle Electrification and Future of the Dealer

We expect the automotive market to continue its long-term transition to electric vehicles ("EVs") and believe this transition will reinforce the growing importance of large auto dealers. We believe CDK, with our focus and leadership in the large auto dealer segment, is well positioned to capitalize on and benefit from this shift.

According to Bain research, EVs are expected to reach 33% penetration of North American light vehicle sales by 2030 – gaining share but not significantly displacing internal combustion engine ("ICE") cars in the next decade. Given the inertia that exists in the car parc, we expect this will be a gradual but sustaining transition. Incumbent OEMs are expected to account for the majority of 2030 EV sales at approximately 27% of total light vehicle production. We also expect OEMs to continue to sell EVs through dealers as the economics and regulatory limitations have mostly not changed with the advent of newer technologies.

Dealerships will require substantial investment throughout this transition, including building out showrooms and charging infrastructure and training their salesforce and technicians. We believe this required investment will serve as a catalyst to further accelerate the consolidation trends within the industry, with the larger, better capitalized dealers gaining share. As CDK is primarily focused on the largest and most sophisticated dealerships, we believe we are well positioned to benefit from this trend.

Increasing penetration of EVs is also expected to improve the profit pools of larger dealerships. While EVs include fewer serviceable parts than ICE cars, the total value of parts for an EV is on average approximately two times more expensive than ICE cars due to the electrification systems, and more complex servicing requirements and tooling investment are expected to result in dealers retaining a greater share of servicing from less equipped third party providers. Higher warranty provisions provided by OEMs on EVs are expected to result in greater revenue for dealers providing the service.

The OEM and dealer relationship landscape is also evolving. In the current landscape, OEMs have limited control over pricing and there is a lack of seamless omnichannel experience due to limited OEM-to-dealer connectivity and inconsistent practices among dealers. New entrants (both OEMs and online retailers) have created stronger customer experiences, which is forcing OEMs and dealers to compete.

As the evolution continues, we expect OEMs to demand a consistent branded experience (including product information and centrally managed pricing) and dealers will need to scale to provide a superior guest experience for new and used car buying and ownership. This will necessitate close collaboration between the OEM and dealers. We believe dealer consolidation will continue to accelerate and bolster the dealership importance to OEMs – both parties will focus on providing an omnichannel digital retail sales experience, leading to more efficient inventory and costs management.

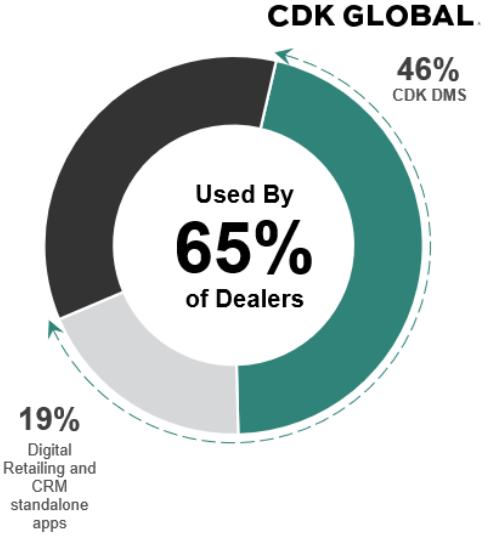
Our Strengths

Clear market leader across automotive commerce software market

CDK has over 40 years of experience designing and implementing mission-critical solutions for automotive retailers and original equipment manufacturers. We believe our core DMS software is the most comprehensive and adaptive solution in the market, as evidenced by our having the largest installed base in the industry. We serve approximately 9,200 auto sites and 6,200 sites across adjacent businesses as of March 31, 2022. Including DMS, our digital retailing products and CRM standalone applications, we serve approximately 65% of the entire North American market.

We also have the highest penetration among the largest dealers, which is the fastest growing segment of the market. As of December 31, 2021 we served 5 of the 10 largest dealers in North America and 60 of the top 100.

North America Auto Site Penetration

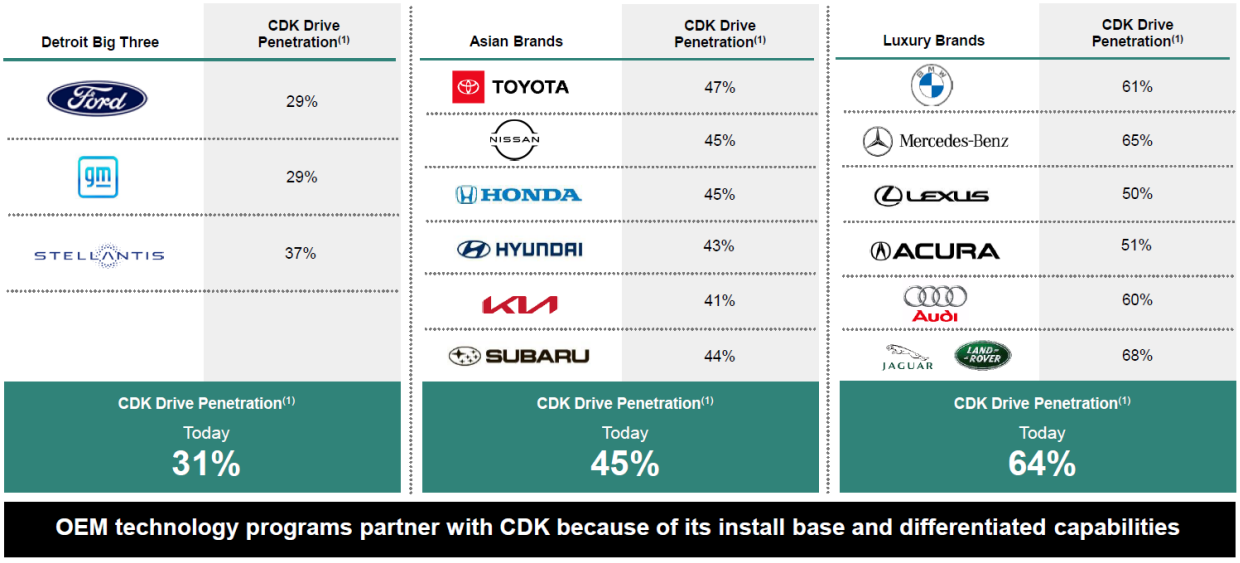


CDK Drive Penetration

	Number	Percentage
Top 10	5	**50%**
Top 50	30	**60%**
Top 100	60	**60%**
Top 150	84	**56%**

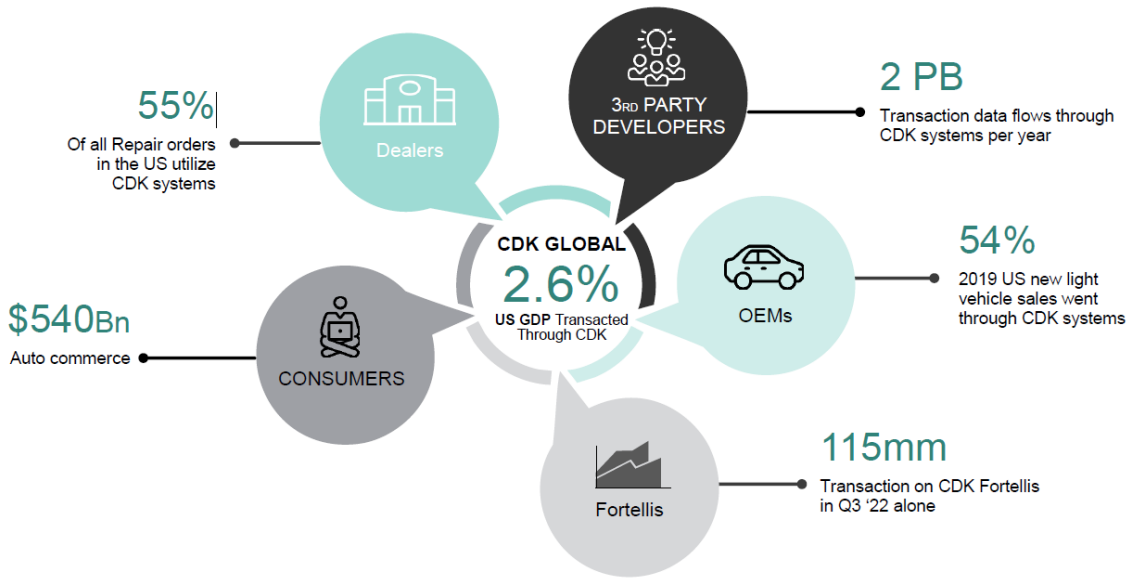
To enable seamless, omnichannel, and end-to-end automotive commerce, we believe it is critical to provide integrated technology solutions and platforms than can connect automotive retailers, OEMs, consumer, and vehicles. Core to our leadership across automotive commerce is our partnership and presence across all major OEMs.

OEMs see technology as a tool to ensure a consistent and positive customer experience across their retail networks. We believe OEM technology programs partner with us because of our installed base and differentiated capabilities. Across the industry, luxury brand dealerships (e.g. BMW, Mercedes-Benz, Audi) are more often part of larger, multi-site dealers than domestic brands (e.g. Ford or GM) or Asian brands (e.g. Toyota or Honda). As our primary customers are larger, multi-site dealers, our penetration of luxury brands is higher than other brand categories.



(1) Market penetration of dealership sites for each OEM group calculated by weighted avg. share of respective OEM brands.

We have been able to build our leadership in the industry through organic expansion and investments and acquisitions, transforming from providing DMS to providing a suite of solutions that allow us to serve as a strategic partner across OEMs, dealers, consumers, and developers. In fiscal 2021, approximately $540 billion of automotive commerce transacted through CDK and 55% of all repair orders to dealers in the US utilized CDK systems.

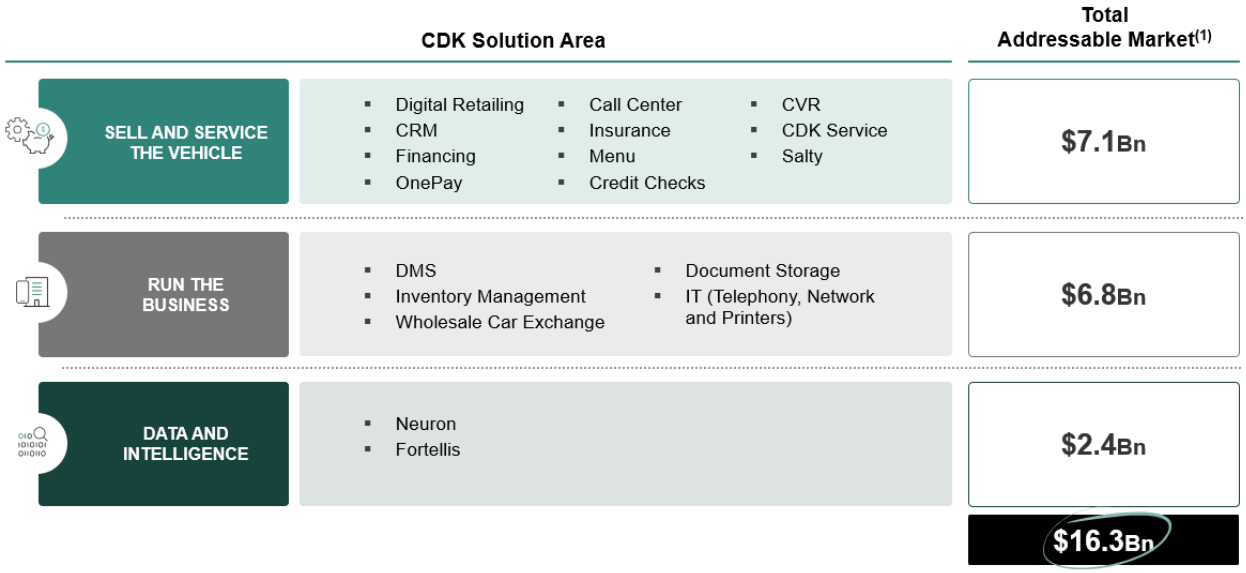


Large and growing market with trends playing to CDK's strengths and delivering new opportunities

CDK's total addressable market ("TAM") is large, resilient, and growing. Our core DMS software solutions provide full-service ERP applications to dealers and facilitate the sale of new and used vehicles, consumer financing, repair and maintenance services, and vehicle and parts inventory management. Complementary to our core DMS, we also provide broad portfolio of layered software applications and services, data management and business intelligence solutions, a variety of professional services, and a full range of customer support solutions. Our open technology platform allows us and third parties to develop adaptive and interchangeable application

programming interfaces ("APIs") that can be used to connect existing technology solutions and build new solutions reliably and quickly.

We have made these strategic investments and acquisitions to expand our TAM from our core DMS offering to include all aspects of selling and servicing vehicles as well as data management and business intelligence solutions. In aggregate, Bain estimates our TAM at over $16 billion as of January 2022.



Source: Bain.

We believe the markets we serve are also poised to benefit from secular trends within automotive retail, including EV adoption and dealer consolidation, consumer focus on seamless and omnichannel digital retail, and increasing value in and complexity of servicing vehicles.

- EV adoption is accelerating, and we expect this to drive increased dealer consolidation as the capital investment required and technological complexities will favor larger, more sophisticated, and better capitalized dealers
- OEMs, dealers, and consumers are increasingly focused on an omnichannel digital retail sales experience
- Vehicles are becoming increasingly connected, with OEMs and dealers placing a premium on data management and interoperability to deliver a modern service experience
- We believe service is and will continue to be the biggest catalyst of dealer profitability growth, supported by the EV transition

The automotive retail market is evolving and demand for new and integrated technology solutions is only growing. As consumers increasingly expect a seamless omnichannel experience, we believe integrated dealer technology will be essential for OEMs to ensure a consistent and positive customer experience across their retail networks.

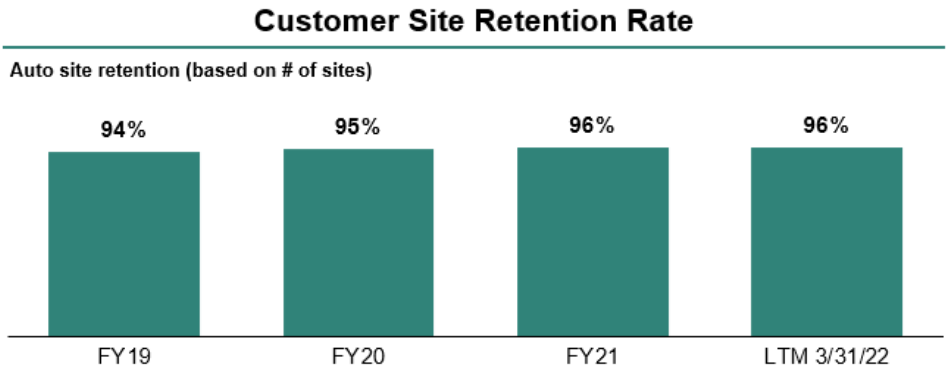
As a provider of solutions for all aspects of operating a dealership, with industry-leading innovative technologies, a primary focus on larger dealers, and best-in-class software applications and data management, we believe CDK is poised to capture the robust growth opportunities across our various markets.

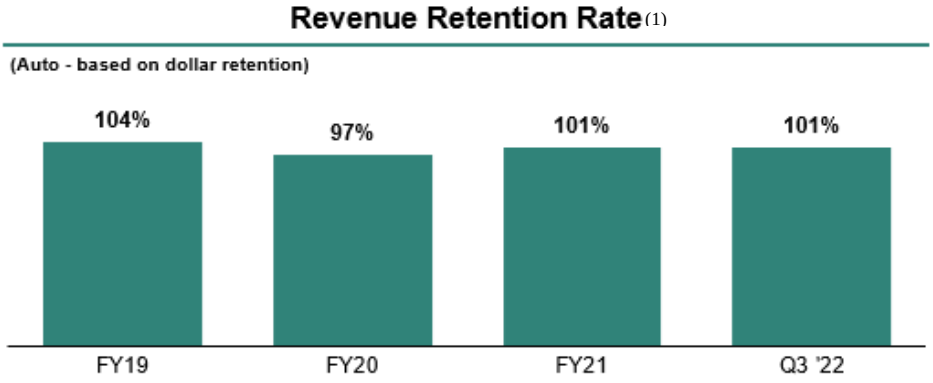
Deeply embedded, mission critical software solutions driving robust retention rates

CDK's DMS and CRM software solutions are tailored specifically to automotive dealers and are mission-critical to all core operations of a dealership. Our strategy is and has been to invest for the long-term in integrated software products and an open technology platform that can deliver seamless, end-to-end automotive software solutions to our customers.

We believe we offer industry-leading software solutions and have cultivated deeply embedded and highly strategic relationships with both OEMs and dealers over our more than 40 years of year operating history.

We believe our historical retention rates demonstrate the quality of our solutions and strength of our customer and partner relationships. Since fiscal 2019 we have averaged 95% customer retention based on the number of auto dealer sites and 100% customer retention based on auto site revenue contribution. In addition, we had an approximately 92% gross retention rate for the LTM period ended March 31, 2022.





(1) Net revenue retention rate which is calculated by dividing revenue earned in a specific period by the revenue earned from the same customers in the corresponding period of the previous year. Our calculation of Net revenue retention rate for a given period only includes revenue from customers that were customers during the corresponding period of the previous year, and excludes revenue from new business on boarded during the last 12 months.

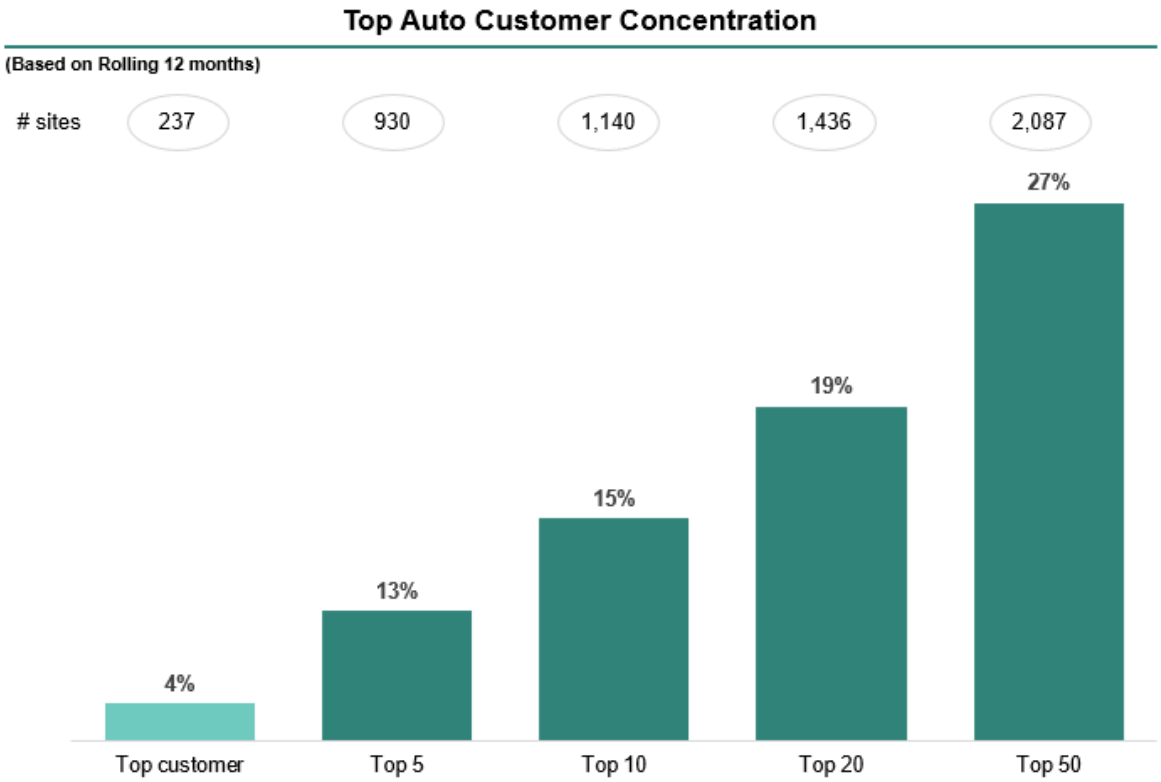
Long-tenured, highly diversified customer base

CDK benefits from a large and long-tenured customer base that is highly diversified across both dealers and OEMs. As of March 31, 2022, we served more than 5,600 customers across automotive and non-automotive end markets that represented over 15,000 individual dealer sites. Approximately 60% of our DMS sites are in the automotive end market, with the remaining 40% in adjacency end markets (including heavy trucks, construction

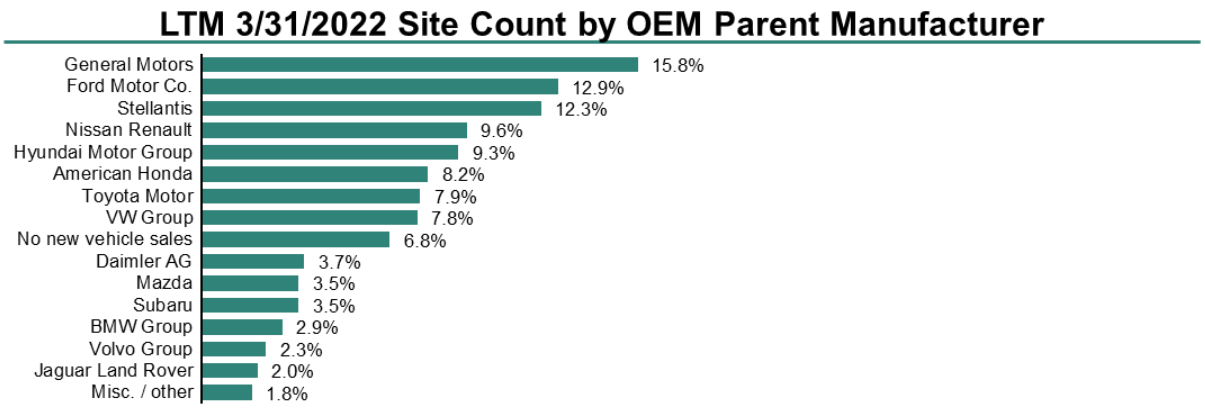
equipment, agricultural equipment, motorcycles, boats and other marine and recreational vehicles). Our primary focus is on larger, more complex dealers with three or more sites. These dealers represent approximately 80% of CDK-served dealerships as of March 31, 2022.

Across our entire customer base, the average length of relationship is approximately 20 years, which we believe demonstrates the quality of our service offerings, value proposition to our customers, and embedded nature of our solutions within our customers' sites.

Within our end markets we provide solutions to over 5,600 customers that represent more than 15,000 sites as of March 31, 2022. Our largest customer accounts for 237 sites and just 4% of revenue, with the top 50 customers accounting for accounting for 2,087 sites and 27% of revenue. Additionally, less than 10% of our revenue is related to transactional volumes of car sales. This diversification insulates us from the risk of losing a customer or a customer experiencing financial distress, as no individual dealer customer represents a material portion of our total revenue.



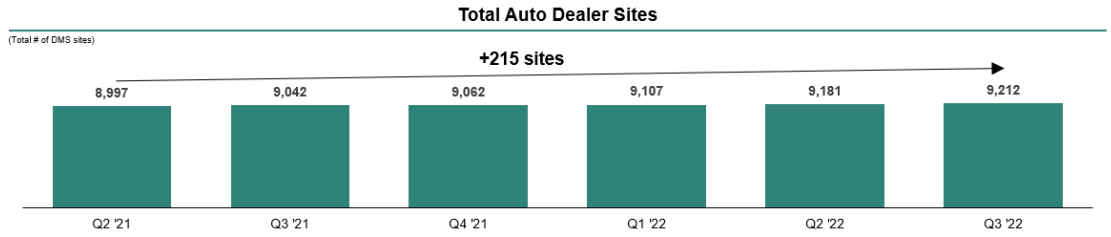
Further, our base of automotive customers is also highly diversified by parent manufacturer. For the LTM period ended March 31, 2022, General Motors, Ford, and Stellantis dealerships represented approximately 16%, 13%, and 12% of revenue, respectively. No other parent manufacturer accounted for greater than 10% of our revenues. We believe the diversity in brands that we service further insulates our business from the risk of any individual automotive manufacturer experiencing financial or other distress.



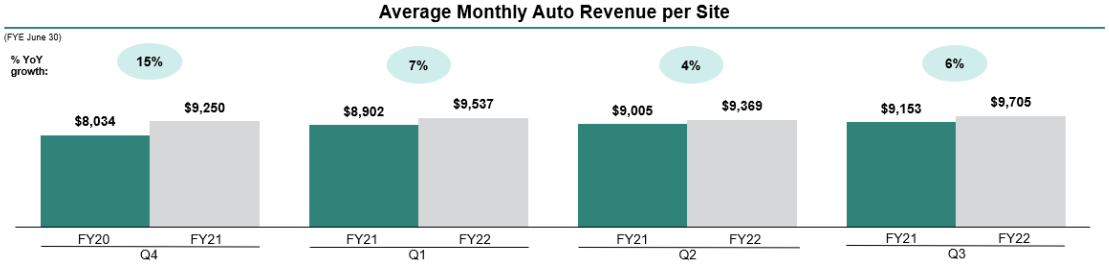
Strong subscription revenue growth supported by consistent increases in new dealer sites and penetration of layered applications

We generate revenue primarily by providing our suite of software and technology solutions under subscription-based, SaaS contracts. Our contracts are multi-year with revenue tied to customer site count, not transaction volume, which provides a recurring revenue stream and stability to our financial performance. In the LTM period ended March 31, 2022, approximately 78% of our revenue was generated from subscriptions-based contracts.

We have successfully been able to grow our subscription-based revenue through a combination of increasing the number of dealer sites served and cross selling layered applications to existing DMS customers. We have grown our number of sites both through organic new dealer wins as well as through the natural flow-through effects of industry consolidation, whereby our existing larger dealer customers increase their site count. In the last six quarters through the COVID-19 pandemic we have added 215 total auto dealer sites, bringing our total base to over 9,200.



We have also been successful in cross selling and increasing the penetration of our best-in-class layered applications with our existing and new DMS customers. These layered applications have been a key driver of our ability to increase our revenue per site, which has experienced robust growth through the last several quarters.

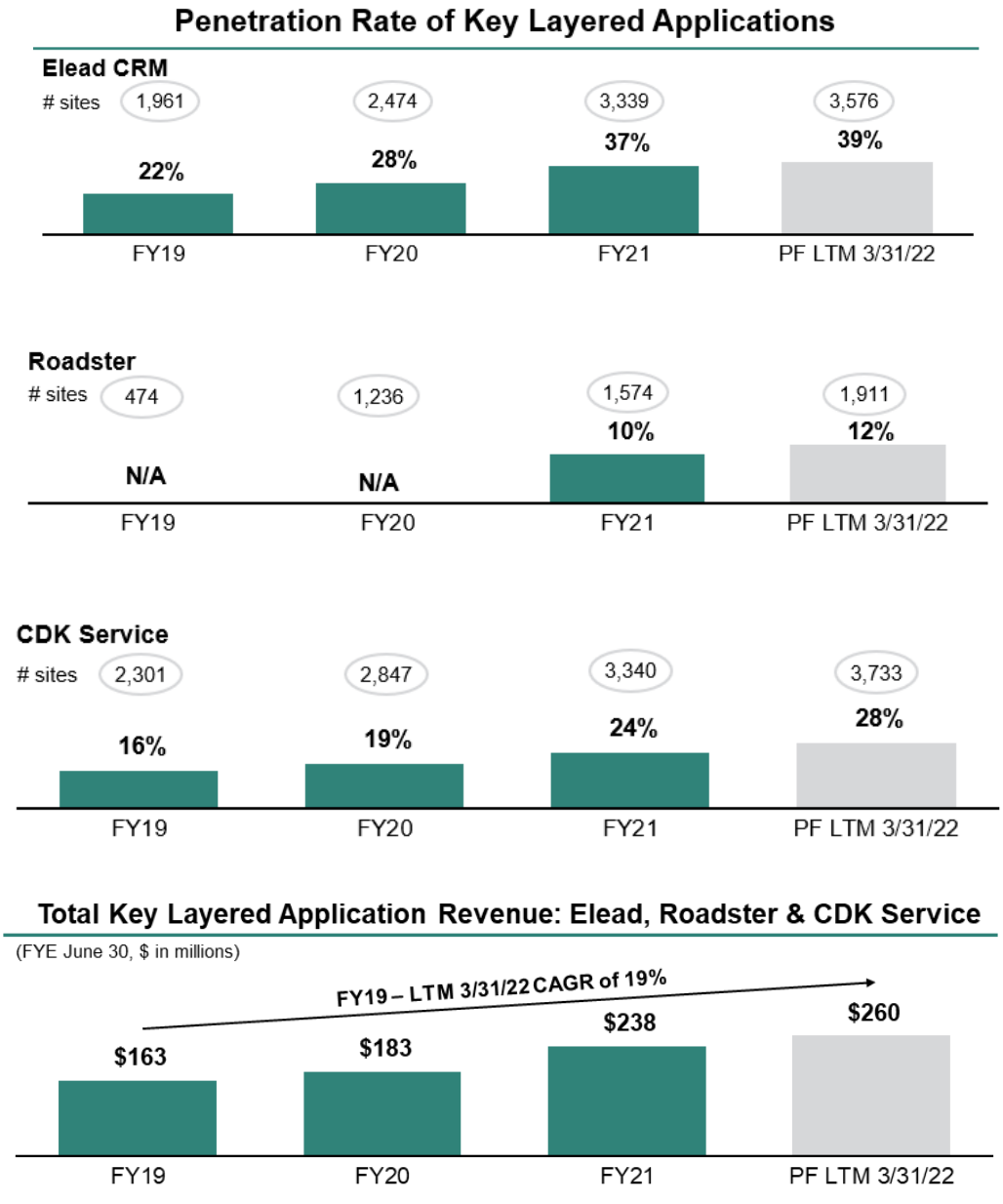


We have been particularly successful increasing the penetration of our ELEAD, CDK Service, and Roadster layered applications.

- CDK acquired ELEAD in September 2018 – ELEAD's automotive CRM software and call center solutions enable interaction between sales, service and marketing operations to provide dealers with an integrated customer acquisition and retention platform

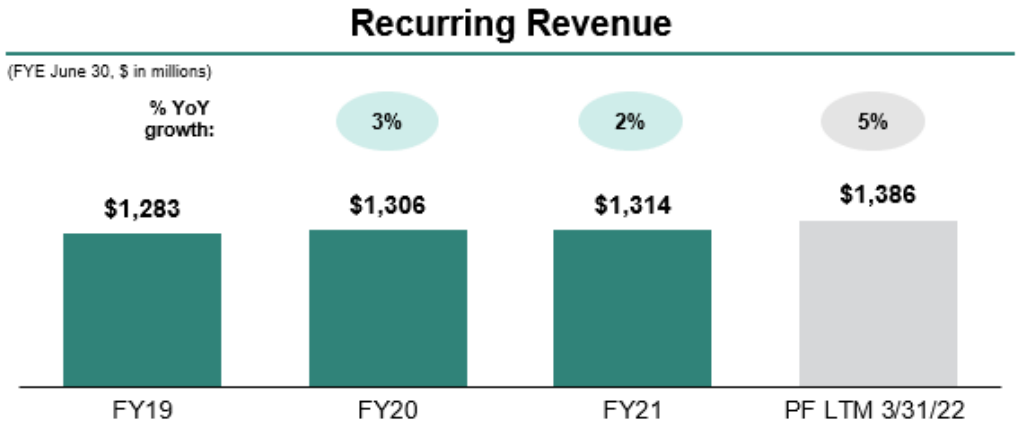
- CDK Services includes CDK Appointment (convenient scheduling platform), CDK Lane (innovative inspection tablet), and CDK Inspect (automated inspection process), among other value-add services

- CDK acquired Roadster in June 2021 – Roadster's CRM solution enables dealers and OEMs to sell vehicles completely online, and to enhance the consumer retail experience



Attractive financial model with highly visible and growing recurring revenue, strong profitability and cash flow combined with actionable margin improvement initiatives

We believe our recurring, subscription-based revenue and highly diversified customer base provide us with a resilient financial profile. These subscription contracts are multi-year in length, and our high retention rates historically have provided us with a consistent base of recurring revenue from which to drive organic growth through adding dealer sites and cross selling layered applications to increase the average revenue per site. In the LTM period ended March 31, 2022, approximately 78% of our revenue was generated from these subscription contracts in which revenue is tied to customer site count, not transaction volume. We have consistently grown our recurring revenue base to over $1.3 billion in the LTM period.

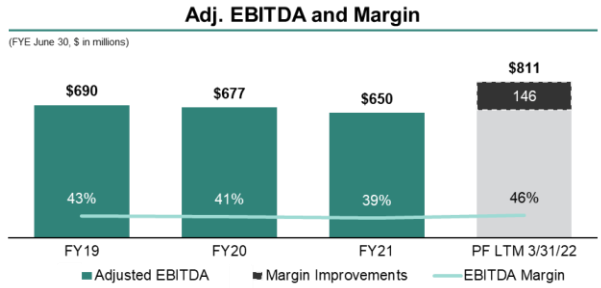


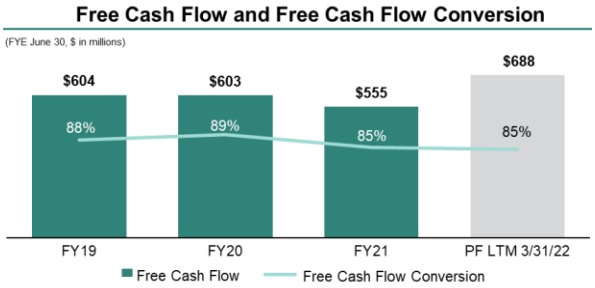
Note: Recurring revenue refers to revenue generated pursuant to multi-year subscription contracts.

The Company has a high free cash flow conversion rate due to relatively low capex spend and working capital requirements, providing a stable cash flow profile. The recurring nature of CDK's revenue has contributed to an average Adjusted EBITDA margin of approximately 41% and average free cash flow of $587.3 million over the past three fiscal years.

We continuously invest in our business and technology which we believe helps us maintain our industry-leading position and market share. In the last several years we have invested and re-deployed capital into early-stage growth businesses, increases in corporate overhead and customer support, and technology modernization. These one-time investments drove a modest compression in Adjusted EBITDA margins from fiscal 2019 to fiscal 2021. Including the impact of identified margin improvement initiatives, Pro Forma Adjusted EBITDA for the LTM period ended March 31, 2022 was $811 million, representing a 46% Pro Forma Adjusted EBITDA margin. Our business also benefits from relatively low capital expenditure and working capital requirements, which has driven a high Free Cash Flow Conversion historically between 85% and 89% from fiscal 2019 to fiscal 2021.

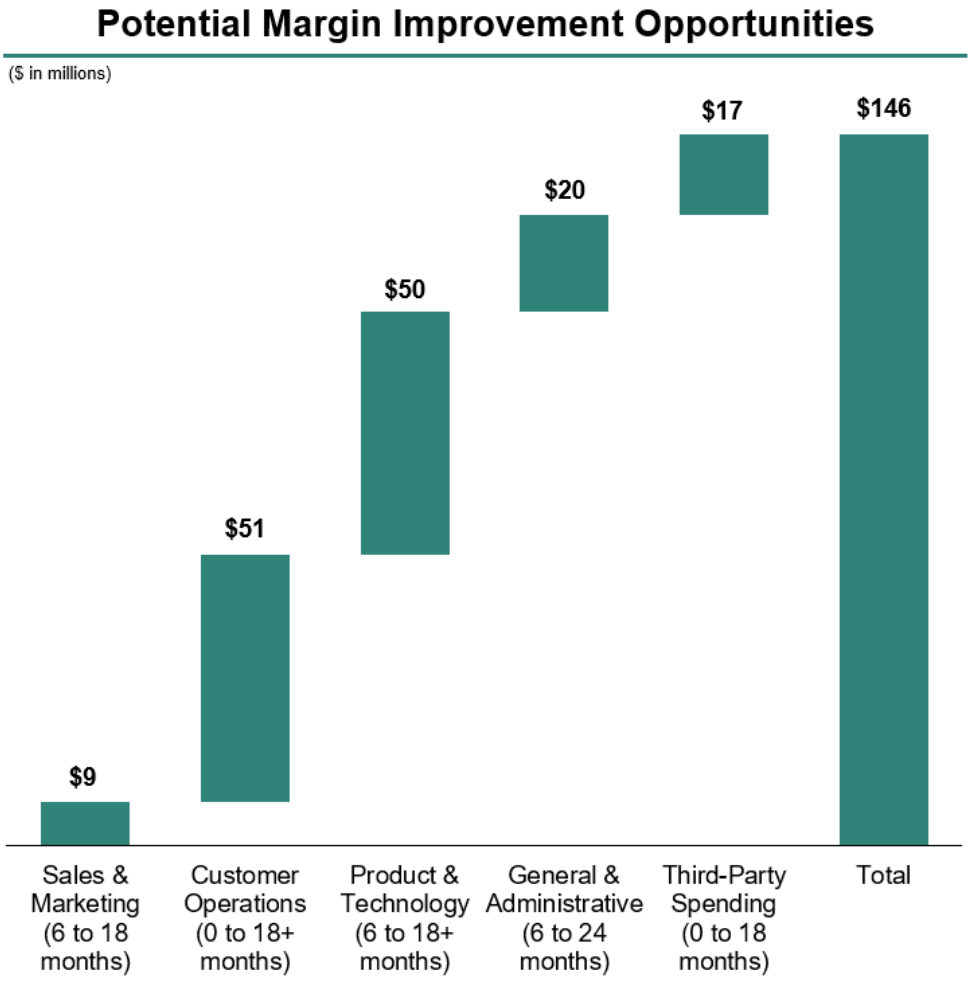
We have consistently achieved financial results earning status as a Rule of 40 Company, with combined Adjusted EBITDA margin and revenue growth exceeding 40%.





Identified margin improvement initiatives

Our management team, together with external advisors and Brookfield, has identified an estimated $146 million of margin improvement initiatives. Approximately one-third of these initiatives are related to customer operations, which includes improved utilization of installation delivery teams, increased automation and offshoring, as well as increasing managerial efficiency and removing redundant layers in targeted areas. Approximately one-third are related to product and technology, which includes rationalizing resources and geographies, adjusting the DMS Modernization roadmap and improving managerial efficiency. The remaining margin improvement initiatives are related to improved productivity within the Sales & Marketing team, increasing General & Administrative efficiency, and optimizing third party spend. We intend to fully action these initiatives within 24 months of closing the transaction. Brookfield has a strong track record of successfully delivering on expected cost savings realization with its other portfolio companies and we believe we will be able to leverage their expertise to implement the cost savings initiatives.



Highly experienced management team with proven track record of operational excellence

Our business is led by a highly experienced and qualified management team. Our management team has a demonstrated track record of delivery value to our stakeholders as a publicly listed company. Our leadership team have on average over 20 years of industry experience. See “Management.”

The Transactions

Acquisition

On April 7, 2022, Central Parent Inc., a Delaware corporation ("Parent") formed by affiliates of Brookfield, and its subsidiary Central Merger Sub Inc., a Delaware corporation ("Merger Sub"), entered into an Agreement and Plan of Merger (as it may be amended from time to time, the "Merger Agreement") with CDK Global, Inc., ("CDK"), a Delaware corporation, pursuant to which Parent agreed to acquire CDK as specified in the Merger Agreement. The Acquisition is structured as a cash tender offer (the "Equity Tender Offer") commenced on April 22, 2022 by Merger Sub to purchase all of the outstanding shares of common stock of CDK, par value $0.01 per share (the "Common Stock"), at a price of $54.87 per share, without interest (the "Equity Tender Offer Price"), to the seller in cash, less any applicable withholding taxes. Following the consummation of the Equity Tender Offer and subject to the satisfaction or waiver of the conditions set forth in the Merger Agreement, Merger Sub will be merged with and into CDK, with CDK continuing as the surviving corporation and becoming a wholly-owned subsidiary of Parent, and with all remaining shares of Common Stock (if any) not owned by Parent, Merger Sub or any of their affiliates (excluding certain dissenting shares as set forth in the Merger Agreement) canceled and converted into the right to receive the Equity Tender Offer Price.

Parent will need approximately $8,700.0 million to fund the consideration payable in respect of all of the shares of the Common Stock pursuant to the Merger Agreement and to refinance $1,790.0 million of existing debt of CDK. Completion of the Acquisition is subject to various conditions, including, among others, (i) that the number of shares of Common Stock validly tendered and not properly withdrawn prior to the expiration of the Equity Tender Offer, excluding shares of Common Stock tendered pursuant to guaranteed delivery procedures that have not yet been "received" (as such term is defined in Section 251(h) of the Delaware General Corporate Law, as amended (the "DGCL")), together with any shares of Common Stock (if any) owned by Parent, Merger Sub or any of their affiliates, represents at least a majority of the then outstanding shares of Common Stock (the "Minimum Condition"), (ii) the absence of any order, or the enactment of any law, prohibiting the Acquisition, (iii) approvals and/or termination or expiration of any applicable waiting periods (including any extensions thereof) under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act") and the Competition Act (Canada), R.S.C., 1985, c. C-34HSR Act (the "Competition Act (Canada)"), (iv) subject to certain exceptions, the accuracy of the representations and warranties of the parties and compliance by the parties with their respective obligations under the Merger Agreement, (v) performance in all material respects by each party of its obligations under the Merger Agreement and (vi) the absence, since the date of the Merger Agreement, of any fact, event, development or effect that has had, or would be reasonably expected to have, a Company Material Adverse Effect (as defined in the Merger Agreement). In addition, the parties agreed that the expiration of the Equity Tender Offer will not occur prior to July 1, 2022, as may be extended under certain circumstances. On April 25, 2022, the parties received an Advance Ruling Certificate from the Canadian Competition Bureau confirming that there would not be sufficient grounds to apply to the Competition Tribunal for an order under the Competition Act (Canada) to prohibit the completion of the Transaction. At 11:59 p.m., Eastern time, on May 6, 2022, the applicable waiting period under the HSR Act with respect to the purchase of shares in the Equity Tender Offer expired.

The Merger Agreement also contains certain termination rights for both Parent and CDK, including the right of each party to terminate the Merger Agreement if, other than in certain circumstances described therein, the Acquisition has not been consummated by October 7, 2022. The Merger Agreement provides that, if any party to the Merger Agreement fails or refuses to perform any covenant or agreement, the non-breaching party may seek specific performance of such covenant or agreement, subject to certain restrictions on the ability of CDK to seek specific performance to enforce Parent's obligation to provide equity financing. In addition, upon termination of the Merger Agreement under specified circumstances, Parent may be required to pay CDK a termination fee.

Acquisition Financing Transactions

On April 20, 2022, CDK announced an offer to purchase for cash any and all of its outstanding 4.500% Senior Notes due 2024 (the "2024 Notes"), 4.875% Senior Notes due 2027 (the "2027 Notes") and 5.250% Senior Notes due 2029 (the "2029 Notes" and together with the 2024 Notes and the 2027 Notes, the "Existing Notes") (collectively, the "Debt Tender Offers"). The Debt Tender Offers expire at 5:00 P.M., New York City time, at the

end of the day on July 5, 2022 (the "Expiration Date" unless extended or terminated prior to the date any Existing Notes are accepted for tender). In connection with the Debt Tender Offers, CDK sought consents to the adoption of proposed amendments to each of the indentures governing the Existing Notes (collectively, the "Existing Indentures") to, among other things, eliminate any obligation to make a change of control offer, substantially all of the other restrictive covenants and certain events of default and other provisions (the "Proposed Amendments"). The consummation of each Debt Tender Offer is conditioned upon the consummation of the Acquisition and certain other customary conditions. As of the date of this offering memorandum, for each Debt Tender Offer, consents from holders of at least a majority of the outstanding aggregate principal amount of each series of the Existing Notes in such Debt Tender Offer (the "Requisite Consent") has been received and the supplemental indenture to the applicable Existing Indenture (each a "Supplemental Indenture") has been executed; however, the Proposed Amendments under each such Supplemental Indenture shall become operative only at the time and date at which the Acquisition is consummated in accordance with the Merger Agreement. Accordingly, any Existing Notes that remain outstanding will not benefit from any of the restrictive covenants that are eliminated by the adoption of the Proposed Amendments and will be unsecured obligations of the Issuers, effectively junior in right of payment to all of the Issuers' and the Guarantors' existing and future secured senior indebtedness (including the Notes and the New Credit Facilities) to the extent of the value of the Collateral.

Holders of Existing Notes who validly tendered (and did not validly withdraw) their Existing Notes and validly delivered (and did not validly revoke) their corresponding consents at or prior to (x) 5:00 P.M., New York City time, on May 3, 2022 in the case of the 2027 Notes and the 2029 Notes and (y) 5:00 P.M., New York City time, on May 6, 2022 in the case of the 2024 Notes (in each case of (x) and (y), such time and date with respect to a Debt Tender Offer, the "Consent Time"), and whose Existing Notes are accepted for purchase, will receive consideration equal to (i) $1,036.25 per $1,000 principal amount of the 2024 Notes tendered, (ii) $1,012.50 per $1,000 principal amount of the 2027 Notes tendered and (iii) $1,012.50 per $1,000 principal amount of the 2029 Notes tendered, in each case, plus any accrued and unpaid interest on the Existing Notes up to, but not including, the settlement date of the Debt Tender Offers (the "Debt Tender Offers Settlement Date"), which is expected to promptly follow the Expiration Date and coincide with the closing of the Acquisition. Holders of Existing Notes who validly tender their Existing Notes after the applicable Consent Time but on or prior to the Expiration Date, and whose Existing Notes are accepted for purchase, will receive consideration equal to (i) $1,006.25 per $1,000 principal amount of the 2024 Notes tendered, (ii) $982.50 per $1,000 principal amount of the 2027 Notes tendered and (iii) $982.50 per $1,000 principal amount of the 2029 Notes tendered, in each case, plus any accrued and unpaid interest on the Existing Notes up to, but not including, the Debt Tender Offers Settlement Date.

We expect to decrease the principal amount of the New Second Lien Credit Facility by the aggregate principal amount of Existing Notes (if any) that remain outstanding after the Expiration Date. As of the date of this offering memorandum, the outstanding aggregate principal amount of each series of Existing Notes that were not tendered and would remain outstanding is approximately (i) $87 million of the 2024 Notes, (ii) $62 million of the 2027 Notes and (iii) $10 million of the 2029 Notes.

To finance the Acquisition, the Debt Tender Offers and the other transactions related to the Acquisition, we intend to issue the Notes offered hereby and, concurrently with the closing of the Acquisition, enter into (i) new first lien credit facilities (the "New First Lien Credit Facilities"), initially consisting of (x) a 7-year $3,600.0 million equivalent principal amount senior secured U.S. dollar denominated first lien term loan facility (the "New First Lien Term Loan Facility") and (y) a 5-year $650.0 million senior secured revolving credit facility (the "New Revolving Facility"), with no amounts expected to be drawn from the New Revolving Facility at the closing of the Acquisition and (ii) a new 8-year $865.0 million senior secured U.S. dollar denominated second lien term loan facility (the "New Second Lien Credit Facility" and together with the New First Lien Credit Facilities, the "New Credit Facilities") (which includes an $87.0 million delayed draw portion for the refinancing of 2024 Notes that remain outstanding after the Expiration Date of the Debt Tender Offers), subject to reduction as noted above. We intend to use the proceeds of this offering and the borrowings under the New Credit Facilities, together with equity contributions from funds affiliated with Brookfield, (1) to pay the cash consideration for the Acquisition, (2) to repay all amounts outstanding under the Revolving Credit Agreement, dated as of May 24, 2021, among CDK, the borrowing subsidiaries of CDK party thereto from time to time, the lenders party thereto and Bank of America, N.A. as administrative agent (as amended, supplemented or otherwise modified from time to time, the "Existing Credit Facility"), (3) to pay the cash consideration for the Debt Tender Offers, (4) to pay fees and expenses related to the

foregoing and (5) for general corporate purposes. See "Use of Proceeds," "Unaudited Pro Forma Consolidated Financial Information" and "The Transactions." The foregoing financing transactions described in this paragraph are collectively referred to in this offering memorandum as the "Acquisition Financing Transactions." The Acquisition, the Debt Tender Offers and the Acquisition Financing Transactions and the payment of related fees and expenses are collectively referred to in this offering memorandum as the "Transactions."

The closing of this offering is not conditioned on consummation of the other Acquisition Financing Transactions, but release of the proceeds of this offering from the escrow account (as described below) will require, among other things, that the borrowings under the New Credit Facilities be drawn in connection with the Acquisition and be available to the Issuers on the date of such release and completion of the Acquisition on such date. We cannot assure you that such Acquisition Financing Transactions will be completed or, if completed, on what terms they will be completed. In particular, the terms of our New Credit Facilities are subject to change as we expect to enter into the New Credit Facilities subsequent to the consummation of this offering.

Sources and Uses of Funds

The following table summarizes the estimated sources and uses of proceeds in connection with the Transactions, assuming the Transactions occurred on March 31, 2022. Actual amounts may vary from estimated amounts depending on several factors, including, among other things, the date of the closing of the Transactions, differences from our estimate of fees, expenses and other costs related to the Transactions, differences from our estimate of our cash and cash equivalents expected immediately prior to the closing of the Acquisition, our working capital, differences from our estimate of the amount of Existing Notes that will remain outstanding and any changes made to the sources of the contemplated debt financing, including our New Credit Facilities, and the issue price thereof. You should read the following together with the information included under the headings "The Transactions," "Use of Proceeds," "Capitalization" and "Unaudited Pro Forma Consolidated Financial Information" included elsewhere in this offering memorandum.

Sources	Amount	Uses	Amount
	(in millions)		
New Revolving Facility ($650.0 million undrawn)[(1)]	$ —	Acquisition consideration[(7)]	$ 8,036.0
New First Lien Term Loan[(2)]	3,600.0	Cash to balance sheet	125.0
New Second Lien Facility[(3)]	707.0	Rollover of Existing Notes[(5)]	158.0
New First Lien Notes offered hereby[(4)]	750.0	Transaction fees and expenses[(8)]	373.0
Rollover of Existing Notes[(5)]	158.0		
New Sponsor Equity[(6)]	3,463.0		
Rollover of NCI	14.0		
Total sources of funds	$ 8,692.0	Total uses of funds	$ 8,692.0

(1) Concurrently with the closing of the Acquisition, the Issuer, the Co-Issuer, Holdings, the Guarantors and certain other subsidiaries of the Issuer will enter into the New Revolving Facility. The New Revolving Facility is expected to have a total borrowing capacity of $650.0 million. The table above assumes that the New Revolving Facility will be undrawn at the close of the Acquisition. We may draw from the New Revolving Facility to provide for working capital needs and for purchase price and/or working capital adjustments, if any, in connection with the Acquisition. See "Description of Certain Other Indebtedness."

(2) Concurrently with the closing of the Acquisition, the Issuer, the Co-Issuer, Holdings, the Guarantors and certain other subsidiaries of the Issuer will enter into the New First Lien Term Loan Facility. The New First Lien Term Loan Facility is expected to consist of $3,600.0 million in US Dollar denominated initial term loans. See "Description of Certain Other Indebtedness."

(3) Concurrently with the closing of the Acquisition, the Issuer, the Co-Issuer, Holdings, the Guarantors and certain other subsidiaries of the Issuer will enter into the New Second Lien Facility. The New Second Lien Facility is expected to have a total borrowing capacity of $865.0 million (which includes an $87.0 million delayed draw portion for the refinancing of 2024 Notes that remain outstanding after the Expiration Date of the Debt Tender

Offers), subject to reduction by the aggregate principal amount of Existing Notes (if any) that remain outstanding after the Expiration Date of the Debt Tender Offers. The table above assumes that $158.0 million of Existing Notes remains outstanding, which is the aggregate principal amount of Existing Notes that would remain outstanding assuming all Existing Notes tendered at or prior to the date of this offering memorandum are purchased pursuant to a Tender Offer. See "The Transactions" and "Description of Certain Other Indebtedness."

(4) Represents the aggregate principal amount of the Notes offered hereby. We intend to use the proceeds from this offering and the borrowings under the New Credit Facilities, together with equity contributions from funds affiliated with Brookfield, (i) to pay the cash consideration for the Acquisition, (ii) to repay all amounts outstanding under the Existing Credit Facility, (3) to pay the cash consideration for the Debt Tender Offers, (4) to pay fees and expenses related to the foregoing and (5) for general corporate purposes. If the Escrow Release Conditions are not satisfied on or prior to the Escrow Release Date, the Notes will be subject to a special mandatory redemption. See "Description of Notes—Escrow of Gross Proceeds; Special Mandatory Redemption."

(5) Assumes that $158.0 million of Existing Notes remains outstanding following the Expiration Date of the Debt Tender Offers, which is the aggregate principal amount of Existing Notes that would remain outstanding assuming all Existing Notes tendered at or prior to the date of this offering memorandum are purchased pursuant to a Tender Offer. See "The Transactions" and "Description of Certain Other Indebtedness."

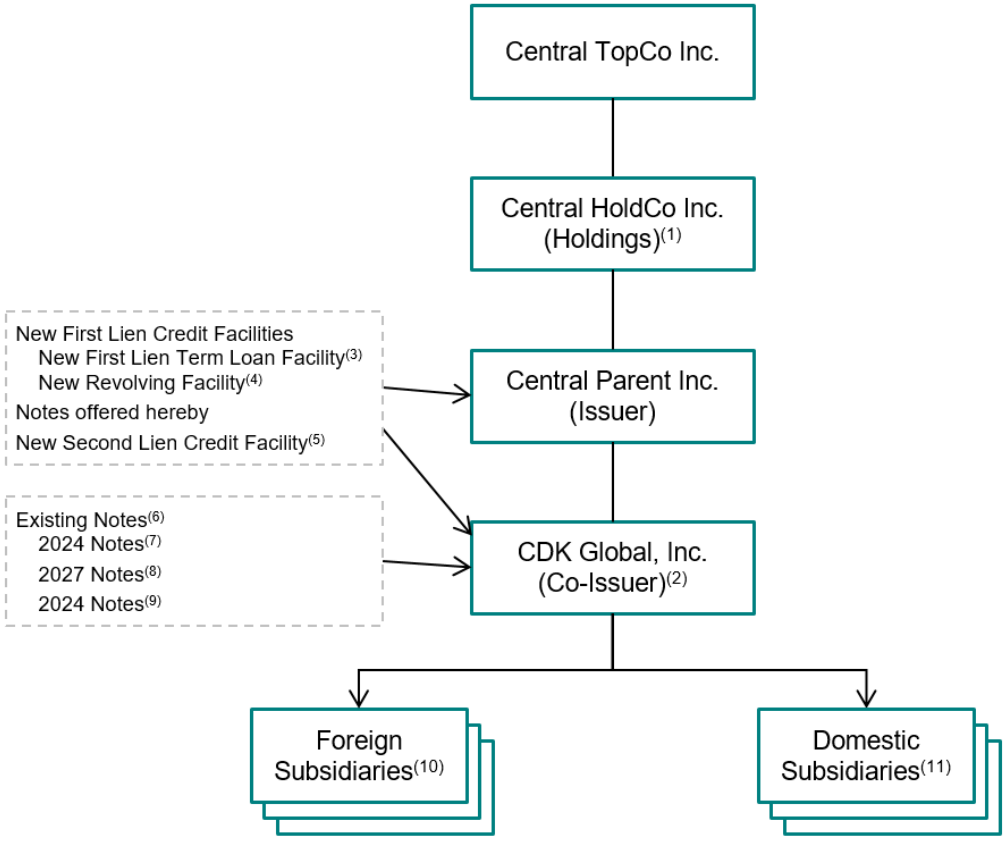
(6) Represents the estimated equity contributions to be made by entities affiliated with Brookfield in connection with the closing of the Acquisition.

(7) Reflects the estimated total cash consideration to be paid in connection with the Acquisition to equity holders of CDK at or immediately following the consummation of the Acquisition, including the estimated total cash consideration of approximately $6,369.9 million to be paid for the acquisition of CDK. See "The Transactions."

(8) Reflects our estimate of fees and expenses associated with the Transactions, including financial advisory fees, legal, accounting and other professional fees and transaction costs incurred in connection with the Transactions. All fees, expenses and other costs are estimates and actual amounts may significantly differ from those set forth in this offering memorandum.

Our Corporate Structure

The following chart illustrates our ownership structure (on a simplified basis) upon completion of the Transactions:



(1) Prior to the Escrow Release Date, the Notes will only be guaranteed by Holdings. From and after the Escrow Release Date, the Notes and the New Credit Facilities will be guaranteed by Holdings. See "Description of Certain Other Indebtedness."

(2) Merger Sub commenced a cash tender offer on April 22, 2022 to purchase all of the outstanding Common Stock of CDK at a per share price equal to the Equity Tender Offer Price. Following the consummation of the Equity Tender Offer and subject to the satisfaction or waiver of conditions as set forth in the Merger Agreement, Merger Sub will be merged with and into CDK, with CDK continuing as the surviving corporation and becoming a wholly-owned subsidiary of Parent, an affiliate of Brookfield. See "The Transactions."

(3) The New First Lien Term Loan Facility is expected to have an aggregate principal amount of $3,600.0 million. See "Description of Certain Other Indebtedness."

(4) The New Revolving Facility is expected to have a total borrowing capacity of $650.0 million, which we expect will be undrawn at the time of the Acquisition. However, we may draw from the New Revolving Facility for among other things, purchase price and/or working capital adjustments and general corporate purposes. See "Description of Certain Other Indebtedness."

(5) The New Second Lien Facility is expected to have a total borrowing capacity of $865.0 million (which includes an $87.0 million delayed draw portion for the refinancing of 2024 Notes that remain outstanding after the Expiration Date of the Debt Tender Offers), subject to reduction by the aggregate principal amount of Existing Notes (if any) that remain outstanding after the Expiration Date of the Debt Tender Offers. See "Description of Certain Other Indebtedness."

(6) The Existing Notes (if any) that remain outstanding after the Expiration Date of the Debt Tender Offers will not benefit from any of the restrictive covenants that are eliminated by the adoption of the Proposed Amendments and will be unsecured obligations of the Co-Issuer.

(7) As of the date of this offering memorandum, the outstanding aggregate principal amount of 2024 Notes that were not tendered and would remain outstanding is approximately $87 million.

(8) As of the date of this offering memorandum, the outstanding aggregate principal amount of 2027 Notes that were not tendered and would remain outstanding is approximately $62 million.

(9) As of the date of this offering memorandum, the outstanding aggregate principal amount of 2029 Notes that were not tendered and would remain outstanding is approximately $10 million.

(10) None of our subsidiaries organized in jurisdictions outside of the United States will guarantee the Notes. As of and for the nine months ended March 31, 2022 and the year ended June 30, 2021, our non-guarantor subsidiaries represented approximately 8% and 8% of our revenues, 9% and 8% of our Adjusted EBITDA and 5% and 5% of our total assets (excluding cash), respectively. See "Risk Factors—Risks Related to Our Indebtedness and the Notes—Claims of holders of the Notes will be structurally subordinated to claims of creditors of certain of our subsidiaries that will not guarantee the Notes."

(11) From and after the Escrow Release Date, the Notes will be jointly and severally, unconditionally guaranteed by each of the Issuer's existing and future wholly-owned domestic subsidiaries that will guarantee the Issuers' obligations under the New Credit Facilities. We expect that certain of our subsidiaries organized in the United States will guarantee the Notes from and after the Escrow Release Date. See "Description of Notes—Guarantees."

Our Sponsors

Certain entities affiliated with Brookfield Asset Management Inc. and Brookfield Capital Partners VI L.P. (together, "Brookfield"), will own all of the equity interests of CDK upon the consummation of the Acquisition. Brookfield is a leading global alternative asset manager with a 120-year history and operations across a broad portfolio of real estate, infrastructure, renewable power, private equity and credit assets. With assets under management of over $690.0 billion, its investments include one of the largest portfolios of office properties in the world, an industry-leading infrastructure business spanning utilities, transport, energy, communications infrastructure and sustainable resources, and one of the largest pure-play renewable power businesses that include approximately 220 hydroelectric facilities as well as several high quality business services and industrial companies. These businesses form the backbone of the global economy, supporting the endeavors of individuals, corporations and governments worldwide.

As a global firm, Brookfield supports the employment of approximately 180,000 people in more than 30 countries while working to create strong, profitable businesses. As these businesses grow, Brookfield commits to best-in-class corporate social responsibility practices, mindful of the important role they play in fostering long-term value creation.

Brookfield has an excellent track record of demonstrated operational excellence with its portfolio companies and over-achievement with transformational initiatives in previous large-cap industrial and automotive transactions. Brookfield was able to leverage the broad and deep expertise of its entire platform to turn around its portfolio companies including Clarios International Inc., GrafTech International Ltd. and Westinghouse Electric Company.

Our Corporate Information

The Issuer was formed by affiliates of Brookfield on April 5, 2022. The Co-Issuer was formed by Parent on April 5, 2022. Holdings was formed by affiliates of Brookfield on May 26, 2022. Our corporate headquarters is located at 1950 Hassell Road, Hoffman Estates, IL 60169. Our telephone number is (847) 397-1700. CDK's website is www.cdkglobal.com. The information on this website is not deemed to be part of this offering memorandum, and you should not rely on it in connection with your decision as to whether to invest in the Notes.

The Offering

The summary below describes the principal terms of the offering and the Notes and the related guarantees. Some of the terms and conditions described below are subject to important limitations and exceptions. You should carefully read the "Description of Notes" for a more detailed description of the offering and the Notes.

Issuers	Central Parent Inc., a Delaware corporation, and, prior to the Escrow Release Date, Central Merger Sub Inc., a Delaware corporation, and, from and after the Escrow Release Date, CDK Global, Inc., a Delaware corporation
Notes Offered	$ aggregate principal amount of % First Lien Notes due 2029.
Maturity Date	The Notes will mature on , 2029.
Interest	Interest on the Notes will accrue at a rate of % per annum. Interest on the Notes will be payable semi-annually in cash in arrears on and of each year, commencing on , 2022. Interest on the Notes will accrue from , 2022.
Escrow of Gross Proceeds; Special Mandatory Redemption	The Offering of the Notes may be completed prior to the consummation of the Acquisition. In that case, upon consummation of the offering of the Notes, the Issuers will enter into an escrow agreement pursuant to which on the issue date the Issuers will deposit the gross proceeds of this offering into a segregated escrow account. Upon satisfaction of the Escrow Release Conditions, the net proceeds will be used as set forth under "Use of Proceeds." If (i) the Escrow Release Conditions are not satisfied on or prior to the Escrow End Date or (ii) if we notify the Trustee and the Escrow Agent that the Merger Agreement has been terminated in accordance with its terms, the Notes will be subject to a special mandatory redemption at a price equal to 100% of the initial issue price of the Notes, plus accrued and unpaid interest, if any, from the issue date of the Notes, to, but not including, the date of such special mandatory redemption as described in "Description of Notes—Escrow of Gross Proceeds; Special Mandatory Redemption." Upon delivery to the Escrow Agent of an officer's certificate from the Issuers stating that the Escrow Release Conditions are satisfied, the escrowed funds will be released on the Escrow Release Date and utilized as described in "The Transactions" and "Use of Proceeds." If the closing of this offering of Notes occurs on the closing date of the Acquisition, the

	escrow provisions set forth herein will not be applicable. The escrow account will not include additional cash to fund any accrued and unpaid interest owing to holders of the Notes, which is payable on the interest payment dates occurring in the period between the issue date of the Notes and the Escrow End Date or included in the special mandatory redemption price described above. In the event that (i) interest is payable on an interest payment date occurring in the period between the issue date of the Notes and the Escrow End Date or (ii) the special mandatory redemption price payable upon a special mandatory redemption exceeds the amount of the funds held in the escrow account, the Sponsor will be required to fund the accrued and unpaid interest owing to the holders of the Notes, pursuant to commitments provided by them.
Guarantees.....	Prior to the consummation of the Acquisition, the Notes will not be guaranteed. From and after the Escrow Release Date, the Notes will be, jointly and severally, unconditionally guaranteed on a senior secured first lien basis by each of the Issuer's existing and future wholly-owned domestic subsidiaries that will guarantee the Issuers' obligations under the New Credit Facilities. See "Description of Notes—Guarantees." As of and for the nine months ended March 31, 2022 and the year ended June 30, 2021, our non-guarantor subsidiaries represented approximately 8% and 8% of our revenues, 9% and 8% of our Adjusted EBITDA and 5% and 5% of our total assets (excluding cash), respectively. See "Risk Factors—Risks Related to Our Indebtedness and the Notes—Claims of holders of the Notes will be structurally subordinated to claims of creditors of certain of our subsidiaries that will not guarantee the Notes."
Ranking	Prior to the release of funds from the escrow account and consummation of the Acquisition, the Notes will be secured by a first-priority security interest in the escrow account and all deposits and investment property therein. Following the satisfaction of the Escrow Release Conditions and the consummation of the Acquisition, the Notes and the related guarantees will be the Issuers' and the Guarantors' senior secured obligations and will be: • *pari passu* in right of payment to all of the Issuers' and the Guarantors' existing and future senior indebtedness secured on a first lien basis, including

	the Issuers' existing and future borrowings under the New First Lien Credit Facilities; • effectively senior in right of payment to (i) all of the Issuers' and the Guarantors' existing and future senior unsecured indebtedness, including the Existing Notes, to the extent of the value of the Collateral, and (ii) junior lien indebtedness of the Issuers and the Guarantors, including the Issuers' existing and future borrowing under the New Second Lien Credit Facilities, to the extent of the value of the Collateral; • senior in right of payment to all of the Issuers' and the Guarantors' existing and future subordinated indebtedness; and • structurally subordinated to any existing and future obligations of any subsidiaries of the Issuers that do not guarantee the Notes. As of March 31, 2022, on a pro forma basis giving effect to the Transactions, we would have had approximately (i) $5,215.0 million of long-term debt outstanding, the aggregate amount of such indebtedness that is (x) secured on a first lien basis would have been approximately $4,350.0 million, which would rank *pari passu* to the obligations under the Notes, (y) secured on a second lien basis would have been approximately $707.0 million, which would rank junior in lien priority to the Notes and (z) unsecured would have been approximately $158.0 million, which would all be effectively junior to the obligations under the Notes to the extent of the Collateral and (ii) $650.0 million of additional first lien borrowing capacity under the New Revolving Facility (including undrawn letters of credit), subject to customary conditions.
Collateral	From and after the Escrow Release Date, the Notes and related guarantees will be secured by first-priority liens on the Collateral, which consists of substantially all of the assets that secure the Issuers' and the Guarantors' obligations under the New Credit Facilities ratably on a *pari passu* basis with the liens securing the New First Lien Credit Facilities, subject to certain exceptions and permitted liens as described herein. See "Description of Notes—Security for the Notes." In addition, the Collateral will exclude certain Excluded Assets (as defined under "Description of Notes"). We will use commercially reasonable efforts to create and perfect liens on the collateral within 120 days after the Completion Date. For more information

	on the security granted, see "Description of Notes—Security for the Notes."
Intercreditor Agreements.....	Upon satisfaction of the Escrow Release Conditions, the collateral agent for the Notes (such collateral agent, the "Notes Collateral Agent" and any collateral agent holding a security interest for the benefit of the Notes, an "Applicable Collateral Agent") will become a party to an intercreditor agreement (the "First Lien Intercreditor Agreement") with the administrative agent or collateral agent under the New First Lien Credit Facilities (the "First Lien Credit Agreement Collateral Agent") and the other agents party thereto, setting forth therein the relative rights with respect to the Collateral (as defined under "Description of Notes") and covering certain other matters relating to the administration of security interests. Pursuant to the First Lien Intercreditor Agreement, the First Lien Credit Agreement Collateral Agent generally (subject to a 180-day "standstill period") controls substantially all matters related to the Collateral, including with respect to decisions or enforcement, and may take actions that the holders of the Notes may disagree with or that may be contrary to the interests of the holders of the Notes. The First Lien Intercreditor Agreement will also include waivers of certain important rights that holders of secured debt would otherwise have. In addition, the Notes Collateral Agent and the First Lien Credit Agreement Collateral Agent and the collateral agent under the New Second Lien Credit Facility (the "Second Lien Collateral Agent") will enter into an intercreditor agreement (the "First Lien/Second Lien Intercreditor Agreement" and, together with the First Lien Intercreditor Agreement, the "Initial Intercreditor Agreements"), setting forth therein the relative rights with respect to the Collateral and covering certain other matters relating to the administration of security interests. Pursuant to the First Lien/Second Lien Intercreditor Agreement, the First Lien Credit Agreement Collateral Agent generally (subject to a "standstill period" not exceeding 150 days) will control substantially all matters related to the Collateral, including with respect to decisions or enforcement with respect to Collateral, and may take actions that the holders of the Notes may disagree with or that may be contrary to the interests of the holders of the Notes. See "Description of Notes—Security for the Notes—First Lien/Second Lien Intercreditor Agreement."
Optional Redemption	On or after , 2025 we may redeem the Notes, in whole or in part, at any time at the redemption prices described in "Description of Notes—Optional Redemption." Prior to such date, we may redeem some

	or all of the Notes 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, we may redeem (i) up to 40% of the aggregate principal amount of Notes before , 2025 with the proceeds of certain equity offerings at a redemption price of % of the principal amount of the Notes being redeemed, (ii) up to 10% of the aggregate principal amount of the notes during any 12-month period prior to , 2025 at a redemption price of 103% of the principal amount of the Notes being redeemed and (iii) an aggregate principal amount of the Notes not to exceed the proceeds received from any sale of our non-automotive DMS business line prior to , 2023 at a redemption price equal to %, provided that at least $300.0 million of the aggregate principal amount of the Notes remains outstanding immediately after the occurrence of each such redemption (unless all the Notes are redeemed substantially concurrently), in each case of clauses (i), (ii) and (iii), plus accrued and unpaid interest, if any, to, but excluding, the redemption date. See "Description of Notes—Optional Redemption."
Change of Control	If we experience a Change of Control, we must offer to repurchase the Notes at 101% of their principal amount, plus accrued and unpaid interest, if any, to, but excluding, the repurchase date. For more details, see "Description of Notes—Repurchase at the Option of Holders—Change of Control."
Mandatory Offer to Repurchase Following Certain Asset Sales	If we sell certain assets and do not repay certain debt or reinvest the proceeds of such sales within certain time periods, we must offer to repurchase the Notes as described under "Description of Notes—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock."
Certain Covenants	The indenture that will govern the Notes will contain covenants that limit, among other things, our ability and the ability of our restricted subsidiaries to:

	• incur additional indebtedness; • declare or pay dividends, redeem stock or make other restricted payments; • make certain investments or acquisitions; • create liens or use assets as security in other transactions; • merge or consolidate, or sell, transfer, lease or dispose of substantially all of our assets; • enter into transactions with affiliates; • sell or transfer certain assets; and • agree to certain restrictions on the ability of restricted subsidiaries to make payments to the Issuers. These covenants are subject to a number of important qualifications and limitations. In addition, so long as the applicable Notes have an investment grade rating from any of Standard & Poor's Investors Ratings Service, Moody's Investors Service, Inc. or Fitch Ratings, Inc., we will not be subject to certain of the covenants listed above. See "Description of Notes—Certain Covenants."
Transfer Restrictions	The Notes have not been and will not be registered under the Securities Act or any state securities laws 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. See "Transfer Restrictions." We do not intend to list the Notes on any securities exchange.
No Registration Rights	We will not be required, and do not intend, to register the resale of the Notes under the U.S. federal or state securities laws or under the securities laws of any other jurisdiction.
Absence of an Established Market for the Notes; No Listing	The Notes will be a new class of securities for which there is currently no market. Although the initial purchasers have informed us that they intend to make a market in the Notes, they are not obligated to do so and may discontinue market-making activities at any time without notice. Accordingly, we cannot assure you that a liquid market for the Notes will develop or be maintained.

	The Issuers do not intend to apply for a listing of the Notes on any securities exchange or automated quotation system.
Use of Proceeds	We intend to use the net proceeds of this offering and the borrowings under the New Credit Facilities, together with equity contributions from funds affiliated with Brookfield, (1) to pay the cash consideration for the Acquisition, (2) to repay all amounts outstanding under the Existing Credit Facility, (3) to pay the cash consideration for the Debt Tender Offers, (4) to pay fees and expenses related to the foregoing and (5) for general corporate purposes. See "The Transactions" and "Use of Proceeds."
Denominations	Minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof.
Trustee, Registrar, Paying Agent and Transfer Agent	U.S. Bank Trust Company, National Association.
Escrow Agent	U.S. Bank Trust Company, National Association.
Risk Factors	You should consider carefully all of the information set forth in this offering memorandum and, in particular, should evaluate the specific factors set forth in the section entitled "Risk Factors" in this offering memorandum.
Governing Law	New York.

Summary Historical Consolidated Financial and Other Data

The following tables set forth our summary consolidated financial and other data for the periods presented and at the dates indicated below. The summary consolidated statement of operations data and consolidated balance sheet data presented below for the fiscal years ended June 30, 2021, 2020 and 2019 and as of June 30, 2021 and 2020 have been derived from our audited consolidated financial statements which are included elsewhere in this offering memorandum. The summary consolidated statement of operations data presented below for the nine months ended March 31, 2022 and 2021 and the summary consolidated balance sheet data as of March 31, 2022 and 2021 have been derived from our unaudited consolidated financial statements which are included elsewhere in this offering memorandum.

The unaudited consolidated financial statements have been prepared on the same basis as our audited consolidated financial statements and, in the opinion of management, include all adjustments, consisting of normal recurring adjustments, necessary for a fair statement of the results for those periods. Results for the nine-month period ended March 31, 2022 are not necessarily indicative of the results that may be expected for the full fiscal year or any future reporting period.

The following tables also set forth certain summary unaudited pro forma financial information as of and for the twelve months ended March 31, 2022. The pro forma adjustments to the consolidated pro forma financial data of the Company are based upon available information and certain assumptions that we believe are reasonable. Further, the pro forma adjustments are based upon items that are (i) directly attributable to the Transactions, (ii) factually supportable and (iii) with respect to the Unaudited Pro Forma Consolidated Statement of Operations, expected to have a continuing impact on the consolidated results. The summary consolidated pro forma financial information is presented for informational purposes only and does not purport to represent what our financial condition or results of operations actually would have been had the referenced events occurred on the dates indicated or to project our financial condition or results of operations as of any future date or for any future period. In addition, the pro forma net financing charges for the twelve months ended March 31, 2022 presented below were calculated using a weighted-average estimated blended rate of 6.7%. For additional information, see "Unaudited Pro Forma Consolidated Financial Information."

The following information should be read together with the information under the headings "Capitalization," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Unaudited Pro Forma Consolidated Financial Information" and the consolidated financial statements of the Company and related notes included elsewhere in this offering memorandum.

	Pro Forma LTM Ended March 31, 2022(1)	Nine Months Ended March 31,		Year Ended June 30,		
		2022	2021	2021	2020	2019
	(in millions)					
Consolidated Statements of Operations Data:						
Revenue	$ 1,756.5	$ 1,336.4	$ 1,253.1	$ 1,673.2	$ 1,639.0	$ 1,593.0
Cost of revenue	1,050.7	697.8	653.7	875.0	800.6	734.4
Selling, general and administrative expenses	581.7	295.3	263.8	360.9	338.7	357.0
Restructuring expenses	—	—	—	—	—	16.6
Litigation provision	—	—	12.0	12.0	—	90.0
Total expenses	1,632.4	993.1	929.5	1,247.9	1,139.3	1,198.0
Operating earnings	124.1	343.3	323.6	425.3	499.7	395.0
Interest expense	(387.2)	(66.0)	(101.2)	(124.6)	(144.1)	(138.9)
Loss (gain) on extinguishment of debt	(21.3)	2.1	(2.2)	(25.6)	—	—
Loss from equity method investment	(8.1)	(5.6)	(24.8)	(27.3)	(2.7)	(17.0)
Other income, net	(55.1)	8.4	32.3	36.9	21.1	4.6

	Pro Forma LTM Ended March 31, 2022(1)	Nine Months Ended March 31,		Year Ended June 30,		
		2022	2021	2021	2020	2019
				(in millions)		
Earnings (loss) before income taxes	(347.6)	282.2	227.7	284.7	374.0	243.7
Margin %	(16.8%)	21.1%	18.2%	17.0%	22.8%	15.3%
Provision for income taxes	(67.8)	(75.1)	(73.8)	(94.5)	(108.8)	(48.6)
Effective tax rate	23.0%	26.6%	32.4%	33.2%	29.1%	19.9%
Net earnings (loss) from continuing operations	(415.4)	207.1	153.9	190.2	265.2	195.1
Net earnings (loss) from discontinued operations	—	(0.3)	837.1	852.8	(50.7)	(63.2)
Net income (loss)	(415.4)	206.8	991.0	1,043.0	214.5	131.9
Less: net earnings attributable to noncontrolling interest	7.9	5.3	6.1	8.7	7.0	7.9
Net earnings (loss) attributable to CDK	$ (423.3)	$ 201.5	$ 984.9	$ 1,034.3	$ 207.5	$ 124.0

	Pro Forma March 31,	March 31,		June 30,
	2022	2022	2021	2020
			(in millions)	
Consolidated Balance Sheet Data:				
Total assets	$ 10,131.0	$ 2,882.6	$ 2,712.6	$ 2,854.1
Total liabilities	6,712.0	2,435.8	2,217.7	3,434.8
Total long-term debt	4,957.0	1,777.6	1,586.5	2,655.1
Cash and cash equivalents	125.0	120.3	157.0	80.8

	Nine Months Ended March 31,	Year Ended June 30,	
	2022	2021	2020
		(in millions)	
Consolidated Statements of Cash Flows:			
Net cash provided by (used in):			
Operating activities	$ 322.4	$ 216.7	$ 375.1
Investing activities	(246.8)	921.0	(108.3)
Financing activities	(112.4)	(1,213.8)	(345.9)

	LTM Ended March 31, 2022(1)	Nine Months Ended March 31,		Year Ended June 30,		
		2022	2021	2021	2020	2019
Other Data:				(in millions)		
Adjusted EBITDA(2)	$ 673.5	$ 512.5	$ 489.3	$ 650.3	$ 677.3	$ 690.0
Pro Forma Adjusted EBITDA(2)	$ 811.0					
Adjusted EBITDA Margin(2)	46%	38%	39%	39%	41%	43%
Free Cash Flow(3)	$ 549.8	$ 418.0	$ 423.1	$ 554.9	$ 603.2	$ 603.9
Free Cash Flow Conversion(3)	82%	82%	86%	85%	89%	88%
Pro Forma Adjusted Revenue(4)	$ 1,762.5	$ 1,336.6	$ 1,283.3	$ 1,709.0	$ 1,664.0	$ 1,646.0
Pro forma net financing charges	$ 387.2					
Ratio of pro forma first lien net debt to Pro Forma Adjusted EBITDA(2)(5)	5.2x					
Ratio of pro forma total net debt to Pro Forma Adjusted EBITDA(2)(6)	6.3x					

	LTM Ended March 31, 2022(1)	Nine Months Ended March 31,		Year Ended June 30,		
		2022	2021	2021	2020	2019
Ratio of Pro Forma Adjusted EBITDA to pro forma net financing charges(2)	2.1x					

(1) Pro forma amounts give effect to the Transactions, including the consummation of the Acquisition Financing Transactions. See "Unaudited Pro Forma Consolidated Financial Information" and "Use of Proceeds."

(2) To provide investors with additional information in connection with our results as determined by GAAP, we disclose Adjusted EBITDA, Pro Forma Adjusted EBITDA and Adjusted EBITDA Margin as non-GAAP measures which management believes provide useful information to investors. Adjusted EBITDA, Pro Forma Adjusted EBITDA and Adjusted EBITDA Margin are not calculated in accordance with GAAP and should not be considered as a substitute for net income or any other operating performance measure calculated in accordance with GAAP, and may not be comparable to similarly titled measures reported by other companies. We use Adjusted EBITDA, Pro Forma Adjusted EBITDA and Adjusted EBITDA Margin as additional measures of the performance of our business.

Adjusted EBITDA is defined as earnings before interest, tax, depreciation and amortization less the following: (1) stock-based compensation expense; (2) transaction and integration-related costs; (3) legal and other expenses related to regulatory and competition matters; (4) business process modernization program; (5) workplace optimization expenses; (6) officer transition expense and (7) loss on extinguishment of debt. In addition to the preceding adjustments, Adjusted EBITDA excludes earnings (loss) from equity method investments and adds (without duplication) the pro rata share of EBITDA of our equity investments, which represents our share of earnings (whether or not distributed) before income tax expense, depreciation and amortization expense, and interest (income) expense, net of joint ventures and minority investees.

We believe that the presentation of Adjusted EBITDA is appropriate to provide additional information to investors about certain non-cash items and other items we do not consider indicative of our ongoing operating performance.

Pro Forma Adjusted EBITDA is defined as Adjusted EBITDA further adjusted for: (1) pre-acquisition EBITDA for Roadster Inc. ("Roadster"), which we acquired in June 2021, (2) pre-acquisition EBITDA for Salty Dot, Inc. ("Salty"), which we acquired in October 2021 and (3) margin improvement initiatives.

Pro Forma Adjusted EBITDA is included to provide additional information to investors about certain adjustments calculated in a manner consistent with the terms of the instruments that will govern our indebtedness. We believe Pro Forma Adjusted EBITDA provides a meaningful measure of operating profitability because we use it for evaluating our business performance, liquidity and in evaluating potential acquisitions.

There are material limitations to using Pro Forma Adjusted EBITDA. Pro Forma Adjusted EBITDA does not take into account certain significant items, including (i) significant interest expense, or the cash requirements necessary to service interest or principal payments, on our debt, (ii) cash requirements for replacing assets, (iii) tax expense or the cash requirements to pay our taxes, (iv) cash expenditures or future requirements for capital expenditures and (v) all GAAP non-cash and non-recurring adjustments. These limitations are best addressed by considering the economic effects of the excluded items independently, and by considering Pro Forma Adjusted EBITDA in conjunction with net income as calculated in accordance with GAAP.

The following table presents a reconciliation of EBITDA, Adjusted EBITDA and Pro Forma Adjusted EBITDA to net earnings attributable to CDK, the most directly comparable GAAP measure, for the periods indicated:

	Pro Forma LTM Ended March 31,	Nine Months Ended March 31,		Year Ended June 30,		
	2022	2022	2021	2021	2020	2019
			(in millions)			
Net earnings (loss) from continuing operations	$ (415.4)	$ 207.1	$ 153.9	$ 190.2	$ 265.2	$ 195.1
Provision for income taxes	67.8	75.1	73.8	94.5	108.8	48.6
Interest expense	387.2	66.0	101.2	124.6	144.1	138.9
Depreciation and amortization	440.3	91.7	71.1	98.7	91.7	80.4
EBITDA	$ 479.9	$ 439.9	$ 400.0	$ 508.0	$ 609.8	$ 463.0
Stock-based compensation expense(a)	56.9	45.6	31.7	43.0	19.2	29.0
Transaction and integration-related costs(b)	84.5	15.0	3.6	5.1	9.5	13.2
Legal and other expenses related to regulatory and competition matters(c)	1.8	1.1	15.6	16.3	19.4	111.2

	Pro Forma LTM Ended March 31,	Nine Months Ended March 31,		Year Ended June 30,		
	2022	2022	2021	2021	2020	2019
			(in millions)			
Business process modernization program(d)	8.5	3.8	9.4	14.1	16.1	—
Workplace optimization expenses(e)	7.4	—	—	7.4	—	—
Officer transition expense	—	—	1.1	1.1	—	6.4
Net adjustments related to loss from equity method investment(f)	13.2	9.2	25.7	29.7	3.3	—
Loss (gain) on extinguishment of debt(g)	21.3	(2.1)	2.2	25.6	—	0
Restructuring expenses(a)(h)	—	—	—	—	—	16.6
Other business transformation expense(a)(h)	—	—	—	—	—	18.7
Impairment of intangible assets(i)	—	—	—	—	—	14.9
ELEAD joint venture termination(j)	—	—	—	—	—	17.0
Adjusted EBITDA	$ 673.5	$ 512.5	$ 489.3	$ 650.3	$ 677.3	$ 690.0
Pre-acquisition EBITDA - Roadster(k)	(1.4)					
Pre-acquisition EBITDA - Salty(l)	(7.1)					
Margin improvement initiatives(m)	146.0					
Pro Forma Adjusted EBITDA	$ 811.0					

(a) Excludes amounts attributable to discontinued operations; stock-based compensation expense included in cost of revenue and selling, general and administrative expenses.

(b) Excludes amounts attributable to discontinued operations. Transaction and integration-related costs include: (i) legal, accounting, outside service fees, and other costs incurred in connection with assessment and integration of acquisitions and other strategic business opportunities; and (ii) post-close adjustments to acquisition-related contingent consideration, included in selling, general and administrative expenses.

(c) Legal and other expenses related to regulatory and competition matters included in selling, general and administrative expenses and litigation provision.

(d) Business process modernization program designed to improve the way we do business for our customers through best-in-class product offerings, processes, governance and systems. The business process modernization program includes a comprehensive redesign in the way we go to market, including the quoting, contracting, fulfilling, and invoicing processes, and the systems and tools we use. The program is an investment to implement holistic business reform, including the design and implementation of a new ERP system. The expense is included in cost of revenue and selling, general and administrative expenses.

(e) Workplace optimization expenses include costs associated with the divestiture of non-strategic facilities as a result of assessing the post-COVID-19 pandemic real estate requirements to support business operations.

(f) Net adjustments related to loss from equity method investment includes certain portions of earnings attributable to an equity interest in Ansira owned by CDK.

(g) In fiscal 2022, gain on extinguishment of debt in connection with the forgiveness of Roadster's indebtedness related to the Paycheck Protection Program instituted under the United States' Coronavirus Aid, Relief and Economic Security Act of 2020. Loss on extinguishment of debt as of March 31, 2021 related to the write-off of unamortized debt financing cost as a result of the repayment of the indebtedness under the three-year and five-year term loan facilities on March 1, 2021.

(h) Restructuring expense and other transformation expenses in fiscal 2019 relate to expenses incurred in connection with our business transformation plan. These charges are included in cost of revenue and selling, general and administrative expenses.

(i) Impairment of intangible assets consists of the write-off of certain intangible assets and is reported in cost of revenue.

(j) Loss related to ELEAD joint venture contract termination included in loss from equity method investment.

(k) Reflects estimated pre-acquisition period EBITDA for Roadster since April 2021, which was acquired in June 2021.

(l) Reflects estimated pre-acquisition period EBITDA for Salty for the period beginning April 1, 2021, which was acquired in October 2021.

(m) Reflects the midpoint of the range of estimated margin improvements from increased efficiency and productivity with sales & marketing, customer operations, product & technology, G&A, and third-party spending. See "Summary—Identified margin improvement initiatives." Even if we are able to execute the Transactions successfully, this may not result in the full realization of the cost savings and margin improvements that we currently expect, and therefore, we

cannot assure you that any anticipated cost savings and margin improvements will be achieved or that our estimates and assumptions will prove to be accurate. We will incur costs to execute these margin improvement initiatives that are not reflected in our estimated cost savings. Actual margin improvements may vary from these estimates, and although we intend to action these margin improvement initiatives within 24 months of closing of the Transactions, these initiatives will not be realized in the near-term. See "Risk Factors—We may not realize the anticipated cost savings and margin improvements from the Transactions."

Adjusted EBITDA Margin is defined as Adjusted EBITDA (Pro Forma Adjusted EBITDA during the LTM Ended March 31, 2022) divided by revenue.

(3) Free Cash Flow is defined as Adjusted EBITDA less capital expenditures and capitalized software. We use Free Cash Flow to evaluate our ability to generate cash that can be used for working capital requirements, interest expense, repayment of indebtedness, financing new acquisitions and for continued re-investment in our business.

Free Cash Flow Conversion is defined as Free Cash Flow divided by Adjusted EBITDA.

The following table presents a reconciliation of Free Cash Flow to Adjusted EBITDA:

	LTM Ended March 31,	Nine Months Ended March 31,		Year Ended June 30,		
	2022	2022	2021	2021	2020	2019
			(in millions)			
Adjusted EBITDA	$ 673.5	$ 512.5	$ 489.3	$ 650.3	$ 677.3	$ 690.0
Less: Capital expenditures	16.2	10.8	15.2	20.6	17.1	49.2
Less: Capitalized software	107.5	83.7	51.0	74.8	57.0	36.9
Free Cash Flow	$ 549.8	$ 418.0	$ 423.1	$ 554.9	$ 603.2	$ 603.9

(4) Pro Forma Adjusted Revenue is defined as revenue adjusted to include the revenue from Roadster, Square Root and Salty as if those acquisitions had occurred at the beginning of the comparative period. We use Pro Forma Adjusted Revenue to show the impact of acquisitions completed during the period.

The following table presents a reconciliation of Pro Forma Adjusted Revenue to revenue.

	Pro Forma LTM Ended March 31,	Nine Months Ended March 31,		Year Ended June 30,		
	2022	2022	2021	2021	2020	2019
			(in millions)			
Revenue	$ 1,756.5	$ 1,336.4	$ 1,253.1	$ 1,673.2	$ 1,639.0	$ 1,593.0
Revenue from acquired businesses (prior to acquisition)	6.0	0.2	30.2	35.8	25.0	53.0
Pro Forma Adjusted Revenue	$ 1,762.5	$ 1,336.6	$ 1,283.3	$ 1,709.0	$ 1,664.0	$ 1,646.0

We had Revenue and Pro Forma Adjusted Revenue of $460 million and $460 million, respectively, for the three months ended March 31, 2022 and $433 million and $443 million, respectively, for the three months ended March 31, 2021.

(5) Pro forma first lien net debt represents debt under the New First Lien Credit Facilities and the Secured Notes offered hereby (including current portion but without giving effect to discount, fees or commissions) on a pro forma basis after giving effect to the Transactions in an aggregate principal amount of $4,350.0 million, net of cash and cash equivalents equal of $125.0 million.

(6) Pro forma total net debt represents long-term debt (including current portion but without giving effect to discount, fees or commissions) on a pro forma basis after giving effect to the Transactions equal to $5,215.0 million, net of cash and cash equivalents of $125.0 million.

RISK FACTORS

Any investment in the Notes involves a high degree of risk. You should carefully consider the risks described below and all of the information contained in this offering memorandum before deciding whether to purchase the Notes. The risks and uncertainties described below are not the only risks and uncertainties that we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also materially and adversely affect our business. If any of those risks actually occurs, our business, cash flows, financial condition and results of operations would suffer. The risks discussed below also include forward-looking statements and our actual results may differ substantially from those discussed in these forward-looking statements. See "Cautionary Note Regarding Forward-Looking Statements" in this offering memorandum.

Risks Relating to Our Business

The ongoing COVID-19 pandemic has materially affected how we and our customers are operating our businesses, and the duration and extent to which this will impact our business, results of operations, and financial condition remains uncertain.

On March 11, 2020, the World Health Organization declared the outbreak of COVID-19 a pandemic. The COVID-19 pandemic has disrupted our market and the global economy. As a result of the COVID-19 pandemic, many of our dealer customers experienced significant declines in new and used vehicle unit sales and sales of their finance and insurance products, particularly during the first and second quarters of 2020. While our underlying business has remained strong during the COVID-19 pandemic due to our subscription-based business model, the pace of improvements in the public health situation, evolving global response measures and corresponding impacts on the automotive retail industry remain fluid and uncertain and may lead to sudden changes in trajectory and outlook. Accordingly, we are currently unable to quantify the full and long-term impact of the pandemic on our results of operations and financial position.

We are monitoring the global outbreak of COVID-19 and have taken steps to mitigate its risks by working with our customers and employees. To support our customers during the pandemic, we offered financial and other assistance during the fourth quarter of fiscal 2020 and added product benefits to facilitate remote delivery and touchless transactions. The direct financial impact of these concessions was a near-term decrease in cash receipts and a reduction in revenue that will be recognized over fiscal 2021 and fiscal 2022. A discussion of the impact of these factors is provided in "Management's Discussion and Analysis of Financial Condition and Results of Operations."

To support our employees, we temporarily closed offices globally and implemented certain travel restrictions. This work-from-home operating environment has caused strain for, and may adversely impact the productivity of, certain employees, and these conditions may persist and harm our business, including our future operating results. Additionally, our efforts to re-open our offices safely may not be successful, could expose our employees, customers, and partners to health risks, and us to associated liability, and will involve additional financial burdens. The pandemic may have long-term effects on the nature of the office environment and remote working, and this may present operational challenges that may adversely affect our business.

Furthermore, the pandemic has impacted and may further impact the broader economies of affected countries, including negatively impacting economic growth, the proper functioning of financial and capital markets, foreign currency exchange rates and interest rates. Due to the unprecedented and sustained social and economic consequences of the COVID-19 pandemic on the global economy generally, there is uncertainty around its duration and the timing of recovery. The ultimate significance of the COVID-19 pandemic, including any measures to reduce its spread, on our business will depend on events that are beyond our control and that we cannot predict and could have a material adverse effect on our consolidated results of operations, financial condition and cash flows.

The impact of the COVID-19 pandemic may also exacerbate other risks discussed in this Risk Factors section, which could in turn have a material adverse effect on us.

We face intense competition. If we do not continue to respond quickly to technological developments or customers' shifting technological requirements or to compete effectively against other providers of technology solutions to automotive retailers, OEMs, and other participants in the automotive retail industry, it could have a material adverse effect on our business, results of operations, and financial condition.

Competition among automotive retail solutions providers is intense. The industry is highly fragmented and subject to rapidly evolving technology, shifting customer needs, and frequent introductions of new solutions. We have a variety of competitors both for our integrated solutions and for each of our individual solutions. For our DMS solutions, our principal competitors are Reynolds and Reynolds, Dealertrack (Cox Automotive), Auto/Mate, Tekion, AutoSoft, PBS Systems and various local and regional providers.

Key elements of our business strategy are to strengthen and extend our solutions through intelligence and innovation and to develop and deliver our next generation of solutions. However, our competitors may be able to respond more quickly or effectively to new or emerging technologies and changes in customer demands or to devote greater resources to the development, promotion, and sale of their solutions than we can to ours. Moreover, we may not be successful in responding to these forces and enhancing our products on a timely basis, and any enhancements we develop may not adequately address the changing needs of our customers. We expect the industry to continue to attract new competitors and new technologies, possibly involving alternative technologies that are more sophisticated and cost-effective than our solutions. These competitive pressures may require us to reduce our pricing. There can be no assurance that we will be able to compete successfully against current or future competitors or that the competitive pressures we face will not have a material adverse effect on our business, results of operations, and financial condition.

Market trends influencing the automotive retail industry could have a negative impact on our business, results of operations, and financial condition.

Market trends that negatively impact the automotive retail industry may affect our business by reducing the number and/or size of actual or potential customers or the money that actual or potential customers are willing or able to spend on our solution portfolio. Such market factors include:

- the adverse effect of long-term wage stagnation on the purchasing power of vehicle purchasers and the number of vehicle purchasers;
- pricing and purchase incentives for vehicles;
- disruption in the available inventory of vehicles;
- disruption in the franchised automotive retailer dealership model, including potential disintermediation by emerging business models;
- reductions in growth or decreases of automotive retailer spend on technology;
- contractions in the number of franchised automotive retailers;
- market supply of vehicles and fluctuations in used-vehicle pricing;
- the expectation that consumers will be purchasing fewer vehicles overall during their lifetime as a result of better quality vehicles and longer warranties and the development of shared-use mobility;
- the cost of gasoline and other forms of energy;
- the availability and cost of credit to finance the purchase of vehicles and excess negative equity in existing vehicle loans;
- the effect of adverse macroeconomic conditions on consumer shopping activity;
- increased federal and other taxation; and

- reductions in business and consumer confidence.

Such market trends could have a material adverse effect on our business, results of operations, and financial condition.

Market acceptance of and influence over our products and services is concentrated in a limited number of automobile OEMs and consolidated retailer groups, and we may not be able to maintain or grow these relationships.

Although the automotive retail industry is fragmented, a relatively small number of OEMs, consolidated retailer groups and retailer associations exert significant influence over the market acceptance of automotive retail products and services due to their concentrated purchasing activity, their endorsement or recommendation of specific products and services and/or their ability to define technical standards and certifications. For example, our DMSs are certified to technical standards established by OEMs and certain of our products and services are provided pursuant to OEM-designated endorsement or preferred vendor programs. While automotive retailers are generally free to purchase the solutions of their choosing, when an OEM has endorsed or certified a provider of products or services to its associated franchised automotive retailers and if our solutions lack such certification or endorsement, adoption or retention of our products and services among the franchised dealers of such OEM could be materially impaired.

We may be unable to develop and bring products and services in development to market or bring new products and services to market in a timely manner or at all.

Our success depends in part upon our ability to bring to market new products and services, and enhancements thereto that address evolving customer demands. The successful development of Fortellis, for example, is important to our strategy. The time, expense, and effort associated with developing and offering Fortellis, and other new and enhanced products and services may be greater than anticipated. The length of the development cycle varies depending on the nature and complexity of the product, the availability of development, product management, and other internal resources and the role, if any, of strategic partners. If we are unable to develop and bring to market additional products and services, and enhancements thereto, in a timely manner, or at all, we could lose market share to competitors who are able to offer these new products and services, which could have a material adverse effect on our business, results of operations, and financial condition.

Our failure or inability to execute any element of our business strategy could negatively impact our business, results of operations, or financial condition.

Our business, results of operations, and financial condition depend on our ability to execute our business strategy, which includes the following key elements:

- deepening relationships with our existing customer base;
- continuing to expand our customer base;
- delivering on our business process modernization initiatives;
- strengthening and extending our solutions through intelligence and innovation;
- developing and delivering our next generation of solutions;
- selectively pursuing strategic acquisitions; and
- building and maintaining a culture of performance and accountability.

We may not succeed in implementing a portion or all of our business strategy, and even if we do succeed, our strategy may not have the favorable impact on our business, results of operations, or financial condition that we anticipate. We may not be able to effectively manage the expansion of our business or achieve the rapid execution necessary to fully avail ourselves of the market opportunity for our solution portfolio. If we are unable to adequately

implement our business strategy, our business, results of operations, and financial condition could suffer a material adverse effect.

We are dependent on our key management, direct sales force, and technical personnel for continued success.

Our global senior management team is concentrated in a small number of key members, and our future success depends to a meaningful extent on the services of our executive officers and other key team members, including members of our direct sales force and technology staff. Generally, our executive officers and employees can terminate their employment relationship at any time. The loss of any key employees or our inability to attract or retain other qualified personnel could materially harm our business and prospects.

Effective succession planning is important to our long-term success. Disruptions in future leadership transitions or reorganizations could have a material adverse effect on our business, results of operations, and financial condition and could adversely affect our ability to attract and retain other key executives.

Competition for qualified leadership and technical personnel in the technology industry is intense, and we compete for leadership and technical personnel with other technology companies that have greater financial and other resources than we do. Our future success will depend in large part on our ability to attract, retain, and motivate highly qualified leadership and technical personnel, and there can be no assurance that we are able to do so. Any difficulty in hiring or retaining needed personnel, or increased costs related thereto, could have a material adverse effect on our business, results of operations, and financial condition.

Real or perceived errors or failures in our software and systems could negatively impact our results of operations and growth prospects.

We depend upon the sustained and uninterrupted performance of numerous proprietary and third-party technologies to deliver our solution portfolio. If one or more of those technologies cannot scale to meet demand, or if there are human or technological errors in our execution of any feature or functionality using any such technologies, then our business may be harmed. Because our software is often complex, undetected errors and failures may occur, especially when new versions or updates are made. Despite testing by us, errors or bugs in our solutions may not be found until the software or service is in active use by us or our customers. Moreover, our customers could incorrectly implement or inadvertently misuse our solutions, which could result in customer dissatisfaction and adversely impact the perceived utility of our solutions as well as our brand. Any of these real or perceived errors, failures, or bugs could result in negative publicity, reputational harm, loss of or delay in market acceptance of our solutions, loss of competitive position or claims by customers for losses sustained by them, all of which, along with the costs of responding to such effects, may have a material adverse effect on our business, results of operations, and financial condition.

Cyber-attacks and security vulnerabilities could lead to reduced revenue, increased costs, liability claims, or damage to our reputation.

We handle substantial amounts of confidential information, including personal information of our employees and of our customers' consumers and employees. Our success depends on the confidence of OEMs, dealers, lenders, major credit reporting agencies and other data providers, and other users of (or participants in) our solutions, in our ability to store, process, and transmit this confidential information securely (whether over the internet or otherwise), and to operate our computer systems and operations without significant disruption or failure.

Our computer systems experience cyber-attacks and data security incidents of varying degrees on a regular basis. These events may lead to interruptions and delays in our service and operations as well as loss, misuse, or theft of data that we store, process and transmit. Our security measures may also fail to prevent unauthorized access to our systems and data may be exfiltrated and improperly disclosed or used due to employee error, malfeasance, system errors, or vulnerabilities, including vulnerabilities of our vendors, suppliers, their products, or otherwise. While security measures are in place, if our security measures fail to prevent unauthorized access to such data, our solutions may be perceived as not being secure and our customers may curtail or stop using our solutions and/or vendors may curtail or stop providing their solutions to us. Any failure of, or lack of confidence, in the security of our solutions could have a material adverse effect on our business, results of operations, and financial condition.

Despite our focus on data security, we may not be able to stop unauthorized attempts to gain access to data that we store and process, or to stop disruptions in the transmission or provision of data and communications or other data by us. Advances in computer capabilities, new discoveries in the field of cryptography, or other events or developments could result in a compromise or breach of the controls used by our solutions to protect data contained, processed in and transferred to or from our, our customers' and/or our vendors' databases. While warranties and liabilities are usually limited in our customer and vendor contracts, they or other third parties may seek to hold us liable for any losses suffered as a result of unauthorized access to their confidential information or non-public personal information of consumers. In addition, while effort has been expanded to have insurance to cover these losses, we may be required to expend significant capital and other resources to protect against or alleviate any problems caused by actual or threatened cyber-attacks or other unauthorized access to such data. Our security measures may not be sufficient to prevent security breaches, and any failure to prevent the improper use and disclosure of data and/or to adequately alleviate any problems caused by such improper use and disclosure could have a material adverse effect on our business, results of operations, and financial condition.

Our customers, vendors and other partners are primarily responsible for the security of their information technology systems, and we rely on them to supply clean data content and/or to utilize our products and services in a secure manner. While we provide guidance and specific requirements of data security in some cases, we do not directly control any of such parties' cyber security programs and operations. If our customers, vendors and other partners fail to prevent any significant cyber security breaches, their businesses could be disrupted which may negatively impact our business, results of operations, and financial condition.

Interruption or failure of our networks, systems, and infrastructure could hurt our ability to effectively provide our products and services, which could damage our reputation and/or subject us to litigation or contractual penalties.

The availability of our products and services depends on the continuing operation of our network and systems. From time to time, we have experienced, and may experience in the future, network or system slowdowns and interruptions. These network and system slowdowns and interruptions may interfere with our ability to do business. While the appropriate upgrades to various systems, shoring up backup processes, and other measures to protect against data loss and system failures have been implemented and tested, there is still risk that we may lose critical data or experience network failures.

Despite the resiliency plans we have in place, our ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports our businesses. This may include a disruption involving electrical, satellite, undersea cable or other communications, internet, cloud computing, transportation, or other services facilities used by us or third parties with which we conduct business. These disruptions may occur as a result of events that affect only our buildings or systems or those of such third parties, or as a result of events with a broader impact globally, regionally or in the cities where those buildings or systems are located, including, but not limited, to natural disasters, war, civil unrest, economic or political developments, pandemics, and weather events. Such network, system or infrastructure failures or disruptions could result in lengthy interruptions in our service and lost revenue opportunities for our customers, which could result in litigation against us and/or our customers may curtail or stop using our solutions or vendors may curtail or stop providing their solutions to us. Additionally, we have service level agreements with certain of our customers that may result in penalties or trigger cancellation rights in the event of a network or system slowdown or interruption. Any of these could have a material adverse effect on our business, results of operations, and financial condition.

Our business operations may be harmed by events beyond our control.

Our business operations are vulnerable to damage or interruption from natural disasters, such as fires, floods, earthquakes, hurricanes, and pandemics or outbreaks of disease or similar public health concerns, such as the COVID-19 pandemic (discussed further in "—The ongoing COVID-19 pandemic has materially affected how we and our customers are operating our businesses, and the duration and extent to which this will impact our business, results of operations, and financial condition remains uncertain," above), or fears of such events, or from power outages, telecommunications failures, terrorist attacks, computer network service outages and disruptions, "denial of service" attacks, computer malware and ransomware, break-ins, sabotage, employee error or malfeasance, and other similar events beyond our control. The occurrence of any such event at any of our facilities or at any third-party facility utilized by us or our third-party providers could cause interruptions or delays in our business, loss of data, or

could render us unable to provide our solution portfolio. In addition, any failure of a third-party to provide the data, products, services, or facilities required by us, as a result of human error, bankruptcy, natural disaster, or other operational disruption, could cause interruptions to our computer systems and operations. The occurrence of any of these events could have a material adverse effect on our business, results of operations, and financial condition.

We utilize certain key technologies, data, and services from, and integrate certain of our solutions with, third parties and may be unable to replace those technologies, data, and services if they become obsolete, unavailable, or incompatible with our solutions.

We utilize certain key technologies and data from, and/or integrate certain of our solutions with, hardware, software, services, and data of third parties, including Chrome Systems, TrueCar, Microsoft, Google, Yahoo, EMC, Cisco Systems, Kyocera, Experian, Equifax, TransUnion and others. Some of these vendors are also our competitors in various respects. These third-party vendors could, in the future, seek to charge us cost-prohibitive fees for such use or integration or may design or utilize their solutions in a manner that makes it more difficult for us to continue to utilize their solutions, or integrate their technologies with our solutions, in the same manner or at all. Any significant interruption in the supply or maintenance of such third-party hardware, software, services, or data could negatively impact our ability to offer our solutions unless and until we replace the functionality provided by this third-party hardware, software, and/or data. In addition, we are dependent upon these third parties' ability to enhance their current products, develop new products on a timely and cost-effective basis, and respond to emerging industry standards and other technological changes. There can be no assurance that we would be able to replace the functionality or data provided by third-party vendors in the event that such technologies or data becomes obsolete or incompatible with future versions of our solutions or are otherwise not adequately maintained or updated. Any delay in or inability to replace any such functionality could have a material adverse effect on our business, results of operations, and financial condition. Furthermore, delays in the release of new and upgraded versions of third-party software applications could have a material adverse effect on our business, results of operations, and financial condition.

We are currently, and expect to be in the future, involved in litigation that is expensive and time consuming and, if resolved adversely, that may materially adversely affect us.

From time to time, we may become involved in various legal proceedings, including patent, copyright, commercial, product liability, employment, class action, whistleblower, antitrust and other litigation and claims, in addition to governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources, cause us to incur significant expenses or liability and/or require us to change our business practices. Because of the potential risks, expenses and uncertainties of litigation, we may, from time to time, settle disputes, even where we have meritorious claims or defenses, by agreeing to settlement agreements. We are currently a defendant in two purported class action lawsuits that set forth allegations of anti-competitive conduct and anti-competitive agreements between the Company and Reynolds and Reynolds relating to the manner in which the defendants control access to, and allow integration with, their respective DMSs. Any negative outcome from any such lawsuits could result in payments of substantial monetary damages or fines, or undesirable changes to our products or business practices, and accordingly our business, results of operations, or financial condition could be materially and adversely affected. Although the results of such lawsuits and claims cannot be predicted with certainty, we do not believe that the final outcome of these matters relating to the manner in which we control access to, and allow integration with, our DMS that we currently face will have a material adverse effect on our business, results of operations, or financial condition. We believe these cases are without merit and intend to continue to contest the claims in these cases vigorously.

Because litigation is inherently unpredictable, there can be no assurances that a favorable final outcome will be obtained in all our cases, and we cannot assure that the results of any of these actions will not have a material adverse effect on our business, results of operations, financial condition and prospects. For more information regarding the litigation in which we are currently involved, see the information set forth in "Note 18–Commitments and Contingencies" in our consolidated financial statements included elsewhere in this offering memorandum.

We may be unable to adequately protect, and we may incur significant costs in defending, our intellectual property and other proprietary rights.

Our success depends, in large part, on our ability to protect our intellectual property and other proprietary rights. We rely upon a combination of trademark, trade secret, copyright, patent and unfair competition laws, as well as license agreements and other contractual provisions, to protect our intellectual property and other proprietary rights. In addition, we attempt to protect our intellectual property and proprietary information by requiring certain of our team members and consultants to enter confidentiality, non-competition and assignment of inventions agreements. To the extent that our intellectual property and other proprietary rights are not adequately protected, third parties might gain access to our proprietary information, develop and market products and services similar to ours or use trademarks similar to ours. Existing U.S. federal and state intellectual property laws offer only limited protection. If we resort to legal proceedings to enforce our intellectual property rights or to determine the validity and scope of the intellectual property or other proprietary rights of others, the proceedings could be burdensome and expensive, and we may not prevail. The failure to adequately protect our intellectual property and other proprietary rights, or manage costs associated with enforcing those rights, could have a material adverse effect on our business, results of operations, and financial condition.

Claims that we or our technologies infringe upon the intellectual property or other proprietary rights of a third party may require us to incur significant costs, enter into royalty or licensing agreements, or develop or license substitute technology.

We have in the past and may in the future be subject to claims that our technologies in our products and services infringe upon the intellectual property or other proprietary rights of a third party. In addition, the vendors providing us with technology that we use in our own technology could become subject to similar infringement claims. Although we believe that our products and services do not infringe any intellectual property or other proprietary rights, we cannot assure that our products and services do not, or that they will not in the future, infringe intellectual property or other proprietary rights held by others. Any claims of infringement could cause us to incur substantial costs defending against the claim, even if the claim is without merit, and could distract our management from our business. Moreover, any settlement or adverse judgment resulting from the claim could require us to pay substantial amounts, obtain a license to continue to use the products and services that are the subject of the claim, and/or otherwise restrict or prohibit our use of the technology. There can be no assurance that we would be able to obtain a license on commercially reasonable terms, or at all, from the third party asserting any particular claim, that we would be able to successfully develop alternative technology on a timely basis, if at all, or that we would be able to obtain a license from another provider of suitable alternative technology to permit us to continue offering, and our customers to continue using, the products and services. In addition, we generally provide in our customer agreements for certain products and services that we will indemnify our customers against third-party infringement claims relating to technology that we provide to those customers, which could obligate us to pay damages if the products and services were ever found to be infringing. Infringement claims asserted against us, our vendors, or our customers could have a material adverse effect on our business, results of operations, and financial condition.

We have made strategic acquisitions and formed strategic alliances in the past and expect to do so in the future. If we are unable to find suitable acquisitions or alliance partners that strengthen our value proposition to customers or to achieve the expected benefits from such acquisitions or alliances, there could be a material adverse effect on our business, results of operations, and financial condition.

We have historically pursued growth through acquisitions, ranging from acquisitions of small start-up companies that provide a discrete application to a handful of customers, to acquisitions of substantial companies with more mature solutions and a larger customer base, such as our acquisition of ELEAD in 2018, which supports our CRM business. As part of our ongoing business strategy to expand solutions offerings, acquire new technologies, and strengthen our value proposition to customers, we frequently engage in discussions with third parties regarding, and enter into agreements relating to, possible acquisitions, strategic alliances, and joint ventures. However, there may be significant competition for acquisition, alliance, and joint venture targets in our industry, or we may not be able to identify suitable candidates, negotiate attractive terms, or obtain necessary regulatory approvals for such transactions in the future. Acquisitions, strategic alliances, and joint ventures also involve numerous other risks, including potential exposure to assumed litigation and unknown environmental and other liabilities, as well as undetected internal control, regulatory or other issues, or additional costs not anticipated at the time the transaction was approved or completed.

Even if we are able to complete acquisitions or enter into alliances and joint ventures that we believe will provide attractive growth opportunities, such transactions are inherently risky. Significant risks from these transactions include risks relating to:

- integration and restructuring costs, both one-time and ongoing;
- developing and maintaining sufficient controls, policies, and procedures;
- diversion of management's attention from ongoing business operations;
- establishing new informational, operational, and financial systems to meet the needs of our business;
- losing key employees, customers, and vendors;
- failing to achieve anticipated synergies, including with respect to complementary solutions; and
- unanticipated or unknown liabilities.

If we are not successful in completing acquisitions in the future, we may be required to reevaluate our acquisition strategy. We also may incur substantial expenses and devote significant management time and resources in seeking to complete acquisitions. In addition, we could use substantial portions of our available cash to pay all or a portion of the purchase prices of future acquisitions. If we do not achieve the anticipated benefits of our acquisitions as rapidly or to the extent anticipated by our management and financial or industry analysts, others may not perceive the same benefits of the acquisition as we do. If these risks materialize, there could be a material adverse effect on our business, results of operations, and financial condition.

Our future acquisitions may involve the issuance of our equity securities as payment, in part or in full, for the business or assets acquired, which would dilute our existing stockholders' ownership interests. Future acquisitions may also decrease our earnings and the benefits derived by us from an acquisition might not outweigh or exceed the dilutive effect of the acquisition. We also may incur additional indebtedness, issue equity, have future impairment of assets or suffer adverse tax and accounting consequences in connection with any future acquisitions.

We could be liable for contract or product liability claims, and disputes over such claims may disrupt our business, divert management's attention, or have a negative impact on our financial results.

We provide limited warranties to purchasers of our products and services. In addition, errors, defects or other performance problems in our products and services, including with respect to data that we store, process and provide in connection with our products and services, could result in financial or other damages to our customers or consumers. There can be no assurance that any limitations of liability set forth in our contracts would be enforceable or would otherwise protect us from liability for damages. We maintain general liability insurance coverage, including coverage for errors and omissions in excess of the applicable deductible amount; however, there can be no assurance that this coverage will continue to be available on acceptable terms, in sufficient amounts to cover one or more large claims or at all, or that the insurer will not deny coverage for any future claim. The successful assertion of one or more large claims against us that exceeds available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have a material adverse effect on our business, results of operations, and financial condition. Furthermore, any litigation, regardless of its outcome, could result in substantial cost to us and divert management's attention from our operations and could have a material adverse effect on our business, results of operations, and financial condition. In addition, some of our products and services are business-critical for our customers, and a failure or inability to meet a customer's expectations could seriously damage our reputation and negatively impact our ability to retain existing business or attract new business.

If our customers fail to renew subscriptions in accordance with our expectations, our future revenue and operating results could suffer.

We generate revenue primarily by providing a broad suite of subscription-based software and technology solutions. A large portion of our success depends on our ability to generate renewals of our subscription-based

products and services and new sales of such products and services, both to new and existing clients. Our customers have no obligation to renew their subscriptions for our services after the expiration of their initial subscription period, and customers may not renew their subscriptions at the same or higher level of service or for the same duration of time, if at all. Therefore, we cannot provide assurance that we will be able to accurately predict future customer renewal rates.

Our customers' renewal rates may decline or fluctuate as a result of a number of factors, including their level of satisfaction with our services or the services of third-parties working on our behalf, our ability to continue enhancing features and functionality, the reliability (including uptime) of our subscription offerings, the prices of offerings and those offered by our competitors, the actual or perceived information security of our systems and services, decreases in the size of our customer base, reductions in our customers' spending levels or declines in customer activity as a result of economic downturns or uncertainty in financial markets, including as a result of the COVID-19 pandemic. If our customers do not renew their subscriptions or if they renew on terms less favorable to us, our revenue will be adversely affected.

Because we recognize a majority of our revenue from our subscription-based products and services over the term of the subscription, downturns or upturns in new business may not be immediately reflected in our operating results.

We generally recognize a majority of our revenue from sales of our subscription-based products and services ratably over the term of the subscription contract. As a result, the majority of our quarterly revenue is attributable to service contracts entered into during previous quarters. A decline in new or renewed service agreements in any one quarter will not be fully reflected in our revenue in that quarter but will harm our revenue in future quarters. Consequently, the effect of significant downturns in sales and market acceptance of our subscription services in a particular quarter may not be fully reflected in our operating results until future periods. Our subscription model also makes it difficult for us to rapidly increase our revenue through additional sales in any period, because revenue from new subscription contracts, and from additional orders under existing subscription contracts, must be recognized over the applicable subscription term. In addition, delays or failures in deployment of our subscription services may prevent us from recognizing subscription revenue for indeterminate periods of time. Further, we may experience unanticipated increases in costs associated with providing our subscription services to customers over the term of our subscription contracts as a result of inaccurate internal cost projections or other factors, which may harm our operating results.

We have invested, and expect to continue to invest, in research and development efforts for new and existing products and technologies and technical sales support. Such investments may affect our operating results, and, if the return on these investments is lower or develops more slowly than we expect, our revenue and operating results may suffer.

We have invested and expect to continue to invest in research and development for new and existing products, technologies and services in response to our customers' increasing technological requirements. Such investments may be in related areas, such as technical sales support, and may include increases in employee headcount. These investments may involve significant time, risks and uncertainties, including the risk that the expenses associated with these investments may affect our margins and operating results and that such investments may not generate sufficient revenue to offset liabilities assumed and expenses associated with these new investments. We believe that we must continue to invest a significant amount of time and resources in our research and development efforts and technical sales support to maintain and improve our competitive position. If we do not achieve the benefits anticipated from these investments, if the achievement of these benefits is delayed, or if customers reduce or slow the need to upgrade or enhance their computational software products and design flows, our revenue and operating results may be adversely affected.

There can be no assurance that we will have access to the capital markets on terms acceptable to us or at all.

From time to time we may need to access the long-term and short-term capital markets to obtain financing. Although we believe that the sources of capital currently in place will permit us to finance our operations for the

foreseeable future on acceptable terms and conditions, our access to, and the availability of, financing on acceptable terms and conditions in the future or at all will be impacted by many factors, including, but not limited to:

- our financial performance;
- our credit ratings;
- the liquidity of the overall capital markets; and
- the state of the economy.

There can be no assurance that we will have access to the capital markets on terms acceptable to us or at all.

Risks Relating to Legal, Regulatory and Compliance Matters

Our business is directly and indirectly subject to, and impacted by, extensive and complex laws and regulations in the U.S. and abroad, and new laws and regulations and/or changes to existing laws and regulations, as well as any associated inquiries or investigations or any other government action, may negatively impact our business, results of operations, and financial condition.

Our business is directly and indirectly subject to, and impacted by, numerous U.S. and foreign laws and regulations covering a wide variety of subject matters. Compliance with complex foreign and U.S. laws and regulations that apply to our operations increases our costs and may impede our competitiveness. In addition, failure to comply with such laws or regulations may result in the suspension or termination of our ability to do business in applicable jurisdictions or the imposition of civil and criminal penalties, including fines or exposure to civil litigation. New regulations and/or changes to existing regulations could require us to modify our business practices, including modify the manner in which we contract with or provide products and services to our customers; directly or indirectly limit how much we can charge for our services; require us to invest additional time and resources to comply with such regulations; or limit our ability to update our existing products and services, or require us to develop new ones.

In addition to the data privacy and security laws and regulations mentioned below, our business is also directly or indirectly governed by various laws and regulations relating to issues such as information services, telecommunications, antitrust or competition, employment, motor vehicle and manufacturer licensing or franchising, vehicle registration, advertising, taxation, consumer protection, and accessibility. We must also comply with anti-corruption laws such as the U.S. Foreign Corrupt Practices Act. In addition, motor vehicle and manufacturer licensing, franchising and advertising is highly regulated at the state level and is subject to changing legislative, regulatory, political, and other influences. Such state laws are complex and subject to frequent change. The application of this framework of laws and regulations to our business is complex and, in many instances, is unclear or unsettled, which in turn increases our cost of doing business, may interfere with our ability to offer our solutions competitively in one or more jurisdictions and may expose us and our employees to potential fines, penalties, or other enforcement actions. In some cases, our customers may seek to impose additional requirements on our business in efforts to comply with their interpretation of their own or our legal obligations. These requirements may differ significantly from our existing solutions or processes and may require engineering and other costly resources to accommodate.

In addition, we are and expect to continue to be the subject of investigations, inquiries, data requests, actions, and audits from regulatory authorities, particularly in the area of competition. On June 22, 2017, we received from the FTC a Civil Investigative Demand consisting of interrogatories and a request to produce documents relating to any agreements between the Company and Reynolds and Reynolds. On April 22, 2019, we received a subsequent request to schedule interviews with certain current and former Company employees. Parallel document requests have been received from certain states' Attorneys General. We have responded to the requests and no proceedings have been instituted. At this time, we do not have sufficient information to predict the outcome of, or the cost of resolving these investigations.

These laws and regulations, as well as any associated inquiries or investigations or any other government actions, may be costly to comply with and may delay or impede the development of new products, result in negative

publicity, increase our operating costs, require significant management time and attention, and subject us to remedies that may harm our business, including fines or demands or orders that we modify or cease existing business practices. Our failure to comply, or to provide solutions that allow our customers to comply, or any new investments of additional time and resources necessary to comply, or to provide solutions that allow our customers to comply, with any of the foregoing laws and regulations could have a material adverse effect on our business, results of operations, and financial condition.

We are subject to new regulations that restrict the manner and extent to which we can control access to our DMS and other software applications and limit what, if anything, we may charge for integration with those applications.

Revenue from the Partner Program is dependent on the business model of charging third party retail solution providers for integration to our DMS through a program of robust and secure interfaces. Our ability to control the manner in which we provide this robust and secure access to information in our systems, and our pricing model for this service, has been, and will likely continue to be, challenged, dictated and constrained in certain jurisdictions. For example, during the fourth quarter of fiscal 2020, Arizona, Montana, North Carolina and Oregon passed legislation that requires us to provide access or integrations to our software to read or write data in our systems. The legislation in some of these states purports to impose such requirements on us at our cost and without markup, or even without compensation, to any third party designated by a dealer licensee of our software, regardless of whether the dealer licensee has title to the data on our systems or the right under its software license to authorize non-licensee third parties access to our systems. In addition, each statute imposes administrative and technical requirements that are inconsistent with our current solutions and capabilities. We believe that compliance with such legislation will impair our ability to provide our customers with robust and secure technology solutions and will increase our risk of data security and privacy breaches, system and data integrity problems, and associated adverse competitive, financial, operational, and reputational impacts. Similar legislation has been proposed in other states and additional states may consider or pass similar legislation. We may incur significant legal and regulatory expenses in connection with assessing or challenging the applicability of this legislation to our products and offerings and while we seek legal, regulatory, or policy solutions to address concerns with respect to the validity of the legislation or our ability to comply with it. Ultimately, our failure to comply, or to provide solutions that allow our customers to comply, or any new investments of additional time and resources necessary to comply, or to provide solutions that allow our customers to comply, with this legislation will increase our operating costs and reduce our revenue, and could have a material adverse effect on our business, results of operations, and financial condition.

Our business is directly or indirectly subject to, or impacted by, complex and rapidly evolving U.S. and foreign laws and regulation regarding privacy and data protection. Many of these laws and regulations are subject to change and uncertain interpretation and could result in claims, adjustments to our business practices, penalties, increased cost of operations, or declines in customer growth or engagement, or otherwise harm our business.

Many U.S. and foreign jurisdictions have passed, or are currently contemplating, a variety of consumer protection, privacy, and data security laws and regulations that may relate directly or indirectly to our business. For example, federal laws and regulations governing privacy and security of consumer information generally apply to our customers and/or to us as a service provider. These include, but are not limited to, the federal Fair Credit Reporting Act, the GLB Act and regulations implementing its information safeguarding requirements, the Junk Fax Prevention Act of 2005, the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (the "CAN-SPAM Act"), the Telephone Consumer Protection Act, the Do-Not-Call-Implementation Act, applicable Federal Communications Commission (the "FCC") telemarketing rules (including the declaratory ruling affirming the blocking of unwanted robocalls), the FTC Privacy Rule, Safeguards Rule, Consumer Report Information Disposal Rule, Telemarketing Sales Rule, Risk-Based Pricing Rule, Red Flags Rule, and California Consumer Privacy Act of 2018. Laws of foreign jurisdictions, such as Canada's Anti-Spam Law and Personal Information Protection and Electronic Documents Act, and European Union's General Data Protection Regulation (the "GDPR") similarly apply to our collection, processing, storage, use, and transmission of protected data.

In the U.S., some state laws and regulations have imposed, and others have contemplated imposing, enhanced disclosure obligations and greater restrictions or prohibitions on the use of data than are already contained in federal laws such as the GLB Act and its implementing regulations or the FTC rules described above. For example, a new

law in California, the California Consumer Privacy Act of 2018 ("CCPA"), went into effect on January 1, 2020. CCPA provides California consumers with a greater level of transparency and broader rights and choices with respect to their personal information than those contained in any existing state and federal laws in the U.S. The "personal information" regulated by CCPA is broadly defined to include any information that identifies or is reasonably capable of being associated with or linked, directly or indirectly, with a California consumer or household, including, for example, demographics, usage, transactions and inquiries, preferences, inferences drawn to create a profile about a consumer. Compliance with CCPA requires the implementation of a series of operational measures such as preparing data maps, inventories, or other records of all personal information pertaining to California residents, households and devices, as well as information sources, usage, storage, and sharing, maintaining and updating detailed disclosures in privacy policies, establishing mechanisms to respond to consumers' data access, deletion, portability, and opt-out requests, etc. Violations of CCPA will result in civil penalties up to $7,500 per violation. CCPA further allows consumers to file lawsuits against a business if a data breach has occurred as a result of the business' violation of the duty to implement and maintain reasonable security procedures and practices.

The enforcement of the CCPA commenced on July 1, 2020. In the meantime, significant uncertainties in the interpretation and application some key CCPA provisions remain outstanding. On June 2, 2020, the California Attorney General submitted the draft of the implementation regulations to the CCPA ("CCPA Regulations") to the California Office of Administration Law for its final approval. Furthermore, the privacy group whose efforts led to the CCPA in 2018 has proposed a new law, the California Privacy Rights Act ("CPRA"), which, if passed, would replace the CCPA and impose further compliance burdens and risks on service providers such as us.

To comply with CCPA and assist many of our customers who are subject to CCPA to comply with CCPA, we have modified or adjusted the design, development, and delivery of our products and services in a significant way. However, with further clarifications and interpretations of the CCPA, the approval of the CCPA Regulations, and the passage of the CPRA and/or any new laws and regulations, additional modifications and adjustments may be required, which may result in significant costs and expenses, and any delay or failure to make such changes may negatively affect our customers' confidence in or perception of our product and services, result in their ceasing to use our products or services or even lawsuits and significant liabilities.

In addition, all 50 states have passed data breach notification laws that require notifications to affected consumers, attorneys general, consumer protection agencies and/or other government authorities when there is a breach of personal data, and provide consumers with credit monitoring and other remedies. Any data breaches and the related notifications and remedies may result in significant compliance costs in addition to potential liability and reputational damage.

The costs and other burdens of compliance with privacy and data security laws and regulations could negatively impact the use and adoption of our solutions and reduce overall demand for them. Additionally, evolving concerns regarding data privacy may cause our customers, or their customers and potential customers, to resist providing the data necessary to allow us to deliver our solutions effectively. Even the perception that personal information is not satisfactorily protected or does not meet regulatory requirements could inhibit sales of our solutions and any failure to comply with such laws and regulations could lead to significant fines, penalties, or other liabilities. Any such decrease in demand or incurred fines, penalties, or other liabilities could have a material adverse effect on our business, results of operations, and financial condition.

Changes in, or interpretations of, accounting principles may negatively impact our financial position and results of operations.

We prepare our consolidated financial statements in accordance with GAAP. These principles are subject to interpretation by the SEC and other organizations that develop and interpret accounting principles. New accounting principles arise regularly, implementation of which can have a significant effect on and may increase the volatility of our reported operating results and may even retroactively affect previously reported operating results. In addition, the implementation of new accounting principles may require significant changes to our customer and vendor contracts, business processes, accounting systems, and internal controls over financial reporting. The costs and effects of these changes could adversely impact our operating results, and difficulties in implementing new accounting principles could cause us to fail to meet our financial reporting obligations.

We may have exposure to unanticipated tax liabilities, which could harm our business, results of operations, and financial condition.

Our business operations subject us to income taxes and non-income based taxes, in both the U.S. and various foreign jurisdictions. The computation of the provision for income taxes and other tax liabilities is complex, as it is based on the laws of numerous taxing jurisdictions and requires significant judgment regarding the application of complicated rules governing accounting for tax provisions under GAAP. The provision for income taxes may require forecasts of effective tax rates for the year, which include assumptions and forward looking financial projections, including the expectations of profit and loss by jurisdiction. Various items cannot be accurately forecasted and future events may materially differ from our forecasts. Our provision for income tax could be materially impacted by a number of factors, including changes in the geographical mix of our profits and losses, changes in our business, such as internal restructuring and acquisitions, changes in tax laws and accounting guidance and other regulatory, legislative or judicial developments, tax audit determinations, changes in our uncertain tax positions, changes in our intent and ability to indefinitely reinvest foreign earnings, changes in our ability to utilize foreign tax credits, changes to our transfer pricing practices, tax deductions associated with stock-based compensation, and changes in our need for deferred tax valuation allowances. Any changes in corporate income tax laws or any implementation of tax laws relating to corporate tax reform, could significantly impact our overall tax liability. For these reasons, our actual tax liabilities in a future period may be materially different than our income tax provision.

In addition, changes in tax laws or tax rulings may have a significant adverse impact on our effective tax rate. In the event that changes in tax laws negatively impact our effective tax rates, our provision for taxes, or generate unanticipated tax liabilities, our business, results of operations, and financial condition could suffer a material adverse effect.

Changes in tax laws or tax rulings could materially affect our results of operations and financial condition.

The income and non-income tax regimes we are subject to or operate under are unsettled and may be subject to significant change. Changes in tax laws or tax rulings, or changes in interpretations of existing laws, could materially affect our results of operations and financial condition. For example, changes to U.S. tax laws enacted in December 2017 had a significant impact on our tax obligations and effective tax rate for fiscal 2018 and beyond.

Risks Related to the Transactions

Our historical and pro forma financial information may not be representative of our results as an independent company.

Prior to the Acquisition, we were an independent public company. Our historical audited and unaudited interim financial information does not reflect the significant impact of the Transactions on us. The unaudited pro forma financial data presented in this offering memorandum is based in part on certain assumptions regarding the Transactions that we believe are reasonable. We cannot assure you that our assumptions will prove to be accurate over time. Accordingly, the historical, pro forma and other financial information included in this offering memorandum may not reflect what our results of operations and financial condition would have been had we been a private entity during the periods presented, or what our results of operations and financial condition will be in the future.

We may not realize the anticipated cost savings and margin improvements from the Transactions.

The benefits that we expect to achieve as a result of the Transactions will depend, in part, on our ability to realize anticipated cost savings and margin improvements. After giving effect to the Acquisition, we believe that we will be able to, among other matters, save on our costs by being able to better focus our financial and operational resources on our business, growth profile and strategic priorities. We plan on introducing processes and tools to improve the efficiency in operations through rigorous measurement and managing demand for employee time, as well as prioritizing our spend on research and development to projects with strong returns on investment.

Even if we are able to execute the Transactions successfully, this may not result in the full realization of the cost savings and margin improvements that we currently expect, either within the expected time frame, or at all. In

addition, we cannot assure you that the costs to achieve these cost savings and margin improvements will not be higher than we anticipated or that the decrease in costs will not result in adverse effects to our business. Therefore, we cannot assure you that any anticipated cost savings and margin improvements will be achieved or that our estimates and assumptions will prove to be accurate. Adjusted EBITDA, Pro Forma Adjusted EBITDA and Adjusted EBITDA Margin do not reflect the significant costs we expect to incur in order to achieve such cost savings and margin improvements, and there can be no assurance that such costs will not be materially higher than presently contemplated, as such costs are difficult to estimate accurately. If our cost savings and/or margin improvements are less than our estimates or our cost saving and margin improvement initiatives adversely affect our business or cost more or take longer to implement than we project, or if our assumptions prove to be inaccurate, our results could be lower than we anticipate.

We have incurred, and expect to continue to incur, significant transaction costs in connection with the Transactions.

In connection with the Transactions, we have incurred and expect to continue to incur significant costs and expenses, including financial advisory, legal, accounting, consulting and other advisory fees and expenses, reorganization and restructuring costs, severance and employee benefit-related expenses, printing expenses and other related charges. In addition, we may incur significant one-time charges as a result of costs associated with the Transactions. We will not be able to quantify the exact amount of these charges or the period in which they will be incurred until after the Transactions are completed. The timing of the completion of the Transactions will affect the costs associated with the Transactions. While we have assumed that a certain level of expenses will be incurred in connection with the Transactions, there are many factors that could affect the total amount or timing of the integration and implementation expenses. There may also be additional unanticipated significant costs in connection with the Transactions that we do not anticipate and may not be able to recoup. These costs and expenses could reduce the benefits and income we expect to achieve from the Transactions.

Affiliates of Brookfield will control us and their interests may conflict with us, our customers or the holders of the Notes in the future.

Following the consummation of the Acquisition, Brookfield will, indirectly, control substantially all of our voting equity. As a result, Brookfield will have control over our decisions to enter into any corporate transaction, regardless of whether the holders of Notes believe that any such transactions are in their own best interests. For example, Brookfield could cause us to make acquisitions that increase the amount of our indebtedness, including secured indebtedness, or to sell assets, which may impair our ability to make payments under the Notes. In addition, to the extent permitted by the indenture that will govern the Notes and the credit agreement that will govern our New Credit Facilities, Brookfield may cause us to pay dividends rather than make capital expenditures or otherwise use our funds for the benefit of our business.

In addition, Brookfield is in the business of making investments in companies and may, from time to time, acquire and hold interests in businesses that compete directly or indirectly with us. Brookfield may vote in a manner so as to restrict us from expanding our business or entering into additional lines of business which may be related to the current or future operations of these investments. Also, Brookfield may pursue acquisitions that may be complementary with our business and, as a result, those acquisition opportunities may not be available to us. Furthermore, certain of our current or potential future customers may believe the interests of Brookfield conflict with theirs which may impact our ability to attract and retain certain customers. So long as Brookfield continues to indirectly own a significant amount of our outstanding voting equity, even if such amount is less than 50%, they will continue to be able to strongly influence or effectively control our decisions.

In connection with the consummation of the Acquisition, we will delist the Company's common stock and deregister under the Securities Act, and the Company will no longer be subject to the Sarbanes-Oxley Act of 2002.

Following the consummation of the Acquisition, we will delist the Company's common stock and deregister under the Securities Act, and because we will not register the new notes under the Securities Act after this offering, we are no longer, and will not be, subject to the Sarbanes-Oxley Act of 2002, which requires public companies to have and maintain effective disclosure controls and procedures to ensure timely disclosure of material information,

and have management review the effectiveness of those controls on a quarterly basis. The Sarbanes-Oxley Act also requires public companies to have and maintain effective internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements, and have management review the effectiveness of those controls on an annual basis (and have the independent auditor attest to the effectiveness of such internal controls). We are not required to comply with these requirements and therefore we may not have comparable procedures in place as compared to other public companies.

Risks Related to Our Indebtedness and the Notes

We will have a substantial amount of indebtedness and this substantial level of indebtedness could materially adversely affect our ability to generate sufficient cash to fulfill our obligations under such indebtedness, to react to changes in our business and to incur additional indebtedness to fund future needs.

As of March 31, 2022, on a pro forma basis after giving effect to the Transactions, we would have had approximately $5,215.0 million of long-term debt outstanding, and approximately $650.0 million of additional first lien borrowing capacity under the New Revolving Facility (including undrawn letters of credit), subject to customary conditions. See "Unaudited Pro Forma Consolidated Financial Information." Our substantial indebtedness, combined with our other financial obligations and contractual commitments, could have important consequences for our business, including, but not limited to:

- increasing our vulnerability to, and reducing our flexibility to plan for and respond to, general adverse economic and industry conditions and changes in our business and the competitive environment;
- an increasingly substantial portion of our cash flow from operations will be dedicated to making payments of principal of, and interest on, our indebtedness, thereby reducing the availability of funds that would otherwise be available to fund working capital, capital expenditures, acquisitions, dividends, share repurchases or other corporate purposes;
- increasing our vulnerability to further downgrades of our credit rating, which could adversely affect our interest rates on existing indebtedness, cost of additional indebtedness, liquidity and access to capital markets;
- restricting us from making strategic acquisitions or causing us to make non-strategic divestitures;
- requiring us to secure our credit agreements and other indebtedness and provide subsidiary guarantees if certain conditions are met;
- making it more difficult for us to repay, refinance or satisfy our obligations with respect to our debt;
- limiting or eliminating our ability to obtain additional financing, if necessary, for working capital, capital expenditures, acquisitions, or other purposes; and
- any failure to comply with the obligations of any of our debt instruments could result in an event of default under the agreements governing such indebtedness, which in turn, if not cured or waived, could result in the acceleration of the applicable debt, and may result in the acceleration of any other debt to which a cross-acceleration or cross-default provision applies.

Our ability to service our current and future levels of indebtedness will depend upon, among other things, our future financial and operating performance, which will be affected by prevailing economic conditions, including the interest rate environment, and financial, business, regulatory and other factors, some of which are beyond our control.

There is no assurance that we will generate cash flow from operations or that future debt or equity financings will be available to us to enable us to pay our indebtedness or to fund other needs and we may be forced to take actions such as reducing or delaying business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing debt, reducing or discontinuing dividends we may pay in the future, or seeking additional equity capital. These actions may not be effected on satisfactory terms, or at all. Any inability to generate

sufficient cash flow or refinance our indebtedness on favorable terms could have a material adverse effect on our business, results of operations, and financial condition.

High levels of indebtedness and debt service obligations will effectively reduce the amount of funds available for other business purposes and may adversely affect us.

Interest costs related to our indebtedness will be substantial, and our higher level of indebtedness, including any future borrowings, could reduce funds available for acquisitions, capital expenditures or other business purposes, impact our credit ratings, restrict our financial and operating flexibility or create competitive disadvantages compared to other companies with lower debt levels.

Further, a higher level of indebtedness could make it more difficult for us to satisfy our obligations with respect to our debt, increase our vulnerability to adverse economic or industry conditions and limit our ability to obtain additional financing.

Our ability to make payments of principal and interest on our indebtedness, including the Notes, depends upon our future performance, which will be subject to general economic conditions and financial, business and other factors affecting our consolidated operations, many of which are beyond our control. If we are unable to generate sufficient cash flow from operations in the future to service our debt and meet our other cash requirements, we may be required, among other things:

- to seek additional financing in the debt or equity markets;
- to refinance or restructure all or a portion of our indebtedness;
- to sell selected assets or businesses; or
- to reduce or delay planned capital or operating expenditures.

Such measures might not be sufficient to enable us to service our debt and meet our other cash requirements. In addition, any such financing, refinancing or sale of assets might not be available on economically favorable terms or at all.

The credit agreements that will govern the New Credit Facilities and the indenture that will govern the Notes will each impose significant operating and financial restrictions on us and our restricted subsidiaries, which may prevent us from capitalizing on business opportunities.

The credit agreements that will govern the New Credit Facilities and the indenture that will govern the Notes will each impose significant operating and financial restrictions on us. These restrictions will limit our ability and the ability of our restricted subsidiaries to, among other things:

- incur or guarantee additional debt or issue disqualified stock or preferred stock;
- pay dividends and make other distributions on, or redeem or repurchase, capital stock;
- make certain investments;
- incur certain liens;
- enter into transactions with affiliates;
- merge or consolidate;
- enter into certain negative pledge agreements;
- designate restricted subsidiaries as unrestricted subsidiaries;
- prepay, redeem or repurchase certain indebtedness that is subordinated in right of payment to the Notes;

- and transfer or sell assets.

In addition, we will be required to comply with, based on level of utilization of the New Revolving Facility, a leverage-based financial maintenance covenant under the New Revolving Facility. See "Description of Certain Other Indebtedness."

As a result of the restrictions described above, we will be limited as to how we conduct our business and we may be unable to raise additional debt or equity financing to compete effectively or to take advantage of new business opportunities. The terms of any future indebtedness we may incur could include more restrictive covenants. We cannot assure you that we will be able to maintain compliance with these covenants in the future and, if we fail to do so, that we will be able to obtain waivers from the lenders and/or amend the covenants.

Our failure to comply with the restrictive covenants described above as well as other terms of our indebtedness incurred in connection with the Transactions and/or the terms of any future indebtedness from time to time could result in an event of default, which, if not cured or waived, could result in our being required to repay these borrowings before their due date. If we are forced to refinance these borrowings on less favorable terms or cannot refinance these borrowings, our results of operations and financial condition could be adversely affected.

Despite our indebtedness levels on the closing date after giving effect to the Transactions, we and our subsidiaries may still be able to incur substantially more debt, which could further exacerbate the risks associated with our substantial leverage.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future. Although the credit agreements that will govern the New Credit Facilities and the indenture that will govern the Notes will contain restrictions on the incurrence of additional indebtedness, these restrictions are expected to be subject to a number of qualifications and exceptions, and the indebtedness that may be incurred in compliance with these restrictions could be substantial. If we incur additional debt above the levels that will be in effect on the closing date after giving effect to this offering, the risks associated with our leverage, including those described above, would increase. As of March 31, 2022, on a pro forma basis giving effect to the Transactions, we would have had approximately $650.0 million of additional first lien borrowing capacity under the New Revolving Facility (including undrawn letters of credit), subject to customary conditions, reduced by the amount of any letters of credit to be issued under such facilities on the closing date of the Acquisition or thereafter), which may be drawn after the closing date. In addition, the restrictions in the indenture that will govern the Notes and the credit agreements that will govern the New Credit Facilities will not prevent us from incurring obligations, such as trade payables, that do not constitute indebtedness as defined in such debt instruments.

We may be unable to service our indebtedness, including the Notes, which could result in our bankruptcy or liquidation.

Our ability to make scheduled payments on and to refinance our indebtedness, including the Notes, depends on and is subject to our financial and operating performance, which in turn is affected by general and regional economic, financial, competitive, business and other factors, all of which are beyond our control, including the availability of financing in the international banking and capital markets. Lower net revenues generally will reduce our cash flow. We cannot assure you that our business will generate sufficient cash flow from operations or that future borrowings will be available to us in an amount sufficient to enable us to service our debt, including the Notes, to refinance our debt or to fund our other liquidity needs. After giving effect to the Transactions, some of our debt, including the New Revolving Facility, will mature before the maturity dates of the Notes.

If we are unable to meet our debt service obligations or to fund our other liquidity needs, we will need to restructure or refinance all or a portion of our debt, including the Notes, which could cause us to default on our debt obligations and impair our liquidity. Our ability to restructure or refinance our debt will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of our indebtedness could be at higher interest rates and may require us to comply with more onerous covenants that could further restrict our business operations.

If we fail to comply with the covenants under the New Credit Facilities, we could become in default thereunder, and by reason of cross-acceleration or cross-default provisions, other indebtedness may then become immediately

due and payable. If our operating performance declines, we may in the future need to obtain waivers from the required lenders under each of our New Credit Facilities to avoid being in default. If we breach our covenants under our New Credit Facilities and seek a waiver, we may not be able to obtain a waiver from the required lenders. If this occurs, we would be in default under our New Credit Facilities. Moreover, in the event of a default, the holders of our indebtedness could elect to declare all the funds borrowed to be due and payable, together with accrued and unpaid interest, if any. The lenders under each of our New Revolving Facility could also elect to terminate their commitments thereunder, cease making further loans, and institute foreclosure or other enforcement proceedings against their collateral if applicable. The lenders could exercise their rights, as described above, and we could be forced into a bankruptcy, liquidation or other insolvency proceeding.

Repayment of our debt, including required principal and interest payments on the Notes, is dependent on cash flow generated by our subsidiaries, which may be subject to limitations beyond our control.

Our subsidiaries own all of our assets and conduct all of our operations. Accordingly, repayment of our indebtedness, including the Notes, is dependent on the generation of cash flow by our subsidiaries and (if they are not Guarantors of the Notes) their ability to make such cash available to us, by dividend, debt repayment or otherwise.

Unless they are the Guarantors of the Notes, our subsidiaries do not have any obligation to pay amounts due on the Notes or to make funds available to the Issuers or the Guarantor subsidiaries for that purpose. Our non-guarantor subsidiaries may not be able to, or may not be permitted to, make distributions or repay intercompany loans to enable us to make payments in respect of our indebtedness, including the Notes. Each non-guarantor subsidiary is a distinct legal entity and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our non-guarantor subsidiaries. While the indenture that will govern the Notes will limit the ability of certain of our subsidiaries to incur consensual restrictions on their ability to pay dividends or make other intercompany payments to the Issuers, these limitations will be subject to certain qualifications and exceptions. The indenture that will govern the Notes and the credit agreements that will govern the New Credit Facilities will not limit the ability of our non-guarantor unrestricted subsidiaries to incur any additional consensual restrictions on their ability to make any such payments to the Issuers. Our non-guarantor unrestricted subsidiaries will be able to engage in many of the activities that we and our restricted subsidiaries, subject to the restrictive covenants in the indenture that will govern the Notes, that will be prohibited or limited from doing under the terms of the credit agreements or the indenture that will govern the Notes. These actions could be detrimental to our ability to make payments of principal and interest under the Notes when due and to comply with our other obligations under the Notes and could reduce the amount of our assets that would be available to satisfy your claims should we default on the Notes.

In the event that we are unable to receive distributions from subsidiaries, we may be unable to make required principal and interest payments on our indebtedness, including the Notes.

Interest rate fluctuations may have a material adverse effect on our business, results of operations, financial condition and cash flows.

Indebtedness under the New Credit Facilities will bear interest at variable rates. Because we will have substantial variable rate debt, fluctuations in interest rates may affect our business, results of operations, financial condition and cash flows. If interest rates increase, our debt service obligations on our variable rate indebtedness would increase even though the amount borrowed remained the same, and our net income and cash flows, including cash available for servicing our indebtedness, would correspondingly decrease. We may attempt to minimize interest rate risk and lower our overall borrowing costs through the utilization of derivative financial instruments, primarily interest rate swaps. However, we may not maintain interest rate swaps with respect to all of our variable rate indebtedness, and any swaps we enter into may not fully mitigate our interest rate risk. After giving effect to the Transactions, we expect to have approximately $4,307.0 million aggregate principal amount of variable rate indebtedness.

Claims of holders of the Notes will be structurally subordinated to claims of creditors of certain of our subsidiaries that will not guarantee the Notes.

The Notes will not be guaranteed by certain of our existing and future subsidiaries. Only our existing wholly-owned domestic restricted subsidiaries that guarantee indebtedness of the Issuers under the New Credit Facilities

will guarantee the Notes upon consummation of the Acquisition. As of the closing date of the Acquisition, none of our foreign subsidiaries, our non-wholly-owned domestic subsidiaries or our unrestricted subsidiaries will guarantee the Notes, and no such subsidiaries are expected to guarantee the Notes in the future. As of and for the nine months ended March 31, 2022 and the year ended June 30, 2021, our non-guarantor subsidiaries represented approximately 8% and 8% of our revenues, 9% and 8% of our Adjusted EBITDA and 5% and 5% of our total assets (excluding cash), respectively. In addition, the guarantee of certain Guarantors will be released in connection with a transfer of such Guarantor in a transaction not prohibited by the indenture that will govern the Notes or upon certain other events described in "Description of Notes—Guarantees." The indenture that will govern the Notes will permit these non-guarantor subsidiaries to incur certain additional debt and will not limit their ability to incur other liabilities that are not considered indebtedness thereunder.

We may not be able to repurchase the Notes upon a Change of Control.

Upon the occurrence of a Change of Control (as defined in "Description of Notes—Repurchase at the Option of Holders—Change of Control"), we will be required to offer to repurchase all outstanding Notes at 101% of their principal amount, together with accrued and unpaid interest, if any, to the purchase date. Additionally, under the terms of the New Credit Facilities, a change of control may constitute an event of default that permits the lenders to accelerate the maturity of borrowings under the respective agreements and terminate their commitments to lend. The source of funds for any purchase of the Notes and repayment of borrowings under the New Credit Facilities would be our available cash or cash generated from our subsidiaries' operations or other sources, including borrowings, sales of assets or sales of equity. We may not be able to repurchase the Notes upon a change of control because we may not have sufficient financial resources to purchase all of the debt securities that are tendered upon a change of control and repay our other indebtedness that will become due. We may require additional financing from third parties to fund any such purchases, and we may be unable to obtain financing on satisfactory terms or at all. Further, our ability to repurchase the Notes may be limited by law. In order to avoid the obligations to repurchase the Notes and events of default and potential breaches of the terms of the New Credit Facilities, we may have to avoid certain change of control transactions that would otherwise be beneficial to us.

Applicable fraudulent transfer and conveyance laws may permit a court to avoid the Notes or the guarantees, and if that occurs, you may not receive any payments on the Notes.

Federal and state fraudulent transfer and conveyance statutes may apply to the issuance of the Notes, the incurrence of the guarantees of the Notes and the granting of related liens. Under federal bankruptcy law and comparable provisions of state fraudulent transfer or conveyance laws, which may vary from state to state, the Notes or the guarantees thereof and related liens could be avoided as a fraudulent transfer or conveyance if an Issuer or a Guarantor, as applicable, (i) issued the Notes, incurred its guarantee or granted related liens with the intent of hindering, delaying or defrauding creditors or (ii) received less than reasonably equivalent value or fair consideration in return for either issuing the Notes or incurring the guarantee or granting related liens and, in the case of (ii) only, one of the following is also true at the time thereof:

- such Issuer or such Guarantor, as applicable, was insolvent or rendered insolvent by reason of the issuance of the Notes, the incurrence of its guarantees or the granting of related liens;
- the issuance of the Notes, the incurrence of its guarantees or the granting of related liens left such Issuer or such Guarantor, as applicable, with an unreasonably small amount of capital or assets to carry on the business;
- such Issuer or such Guarantor intended to, or believed that it would, incur indebtedness beyond its ability to pay as they mature; or
- such Issuer or such Guarantor was a defendant in an action for money damages, or had a judgment for money damages docketed against it if, in either case, the judgment is unsatisfied after final judgment.

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 secured or satisfied. A court would likely find that a Guarantor did not receive reasonably equivalent value or fair consideration for its guarantee to the extent the Guarantor did not obtain a reasonably equivalent benefit directly or indirectly from the issuance of the Notes or related Liens.

We cannot be certain as to the standards a court would use to determine whether or not any Issuer or any Guarantor was insolvent at the relevant time or, regardless of the standard that a court uses, whether the Notes or the guarantees would be subordinated to other indebtedness. In general, however, a court would deem an entity insolvent if:

- the sum of its indebtedness, including contingent and unliquidated liabilities, was greater than the fair saleable value of all of 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 indebtedness, including contingent liabilities, as they become absolute and mature; or

- it could not pay its indebtedness as it becomes due.

If a court were to find that the issuance of the Notes, the incurrence of a guarantee or the granting of related liens was a fraudulent transfer or conveyance or other reviewable transaction, the court could avoid the payment obligations under the Notes or that guarantee or any related liens, could subordinate the Notes or that guarantee to presently existing and future indebtedness of the relevant Issuer or of the relevant Guarantor or could require the holders of the Notes to repay any amounts received with respect to the Notes or that guarantee. In the event of a finding that a fraudulent transfer or conveyance or other reviewable transaction occurred, you may not receive any repayment on the Notes or the benefit of any related liens. The indenture that will govern the Notes will also permit guarantees by foreign subsidiaries, if applicable, to be limited to the extent necessary to comply with applicable local law, and these limitations could limit the value of the guarantees. Further, the avoidance of the Notes could result in an event of default with respect to our and our subsidiaries' other indebtedness that could result in acceleration of that indebtedness.

Finally, as a court of equity, the bankruptcy court may subordinate the claims in respect of the Notes to other claims against us under the principle of equitable subordination if the court determines that (i) the holder of Notes engaged in some type of inequitable conduct, (ii) the inequitable conduct resulted in injury to our other creditors or conferred an unfair advantage upon the holders of Notes and (iii) equitable subordination is not inconsistent with the provisions of the Bankruptcy Code. Similar limitations could apply in other jurisdictions.

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 Guarantor of the Notes will be automatically released to the extent such Guarantor is released in connection with a sale or other disposition of the equity interests of such Guarantor in a transaction not prohibited by the indenture that will govern the Notes.

The indenture will also permit us to designate one or more of our restricted subsidiaries that is a Guarantor of the Notes as an unrestricted subsidiary, which will result in the guarantee of such Guarantor being automatically released. If a Guarantor is released from its guarantee of the New First Lien Credit Facilities and certain other indebtedness of the Issuers or any other Guarantor, other than in connection with a refinancing of the New First Lien Credit Facilities and such other indebtedness or a payment under such guarantee, or a Guarantor ceases to be a subsidiary as a result of any foreclosure of any pledge or security interest securing the secured indebtedness, such subsidiary's guarantee of the Notes will be automatically released as well, in which case any liens on the assets of such subsidiary in favor of the New First Lien Credit Facilities will also be released. If the guarantee of any 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 Guarantor's subsidiary guarantee will be automatically released, see "Description of Notes—Guarantees."

Changes in our credit rating or the rating of the Notes could negatively impact the market price or liquidity of the Notes.

Credit rating agencies continually revise their ratings for the companies that they follow, including us. Credit rating agencies also evaluate our industry as a whole and may change their credit ratings for us based on their overall view of our industry. We cannot be sure that credit rating agencies will maintain their ratings on the Notes. A negative change in our ratings could have a negative impact on the future trading prices of the Notes and on our ability to obtain future debt financing on commercially reasonable terms or at all.

In addition, we currently expect that, upon issuance, the Notes will be rated by Standard & Poor's Investors Ratings Service, Moody's Investors Service, Inc. and Fitch Ratings, Inc.. A rating agency's rating of the Notes is not a recommendation to purchase, sell or hold any particular security, including the Notes. Such ratings are limited in scope and do not comment as to material risks relating to an investment in the Notes. An explanation of the significance of such rating may be obtained from such rating agency. There is no assurance that such credit ratings will be issued or remain in effect for any given period of time. Rating agencies also may lower, suspend or withdraw ratings on the Notes or our other debt in the future. Holders of the Notes will have no recourse against us or any other parties in the event of a change in or suspension or withdrawal of such ratings. Any lowering, suspension or withdrawal of such ratings may have an adverse effect on the market prices or marketability of the Notes.

Holders of the Notes will not be entitled to registration rights and we do not currently intend to register the Notes under the applicable securities laws, and, therefore, there are significant restrictions on your ability to transfer or resell the Notes.

The Notes are being offered and sold pursuant to an exemption from registration under the Securities Act and applicable state securities laws. Therefore, you may transfer or resell the Notes only in a transaction registered under or exempt from the registration requirements of the Securities Act and applicable state securities laws. We are not required to and do not intend to register the Notes for resale under the Securities Act or the securities laws of any other jurisdiction and we are not required to and do not intend to offer to exchange the Notes for notes registered under the Securities Act or the securities laws of any other jurisdiction. Accordingly, you may have difficulty transferring your Notes, and you may be required to bear the risk of your investment for an indefinite period of time. See "Transfer Restrictions."

We will not be subject to the Sarbanes-Oxley Act of 2002 (except to the extent we are required to do so as a subsidiary of Brookfield Business Partners following consummation of the Acquisition).

Since we will not register the Notes under the Securities Act after this offering and we will cease being a public company upon consummation of the Acquisition, we will not be subject to the Sarbanes-Oxley Act of 2002 (except to the extent we are required to do so as a subsidiary of Brookfield Business Partners following consummation of the Acquisition), which requires public companies to have and maintain effective disclosure controls and procedures to ensure timely disclosure of material information, and have management review the effectiveness of those controls on a quarterly basis. The Sarbanes-Oxley Act also requires public companies to have and maintain effective internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements, and have management review the effectiveness of those controls on an annual basis (and have the independent auditor attest to the effectiveness of such internal controls). We therefore may not have comparable procedures in place as compared to public companies.

The indenture that will govern the Notes will not be qualified under the Trust Indenture Act and will not be required to comply with the provisions of the Trust Indenture Act.

The indenture that will govern the Notes will not be qualified under the Trust Indenture Act and will not be required to comply with the provisions of the Trust Indenture Act. Therefore, holders of the Notes will not be entitled to the benefit of the provisions and protection of the Trust Indenture Act except to the extent there are similar provisions in the indenture that will govern the Notes.

Your ability to transfer the Notes may be limited by the absence of an active trading market, and an active trading market may not be maintained for the Notes.

We expect the Notes to be eligible for trading by "qualified institutional buyers," as defined under Rule 144A (each a "QIB"), but we do not intend to list the Notes on any national securities exchange or include the Notes in any automated quotation system. The initial purchasers have advised us that they intend to make a market in the Notes as permitted by applicable laws and regulations. However, the initial purchasers are not obligated to make a market in the Notes, and they may discontinue their market-making activities at any time without notice. Therefore, an active market for the Notes may not develop or be maintained, which would adversely affect the market price and liquidity of the Notes. In that case, the holders of the Notes may not be able to sell their Notes at a particular time or at a favorable price.

Even if an active trading market for the Notes does develop, there is no guarantee that it will continue. Historically, the market for non-investment grade debt has been subject to severe disruptions that have caused substantial volatility in the prices of securities similar to the Notes. The market, if any, for the Notes may experience similar disruptions, and any such disruptions may adversely affect the liquidity in that market or the prices at which you may sell your Notes. In addition, subsequent to their initial issuance, the Notes may trade at a discount from their initial offering price, depending upon prevailing interest rates, the market for similar notes, our performance and other factors.

In addition, recent regulatory actions by the Securities and Exchange Commission under Rule 15c2-11 of the Securities Exchange Act of 1934, as amended, may restrict the ability of brokers and dealers to publish quotations on the Notes on any interdealer quotation system or other quotation medium after January 3, 2023, which may materially affect the liquidity and trading prices for the Notes.

Many of the covenants in the indenture that will govern the Notes will not apply during any period in which the Notes are rated investment grade.

Many of the covenants in the indenture that will govern the Notes will not apply to us during any period in which the Notes are rated investment grade by any of Standard & Poor's Investors Ratings Services, Moody's Investors Service, Inc. or Fitch Ratings, Inc. provided at such time no default or event of default has occurred and is continuing. These covenants restrict, among other things, our ability to pay distributions, incur indebtedness and enter into certain other transactions. 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 these ratings. However, suspension of these covenants would allow us to engage in certain transactions that would not be permitted while these covenants were in force. To the extent the covenants are subsequently reinstated, any such actions taken while the covenants were suspended would not result in an event of default under the indenture that will govern the Notes. See "Description of Notes—Certain Covenants."

If the Acquisition is not consummated on or prior to the Escrow End Date, the Acquisition is terminated at any time prior thereto, or other conditions to the release of the escrowed proceeds of this offering are not satisfied, the Notes will be subject to special mandatory redemption, and as a result, you may not obtain the return you expect on the Notes.

Upon consummation of the offering of the Notes, unless the closing of the Acquisition has occurred at or prior to such time, we will deposit the gross proceeds of the offering into segregated escrow accounts. Such amounts will remain in escrow until either (i) the Acquisition is consummated and certain other conditions are met or (ii) the escrowed funds are released in connection with a special mandatory redemption of the Notes. If the Escrow Release Conditions are not satisfied on or prior to the Escrow End Date, if we notify the Trustee and the Escrow Agent that the Merger Agreement has been terminated in accordance with its terms or upon the occurrence of certain other events, the Notes will be subject to a special mandatory redemption. The special mandatory redemption price will be equal to 100% of the initial issue price of the Notes, plus accrued and unpaid interest, if any, from the issue date of the Notes, up to, but not including, the date of such special mandatory redemption. 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.

The ability of holders of the Notes to realize such funds may be subject to certain bankruptcy and insolvency law limitations in the event of the bankruptcy or insolvency of the Issuers. In addition, the escrowed funds will only be in the amount of the gross proceeds received from the offering of the Notes, and will not be sufficient to pay the special mandatory redemption amount which includes accrued and unpaid interest up to, but not including, the redemption date. See "Description of Notes—Escrow of Gross Proceeds; Special Mandatory Redemption."

If a bankruptcy or insolvency proceeding is commenced, bankruptcy or insolvency laws may prevent the release of the escrowed funds.

If an Issuer or any Guarantor commences a bankruptcy or insolvency proceeding, or one is commenced against an Issuer or any Guarantor while amounts remain in the escrow accounts described under "Description of Notes—Escrow of Gross Proceeds; Special Mandatory Redemption" applicable bankruptcy or insolvency laws may prevent the Escrow Agent from releasing the escrowed funds or 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. The automatic stay provisions of the Bankruptcy Code and other insolvency laws generally prohibit secured creditors from foreclosing or realizing upon or disposing of a debtor's property without 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 the indenture that will govern the Notes and could suffer a loss as a result.

Between the time of the issuance of the Notes and the consummation of the Acquisition, the parties to the Merger Agreement may agree to modify or waive the terms or conditions of such document without consent of the holders of the Notes.

Prior to the consummation of the Acquisition, the parties to the Merger Agreement may agree to make amendments or waivers of the terms thereof. The escrow agreement will not preclude the Acquisition parties from making certain changes to the terms of the Acquisition or from waiving conditions to the Acquisition, including certain changes in the purchase price or to the structure of the Acquisition.

The terms and conditions of the new credit facilities have not been finalized.

The credit agreements relating to the New Credit Facilities have not been finalized. Our entry into New Credit Facilities are subject to market conditions, and we cannot assure you that the New Credit Facilities will be completed in the manner, on the terms or on the timetable described herein, or at all. We may elect to increase the amount of our New First Lien Term Loan Facility, which would increase the amount of secured indebtedness. Future changes in market conditions may result in less favorable terms for the New Credit Facilities and any changes to the terms of the New Credit Facilities may increase our interest expense and adversely affect our business. The terms of the New Credit Facilities could also change in a way that makes it easier to incur debt in the future.

Risks Related to the Collateral

Even though the holders of the Notes will benefit from first-priority liens on the Collateral, the representative of the lenders under the New First Lien Credit Facilities will initially have the exclusive right to control actions (including the exercise of remedies) (or to direct the First Lien Credit Agreement Collateral Agent to do the same) with respect to the Collateral.

The rights of the holders of the Notes in the Collateral (including the right to exercise remedies) will be subject to (i) the First Lien Intercreditor Agreement among the Credit Agreement Administrative Agent, the Notes Collateral Agent, the Trustee and any applicable representative for the holders of future pari passu obligations and (ii) the First Lien/Second Lien Intercreditor Agreement among the First Lien Credit Agreement Collateral Agent, the Notes Collateral Agent, the Second Lien Collateral Agent and any applicable representative for the holders of future secured obligations.

Under the First Lien Intercreditor Agreement, any actions that may be taken with respect to the Collateral, including the ability to cause the commencement of enforcement proceedings against the Collateral or to control such proceedings, will be at the direction of the First Lien Credit Agreement Collateral Agent until the earlier to occur of (x) the discharge of our obligations under the New First Lien Credit Facilities (which discharge does not

include certain refinancings of the New First Lien Credit Facilities) and (y) 180 days after the occurrence of a continuing event of default under the New First Lien Credit Facilities or the agreement governing the series of indebtedness representing the largest outstanding principal amount of indebtedness subject to the First Lien Intercreditor Agreement and the acceleration of such indebtedness (subject to certain other requirements), unless (1) the Applicable Collateral Agent has commenced and is diligently pursuing any enforcement action with respect to all or a material portion of Collateral or (2) the Issuer, the Co-Issuer or any Guarantor that has granted a security interest in such Collateral is then a debtor under or with respect to (or otherwise subject to) any insolvency or liquidation proceeding. See "Description of Notes—Security for the Notes—First Lien Intercreditor Agreement."

Under the First Lien/Second Lien Intercreditor Agreement, no action may be taken by the Second Lien Collateral Agent or any other Second Lien Secured Party (as defined under "Description of Notes") with respect to the Collateral until the earlier to occur of (x) the discharge of our obligations under the Notes and the New First Lien Credit Facilities (which discharge includes certain refinancings of the Notes and the New First Lien Credit Facilities) and (y) a period of no more than 150 days elapsing since the date on which the Applicable Collateral Agent (as defined under "Description of Notes") has received written notice from the applicable Second Lien Representative (as defined under "Description of Notes") of the existence of any event of default under the applicable Second Lien Documents (as defined under "Description of Notes") for the series of indebtedness that is controlling under the First Lien Intercreditor Agreement that is continuing and the written demand by the applicable Second Lien Representative of the immediate payment in full (whether as a result of acceleration thereof or otherwise) of all of the obligations in respect of such series of indebtedness so long as such event of default has not been cured or waived (which period shall be tolled or terminated in certain circumstances and which shall not expire so long as the Applicable Collateral Agent is diligently pursuing the exercise of its rights and remedies against the pledgors or all or a material portion of the Collateral and given a prompt notice of such exercise to the Second Lien Collateral Agent).

At any time that the First Lien Credit Agreement Collateral Agent does not have the right to take action with respect to the Collateral pursuant to the First Lien Intercreditor Agreement as described above, then the authorized representative for the series of other first lien debt that has the greatest outstanding principal amount would exercise such right to take action under the First Lien Intercreditor Agreement and the First Lien/Second Lien Intercreditor Agreement.

The foregoing is not a summary of all material terms of the First Lien Intercreditor Agreement or the First Lien/Second Lien Intercreditor Agreement. For a more detailed description, see "Description of Notes—Security for the Notes—First Lien Intercreditor Agreement" and "Description of Notes —Security for the Notes—First Lien/Second Lien Intercreditor Agreement."

Under the First Lien Intercreditor Agreement, none of the Notes Collateral Agent, Trustee or the holders of the Notes may object following the filing of a bankruptcy petition or commencement of any other insolvency, restructuring or liquidation proceeding to (i) any proposed debtor-in-possession financing or to the use of cash collateral that is not opposed or objected to by the controlling collateral agent or (ii) the use of the Collateral to secure debtor in possession financing, subject to certain specified conditions and limited exceptions. After the filing of any bankruptcy petition or the commencement of any other insolvency, restructuring or liquidation proceeding, the value of the Collateral could materially deteriorate, and holders of the Notes would be prohibited from raising an objection to such proposed financing or use of cash collateral. For a description of important waivers by holders of the Notes and limits on their rights as secured creditors under the First Lien Intercreditor Agreement see "Description of Notes—Security for the Notes—First Lien Intercreditor Agreement" and "Description of Notes—Security for the Notes—First Lien/Second Lien Intercreditor Agreement."

Additional indebtedness is secured by the Collateral that will secure the Notes, and the Notes will be secured only to the extent of the value of the assets that have been granted as security for the Notes and the guarantees, which may not be sufficient to satisfy our obligations under the Notes.

The Notes will be secured by a first-priority lien on the Collateral and there may not be sufficient collateral to pay all or any of the Notes. In addition, indebtedness permitted to be secured by a lien that is pari passu with liens securing the Notes, including the New First Lien Credit Facilities (referred to herein as other "Additional Pari Passu Obligations"), is secured by the same tangible and intangible assets comprising the Collateral securing the Notes, on a pari passu basis. In the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding against

us or any Guarantor, the Collateral securing the other Additional Pari Passu Obligations and the Notes must be used to pay the other Additional Pari Passu Obligations and the Notes ratably as set forth in the First Lien Intercreditor Agreement. We may incur additional Additional Pari Passu Obligations in the future.

As of March 31, 2022, on a pro forma basis giving effect to the Transactions, we would have had approximately (i) $5,215.0 million of long-term debt outstanding, (ii) the aggregate amount of such indebtedness that is secured on a (x) first lien basis would have been approximately $4,350.0 million, which would rank pari passu to the obligations under the Notes and (y) second lien basis would have been approximately $707.0 million, which would rank junior in lien priority to the obligations under the Notes and (iii) $650.0 million of additional borrowing capacity under the New Revolving Facility (including undrawn letters of credit), subject to customary conditions.

Any additional obligations secured by an equal priority lien on the Collateral securing the Notes will adversely affect the relative position of the holders of the Notes with respect to the Collateral securing such Notes.

No appraisals of any collateral have been prepared in connection with the offering of the Notes. The value of the Collateral at any time will depend on market and other economic conditions, including the availability of suitable buyers for the Collateral. By their nature, some or all of the pledged assets may be illiquid and may have no readily ascertainable market value. The value of the Collateral securing the Notes could be impaired in the future as a result of changing economic conditions, our failure to implement our business strategy, competition and other future events or trends. In the event of a foreclosure, liquidation, bankruptcy or similar proceeding, no assurance can be given that the proceeds from any sale or liquidation of the Collateral securing the Notes will be sufficient to pay our obligations under the Notes, in full or at all, while also paying the Additional Pari Passu Obligations.

In the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding against us or any Guarantor, all proceeds from the Collateral will be applied first to ratably repay the obligations in respect of the Notes and any other Additional Pari Passu Obligations, and, second, to repay the obligations under the New Second Lien Credit Facility. No assurance can be given that the proceeds from any sale or liquidation of the Collateral will be sufficient to pay our obligations under the Notes, in full or at all, while also paying the other Additional Pari Passu Obligations.

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 Notes and any Additional Pari Passu Obligations from the sale of the Collateral securing the Notes and the obligations under the Notes will rank equally in right of payment with all of our other unsubordinated indebtedness, including trade payables.

Rights of holders of the Notes in the Collateral securing the Notes may be adversely affected by bankruptcy proceedings.

The right of the Applicable Collateral Agent to repossess and dispose or otherwise realize upon of the Collateral securing the Notes upon acceleration is likely to be significantly impaired by federal bankruptcy law if bankruptcy proceedings are commenced by or against us prior to or possibly even after the Applicable Collateral Agent has repossessed and disposed of the Collateral. Under the U.S. Bankruptcy Code, a secured creditor, such as the Applicable Collateral Agent, is prohibited from repossessing its security from a debtor in a bankruptcy case, or from disposing of security repossessed from a debtor, without bankruptcy court approval. Moreover, bankruptcy law permits the debtor to continue to retain and to use collateral, and the proceeds, products, rents or profits of the 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 circumstances, but it is intended in general to protect the value of the secured creditor's interest in the collateral and may include cash payments or the granting of additional security, if and at such time as the court in its discretion determines, for any diminution in the value of the collateral as a result of the stay of repossession or disposition or any use of the collateral by the debtor during the pendency of the bankruptcy case. In view of the broad discretionary powers of a bankruptcy court, it is impossible to predict how long payments under the secured notes could be delayed following commencement of a bankruptcy case, whether or when the Applicable Collateral Agent would repossess or dispose of the Collateral, or whether or to what extent holders of the secured notes would be compensated for any delay in payment of loss of value of the collateral through the requirements of "adequate protection." Furthermore, in the event the bankruptcy court determines that the value of the Collateral is not sufficient to repay all amounts due on the Notes, the holders of the Notes would have "undersecured claims" as to

the difference and would not be entitled to post-petition interest or "adequate protection" with respect to such difference. Federal bankruptcy laws do not permit the payment or accrual of interest, costs and attorneys' fees for "undersecured claims" during the debtor's bankruptcy case.

The Collateral securing the Notes may be diluted under certain circumstances.

The Collateral that will secure the Notes also secures our obligations under the New First Lien Credit Facilities on a first-priority basis and the New Second Lien Credit Facility on a second-priority basis. This Collateral may secure on a first-priority basis additional senior indebtedness that we or certain of our subsidiaries incur in the future, subject to restrictions on our ability to incur debt and liens under the indenture that will govern the Notes and the credit agreements that will govern the New Credit Facilities. Your rights to the Collateral would be diluted, and in certain cases could be primed, by any increase in the indebtedness secured on a first-priority or parity basis by such Collateral.

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

The Collateral securing the Notes will be subject to any and all exceptions, defects, encumbrances, liens and other imperfections as may be accepted by the creditors that have the benefit of first liens on the Collateral securing the Notes from time to time, whether on or after the date the Notes are issued. The initial purchasers did not analyze the effect of, nor participate in, any negotiations relating to, such exceptions, defects, encumbrances, liens and other imperfections. 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 Applicable Collateral Agent to realize or foreclose on such Collateral.

In the event that a bankruptcy or other insolvency 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 Notes and all other Additional Pari Passu Obligations, interest may cease to accrue on the secured notes from and after the date the bankruptcy petition is filed or other insolvency proceeding commenced.

In addition, our business requires numerous federal, state and local permits and licenses. Continued operation of properties that are the Collateral securing the Notes depends on the maintenance of such permits and licenses. Our business is subject to substantial regulations and permitting requirements and may be adversely affected if we are unable to comply with existing regulations or requirements or changes in applicable regulations or requirements. In the event of foreclosure or other enforcement of security, the transfer of such permits and licenses may be prohibited or may require us to incur significant cost and expense. Further, we cannot assure you that the applicable governmental authorities will consent to the transfer of all such permits. If the regulatory approvals required for such transfers are not obtained or are delayed, the foreclosure or other enforcement of security may be delayed, a temporary shutdown of operations may result and the value of the Collateral may be significantly decreased.

The rights of holders of the Notes to the Collateral may be adversely affected by the failure to perfect security interests in such Collateral and other issues generally associated with the realization of security interests in collateral.

Applicable law requires that a security interest in certain tangible and intangible assets can only be properly perfected and its priority retained through certain actions undertaken by the secured party including enforceability vis-a-vis third parties upon registration before the relevant public registries. The liens on the Collateral securing the Notes may not be perfected with respect to the claims of the Notes if the Applicable Collateral Agent is not able to take the actions necessary to perfect any of these liens on or prior to the issue date of the Notes. In addition, applicable law requires that certain property and rights acquired after the grant of a general security interest, such as real property, can only be perfected at the time such property and rights are acquired and identified and additional steps to perfect in such property and rights are taken. The Issuers and the Guarantors will have limited obligations to perfect the security interest of the holders of the Notes in the Collateral. There can be no assurance that the trustee or the Applicable Collateral Agent will monitor, or that we will inform such trustee or Applicable Collateral Agent of, the future acquisition of property and rights that constitute Collateral securing the Notes, and that the necessary action will be taken to properly perfect the security interest in such after-acquired Collateral. The Applicable Collateral Agent has no obligation to monitor the acquisition of additional property or rights that could constitute Collateral securing the Notes or the perfection of any security interest. This may result in the loss of the security

interest in the Collateral securing the Notes or the priority of the security interest in favor of the Notes against third parties.

In addition, the security interest of the Applicable Collateral Agent will be subject to practical challenges generally associated with the realization of security interests in Collateral. For example, the Applicable Collateral Agent may need to obtain the consent of third parties and make additional filings. If we are unable to obtain these consents or make these filings, the security interests may be invalid and the holders will not be entitled to the affected Collateral or any recovery with respect thereto. We cannot assure you that the Applicable 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 or other security enforcement on such assets. Accordingly, the Applicable Collateral Agent may not have the ability to foreclose upon or otherwise enforce against those assets and the value of the affected Collateral may significantly decrease.

The Collateral securing the Notes is subject to casualty risks.

Although we maintain insurance policies to insure against losses, there are certain losses that may be either uninsurable or not economically insurable, in whole or in part. As a result, it is possible that the insurance proceeds will not compensate us fully for our losses in the event of a catastrophic loss. If there is a total or partial loss of any of the Collateral, we cannot assure you that any insurance proceeds received by us will be sufficient to satisfy all the first lien secured obligations, including the Notes.

We will, in most cases, have control over the Collateral, and the sale of particular assets by us could reduce the pool of assets securing the Notes and any future guarantees. In addition, certain assets, including Excluded Assets, will be excluded from the Collateral.

Subject to the terms of the First Lien Intercreditor Agreement and the First Lien/Second Lien Intercreditor Agreement, the security documents allow us to remain in possession of, retain exclusive control over, freely operate, and collect, invest and dispose of any income from, the Collateral. For example, so long as no event of default under the indenture governing the Notes would result therefrom, we may, among other things, without any release or consent by the Trustee, conduct activities with respect to the Collateral, such as selling, factoring, abandoning or otherwise disposing of the Collateral and making cash payments (including repayments of indebtedness). The lien on the Collateral will be automatically released upon any permitted disposition thereof to a person that is not an Issuer or Guarantor of the Notes. See "Description of Notes."

In addition, certain assets, including Excluded Assets, will be excluded from the Collateral. See "Description of Notes—Security" for the definition of "Excluded Assets."

Any future pledge of Collateral or guarantee provided after the Notes are issued might be avoided by us or by a trustee in bankruptcy.

The indenture governing the Notes and the collateral documents will require us to cause any domestic subsidiary that guarantees the New First Lien Credit Facilities or the New Second Lien Credit Facility or Existing Notes of the Issuers to provide a guarantee of the Notes and will require us to cause such Guarantor to grant liens on certain assets that we or any such Guarantor holds at the time the Notes are issued or acquires after the Notes are issued. Any future guarantee or additional lien in favor of the Applicable Collateral Agents for the benefit of the holders of the Notes might be avoidable by the grantor (as debtor-in possession) or by a trustee in bankruptcy or other third parties if certain events or circumstances exist or occur. For instance, if the entity granting a future guarantee or additional lien was insolvent at the time of the grant and if such grant was made within 90 days before that entity commenced a bankruptcy proceeding (or one year before commencement of a bankruptcy proceeding if the creditor that benefited from the guarantee or lien is an "insider" under the Bankruptcy Code), and the granting of the future guarantee or additional lien enabled the holders of the Notes to receive more than they would if the grantor were liquidated under Chapter 7 of the Bankruptcy Code, then such guarantee or lien could be avoided as a preferential transfer. Liens recorded or perfected after the issue date may be treated under bankruptcy law as if they were delivered to secure previously existing indebtedness. In bankruptcy proceedings commenced within 90 days of lien perfection (or one year for insiders), a lien given to secure previously existing indebtedness is materially more likely to be avoided as a preference by the bankruptcy court than if delivered and promptly recorded on the issue date (or within a 30-day safe harbor provided for in the Bankruptcy Code). Accordingly, if we or any Guarantor of

the secured notes were to file for bankruptcy or other insolvency protection after the issue date with respect to the Notes being offered hereby and the liens had been perfected less than 90 days (one year for insiders)before the commencement of such bankruptcy proceeding, the liens securing the Notes may be subject to challenge as a preference as a result of having been delivered after the issue date of the Notes. To the extent that such challenge succeeded, the holders of the Notes would lose the benefit of the security that the Collateral was intended to provide and could be required to return payments previously received.

Lien searches may not reveal all existing liens on the Collateral that will secure the Notes.

We will conduct lien searches on the Collateral securing the Notes in the United States and cannot guarantee that these lien searches will reveal all existing liens on such Collateral. Any existing undiscovered lien could be significant, could be prior in ranking to the liens securing the Notes or the guarantees and could have an adverse effect on the ability of the Applicable Collateral Agent to realize or foreclose upon the Collateral securing the Notes. In addition, certain statutory priority liens may also exist that cannot or will not be discovered by lien searches.

THE TRANSACTIONS

Acquisition

On April 7, 2022, Parent, formed by affiliates of Brookfield, and its subsidiary Merger Sub entered into the Merger Agreement with CDK, pursuant to which Parent agreed to acquire CDK as specified in the Merger Agreement. The Acquisition is structured as an Equity Tender Offer by Merger Sub to purchase all of the outstanding shares of Common Stock of CDK at a per share price equal to the Equity Tender Offer Price. Following the consummation of the Equity Tender Offer and subject to the satisfaction or waiver of conditions as set forth in the Merger Agreement, Merger Sub will be merged with and into CDK, with CDK continuing as the surviving corporation and becoming a wholly-owned subsidiary of Parent, and with all remaining shares of Common Stock (if any) not owned by Parent, Merger Sub or any of their affiliates (excluding certain dissenting shares as set forth in the Merger Agreement) canceled and converted into the right to receive the Equity Tender Offer Price.

Parent will need approximately $8,700.0 million to fund the consideration payable in respect of all of the shares of the Common Stock pursuant to the Merger Agreement and to refinance $1,790.0 million in aggregate principal amount of existing debt of CDK.

Completion of the Acquisition is subject to various conditions, including, among others, (i) the Minimum Condition, (ii) the absence of any order, or the enactment of any law, prohibiting the Acquisition, (iii) approvals and/or termination or expiration of any applicable waiting periods (including any extensions thereof) under the HSR Act and the Competition Act (Canada), (iv) subject to certain exceptions, the accuracy of the representations and warranties of the parties and compliance by the parties with their respective obligations under the Merger Agreement, (v) performance in all material respects by each party of its obligations under the Merger Agreement and (vi) the absence, since the date of the Merger Agreement, of any fact, event, development or effect that has had, or would be reasonably expected to have, a Company Material Adverse Effect (as defined in the Merger Agreement). In addition, the parties agreed that the expiration of the Equity Tender Offer will not occur prior to July 1, 2022, as may be extended under certain circumstances. On April 25, 2022, the parties received an Advance Ruling Certificate from the Canadian Competition Bureau confirming that there would not be sufficient grounds to apply to the Competition Tribunal for an order under the Competition Act (Canada) to prohibit the completion of the Transaction. At 11:59 p.m., Eastern time, on May 6, 2022, the applicable waiting period under the HSR Act with respect to the purchase of shares in the Equity Tender Offer expired.

The Merger Agreement also contains certain termination rights for both Parent and CDK, including the right of each party to terminate the Merger Agreement if, other than in certain circumstances described therein, the Acquisition has not been consummated by October 7, 2022. The Merger Agreement provides that, if any party to the Merger Agreement fails or refuses to perform any covenant or agreement, the non-breaching party may seek specific performance of such covenant or agreement, subject to certain restrictions on the ability of CDK to seek specific performance to enforce Parent's obligation to provide equity financing. In addition, upon termination of the Merger Agreement under specified circumstances, Parent may be required to pay CDK a termination fee.

Acquisition Financing Transactions

On April 20, 2022, CDK announced an offer to purchase for cash any and all of its outstanding Existing Notes. The Debt Tender Offers expire at 5:00 P.M., New York City time, at the end of the day on July 5, 2022. In connection with the Debt Tender Offers, CDK sought consents to the adoption of proposed amendments to each of the Existing Indentures to, among other things, eliminate any obligation to make a change of control offer, substantially all of the other restrictive covenants and certain events of default and other provisions. The consummation of each Debt Tender Offer is conditioned upon the consummation of the Acquisition and certain other customary conditions. As of the date of this offering memorandum, for each Debt Tender Offer, the Requisite Consent has been received and the Supplemental Indenture has been executed. Accordingly, any Existing Notes that remain outstanding will not benefit from any of the restrictive covenants that are eliminated by the adoption of the Proposed Amendments and will be unsecured obligations of the Issuers, effectively junior in right of payment to all of the Issuers' and the Guarantors' existing and future secured senior indebtedness (including the Notes and the New Credit Facilities) to the extent of the value of the Collateral.

Holders of Existing Notes who validly tendered (and did not validly withdraw) their Existing Notes and validly delivered (and did not validly revoke) their corresponding consents at or prior to (x) 5:00 P.M., New York City time, on May 3, 2022 in the case of the 2027 Notes and the 2029 Notes and (y) 5:00 P.M., New York City time, on May 6, 2022 in the case of the 2024 Notes (in each case of (x) and (y), such time and date with respect to a Debt Tender Offer, the "Consent Time"), and whose Existing Notes are accepted for purchase, will receive consideration equal to (i) $1,036.25 per $1,000 principal amount of the 2024 Notes tendered, (ii) $1,012.50 per $1,000 principal amount of the 2027 Notes tendered and (iii) $1,012.50 per $1,000 principal amount of the 2029 Notes tendered, in each case, plus any accrued and unpaid interest on the Existing Notes up to, but not including, the Debt Tender Offers Settlement Date, which is expected to promptly follow the Expiration Date and coincide with the closing of the Acquisition. Holders of Existing Notes who validly tender their Existing Notes after the applicable Consent Time but on or prior to the Expiration Date, and whose Existing Notes are accepted for purchase, will receive consideration equal to (i) $1,006.25 per $1,000 principal amount of the 2024 Notes tendered, (ii) $982.50 per $1,000 principal amount of the 2027 Notes tendered and (iii) $982.50 per $1,000 principal amount of the 2029 Notes tendered, in each case, plus any accrued and unpaid interest on the Existing Notes up to, but not including, the Debt Tender Offers Settlement Date.

We expect to decrease the principal amount of the New Second Lien Credit Facility by the aggregate principal amount of Existing Notes (if any) that remain outstanding after the Expiration Date. As of the date of this offering memorandum, the outstanding aggregate principal amount of each series of Existing Notes that were not tendered and would remain outstanding is approximately (i) $87 million of the 2024 Notes, (ii) $62 million of the 2027 Notes and (iii) $10 million of the 2029 Notes.

To finance the Acquisition, the Debt Tender Offers and the other transactions related to the Acquisition, we intend to issue the Notes offered hereby and, concurrently with the closing of the Acquisition, enter into (i) the New First Lien Credit Facilities, initially consisting of (x) a 7-year $3,600.0 million New First Lien Term Loan Facility and (y) a 5-year $650.0 million New Revolving Facility, with no amounts expected to be drawn from the New Revolving Facility at the closing of the Acquisition and (ii) an 8-year $865.0 million New Second Lien Credit Facility (which includes an $87.0 million delayed draw portion for the refinancing of 2024 Notes that remain outstanding after the Expiration Date of the Debt Tender Offers), subject to reduction as noted above. We intend to use the proceeds of this offering and the borrowings under the New Credit Facilities, together with equity contributions from funds affiliated with Brookfield, (1) to pay the cash consideration for the Acquisition, (2) to repay all amounts outstanding under the Existing Credit Facility, (3) to pay the cash consideration for the Debt Tender Offers, (4) to pay fees and expenses related to the foregoing and (5) for general corporate purposes. See "Use of Proceeds," "Unaudited Pro Forma Consolidated Financial Information" and "The Transactions." The foregoing financing transactions described in this paragraph are collectively referred to in this offering memorandum as the "Acquisition Financing Transactions." The Acquisition, the Debt Tender Offers and the Acquisition Financing Transactions and the payment of related fees and expenses are collectively referred to in this offering memorandum as the "Transactions."

The closing of this offering is not conditioned on consummation of the other Acquisition Financing Transactions, but release of the proceeds of this offering from the escrow account (as described below) will require, among other things, that the borrowings under the New Credit Facilities be drawn in connection with the Acquisition and be available to the Issuers on the date of such release and completion of the Acquisition on such date. We cannot assure you that such Acquisition Financing Transactions will be completed or, if completed, on what terms they will be completed. In particular, the terms of our New Credit Facilities are subject to change, as we expect to enter into the New Credit Facilities subsequent to the consummation of this offering.

USE OF PROCEEDS

The following table summarizes the estimated sources and uses of proceeds in connection with the Transactions, assuming the Transactions occurred on March 31, 2022, and after the net proceeds of the Notes are released from escrow. Actual amounts may vary from estimated amounts depending on several factors, including, among other things, the date of the closing of the Transactions, differences from our estimate of fees, expenses and other costs related to the Transactions, differences from our estimate of our cash and cash equivalents expected immediately prior to the closing of the Acquisition, our working capital and any changes made to the sources of the contemplated debt financing and the issue price thereof. The proceeds from the sale of the Notes will be used solely by the Issuers, either directly or indirectly, for the uses identified below. You should read the following together with the information included under "The Transactions," "Capitalization" and "Unaudited Pro Forma Consolidated Financial Information" included elsewhere in this offering memorandum.

Sources	Amount	Uses	Amount
	(in millions)		
New Revolving Facility ($650.0 million undrawn)[(1)]	$ —	Acquisition consideration[(7)]	$ 8,036.0
New First Lien Term Loan[(2)]	3,600.0	Cash to balance sheet	125.0
New Second Lien Facility[(3)]	707.0	Rollover of Existing Notes[(5)]	158.0
New First Lien Notes offered hereby[(4)]	750.0	Transaction fees and expenses[(8)]	373.0
Rollover of Existing Notes[(5)]	158.0		
New Sponsor Equity[(6)]	3,463.0		
Rollover of NCI	14.0		
Total sources of funds	$ 8,692.0	Total uses of funds	$ 8,692.0

(1) Concurrently with the closing of the Acquisition, the Issuer, the Co-Issuer, Holdings, the Guarantors and certain other subsidiaries of the Issuer will enter into the New Revolving Facility. The New Revolving Facility is expected to have a total borrowing capacity of $650.0 million. The table above assumes that the New Revolving Facility will be undrawn at the close of the Acquisition. We may draw from the New Revolving Facility to provide for working capital needs and for purchase price and/or working capital adjustments, if any, in connection with the Acquisition. See "Description of Certain Other Indebtedness."

(2) Concurrently with the closing of the Acquisition, the Issuer, the Co-Issuer, Holdings, the Guarantors and certain other subsidiaries of the Issuer will enter into the New First Lien Term Loan Facility. The New First Lien Term Loan Facility is expected to consist of $3,600.0 million in US Dollar denominated initial term loans. See "Description of Certain Other Indebtedness."

(3) Concurrently with the closing of the Acquisition, the Issuer, the Co-Issuer, Holdings, the Guarantors and certain other subsidiaries of the Issuer will enter into the New Second Lien Facility. The New Second Lien Facility is expected to have a total borrowing capacity of $865.0 million (which includes an $87.0 million delayed draw portion for the refinancing of 2024 Notes that remain outstanding after the Expiration Date of the Debt Tender Offers), subject to reduction by the aggregate principal amount of Existing Notes (if any) that remain outstanding after the Expiration Date of the Debt Tender Offers. The table above assumes that $158.0 million of Existing Notes remains outstanding, which is the aggregate principal amount of Existing Notes that would remain outstanding assuming all Existing Notes tendered at or prior to the date of this offering memorandum are purchased pursuant to a Tender Offer. See "The Transactions" and "Description of Certain Other Indebtedness."

(4) Represents the aggregate principal amount of the Notes offered hereby. We intend to use the proceeds from this offering and the borrowings under the New Credit Facilities, together with equity contributions from funds affiliated with Brookfield, (i) to pay the cash consideration for the Acquisition, (ii) to repay all amounts outstanding under the Existing Credit Facility, (3) to pay the cash consideration for the Debt Tender Offers, (4) to pay fees and expenses related to the foregoing and (5) for general corporate purposes. If the Escrow Release Conditions are not satisfied on or prior to the Escrow Release Date, the Notes will be subject to a special mandatory redemption. See "Description of Notes—Escrow of Gross Proceeds; Special Mandatory Redemption."

(5) Assumes that $158.0 million of Existing Notes remains outstanding following the Expiration Date of the Debt Tender Offers, which is the aggregate principal amount of Existing Notes that would remain outstanding assuming all Existing Notes tendered at or prior to the date of this offering memorandum are purchased pursuant to a Tender Offer. See "The Transactions" and "Description of Certain Other Indebtedness."

(6) Represents the estimated equity contributions to be made by entities affiliated with Brookfield in connection with the closing of the Acquisition.

(7) Reflects the estimated total cash consideration to be paid in connection with the Acquisition to equity holders of CDK at or immediately following the consummation of the Acquisition, including the estimated total cash consideration of approximately $6,369.9 million to be paid for the acquisition of CDK. See "The Transactions."

(8) Reflects our estimate of fees and expenses associated with the Transactions, including financial advisory fees, legal, accounting and other professional fees and transaction costs incurred in connection with the Transactions. All fees, expenses and other costs are estimates and actual amounts may significantly differ from those set forth in this offering memorandum.

Certain of the initial purchasers and/or their respective affiliates may be lenders under the Company's Existing Credit Facility, therefore, such initial purchasers and/or their affiliates may receive a portion of the net proceeds of this offering used to finance the Acquisition and the related refinancing transactions. See "Plan of Distribution."

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of March 31, 2022:

- on an actual basis; and
- on a *pro forma* basis to give effect to the Transactions.

This table should be read in conjunction with "Use of Proceeds," "The Transactions," "Unaudited Pro Forma Consolidated Financial Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Description of Certain Other Indebtedness" and our consolidated financial statements and related notes included elsewhere in this offering memorandum.

	As of March 31, 2022	
	Actual	Pro Forma
	(in millions, except shares and per share amount)	
Cash and cash equivalents	$ 120	$ 125
Debt(1):		
New First Lien Credit Facilities:		
New Revolving Facility(2)	—	—
New First Lien Term Loan Facility(3)	—	3,600
Notes offered hereby	—	750
New Second Lien Credit Facility(4)	—	707
Existing Revolving Facility(5)	190	—
2024 Notes(6)	500	87
2027 Notes(7)	600	62
2029 Notes(8)	500	10
Total debt(9)	$ 1,790	$ 5,215
Equity:		
Total invested equity	447	3,463
Rollover of noncontrolling interest	—	14
Total capitalization	$ 2,237	$ 8,692

(1) Amounts shown are aggregate principal amounts and do not reflect unamortized issuance costs.

(2) The New Revolving Facility is expected to have a total borrowing capacity of $650.0 million and will mature in 2027. The table above assumes that the New Revolving Facility will be undrawn at the close of the Transactions. However, we may draw from the New Revolving Facility to finance a portion of the Transactions and to meet any obligations arising under the Acquisition Agreement, including for purchase price and working capital adjustments, if any. We may also draw from the New Revolving Facility for other general corporate purposes. See "Description of Certain Other Indebtedness."

(3) The New First Lien Term Loan Facility due 2029 is expected to have an aggregate principal amount of $3,600.0 million. See "Description of Certain Other Indebtedness."

(4) The New Second Lien Facility due 2030 is expected have an aggregate principal amount of $865.0 million (which includes an $87.0 million delayed draw portion for the refinancing of 2024 Notes that remain outstanding after the Expiration Date of the Debt Tender Offers), subject to reduction by the aggregate principal amount of Existing Notes (if any) that remains outstanding after the Expiration Date of the Debt Tender Offers. The table above assumes that the New Second Lien Facility will be funded in full at the close of the Acquisition and that $158.0 million of Existing Notes remains outstanding, which is the aggregate principal amount of Existing Notes that would remain outstanding assuming all Existing Notes tendered at or prior to the date of this offering memorandum are purchased pursuant to a Tender Offer. See "The Transactions" and "Description of Certain Other Indebtedness."

(5) Represents the aggregate principal amount of 2024 Notes that would remain outstanding assuming all 2024 Notes tendered at or prior to the date of this offering memorandum are purchased pursuant to the Tender Offer relating to the 2024 Notes. See "The Transactions" and "Description of Certain Other Indebtedness."

(6) Represents the aggregate principal amount of 2027 Notes that would remain outstanding assuming all 2027 Notes tendered at or prior to the date of this offering memorandum are purchased pursuant to the Tender Offer relating to the 2027 Notes. See "The Transactions" and "Description of Certain Other Indebtedness."

(7) Represents the aggregate principal amount of 2030 Notes that would remain outstanding assuming all 2030 Notes tendered at or prior to the date of this offering memorandum are purchased pursuant to the Tender Offer relating to the 2030 Notes. See "The Transactions" and "Description of Certain Other Indebtedness."

(8) Includes short-term debt and current portion of long-term debt.

(9) Total debt excludes approximately $12.8 million of finance lease liabilities.

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The following unaudited pro forma consolidated balance sheet as of March 31, 2022 and the unaudited pro forma consolidated statements of income for the year ended June 30, 2021, nine months ended March 31, 2022, nine months ended March 31, 2021 and twelve months ended March 31, 2022 are based on the historical consolidated financial statements of CDK Global, Inc. included elsewhere in this offering memorandum. The unaudited pro forma combined statement of income for the twelve months ended March 31, 2022 has been derived by taking the unaudited pro forma consolidated statement of income data for the year ended June 30, 2021, adding the unaudited pro forma consolidated statement of income data for the nine months ended March 31, 2022 and subtracting the unaudited pro forma consolidated statement of income for the nine months ended March 31, 2021.

The unaudited pro forma combined consolidated balance sheet as of March 31, 2022 gives pro forma effect to the Transactions described below as if these events occurred on March 31, 2022. The unaudited pro forma combined statements of income for the year ended June 30, 2021, nine months ended March 31, 2022, nine months ended March 31, 2021 and last twelve months ended March 31, 2022 give pro forma effect to the Transactions described below as if these events occurred at the beginning of the applicable period.

On April 7, 2022, Parent, formed by affiliates of Brookfield, and its subsidiary Merger Sub entered into the Merger Agreement with CDK, pursuant to which Parent agreed to acquire CDK as specified in the Merger Agreement. The Acquisition is structured as an Equity Tender Offer by Merger Sub to purchase all of the outstanding shares of Common Stock of CDK at a per share price of $54.87 in cash, without interest. Following the consummation of the Equity Tender Offer and subject to the satisfaction or waiver of conditions as set forth in the Merger Agreement, Merger Sub will be merged with and into CDK, with CDK continuing as the surviving corporation and becoming a wholly-owned subsidiary of Parent, and with all remaining shares of Common Stock (if any) not owned by Parent, Merger Sub or any of their affiliates (excluding certain dissenting shares as set forth in the Merger Agreement) extinguished for a per share price of $54.87 in cash, without interest. Completion of the Acquisition is subject to various conditions.

On April 20, 2022, CDK announced an offer to purchase for cash any and all of its outstanding Existing Notes. The Debt Tender Offers expire at 5:00 p.m., New York City time, at the end of the day on July 5, 2022. In connection with the Debt Tender Offers, CDK sought consents to the adoption of proposed amendments to each of the Existing Indentures to, among other things, eliminate any obligation to make a change of control offer, substantially all of the other restrictive covenants and certain events of default and other provisions. The consummation of each Debt Tender Offer is conditioned upon the consummation of the Acquisition and certain other customary conditions. As of the date of this offering memorandum, for each Debt Tender Offer, the Requisite Consent has been received and the Supplemental Indenture has been executed.

Holders of Existing Notes who validly tendered (and did not validly withdraw) their Existing Notes and validly delivered (and did not validly revoke) their corresponding consents at or prior to the applicable Consent Time, and whose Existing Notes are accepted for purchase, will receive consideration equal to (i) $1,036.25 per $1,000 principal amount of the 2024 Notes tendered, (ii) $1,012.50 per $1,000 principal amount of the 2027 Notes tendered and (iii) $1,012.50 per $1,000 principal amount of the 2029 Notes tendered, in each case, plus any accrued and unpaid interest on the Existing Notes up to, but not including, the Debt Tender Offers Settlement Date, which is expected to promptly follow the Expiration Date and coincide with the closing of the Acquisition. Holders of Existing Notes who validly tender their Existing Notes after the applicable Consent Time but on or prior to the Expiration Date, and whose Existing Notes are accepted for purchase, will receive consideration equal to (i) $1,006.25 per $1,000 principal amount of the 2024 Notes tendered, (ii) $982.50 per $1,000 principal amount of the 2027 Notes tendered and (iii) $982.50 per $1,000 principal amount of the 2029 Notes tendered, in each case, plus any accrued and unpaid interest on the Existing Notes up to, but not including, the Debt Tender Offers Settlement Date.

We expect to decrease the principal amount of the New Second Lien Credit Facility by the aggregate principal amount of Existing Notes (if any) that remain outstanding after the Expiration Date. As of the date of this offering memorandum, the outstanding aggregate principal amount of each series of Existing Notes that were not tendered and would remain outstanding is approximately (i) $87 million of the 2024 Notes, (ii) $62 million of the 2027 Notes and (iii) $10 million of the 2029 Notes.

Parent will need approximately $8,700.0 million to fund the consideration payable in respect of all of the shares of the Common Stock pursuant to the Merger Agreement and to refinance $1,790.0 million in aggregate principal amount of existing debt of CDK (to the extent it is not rolled over).

Acquisition Financing Transactions

To finance the Acquisition, the Debt Tender Offers and the other transactions related to the Acquisition, we intend to issue the Notes offered hereby and, concurrently with the closing of the Acquisition, enter into (i) the New First Lien Credit Facilities, initially consisting of (x) a 7-year $3,600.0 million New First Lien Term Loan Facility and (y) a 5-year $650.0 million New Revolving Facility, with no amounts expected to be drawn from the New Revolving Facility at the closing of the Acquisition and (ii) an 8-year $865.0 million New Second Lien Credit Facility (which includes an additional $87.0 million delayed draw portion for the refinancing of 2024 Notes that remain outstanding after the Expiration Date of the Debt Tender Offers), subject to reduction as noted above. We intend to use the proceeds of this offering and the borrowings under the New Credit Facilities, together with equity contributions from funds affiliated with Brookfield, (1) to pay the cash consideration for the Acquisition, (2) to repay all amounts outstanding under the Existing Credit Facility, (3) to pay the cash consideration for the Debt Tender Offers, (4) to pay fees and expenses related to the foregoing and (5) for general corporate purposes. See "Use of Proceeds" and "The Transactions." The foregoing financing transactions described in this paragraph are collectively referred to herein as the "Acquisition Financing Transactions." The Acquisition, the Debt Tender Offers and the Acquisition Financing Transactions and the payment of related fees and expenses are collectively referred to herein as the "Transactions."

The pro forma adjustments set forth in the unaudited pro forma consolidated financial information reflect the following:

- the Acquisition and changes in assets and liabilities to record the preliminary estimates of their respective fair values in accordance with purchase accounting;
- changes in amortization and depreciation expense resulting from the preliminary fair value adjustments to the amortizable assets of CDK in the Acquisition;
- changes in indebtedness incurred in connection with the Transactions;
- certain transaction fees and debt issuance costs incurred in connection with the Transactions;
- changes in interest expense resulting from the Transactions, including amortization of estimated debt issuance costs;
- a preliminary estimate of the effect of the above adjustments on deferred income tax assets, liabilities and related expense; and
- the equity impact of the Transactions and the corresponding elimination of historical equity balances of CDK.

Assumptions underlying the pro forma adjustments are described in the accompanying notes, which should be read in conjunction with the unaudited pro forma consolidated financial information. The unaudited pro forma adjustments are based upon available information and certain assumptions that CDK management believes are reasonable under the circumstances. The unaudited pro forma consolidated financial information is presented for informational purposes only and does not purport to represent what the results of operations or financial condition would have been had the Transactions actually occurred on the dates indicated, nor do they purport to project the results of operations or financial condition for any future period or as of any future date. The unaudited pro forma consolidated financial information should be read in conjunction with the sections entitled "Risk Factors," "Summary—The Transactions," "Summary—Sources and Uses of Funds," "Use of Proceeds," "Management's Discussion and Analysis of Financial Condition and Results of Operations," as well as the historical financial statements and related notes of CDK Global, Inc. appearing elsewhere in this offering memorandum. Revisions to the preliminary estimates set forth herein may have a significant impact on the pro forma amounts of total assets, total liabilities and equity, revenues, amortization expense, interest expense and income tax expense. The actual

adjustments will be made as of the closing date of the Acquisition, and certain of such adjustments will remain subject to further adjustment based on new information for a period of up to 12 months after the closing date.

The statements contained herein do not reflect the costs of any integration activities or benefits that may result from the realization of future margin improvements from operating efficiencies, or any other synergies that may result from the Transactions.

Unaudited Pro Forma Consolidated Balance Sheet
As of March 31, 2022
(dollars in millions)

	Historical	Pro Forma Adjustments	Notes	Pro Forma Consolidated
Assets:				
Current assets:				
Cash and cash equivalents	$ 120	$ 5	a	$ 125
Accounts receivable, net	242	—		242
Other current assets	146	—		146
Total current assets	508	5		513
Property, plant and equipment, net	73	(11)	f	62
Other assets	480	—		480
Goodwill	1,438	3,208	b	4,646
Intangible assets, net	384	4,046	f	4,430
Total assets	**$ 2,883**	**$ 7,248**		**$ 10,131**
Liabilities and Stockholders' Equity (Deficit):				
Current liabilities:				
Current maturities of long-term debt and finance lease liabilities	$10	$-		$10
Accounts payable	26	—		26
Accrued expenses and other current liabilities	227	48	c, g	275
Litigation liabilities	34	—		34
Accrued payroll and payroll-related expenses	80	—		80
Deferred revenue	28	—		28
Total current liabilities	**405**	**48**		**453**
Debt and finance lease liabilities	1,778			4,957
		(1,617)	c	
		4,797	c	
Deferred income taxes	117	1,049	d	1,166
Deferred revenue	37	—		37
Other liabilities	99	—		99
Total liabilities	2,436	4,276		6,712
Stockholders' equity:				
Preferred stock	—	—		—
Common stock	2	(2)	e	—
Additional paid-in capital	733	2,730	e	3,463
Retained earnings	2,144	(2,202)	e	(58)
Treasury stock	(2,518)	2,518	e	—
Accumulated other comprehensive income	72	(72)	e	—
Total CDK stockholders' equity	433	2,972		3,405
Noncontrolling interest	14	—		14
Total stockholders' equity	447	2,972		3,419
Total liabilities and stockholders' equity	$ 2,883	$ 7,248		$ 10,131

See the accompanying notes to the unaudited pro forma consolidated financial information.

Unaudited Pro Forma Consolidated Statement of Income
For the Nine Months Ended March 31, 2022
(dollars in millions)

	Historical	Pro Forma Adjustments	Notes	Pro Forma Consolidated
Revenue	$ 1,336	$ —		$ 1,336
Expenses:				
Cost of revenues	(698)	(98)	f	(796)
Selling, general and administrative expenses	(295)	(141)	f	(436)
Total expenses	(993)	(239)		(1,232)
Operating earnings	343	(239)		104
Interest expense	(66)	(224)	h	(290)
Loss on extinguishment of debt	2	—		2
Loss from equity method investment	(6)	—		(6)
Other income (loss), net	8	(68)	g	(59)
Earnings before income taxes	282	(531)		(249)
Provision for income taxes	(75)	21	d	(54)
Net (loss) earnings from continuing operations	**$ 207**	**$ (510)**		**$ (303)**

See the accompanying notes to the unaudited pro forma consolidated financial information.

Unaudited Pro Forma Consolidated Statement of Income
For the Nine Months Ended March 31, 2021
(dollars in millions)

	Historical	Pro Forma Adjustments	Notes	Pro Forma Consolidated
Revenue	$ **1,253**	$ —		$ 1,253
Expenses:				
Cost of revenues	(654)	(106)	f	**(760)**
Selling, general and administrative expenses	(264)	(155)	f	(419)
Litigation Provision	(12)	—		(12)
Total Expenses	**(930)**	**(261)**		**(1,191)**
Operating earnings	324	**(261)**		**62**
Interest expense	(101)	(192)	h	(293)
Loss on extinguishment of debt	(2)	—		(2)
Loss from equity method investment	(25)	—		(25)
Other income (loss), net	32	(68)	g	(35)
Earnings before income taxes	**228**	**(521)**		**(293)**
Provision for income taxes	(74)	21	d	(53)
Net (loss) earnings from continuing operations	**$ 154**	**$ (500)**		**$ (346)**

See the accompanying notes to the unaudited pro forma consolidated financial information.

Unaudited Pro Forma Consolidated Statement of Income
For the Twelve Months Ended March 31, 2022
(dollars in millions)

	Historical	Pro Forma Adjustments	Notes	Pro Forma Consolidated
Revenue	$ 1,757	$ —		$ 1,757
Expenses:				
Cost of revenues	(919)	(132)	f	(1,051)
Selling, general and administrative expenses	(392)	(189)	f	(581)
Litigation Provision	-	-		—
Total Expenses	(1,312)	(321)		(1,632)
Operating earnings	445	(321)		124
Interest expense	(90)	(297)	h	(387)
Loss on extinguishment of debt	(21)	—		(21)
Loss from equity method investment	(8)	—		(8)
Other income (loss), net	13	(68)	g	(55)
Earnings before income taxes	339	(686)		(347)
Provision for income taxes	(96)	28	d	(68)
Net (loss) earnings from continuing operations	**$ 243**	**$ (658)**		**$ (415)**

See the accompanying notes to the unaudited pro forma consolidated financial information.

Unaudited Pro Forma Consolidated Statement of Income
For the Year Ended June 30, 2021
(dollars in millions)

	Historical	Pro Forma Adjustments	Notes	Pro Forma Consolidated
Revenue	$ 1,673	$ —		$ 1,673
Expenses:				
Cost of revenues	(875)	(142)	f	(1,017)
Selling, general and administrative expenses	(361)	(204)	f	(565)
Litigation Provision	(12)	-		(12)
Total Expenses	**(1,248)**	(346)		(1,594)
Operating earnings	**425**	(346)		79
Interest expense	(125)	(264)	h	(389)
Loss on extinguishment of debt	(25)	-		(25)
Loss from equity method investment	(27)	-		(27)
Other income, net	37	(68)	g	(31)
Earnings before income taxes	285	(678)		(393)
Provision for income taxes	(95)	28	d	(67)
Net (loss) earnings from continuing operations	**$ 190**	**$ (650)**		**$ (460)**

See the accompanying notes to the unaudited pro forma consolidated financial information.

Notes to Unaudited Pro Forma Consolidated Financial Information

a. Cash and cash equivalents

Reflects the pro forma adjustment to cash representing the sources and use of cash as if the Transactions had occurred on March 31, 2022, as follows:

Sources	Amount	Uses	Amount
	(in millions)		
New Revolving Facility ($650.0 million undrawn)[1]	$ —	Acquisition consideration[7]	$ 8,036.0
New First Lien Term Loan[2]	3,600.0	Cash to balance sheet	125.0
New Second Lien Facility[3]	707.0	Rollover of Existing Notes[5]	158.0
New First Lien Notes offered hereby[4]	750.0	Transaction fees and expenses[8]	373.0
Rollover of Existing Notes[5]	158.0		
New Sponsor Equity[6]	3,463.0		
Rollover of NCI	14.0		
Total sources of funds	$ 8,692.0	Total uses of funds	$ 8,692.0

(1) Concurrently with the closing of the Acquisition, the Issuer, the Co-Issuer, Holdings, the Guarantors and certain other subsidiaries of the Issuer will enter into the New Revolving Facility. The New Revolving Facility is expected to have a total borrowing capacity of $650.0 million. The table above assumes that the New Revolving Facility will be undrawn at the close of the Acquisition. We may draw from the New Revolving Facility to provide for working capital needs and for purchase price and/or working capital adjustments, if any, in connection with the Acquisition. See "Description of Certain Other Indebtedness."

(2) Concurrently with the closing of the Acquisition, the Issuer, the Co-Issuer, Holdings, the Guarantors and certain other subsidiaries of the Issuer will enter into the New First Lien Term Loan Facility. The New First Lien Term Loan Facility is expected to consist of $3,600.0 million in US Dollar denominated initial term loans. See "Description of Certain Other Indebtedness."

(3) Concurrently with the closing of the Acquisition, the Issuer, the Co-Issuer, Holdings, the Guarantors and certain other subsidiaries of the Issuer will enter into the New Second Lien Facility. The New Second Lien Facility is expected to have a total borrowing capacity of $865.0 million (which includes an $87.0 million delayed draw portion for the refinancing of 2024 Notes that remain outstanding after the Expiration Date of the Debt Tender Offers), subject to reduction by the aggregate principal amount of Existing Notes (if any) that remain outstanding after the Expiration Date of the Debt Tender Offers. The table above assumes that $158.0 million of Existing Notes remains outstanding, which is the aggregate principal amount of Existing Notes that would remain outstanding assuming all Existing Notes tendered at or prior to the date of this offering memorandum are purchased pursuant to a Tender Offer. See "The Transactions" and "Description of Certain Other Indebtedness."

(4) Represents the aggregate principal amount of the Notes offered hereby. We intend to use the proceeds from this offering and the borrowings under the New Credit Facilities, together with equity contributions from funds affiliated with Brookfield, (i) to pay the cash consideration for the Acquisition, (ii) to repay all amounts outstanding under the Existing Credit Facility, (3) to pay the cash consideration for the Debt Tender Offers, (4) to pay fees and expenses related to the foregoing and (5) for general corporate purposes. If the Escrow Release Conditions are not satisfied on or prior to the Escrow Release Date, the Notes will be subject to a special mandatory redemption. See "Description of Notes—Escrow of Gross Proceeds; Special Mandatory Redemption."

(5) Assumes that $158.0 million of Existing Notes remains outstanding following the Expiration Date of the Debt Tender Offers, which is the aggregate principal amount of Existing Notes that would remain outstanding assuming all Existing Notes tendered at or prior to the date of this offering memorandum are purchased pursuant to a Tender Offer. See "The Transactions" and "Description of Certain Other Indebtedness."

(6) Represents the estimated equity contributions to be made by entities affiliated with Brookfield in connection with the closing of the Acquisition.

(7) Reflects the estimated total cash consideration to be paid in connection with the Acquisition to equity holders of CDK at or immediately following the consummation of the Acquisition, including the estimated total cash consideration of approximately $6,369.9 million to be paid for the acquisition of CDK. Total consideration above reflects the cash balance as of March 31, 2021 in accordance with the pro forma balance sheet. Acquisition consideration in the Sources & Uses reflects the cash balance expected at close. See "The Transactions."

(8) Reflects our estimate of fees and expenses associated with the Transactions, including financial advisory fees, legal, accounting and other professional fees and transaction costs incurred in connection with the Transactions. All fees, expenses and other costs are estimates and actual amounts may significantly differ from those set forth in this offering memorandum.

b. Goodwill

The unaudited pro forma combined financial information includes various assumptions, including those related to the preliminary purchase price allocation of the assets acquired and liabilities assumed based on management's best estimates of fair value. The final purchase price allocation may vary based on final appraisals, valuations and analyses of the fair value of the acquired assets and assumed liabilities. Accordingly, the unaudited pro forma adjustments are preliminary and have been made solely for illustrative purposes. The following represents the effect of purchase accounting based on a preliminary valuation. The following shows the preliminary allocation of the purchase price for CDK to the acquired identifiable assets, liabilities assumed and pro forma goodwill:

Total consideration transferred	**$**	**8,145**
Preliminary Purchase Price Allocation:		
Accounts receivable, net		242
Property, plant and equipment, net		62
Intangible assets, net		4,430
Other assets		626
Total Assets Acquired	**$**	**5,360**
Current maturities of long-term debt and finance lease liabilities		(10)
Accounts payable		(26)
Accrued expenses and other current liabilities		(207)
Litigation liability		(34)
Accrued payroll and payroll-related expenses		(80)
Deferred revenue		(65)
Debt and finance lease liabilities		(160)
Deferred income tax liabilities		(1,166)
Other liabilities		(99)
Net Assets Acquired	**$**	**3,513**
Non-controlling interests		(14)
Goodwill	**$**	**4,646**

The excess purchase price over the reported book value of the net assets for the Acquisition is recorded to Goodwill and will be allocated through purchase accounting based on the fair value of the assets and liabilities at the closing of the transaction.

c. Debt

Reflects a net increase in total debt of $3,187.0 million, consisting of:

i. an increase of $3,600.0 million of borrowings under the New First Lien Term Loan Facility;

ii. an increase of $707.0 million of borrowings under the New Second Lien Credit Facility;

iii. an increase of $750.0 million aggregate principal amount of debt relating to the Notes;

iv. a decrease of $260.0 million relating to the incurrence of debt issuance costs for the Notes offered hereby and the New First Lien Term Loan Facility and New Second Lien Credit Facility, which are presented as a direct deduction from debt on the balance sheet and recognized as non-cash interest expense over the estimated life of the related debt obligations; and

v. a decrease of $1,617.0 million for the extinguishment of debt, which represents the total net book value of debt of $1,775 million less $158 million of Existing Notes that will remain outstanding as of March 31, 2022.

vi. Accrued expenses and other current liabilities are decreased by $20.0 million related to the payment of accrued interest on extinguished debt.

d. Deferred income taxes

Reflects an increase of $1,049.0 million to deferred income tax liabilities related to fair value adjustments. The Unaudited Pro Forma Statements of Income have been adjusted to reflect the deferred tax impact of the pro forma adjustments based on an effective tax rate of 26%.

e. Total Equity

Adjustments to equity reflect a net increase in the amount of $2,972.0 million, consisting of:

i. an increase in equity to reflect the estimated equity contributions from funds affiliated with Brookfield in the amount of $2,730.0 million;

ii. a decrease in equity to reflect the elimination of historical equity of $2,146.0 million, which reflects the pro forma adjustments described herein;

iii. an increase in equity to reflect the elimination of historical treasury stock of $2,518.0 million;

iv. an decrease in equity to reflect the elimination of historical accumulated other comprehensive loss of $72.0 million; and

v. a decrease in retained earnings of $58.0 million relating to the portion of estimated acquisition-related, and a portion of the financing-related, transaction costs and fees, that will be expensed immediately as incurred.

f. Intangibles and Property, plant and equipment

As part of the Acquisition, the fair value adjustment applied to property, plant and equipment is expected to reduce the carrying value of real property by $11.0 million. The fair value adjustment applied to intangible assets is expected to result in an increase to carrying value of $4,046.0 million, where total intangible assets, after the fair value adjustment is applied, comprises customer relationship intangibles with an average useful life of 15 years, brand intangibles with an average useful life of 14 years, and developed technology assets with an average useful life of 5 years. Depreciation and amortization expense for the nine months ended March 31, 2022 and 2021 would have increased by $239.0 million and $261.0 million, respectively. Depreciation and amortization for the last twelve months ended March 31, 2022 and year ended June 30, 2021 would have increased by $321.0 million and $346.0 million, respectively.

g. Acquisition costs

Represents the accrual of $58.0 million of estimated transaction costs incurred subsequent to March 31, 2022. These costs will not affect the statements of operating results beyond 12 months after the acquisition date.

h. Interest expense

Adjustments to interest expense consist of: an increase to interest expense, based on an assumed weighted average interest rate of approximately 6.7%, consisting of (i) borrowings under the New First Lien Term Loan

Facility in the aggregate principal amount of $3,600.0 million, (ii) borrowings under the New Second Lien Credit Facility in the aggregate principal amount of $707.0 million, (iii) the issuance of the Notes in the aggregate principal amount of $750.0 million and (iv) the non-cash amortization of the discount and debt issuance costs on the Notes, New First Lien Term Loan Facility and New Second Lien Credit Facility of $260.0 million in the aggregate.

Interest expense may increase or decrease based upon changes in future rates. The adjustment to expense the write off of the unamortized debt issuance costs related to the debt expected to be repaid in the Acquisition and recorded as a direct deduction to the debt on the balance sheet has not been reflected in the accompanying pro forma consolidated statements of income for the periods presented. Those costs are one-time in nature and are not expected to have any continuing impact. For each increase or decrease in assumed interest rates of 25 basis points, annual interest expense would increase or decrease by approximately $13 million.

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

You should read the following discussion and analysis of our financial condition and results of operations together with the sections entitled "Basis of Presentation and Other Information," "Risk Factors," "Unaudited Pro Forma Consolidated Financial Information" and "Summary Historical Financial Data" and with the consolidated financial statements of CDK and the related notes included elsewhere in this offering memorandum. The following discussion and analysis of our financial condition and results of operations contains forward-looking statements and involves numerous risks and uncertainties, including, but not limited to, those set forth under "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements." Actual results may differ materially from those contained in any forward-looking statement. The terms "CDK," "Company," "we," "us" and "our" refer to CDK Global, Inc. and its consolidated subsidiaries after giving effect to the Acquisition described elsewhere in this offering memorandum.

Overview

CDK Global Inc. is a leading provider of mission critical technology and SaaS data solutions for dealerships in the automotive retail and adjacent heavy truck, recreation, and heavy equipment industries in North America. Our solutions automate and integrate all aspects of operating a dealership and the vehicle buying and servicing process, including the acquisition, sale, financing, insuring, parts supply, and repair and maintenance of vehicles. Enabling end-to-end, omnichannel retail commerce through open, agnostic technology, we provide our solutions to both dealers and OEMs and served over 15,000 dealer sites and adjacent businesses served across North America as of March 31, 2022.

We generate revenue primarily by providing a broad suite of subscription-based software and technology solutions to automotive retailers in North America, as well as to retailers and manufacturers of heavy trucks, construction equipment, agricultural equipment, motorcycles, boats, and other marine and recreational vehicles. We are focused on the use of SaaS and mobile-centric solutions that are highly functional, flexible, and fast. Our flagship DMS software solutions are hosted ERP applications tailored to the unique requirements of the retail automotive industry. Our DMS solutions facilitate most activities that generate revenue within a dealership including: the sale of new and used vehicles, consumer financing, repair and maintenance services, and vehicle and parts inventory management. These solutions also enable our customers to have company-wide accounting, financial reporting, cash flow management, and payroll services. We also provide a broad portfolio of layered software applications and services, a robust and secure interface to the DMS through our Partner Program, data management and business intelligence solutions, a variety of professional services, and a full range of customer support solutions. These additional products are integrated with the DMS and provide a full software solution suite to our customers. Our DMSs are typically integrated with OEM data processing systems that enable automotive retailers to order vehicles and parts, receive vehicle records, process warranties, and check recall campaigns and service bulletins while helping them to fulfill their franchisee responsibilities to their OEM franchisers.

We believe we are the market leader in North America and have the largest installed base of DMS in the industry. CDK has consistently grown market share and served over 5,600 customers representing over 15,000 dealer sites and adjacent businesses as of March 31, 2022, compared to 14,681 as of Fiscal Year 2019. Within the core automotive space, CDK is primarily focused on the largest and most sophisticated dealerships, with 78% of dealership customers having three or more dealer sites in fiscal year 2021, which positions the Company to benefit from the consolidation trends in the industry. We are deeply embedded in our customers' operations – the majority of our customers use three to five CDK products on average, and our average customer tenure is approximately 20 years. The average customer contract length is approximately four years. In the LTM ended March 31, 2022, approximately 78% of our revenue was generated from multi-year subscription contracts where revenue is tied to customer site count, not transaction volume.

The strength of our business model is reflected in our financial performance. In the LTM period ended March 31, 2022, we generated approximately $1,763 million of Pro Forma Adjusted Revenue, which represents a 3% CAGR since fiscal 2019, and $811 million of Pro Forma Adjusted EBITDA, which represents a margin of approximately 46% including $146 million of margin improvement initiatives identified by Brookfield.

Key metrics we use to measure and evaluate our segment operating performance are Adjusted EBITDA, Adjusted EBITDA Margin, Free Cash Flow, Free Cash Flow Conversion and Pro Forma Adjusted Revenue. The following table sets forth these metrics for the periods presented.

	Nine Months Ended March 31,		Year Ended June 30,		
	2022	2021	2021	2020	2019
			(in millions)		
Adjusted EBITDA(1)	$ 512.5	$ 489.3	$ 650.3	$ 677.3	$ 690.0
Adjusted EBITDA Margin(1)	38%	39%	39%	41%	43%
Free Cash Flow(2)	$ 418.0	$ 423.1	$ 554.9	$ 603.2	$ 603.9
Free Cash Flow Conversion(2)	82%	86%	85%	89%	88%
Pro Forma Adjusted Revenue(3)(4)	$ 1,336.6	$1,283.3	$1,709.0	$1,664.0	$1,646.0

(1) A reconciliation of EBITDA and Adjusted EBITDA to net income, the most directly comparable GAAP measure, for each of the periods indicated is set forth in "Summary—Summary Historical and Pro Forma Consolidated Financial and Operating Data."

(2) A reconciliation of Free Cash Flow to Adjusted EBITDA for each of the periods indicated is set forth in "Summary—Summary Historical and Pro Forma Consolidated Financial and Operating Data."

(3) Pro Forma Adjusted Revenue is defined as revenue adjusted to include the revenue from Roadster, Square Root and Salty as if those acquisitions had occurred at the beginning of the comparative period.

(4) A reconciliation of Pro Forma Adjusted Revenue to revenue for each of the periods indicated is set forth in "Summary—Summary Historical and Pro Forma Consolidated Financial and Operating Data."

COVID-19 Response

In March 2020, the World Health Organization declared the outbreak of COVID-19 a pandemic. The COVID-19 outbreak and associated counteracting measures implemented by governments around the world, as well as increased business uncertainty, caused a significant shift in automotive retail activity, and the operations of our dealer customers in particular. To support our customers, we offered financial and other assistance during the fourth quarter of fiscal 2020 and added product benefits to facilitate remote delivery and touchless transactions. We also took steps to monitor our cash flow and liquidity and to migrate many employees to their current work-from-home status.

As conditions continue to fluctuate around the world, governments and organizations have responded by adjusting their restrictions and guidelines accordingly. Activity in the automotive market improved during fiscal 2021, and we expect that improvement trend to continue during fiscal 2022, though substantial uncertainty remains, including supply chain disruption and resulting inflationary pressures. Our focus remains on promoting employee health and safety, serving our dealer customers and ensuring business continuity. Overall, we believe we are well positioned for further growth opportunities as the impact of the COVID-19 pandemic recedes in the markets we serve and we remain committed to our management philosophy, company goals and our business strategy. However, while our revenue and earnings are relatively predictable as a result of our subscription-based business model, the duration of the pandemic and the broader implications of the macro-economic recovery on our business remain uncertain.

Acquisition

After completing the Transactions, we will be significantly leveraged. To finance the Acquisition, we intend to issue the Notes offered hereby and, concurrently with the closing of the Acquisition, enter into (i) the New First Lien Credit Facilities, initially consisting of (x) a 7-year $3,600.0 million New First Lien Term Loan Facility and (y) a 5-year $650.0 million New Revolving Facility, with no amounts expected to be drawn from the New Revolving Facility at the closing of the Acquisition and (ii) an 8-year $865.0 million New Second Lien Credit Facility (which includes an $87.0 million delayed draw portion for the refinancing of 2024 Notes that remain outstanding after the Expiration Date of the Debt Tender Offers) subject to reduction by the aggregate principal amount of Existing Notes (if any) that remains outstanding after the Expiration Date of the Debt Tender Offers. We intend to use the proceeds from this offering and the borrowings under the New Credit Facilities, together with equity contributions from funds

affiliated with Brookfield, (i) to pay the cash consideration for the Acquisition, (ii) to repay all amounts outstanding under the Existing Credit Facility, (3) to pay the cash consideration for the Debt Tender Offers, (4) to pay fees and expenses related to the foregoing and (5) for general corporate purposes. See "Use of Proceeds" and "Description of Certain Other Indebtedness."

On a pro forma basis, after giving effect to the Transactions, our estimated net financing charges for the twelve months ended March 31, 2022 would have been approximately $387.2 million, which has been calculated using a weighted average estimated blended rate of 6.7%. Borrowings under the New First Lien Term Loan Facility and New Second Lien Credit Facility bear interest at variable rates and are subject to interest rate risk. If interest rates increase, the debt service obligations on the loans would increase and cash required for servicing indebtedness would increase. Refer to Note (h), "Interest expense," of the notes to the unaudited pro forma consolidated financial information.

Our ability to make payments on and to refinance our debt, to fund planned capital expenditures and otherwise satisfy our obligations will depend on our ability to generate sufficient cash in the future. This, to some extent, is subject to general economic, financial, competitive and other factors that are beyond our control. We believe that, based on current levels of operations, we will be able to meet our debt service and other obligations when due. Significant assumptions underlie this belief, including that we will continue to be successful in implementing our business strategy and that there will be no material adverse developments in our business, liquidity or capital requirements. If our future cash flows from operations and other capital resources are insufficient to pay our obligations as they mature or to fund our liquidity needs, we may be forced to reduce or delay our business activities and capital expenditures, sell assets, obtain additional debt or equity capital or restructure or refinance all or a portion of our debt on or before maturity. We cannot assure our investors that we would be able to accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all. In addition, the terms of our existing and future indebtedness may limit our ability to pursue any of these alternatives.

In addition, the Acquisition will be accounted for under the acquisition method of accounting, whereby the purchase price will be allocated to the tangible and identifiable intangible assets acquired and liabilities assumed based on their respective fair values, with the remainder being allocated to goodwill. The increase in the tax bases of these assets will result in increased non-cash charges in future periods, principally related to the step-up in the value of inventory, property, plant and equipment and other intangible assets. The effect of any step-up in the value of inventory will be to increase the cost of sales and thereby reduce gross profit and gross margins for the fiscal year ended June 30, 2022. In addition to an increase in depreciation and amortization expense, interest expense will increase as a result of the Acquisition and we will incur sizable non-recurring expenses. See "Unaudited Pro Forma Consolidated Financial Information."

Material Trends Affecting Our Results of Operations

A number of material trends and/or uncertainties in our marketplace could have either a positive or negative impact on our ability to conduct business, our results of operations, and/or our financial condition. The following is a summary of trends or uncertainties that have the potential to affect our liquidity, capital resources, or results of operations:

Automotive Market Trends

Changing market trends, including changes in the automotive marketplace could have a material impact on our business. From time to time, factors such as the availability of automobile inventory and the economic trends of a region could have an impact on the volume of automobiles sold at retail in one or more of the geographic markets in which we operate. We also expect to see the continued consolidation of dealers into larger dealer groups that could further enhance our position as a strategic partner with larger dealer groups. To some extent, our business is impacted by these trends, either directly through a shift in the number of transactions processed by customers of our transactional business, or indirectly through changes in our customers' spending habits based on their own changes in profitability.

Acquisitions

Our ability to bring new solutions to market, research and develop, or acquire the data and technology that enables those solutions is important to our continued success. In addition, our strategy includes the selective pursuit of acquisitions that support or complement our existing technology and solution set, including through our acquisition of Square Root, Inc. ("Square Root"), an Austin-based developer of data curation software for OEMs, in February 2021 and our acquisition of Roadster, a Palo Alto, California-based digital sales platform that modernizes the way consumers buy vehicles and the process in which dealers sell them, in June 2021. For example, dealers and OEMs are accelerating their adoption of a modern retailing experience for consumers that will allow the option of completing transactions online or in store. Our acquisition of Roadster paired with ELEAD's automotive CRM software and call center solutions will enhance an end-to-end digital retail experience. An inability to invest in the continued development of new solutions for the automotive marketplace, or an inability to acquire, or successfully integrate acquired, new technology or solutions due to a lack of liquidity or resources, could impair our strategic position.

Data Security and Intellectual Property

Our success depends on our ability to maintain the security of our data and intellectual property, as well as our customers' data. Although we maintain a clear focus on data and system security, and we incur significant costs securing our infrastructure annually in support of that focus, we may experience interruptions of service or potential security issues that may be beyond our control.

How We Assess our Performance

We use various GAAP and non-GAAP financial metrics to analyze and evaluate the performance of our business and to provide a greater understanding with respect to our results of operations. These include Adjusted EBITDA, Pro Forma Adjusted EBITDA, Adjusted EBITDA Margin, Free Cash Flow, Free Cash Flow Margin and Pro Forma Adjusted Revenue. Adjusted EBITDA, Pro Forma Adjusted EBITDA, Adjusted EBITDA Margin, Free Cash Flow, Free Cash Flow Margin and Pro Forma Adjusted Revenue have important limitations as analytical tools and you should not consider them in isolation or as substitutes for analysis of our financial performance as reported under GAAP and should not be considered as alternatives to net income or any other performance measures derived in accordance with GAAP as measures of operating performance or as alternatives to cash flow from operating activities as measures of our liquidity.

Because of these limitations, Adjusted EBITDA, Pro Forma Adjusted EBITDA, Adjusted EBITDA Margin, Free Cash Flow, Free Cash Flow Margin and Pro Forma Adjusted Revenue should not be considered as measures of discretionary cash available to us to invest in the growth of our business. We compensate for these limitations by relying primarily on our GAAP results and using Pro Forma Adjusted EBITDA, Adjusted EBITDA Margin, Free Cash Flow, Free Cash Flow Margin and Pro Forma Adjusted Revenue only for supplemental purposes. For a reconciliation of these metrics to the most directly comparable GAAP measure, see "Summary—Summary Historical and Pro Forma Consolidated Financial and Operating Data."

Adjusted EBITDA and Pro Forma Adjusted EBITDA

To provide investors with additional information in connection with our results as determined by GAAP, we disclose Adjusted EBITDA and Pro Forma Adjusted EBITDA as a non-GAAP measures which management believes provide useful information to investors. Adjusted EBITDA and Pro Forma Adjusted EBITDA are not calculated in accordance with GAAP and should not be considered as substitutes for net income or any other operating performance measure calculated in accordance with GAAP, and may not be comparable to similarly titled measures reported by other companies. We use Adjusted EBITDA to measure the operational strength and performance of our business. We use Pro Forma Adjusted EBITDA to measure liquidity.

EBITDA is defined as net income (loss) before income tax expense (benefit), interest expense, net and depreciation and amortization. We define Adjusted EBITDA as EBITDA adjusted for, among other things, (1) stock-based compensation expense; (2) transaction and integration-related costs; (3) legal and other expenses related to regulatory and competition matters; (4) business process modernization program; (5) workplace optimization expenses; (6) officer transition expense and (7) loss on extinguishment of debt. In addition to the preceding

adjustments, Adjusted EBITDA excludes earnings (loss) from equity method investments and adds (without duplication) the pro rata share of EBITDA of our equity investments, which represents our share of earnings (whether or not distributed) before income tax expense, depreciation and amortization expense, and interest (income) expense, net of joint ventures and minority investees. Pro Forma Adjusted EBITDA is defined as Adjusted EBITDA further adjusted to exclude certain items which we believe are not reflective of ongoing performance.

We believe that the presentation of Adjusted EBITDA and Pro Forma Adjusted EBITDA is appropriate to provide additional information to investors about certain material non-cash items that we do not expect to continue at the same level in the future, as well as other items we do not consider indicative of our ongoing operating performance. Further, we believe Adjusted EBITDA and Pro Forma Adjusted EBITDA provide a meaningful measure of operating profitability because we use them for evaluating our business performance, making budgeting decisions, calculating incentive compensation for our employees, evaluating the performance and effectiveness of our operating strategies and in evaluating potential acquisitions.

Pro Forma Adjusted is also calculated in a manner consistent with the terms of the instruments that will govern our indebtedness.

Free Cash Flow

Free Cash Flow is defined as Pro Forma Adjusted EBITDA less capital expenditures and capitalized software. We use Free Cash Flow to evaluate our ability to generate cash that can be used for working capital requirements, interest expense, repayment of indebtedness, financing new acquisitions and for continued re-investment in our business.

Pro Forma Adjusted Revenue

Pro Forma Adjusted Revenue is defined as revenue adjusted to include the revenue from Roadster, Square Root and Salty as if these acquisitions occurred at the beginning of the applicable period. We use Pro Forma Adjusted Revenue as an estimate of the potential of our ongoing operations to generate revenue after giving effect to recent acquisitions. See "Summary—Summary Historical and Pro Forma Consolidated Financial and Operating Data."

Components of Results of Operations

Revenue

We generally receive fee-based revenue by providing services to customers. We generate revenue from four categories: subscription, on-site licenses and installation, transaction, and other.

Subscription

Our subscription category include revenue received for software and technology solutions provided to automotive retailers and OEMs, which includes:

- DMSs and layered applications, which may be installed on-site at the customer's location, or hosted and provided on a SaaS basis, including ongoing maintenance and support;
- Interrelated services such as installation, initial training, and data updates; and
- Prior to adoption of Accounting Standards Codification ("ASC") 842 "Leases" ("ASC 842"), subscription revenue included technology solutions in which hardware was provided on a service basis. This revenue was previously classified as subscription revenue because under lease accounting guidance in effect prior to ASC 842, substitution rights were considered substantive.

On-site licenses and installation

Our on-site licenses and installation category includes revenue received from DMS applications where the software is installed on-site at the customer's location and interrelated services such as installation.

Transaction

Our transaction category includes revenue received from fees per transaction to process credit reports, vehicle registrations, and automotive equity mining.

Other

Our other category includes revenue received for consulting and professional services, sales of hardware, and other miscellaneous revenue. After the adoption of ASC 842 in fiscal 2020, Other revenue also includes leasing revenue from hardware provided to customers on a service basis, as hardware substitution rights are not considered substantive.

Expenses

Expenses generally relate to the cost of providing services to customers. Significant expenses include employee payroll and other labor-related costs, the cost of hosting customer systems, third-party costs for transaction-based solutions and licensed software utilized in our solution offerings, telecommunications, transportation and distribution costs, computer hardware, software, and other general overhead items.

Results of Continuing Operations

Nine Months Ended March 31, 2022 Compared to Nine Months Ended March 31, 2021

Consolidated Statements of Operations

	Nine Months Ended March 31,			
	2022	2021	Change	% Change
	(in millions)			
Revenue	$ 1,336.4	$ 1,253.1	$ 83.3	7%
Cost of revenue	697.8	653.7	44.1	7%
Selling, general and administrative expenses	295.3	263.8	31.5	12%
Litigation provision	—	12.0	(12.0)	(100)%
Total expenses	993.1	929.5	63.6	7%
Operating earnings	343.3	323.6	19.7	6%
Interest expense	(66.0)	(101.2)	35.2	(35)%
Loss on extinguishment of debt	2.1	(2.2)	4.3	n/m
Loss from equity method investment	(5.6)	(24.8)	19.2	(77)%
Other income, net	8.4	32.3	(23.9)	(74)%
Earnings before income taxes	282.2	227.7	54.5	24%
Margin %	*21.1%*	*18.2%*		
Provision for income taxes	(75.1)	(73.8)	(1.3)	2%
Effective tax rate	*26.6%*	*32.4%*		
Net earnings from continuing operations	207.1	153.9	53.2	35%
Net earnings (loss) from discontinued operations	(0.3)	837.1	(837.4)	n/m
Net earnings	206.8	991.0	(784.2)	(79)%
Less: net earnings attributable to noncontrolling interest	5.3	6.1	(0.8)	(13)%
Net earnings attributable to CDK	$ 201.5	$ 984.9	$ (783.4)	(80)%

Revenue

	Nine Months Ended March 31,			
	2022	2021	Change	% Change
	(in millions)			
Subscription	$ 1,051.0	$ 984.3	$ 66.7	7%
Transaction	121.9	126.3	(4.4)	(3)%

	Nine Months Ended March 31,			
	2022	2021	Change	% Change
	(in millions)			
Other	163.5	142.5	21.0	15%
Total Revenue	$ 1,336.4	$ 1,253.1	$ 83.3	7%

Revenue for the nine months ended March 31, 2022 increased by $83.3 million compared to the nine months ended March 31, 2021.

Subscription revenues increased due to the growth in DMS and applications and $34.6 million from acquisitions in fiscal 2022, partially offset by the impact of ASC 842 which reallocates hardware-related lessor revenue from subscription revenue to other revenue and a decline in Partner Program revenue.

Transaction revenues saw a slight decline due to ongoing dealer inventory shortages.

Other revenues increased reflecting higher hardware sales and revenue timing under ASC 842.

Cost of Revenue

Cost of revenue for the nine months ended March 31, 2022 increased by $44.1 million compared to the nine months ended March 31, 2021. Cost of revenue increased due to slightly higher leased hardware costs, network and infrastructure fees, employee-related costs and travel expenses to support growth, partially offset by a decrease in the cost to support the transition of our sold businesses. Cost of revenue includes expenses to research, develop, and deploy new and enhanced solutions for our customers of $59.7 million and $55.7 million for the nine months ended March 31, 2022 and 2021, respectively, representing 4.5% and 4.4% of revenue, respectively.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the nine months ended March 31, 2022 increased by $31.5 million compared to the nine months ended March 31, 2021. Selling, general and administrative expenses increased primarily due to higher transaction and integration related costs associated with acquisitions and strategical business opportunities, travel and marketing expenses, and employee-related costs including stock-based compensation. These increases were partially offset by decreases in costs to support the transition of our sold businesses and lower costs associated with our business process modernization program compared to fiscal 2021.

Litigation Provision

Litigation provision for the nine months ended March 31, 2022 decreased by $12.0 million as compared to nine months ended March 31, 2021 as a result of minimal current year adjustments from the quarterly reassessment of our litigation liability where we evaluate legal proceedings that could affect the amount of liability, including amounts in excess of any prior accruals and make adjustments to those accruals as appropriate. Additional information on the litigation provision is contained in Item 1 of Part I, “Notes to the Consolidated Financial Statements”, Note 12 - Commitments and Contingencies.

Interest Expense

Interest expense for the nine months ended March 31, 2022 decreased by $35.2 million as compared to the nine months ended March 31, 2021 largely due to lower average debt level in the first nine months of fiscal 2022, which was primarily attributable to the repayment of the three-year and five-year term loan facilities and the 5.875% unsecured senior notes with a $500 million aggregate principal amount due in 2026 in the third and fourth quarter of fiscal 2021, respectively.

Gain (Loss) on Extinguishment of Debt

In the first quarter of fiscal 2022, we recognized a gain on extinguishment of debt as a result of the forgiveness of a Paycheck Protection Program loan. The loan was assumed as part of the acquisition of Roadster Inc. Also, in the

third quarter of fiscal 2021, we repaid the indebtedness under the three-year term loan facility and five-year term loan facility. As a result, we recorded expenses of $2.2 million for the write-off of unamortized debt financing costs.

Loss from Equity Method Investment

Loss from equity method investment for the nine months ended March 31, 2022 decreased by $19.2 million as compared to the nine months ended March 31, 2021 driven by $14.5 million of impairment charges for an equity method investment along with the recognition of equity losses in the third quarter of fiscal 2021.

Other Income, Net

Other income, net for the nine months ended March 31, 2022 decreased by $23.9 million as compared to the nine months ended March 31, 2021 due largely to the decline in income associated with on-going transition support of our sold businesses.

Provision for Income Taxes

Income tax expense was $75.1 million and $73.8 million for the nine months ended March 31, 2022 and 2021, respectively. The effective tax rate expressed by calculating the provision for income taxes as a percentage of earnings before income taxes was 26.6% and 32.4%, for the nine months ended March 31, 2022 and 2021, respectively. The effective tax rate for the nine months ended March 31, 2022 differed from the U.S. federal statutory rate of 21.0% primarily due to state and local income taxes and non-deductible officers' compensation, partially offset by a $2.0 million benefit due to the expiration of the statute of limitations related to certain transfer pricing exposures. The effective tax rate for the nine months ended March 31, 2021 differed from the U.S. federal statutory rate of 21.0% primarily due to $7.0 million of tax expense for a valuation allowance on a deferred tax asset for the future capital loss on an equity method investment that was not expected to be realized, $4.8 million tax expense from non-deductible officers' compensation, $1.7 million of tax expense related to a prior year and $1.4 million of tax expense from recording valuation allowances on U.S. foreign tax credits.

Net Earnings (Loss) from Discontinued Operations

Net earnings from discontinued operations reflect the results of the International Business and the Digital Marketing Business. Net earnings from discontinued operations declined as a result of the completion of the sale of the International Business in the third quarter of fiscal 2021. Refer to Note 4 - Discontinued Operations for additional information.

Net Earnings Attributable to CDK

Net earnings attributable to CDK for the nine months ended March 31, 2022 decreased by $783.4 million as compared to the nine months ended March 31, 2021. The decrease in net earnings attributable to CDK was primarily due to the factors previously discussed.

Year Ended June 30, 2021 Compared to the Year Ended June 30, 2020

Consolidated Statements of Operations

	Year Ended June 30,			
	2021	2020	Change	% Change
	(in millions)			
Revenue	$ 1,673.2	$ 1,639.0	$ 34.2	2%
Cost of revenue	875.0	800.6	74.4	9%
Selling, general and administrative expenses	360.9	338.7	22.2	7%
Litigation provision	12.0	—	12.0	—%
Total expenses	1,247.9	1,139.3	108.6	10%
Operating earnings	425.3	499.7	(74.4)	(15)%
Interest expense	(124.6)	(144.1)	19.5	(14)%
Loss on extinguishment of debt	(25.6)	—	(25.6)	—%

	Year Ended June 30,			
	2021	2020	Change	% Change
	(in millions)			
Loss from equity method investment	(27.3)	(2.7)	(24.6)	n/m
Other income, net	36.9	21.1	15.8	75%
Earnings before income taxes	284.7	374.0	(89.3)	(24)%
Margin %	17.0%	22.8%		
Provision for income taxes	(94.5)	(108.8)	14.3	13%
Effective tax rate	33.2%	29.1%		
Net earnings from continuing operations	190.2	265.2	(75.0)	(28)%
Net earnings (loss) from discontinued operations	852.8	(50.7)	903.5	n/m
Net earnings	1,043.0	214.5	828.5	n/m
Less: net earnings attributable to noncontrolling interest	8.7	7.0	1.7	24%
Net earnings attributable to CDK	$ 1,034.3	$ 207.5	$ 826.8	n/m

Revenue

	Year Ended June 30,			
	2021	2020	Change	% Change
	(in millions)			
Subscription	$ 1,313.9	$ 1,306.0	$ 7.9	1%
On-site licenses and installation	9.2	10.8	(1.6)	(15)%
Transaction	174.9	155.0	19.9	13%
Other	175.2	167.2	8.0	5%
Total Revenue	$ 1,673.2	$ 1,639.0	$ 34.2	2%

Revenues for fiscal 2021 increased by $34.2 million as compared to fiscal 2020.

Subscription revenue increased by $7.9 million due to an increase in average sites and revenue per DMS customer site. DMS customer site count increased from 14,719 sites as of June 30, 2020 to 15,025 sites as of June 30, 2021. This increase was largely offset by the impact of the re-allocation of lessor revenue from subscription revenue to other revenue for our Hardware as a Service ("HaaS") arrangements due to our prospective adoption of ASC 842 in fiscal 2020, and a decline in Partner Program revenue.

Transaction revenue increased by $19.9 million due to higher transaction volumes in fiscal 2021 as the downturn in automotive retail activity caused by COVID-19 receded, as well as higher credit bureau charges initiated in the second half of fiscal 2021.

Other revenue increased by $8.0 million due to higher hardware revenue including lessor accounting under ASC 842 driven by strong installation of our Cloud Connect product, partially offset by the COVID-related impacts in our consulting and call center businesses.

Cost of Revenue

Cost of revenue for fiscal 2021 increased by $74.4 million as compared to fiscal 2020. Cost of revenue increased due to higher employee-related costs and professional services to support our strategic growth initiatives and other research and development activities as well as our revenue growth. Cost of revenue was also impacted by a post-ASC 842 change in the timing of cost recognition for our HaaS arrangements, costs related to a transition services agreement in connection with the sale of the Digital Marketing Business and the International Business, and higher incentive compensation and employee benefit costs. The increase was partially offset by higher software capitalization and lower employee travel costs in fiscal 2021. Cost of revenue includes expenses to research, develop, and deploy new and enhanced solutions for our customers of $79.3 million and $49.6 million for fiscal 2021 and 2020, respectively, representing 4.7% and 3.0% of revenue, respectively.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for fiscal 2021 increased by $22.2 million as compared to fiscal 2020. Selling, general and administrative expenses increased primarily due to higher employee-related costs consistent with increased headcount, and higher incentive compensation, partially offset by lower travel expenses as a result of the COVID-19 pandemic.

Litigation Provision

During fiscal 2021, our reassessment of the litigation liability resulted in an increase of $12.0 million. For additional information refer to "Note 18–Commitments and Contingencies" in our consolidated financial statements included elsewhere in this offering memorandum.

Interest Expense

Interest expense for fiscal 2021 decreased by $19.5 million as compared to fiscal 2020 largely due to lower average debt levels in fiscal 2021 compared to fiscal 2020 largely attributable to the payoff of $250.0 million of senior notes in the second quarter of fiscal 2020, the repayment of the three-year term loan facility and five-year term loan facility ("term loans"), and the 2026 Notes in the third and fourth quarter of fiscal 2021, respectively.

Loss on Extinguishment of Debt

Loss on extinguishment of debt is attributable to early terminations of debt. On March 1, 2021, we repaid the indebtedness under the term loans. On April 23, 2021, we paid all indebtedness under the 2026 notes. As a result, we recorded expenses of $18.5 million for a call premium related to the 2026 notes and $7.1 million for the write-off of unamortized debt financing costs during fiscal 2021.

Loss from Equity Method Investment

For additional information refer to "Note 15–Investments for additional information on equity method investments" in our consolidated financial statements included elsewhere in this offering memorandum.

Other Income, Net

Other income, net for fiscal 2021 increased by $15.8 million as compared to fiscal 2020 due largely to the recognition of income related to a transition services agreement in connection with the sale of the Digital Marketing Business and the International Business.

Provision for Income Taxes

Income tax expense was $94.5 million and $108.8 million for fiscal 2021 and 2020, respectively. The effective tax rate, expressed by calculating the income tax expense as a percentage of Earnings before income taxes, was 33.2% for fiscal 2021, and differed from the US federal statutory rate of 21.0% primarily due to state and local income taxes, a valuation allowance on a deferred tax asset for the tax basis difference of an equity method investment that is not expected to be realized, a valuation allowance on foreign tax credits not expected to be realized, tax shortfalls on stock-based compensation and non-deductible officer's compensation. The effective income tax rate for fiscal 2020 was 29.1%, and differed from the U.S. federal statutory rate of 21.0% primarily due to state and local income taxes, a valuation allowance for capital loss carryforward credits triggered by a change in estimate of the expected capital gain associated with the sale of the Digital Marketing Business, withholding taxes on foreign earnings that are no longer indefinitely reinvested, offset by a benefit relating to a refund of prior year state taxes.

Net Earnings (Loss) from Discontinued Operations

Net earnings (loss) from discontinued operations reflect the results of the International Business and the Digital Marketing Business. During fiscal 2021, net earnings for the International Business increased due to the recognition of the gain on sale of the International Business, the benefits from restructuring efforts at the end of fiscal 2020, and lower travel costs due to the COVID-19 pandemic, partially offset by professional fees associated with the sale of

the International Business and unfavorable currency exchange rates. During fiscal 2020, we completed the sale of the Digital Marketing Business and recorded a total loss on sale of $96.3 million. Refer to Note 4 - Discontinued Operations for additional information.

Net Earnings Attributable to CDK

Net earnings attributable to CDK for fiscal 2021 increased $826.8 million as compared to fiscal 2020. The increase in net earnings attributable to CDK was primarily due to the factors previously discussed.

Year Ended June 30, 2020 Compared to the Year Ended June 30, 2019

Consolidated Statements of Operations

	Year Ended June 30,			
	2020	2019	Change	% Change
	(in millions)			
Revenue	$ 1,639.0	$ 1,593.0	$ 46.0	3%
Cost of revenue	800.6	734.4	66.2	9%
Selling, general and administrative expenses	338.7	357.0	(18.3)	(5)%
Restructuring expenses	—	16.6	(16.6)	(100)%
Litigation provision	—	90.0	(90.0)	(100)%
Total expenses	1,139.3	1,198.0	(58.7)	(5)%
Operating earnings	499.7	395.0	104.7	27%
Interest expense	(144.1)	(138.9)	(5.2)	4%
Loss from equity method investment	(2.7)	(17.0)	14.3	(84)%
Other income, net	21.1	4.6	16.5	n/m
Earnings before income taxes	374.0	243.7	130.3	53%
Margin %	22.8%	15.3%		
Provision for income taxes	(108.8)	(48.6)	(60.2)	124%
Effective tax rate	29.1%	19.9%		
Net earnings from continuing operations	265.2	195.1	70.1	36%
Net earnings (loss) from discontinued operations	(50.7)	(63.2)	12.5	(20)%
Net earnings	214.5	131.9	82.6	63%
Less: net earnings attributable to noncontrolling interest	7.0	7.9	(0.9)	(11)%
Net earnings attributable to CDK	$ 207.5	$ 124.0	$ 83.5	67%

Revenue

	Year Ended June 30,			
	2020	2019	Change	% Change
	(in millions)			
Subscription	$ 1,306.0	$ 1,283.3	$ 22.7	2%
On-site licenses and installation	10.8	7.9	2.9	37%
Transaction	155.0	162.5	(7.5)	(5)%
Other	167.2	139.3	27.9	20%
Total Revenue	$ 1,639.0	$ 1,593.0	$ 46.0	3%

Revenue for fiscal 2020 increased by $46.0 million as compared to fiscal 2019.

Subscription revenue grew due to the ELEAD acquisition, an increase in average revenue per DMS customer site primarily due to a combination of higher layered application sales, and a net increase in DMS customer site count which increased from 14,681 sites as of June 30, 2019 to 14,719 sites as of June 30, 2020. These increases were partially offset by pricing concessions, including customer discounts and credits in response to the COVID-19 pandemic.

Transaction revenue decreased primarily due to a reduction in vehicle registrations and credit report activity attributable to the COVID-19 pandemic.

Other revenue increased due to a post-ASC 842 change in the timing of revenue recognition for our HaaS arrangements.

Cost of Revenue

Cost of revenue for fiscal 2020 increased by $66.2 million as compared to fiscal 2019. Cost of revenue increased due to the ELEAD acquisition, higher costs relating to investments in strategic growth initiatives, a post-ASC 842 change in the timing of cost recognition for our HaaS arrangements, and an increase in amortization due to higher levels of capitalized software. These increases were partially offset by the cost containment efforts in response to the COVID-19 pandemic, impairment charges recorded related to certain intangible assets during the second quarter of the prior year, and lower employee related expenses. Cost of revenue include expenses to research, develop, and deploy new and enhanced solutions for our customers of $49.6 million and $57.6 million for fiscal 2020 and 2019, respectively, representing 3.0% and 3.6% of revenue, respectively.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for fiscal 2020 decreased by $18.3 million as compared to fiscal 2019. Selling, general and administrative expenses decreased due to lower stock-based compensation expense resulting from cumulative adjustments related to the achievement of financial performance metrics associated with performance-based restricted stock units, certain expenses incurred in the prior year related to the business transformation plan which was completed at the end of fiscal 2019, and lower travel expenses as a result of the COVID-19 pandemic, partially offset by costs related to the business process modernization program that began during fiscal 2020.

Restructuring Expenses

Restructuring expenses for fiscal 2019 relate to our business transformation plan which was completed at the end of fiscal 2019.

Litigation Provision

We recorded a $90.0 million litigation provision related to antitrust lawsuits during fiscal 2019. Additional information on the litigation provision is contained in “Note 18–Commitments and Contingencies” in our consolidated financial statements included elsewhere in this offering memorandum.

Interest Expense

Interest expense for fiscal 2020 increased by $5.2 million as compared to fiscal 2019 due to higher interest rates and higher average debt levels in fiscal 2020 compared to fiscal 2019.

Loss from Equity Method Investment

During fiscal 2020, we recorded a $2.7 million loss related to an equity-method investment. In addition, during fiscal 2019, we recorded a $17.0 million loss from an equity method investment related to the termination of a joint-venture contract. Refer to “Note 15–Investments” in our consolidated financial statements included elsewhere in this offering memorandum for additional information on equity method investments.

Other Income, Net

Other income, net for fiscal 2020 increased by $16.5 million as compared to fiscal 2019 due largely to the recognition of income related to a transition services agreement in connection with the sale of the Digital Marketing Business.

Provision for Income Taxes

Income tax expense was $108.8 million and $48.6 million for fiscal 2020 and 2019, respectively. The effective tax rate, expressed by calculating the income tax expense as a percentage of Earnings before income taxes, was 29.1% for fiscal 2020 and differed from the U.S. federal statutory rate of 21.0% primarily due to state and local income taxes, a valuation allowance for capital loss carryforward credits triggered by a change in estimate of the expected capital gain associated with the sale of the Digital Marketing Business, withholding taxes on foreign earnings that are no longer indefinitely reinvested, offset by a benefit related to a refund of prior year state taxes. The effective tax rate for fiscal 2019 was 19.9% and differed from the U.S. federal statutory rate of 21.0% primarily due to a decrease in a valuation allowance related to the estimated capital gain associated with the sale of the Digital Marketing Business, an increase in a valuation allowance related to a new capital loss generated from termination of a joint venture, the benefit of US tax credits, partially offset by the unfavorable impact of state and local taxes.

Net Earnings (Loss) from Discontinued Operations

Net loss from discontinued operations reflect the results of the International Business and the Digital Marketing Business. During fiscal 2020, net earnings for the International Business decreased due to one-time employee termination benefits related to a restructuring plan and customer pricing concessions in response to the COVID-19 pandemic. During fiscal 2019, the Digital Marketing Business was impacted by a $168.7 million goodwill impairment charge. On April 21, 2020, we completed the sale of the Digital Marketing Business and recorded a total loss on sale of $96.3 million. Refer to “Note 4–Discontinued Operations for additional information” in our consolidated financial statements included elsewhere in this offering memorandum.

Net Earnings Attributable to CDK

Net earnings attributable to CDK for fiscal 2020 increased by $83.5 million as compared to fiscal 2019. The increase in net earnings attributable to CDK was primarily due to the factors previously discussed.

Liquidity and Capital Resources

Our primary sources of liquidity are cash flows from operations and bank borrowings. At March 31, 2022, we had cash and cash equivalents of $120.3 million to fund our general working capital needs.

Our primary cash needs are for working capital, capital expenditures, operating expenses, acquisitions, the repayment of principal and the payment of interest on our indebtedness. Our historical change in net working capital, excluding change in deferred revenue, has not been a material use of cash (averaging approximately $10.0 million use of cash annually). Change in deferred revenue has historically been a source of cash given the subscription nature of our business.

To finance the Acquisition, we intend to issue the Notes offered hereby and, concurrently with the closing of the Acquisition, enter into (i) the New First Lien Credit Facilities, initially consisting of (x) a 7-year $3,600.0 million New First Lien Term Loan Facility and (y) a 5-year $650.0 million New Revolving Facility, with no amounts expected to be drawn from the New Revolving Facility at the closing of the Acquisition and (ii) an 8-year $865.0 million New Second Lien Credit Facility (which includes an $87.0 million delayed draw portion for the refinancing of 2024 Notes that remain outstanding after the Expiration Date of the Debt Tender Offers) subject to reduction by the aggregate principal amount of Existing Notes (if any) that remains outstanding after the Expiration Date of the Debt Tender Offers. We intend to use the proceeds from this offering and the borrowings under the New Credit Facilities, together with equity contributions from funds affiliated with Brookfield, (i) to pay the cash consideration for the Acquisition, (ii) to repay all amounts outstanding under the Existing Credit Facility, (3) to pay the cash consideration for the Debt Tender Offers, (4) to pay fees and expenses related to the foregoing and (5) for general corporate purposes.

We believe that our current cash and equivalents, along with cash flows from operations and unused availability under the New Revolving Facility will be sufficient to fund our current operating requirements over the next twelve months. Our liquidity and our ability to meet our obligations and fund our capital and other requirements are also dependent on our future financial performance, which is subject to general economic and market conditions and other factors that are beyond our control. Accordingly, we cannot assure you that our business will generate

sufficient cash flow from operations or that future borrowings or equity financings will be available to meet our liquidity needs. If we were unable to generate new contracts with existing and new customers, if the level of contract cancellations increased, or if contract delays lengthen or increase, our cash flow from operations would be materially adversely affected. We anticipate that to the extent we need additional liquidity, it will be funded through the incurrence of additional indebtedness, equity financings or a combination thereof. We cannot assure you that we will be able to obtain this additional liquidity on reasonable terms or at all. Although we have no current plans to do so, if we decide to pursue one or more significant acquisitions or significant internal growth initiatives, we may incur additional debt or sell additional equity to finance such acquisitions or initiatives.

Cash Flows

The following table presents a summary of cash flows from operating, investing and financing activities for the periods presented:

	For the Nine Months Ended March 31,		For the Year Ended June 30,		
	2022	2021	2021	2020	2019
			(in millions)		
Net cash provided by (used in):					
Operating activities, continuing operations	$ 324.5	$ 253.9	$ 341.5	$ 327.6	$ 381.0
Operating activities, discontinued operations	(2.1)	6.9	(124.8)	47.5	102.1
Investing activities, continuing operations	(248.7)	(84.3)	(459.9)	(94.1)	(609.0)
Investing activities, discontinued operations	1.9	1,380.9	1,380.9	(14.2)	(14.2)
Financing activities, continuing operations	(112.4)	(656.4)	(1,213.8)	(344.8)	(349.0)
Financing activities, discontinuing operations	—	—	—	(1.1)	—

For the Nine Months Ended March 31, 2022 compared to the Nine Months Ended March 31, 2021

Net cash flows provided by operating activities from continuing operations increased due to improved operating performance and litigation payments made in fiscal 2021, partially offset by higher incentive compensation payments in fiscal 2022.

Net cash flows used in operating activities from discontinued operations decreased due to the sale of the International Business during the third quarter of fiscal 2021.

Net cash flows used in investing activities from continuing operations increased due to a payment made for the acquisition of Salty Dot, Inc. and increased investments in capitalized software.

Net cash flows used in financing activities decreased primarily due to increased borrowings from our revolving credit facility and a decrease in term loan repayments partially offset by stock repurchases.

For the Year Ended June 30, 2021 compared to the Year Ended June 30, 2020

Net cash flows provided by operating activities from continuing operations increased by $13.9 million due to the timing of payments made to our vendors and tax authorities, and cash received from our customers in the normal course of business including those related to our transition services agreement in connection with the sale of the Digital Marketing Business and the International Business, partially offset by lower net earnings adjusted for non-cash charges.

Net cash flows used in operating activities from discontinued operations increased by $172.3 million primarily due to the tax paid on the gain on sale of the International Business in fiscal 2021.

Net cash flows used in investing activities from continuing operations increased by $365.8 million largely due the acquisition of Roadster and Square Root, as well as an increase in capitalized software and capital expenditures.

Net cash flows provided by investing activities from discontinued operations increased by $1,395.1 million primarily due to the receipt of $1.4 billion of net proceeds from the sale of the International Business in the third quarter of fiscal 2021.

Net cash flows used in financing activities from continuing operations increased by $869.0 million primarily due to the repayment of our term loans and the 2026 Notes in fiscal 2021.

For the Year Ended June 30, 2020 compared to the Year Ended June 30, 2019

Net cash flows provided by operating activities from continuing operations decreased by $53.4 million due to a decrease of $122.2 million in net working capital components, which was primarily due to timing of cash payments made for legal settlements; partially offset by lower income tax payments. Net cash flows provided by operating activities from discontinued operations decreased by $54.6 million due to increase in cash used for working capital associated with the Digital Marketing Business and lower earnings.

Net cash flows used in investing activities for continuing operations decreased by $514.9 million largely due to the acquisition of ELEAD in fiscal 2019.

Net cash flows used in financing activities decreased by $3.1 million primarily due to proceeds net of repayments from our term loan and senior notes; partially offset by higher cash outflows associated with repurchases of common stock in fiscal 2019.

Off-Balance Sheet Arrangements

As of June 30, 2021 and June 30, 2020, we did not have any off-balance-sheet arrangements, as defined in Item 303(a)(4)(ii) of SEC Regulation S-K.

Critical Accounting Policies

Our consolidated financial statements and accompanying notes have been prepared in accordance with GAAP. The preparation of these financial statements requires management to make estimates, judgments, and assumptions that affect reported amounts of assets, liabilities, revenue, and expenses. We continually evaluate the accounting policies and estimates used to prepare the consolidated financial statements. Estimates are based on historical experience and assumptions believed to be reasonable under current facts and circumstances. Actual amounts and results could differ from estimates made by management. Certain accounting policies that require significant management estimates and are deemed critical to our results of operations or financial condition are discussed below.

Revenue Recognition

We recognize revenue in accordance with ASC 606 “Revenue from Contracts with Customers” (“ASC 606”).

We determine the amount of revenue to be recognized through the following steps:

- Identification of the contract, or contracts, with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when, or as, we satisfy the performance obligations.

The majority of our revenue is generated from contracts with multiple performance obligations. A performance obligation is a promise in a contract to transfer a distinct good or service to the customer, and is the unit of account in ASC 606. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. We are required to estimate the total consideration expected to be received from contracts with customers. In limited circumstances, the consideration expected to be received may be variable based on the specific terms of the contract.

We rarely license or sell products or services on a standalone basis. As such, we are required to develop the best estimate of standalone selling price of each distinct good or service as the basis for allocating the total transaction price. The primary method used to estimate standalone selling price is the adjusted market assessment approach, with some product categories using the expected cost plus a margin approach. When establishing standalone selling price, we consider various factors which may include geographic region, current market trends, customer class, its market share and position, its general pricing practices for bundled products and services, and recent contract sales data.

We apply significant judgment in order to identify and determine the number of performance obligations, estimate the total transaction price, determine the allocation of the transaction price to each identified performance obligation, and determine the appropriate method and timing of revenue recognition.

We generate revenue from the following four categories: subscription, on-site licenses and installation, transaction, and other. Taxes collected from customers and remitted to governmental authorities are presented on a net basis; that is, such taxes are excluded from revenue.

Subscription

CDK provides software and technology solutions for automotive retailers and OEMs, which includes:

- DMSs and layered applications, where the software is hosted and provided on a SaaS basis.
- Interrelated services such as installation, initial training, and data updates; and
- Prior to adoption of ASC 842, subscription revenue included technology solutions in which hardware was provided on a service basis. This revenue was previously classified as subscription revenue because, under lease accounting guidance in effect prior to ASC 842, substitution rights were considered substantive.

Revenue for SaaS and other hosted service arrangements, are recognized ratably over the duration of the contract. We have determined its obligation under these arrangements is to stand ready to perform the underlying services as required by the customer. The customer receives the benefit of the services and we have the right to payment as the services are performed. A time-elapsed output method is used to measure progress as we transfer control evenly over the duration of the contract.

On-site licenses and installation

On-site software arrangements include a license of intellectual property as the customer has the contractual right to take possession of the software and the customer can either run the software on its own hardware or contract with another party unrelated to us to host the software. The customer receives the right to use the software license upon its installation for the term of the arrangement. As such, we have concluded that the software license is a distinct performance obligation and recognizes the transaction price allocated to on-site software upon installation. We also provide maintenance and support of the software applications. Such maintenance and support services may include server and desktop support, bug fixes, and support resolving other issues a customer may encounter in utilizing the software. Revenue allocated to support and maintenance is generally recognized ratably over the contract period as customers simultaneously consume and receive benefits, given the support and maintenance comprise distinct performance obligations that are satisfied ratably over time. A time-elapsed output method is used to measure progress as we transfer control evenly over the duration of the contract.

Transaction

We receive fees per transaction for providing auto retailers interfaces with third parties to process credit reports, vehicle registrations, and automotive equity mining. Transaction revenue is variable based on the volume of transactions processed. We have a right to payment as the transactions are performed in an amount that corresponds directly with the value to the customer. As such, we recognize transaction revenue as the services are rendered and in the amount to which it has the right to invoice. Transaction revenue for credit report processing and automotive equity mining are recorded in revenue gross of costs incurred when we are substantively and contractually responsible for providing the service, software, and/or connectivity to the customer, and controls the specified good or service before it is transferred to the customer. We recognize vehicle registration revenue net of the state registration fee since we are acting as an agent and do not control the related goods and services before they are transferred to the customer.

Other

We provide consulting and professional services, including marketing campaign solutions, and sells hardware such as laser printers, networking and telephony equipment, and related items. Consulting and professional services are either billed on a time and materials basis or on a fixed monthly, quarterly or semi-annual basis based on the amount of services contracted. After the adoption of ASC 842, Other revenue also includes leasing revenue from hardware where the customer has a right of use during the contract term under ASC 842, as hardware substitution rights are not considered substantive.

Income Taxes

Income tax expense is recognized for the amount of taxes payable or refundable for the current year. Deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities, and for operating losses and tax credit carryforwards. Management must make assumptions, judgments, and estimates to determine the provision for income taxes, taxes payable or refundable, and deferred tax assets and liabilities. Our assumptions, judgments, and estimates take into consideration the realization of deferred tax assets and changes in tax laws or interpretations thereof. Our income tax returns are subject to examination by various tax authorities. A change in the assessment of the outcomes of such matters could materially impact our consolidated financial statements.

We record a valuation allowance to reduce deferred tax assets to the amount that is more likely than not to be realized. In determining the need for a valuation allowance, we consider future market growth, forecasted earnings, future taxable income, and prudent and feasible tax planning strategies. In the event we determine that it is more likely than not that an entity will be unable to realize all or a portion of its deferred tax assets in the future, we would increase the valuation allowance and recognize a corresponding charge to earnings in the period in which such a determination is made. Likewise, if we later determine that it is more likely than not that the deferred tax assets will be realized, we would reverse the applicable portion of the previously recognized valuation allowance. In order to realize deferred tax assets, we must be able to generate sufficient taxable income of the appropriate character in the jurisdictions in which the deferred tax assets are located.

We recognize tax benefits for tax positions that are more likely than not to be sustained upon examination by tax authorities. The amount recognized is measured as the largest amount of benefit that is greater than 50 percent likely to be realized upon ultimate settlement. Unrecognized tax benefits are tax benefits claimed in our income tax returns that do not meet these recognition and measurement standards. Assumptions, judgments, and the use of estimates are required in determining whether the “more likely than not” standard has been met when developing the provision for income taxes.

If certain pending tax matters settle within one year, the total amount of unrecognized tax benefits may increase or decrease for all open tax years and jurisdictions. Audit outcomes and the timing of audit settlements are subject to significant uncertainty. We continually assess the likelihood and amount of potential adjustments and adjust the income tax provision, the current taxes payable and deferred taxes in the period in which the facts that give rise to a revision become known.

We account for the global intangible low taxed income ("GILTI") tax as a period cost when incurred. The GILTI provision is effective beginning in fiscal 2019.

Beginning in fiscal 2019, our accounting policy is to allocate goodwill impairment first to any permanent portion of goodwill (when there is an excess of book goodwill over tax goodwill) and to record a period expense when the impairment occurs.

Goodwill

We test goodwill for impairment annually and whenever events or changes in circumstances indicate the carrying value may not be recoverable. We test goodwill for impairment at the reporting unit level. A reporting unit is an operating segment or a component of an operating segment. We have three reporting units with discrete financial information for each that are regularly reviewed by the chief operating decision maker when allocating resources and assessing performance.

We test impairment by first comparing the fair value of each reporting unit to its carrying amount. If the carrying value of the reporting unit exceeds its fair value, the difference, up to the amount of goodwill recorded for the reporting unit, is recognized as an impairment.

We estimate the fair value of our reporting units by weighting the results from the income approach, which is the present value of expected cash flows discounted at a risk-adjusted weighted average cost of capital, and the market approach, which uses market multiples of companies in similar lines of business. These valuation approaches require significant judgment and consider a number of factors including assumptions about the future growth and profitability of our reporting units, the determination of appropriate comparable publicly traded companies in our industry, discount rates, and terminal growth rates. An adverse change to the fair value of reporting units could result in an impairment charge which could be material to consolidated earnings.

Long-Lived Assets

We review our long-lived assets for impairment annually and whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying value of the asset to its undiscounted future cash flows expected to be generated by the asset. If the carrying amount of the asset exceeds its estimated undiscounted future cash flow, an impairment charge is recognized for the amount by which the carrying amount exceeds the fair value. Given the significance of our long-lived assets, an adverse change to the fair value of our long-lived assets could result in an impairment charge which could be material to our consolidated earnings.

Assets Held for Sale

We consider assets to be held for sale when management, with appropriate authority, approves and commits to a formal plan to actively market the assets for sale at a price reasonable in relation to their estimated fair value, the assets are available for immediate sale in their present condition, an active program to locate a buyer has been initiated, the sale of the assets is probable and expected to be completed within one year, and it is unlikely that significant changes will be made to the plan. Upon designation as held for sale, we record the assets at the lower of their carrying value or their estimated fair value, reduced for the cost to dispose the assets. Depending on the net realized value from the sale, the potential charge could be material to our consolidated earnings.

Legal and Other Contingencies

From time to time, we are subject to various claims and is involved in various legal, regulatory, and arbitration proceedings concerning matters arising in connection with the conduct of its business activities, including those noted in "Note 18–Commitments and Contingencies" in our consolidated financial statements included elsewhere in this offering memorandum. We routinely assess the likelihood of any adverse judgments or outcomes related to these matters, as well as ranges of probable losses, by consulting with internal personnel involved with such matters as well as with outside legal counsel handling such matters. We accrue for estimated losses for those matters where we believe that the likelihood of a loss has occurred, is probable and the amount of the loss is reasonably estimable. The determination of the amount of such reserves is made after careful analysis of each matter. The amount of such

reserves may change in the future due to new developments or changes in approach such as a change in settlement strategy in dealing with these matters. The inherent uncertainty related to the outcome of these matters can result in amounts materially different from any provisions made with respect to their resolution.

Business Combinations

We account for business combinations using the acquisition method of accounting, which allocates the fair value of the purchase consideration to the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values. The excess of the purchase consideration over the fair values of these identifiable assets and liabilities is recorded as goodwill. When determining the fair values of assets acquired and liabilities assumed, management makes significant estimates and assumptions including discount rates and long-term growth rates. We may utilize third-party valuation specialists to assist us in the allocation. Initial purchase price allocations are subject to revision within the measurement period, not to exceed one year from the date of acquisition. Acquisition-related transaction costs and other expenses associated with business combinations are expensed as incurred.

Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risk from changes in interest rates and foreign currency exchange rates.

Interest Rate Exposure

We will incur variable interest expense with respect to our New Credit Facilities. As of March 31, 2022, on a pro forma basis after giving effect to the Transactions, we would have had approximately $5,215.0 million aggregate principal amount of variable and fixed rate indebtedness, with a weighted-average interest rate of approximately 6.7% per year. A change of 25 basis points in the assumed weighted-average interest rate of such debt would increase or decrease our estimated pro forma annual interest expense by approximately $13 million.

Foreign Currency Risk

We operate and transact business in various foreign jurisdictions and are therefore exposed to market risk from changes in foreign currency exchange rates that could impact our financial condition, results of operations, and cash flows. We have not been materially impacted by fluctuations in foreign currency exchange rates as a significant portion of our business is transacted in U.S. dollars, and is expected to continue to be transacted in U.S. dollars or U.S. dollar-based currencies. As of June 30, 2021, operations in foreign jurisdictions were principally transacted in Canadian dollars. A hypothetical change in all foreign currency exchange rates of 10% would have resulted in an increase or decrease in consolidated operating earnings of approximately $4.6 million for the year ended June 30, 2021.

We primarily manage our exposure to these market risks through our regular operating and financing activities.

Recent Accounting Pronouncements

Refer to “Note 3–New Accounting Pronouncements” in our consolidated financial statements included elsewhere in this offering memorandum for financial information regarding recently issued and adopted accounting pronouncements including the effects on our results of operations, financial condition, and cash flows.

BUSINESS

You should read the following description of our business together with the sections entitled "Basis of Presentation and Other Information," "Risk Factors," Unaudited Pro Forma Consolidated Financial Information," and "Selected Historical Financial Data" and with the consolidated financial statements of CDK and the related notes included elsewhere in this offering memorandum. The terms "CDK," "Company," "we," "us" and "our" refer to CDK Global, Inc. and its consolidated subsidiaries after giving effect to the Acquisition described elsewhere in this offering memorandum.

Overview

CDK Global Inc. is a leading provider of mission critical technology and SaaS data solutions for dealerships in the automotive retail and adjacent heavy truck, recreation, and heavy equipment industries in North America. Our solutions automate and integrate all aspects of operating a dealership and the vehicle buying and servicing process, including the acquisition, sale, financing, insuring, parts supply, and repair and maintenance of vehicles. Enabling end-to-end, omnichannel retail commerce through open, agnostic technology, we provide our solutions to both dealers and OEMs and served over 15,000 dealer sites and adjacent businesses served across North America as of March 31, 2022.

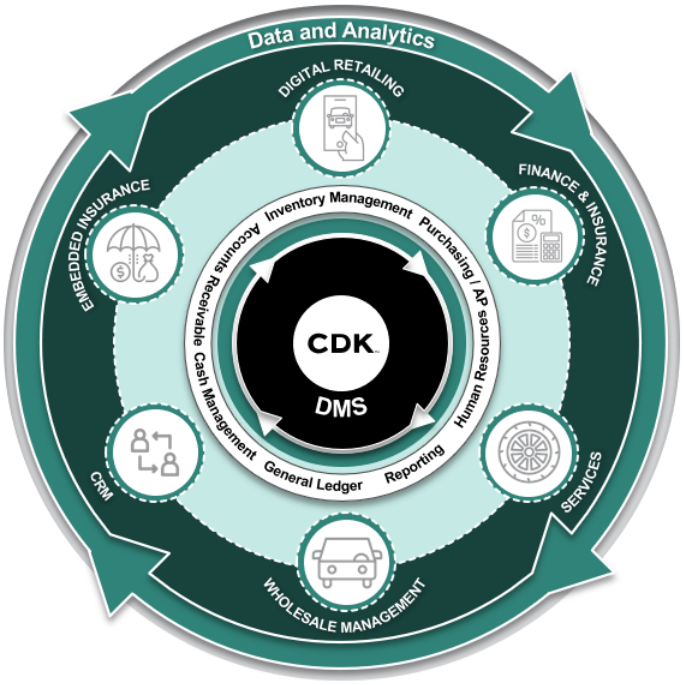
We generate revenue primarily by providing a broad suite of subscription-based software and technology solutions to automotive retailers in North America, as well as to retailers and manufacturers of heavy trucks, construction equipment, agricultural equipment, motorcycles, boats, and other marine and recreational vehicles. We are focused on the use of SaaS and mobile-centric solutions that are highly functional, flexible, and fast. Our flagship DMS software solutions are hosted ERP applications tailored to the unique requirements of the retail automotive industry. Our DMS solutions facilitate most activities that generate revenue within a dealership including: the sale of new and used vehicles, consumer financing, repair and maintenance services, and vehicle and parts inventory management. These solutions also enable our customers to have company-wide accounting, financial reporting, cash flow management, and payroll services. We also provide a broad portfolio of layered software applications and services, a robust and secure interface to the DMS through our Partner Program, data management and business intelligence solutions, a variety of professional services, and a full range of customer support solutions. These additional products are integrated with the DMS and provide a full software solution suite to our customers. Our DMSs are typically integrated with OEM data processing systems that enable automotive retailers to order vehicles and parts, receive vehicle records, process warranties, and check recall campaigns and service bulletins while helping them to fulfill their franchisee responsibilities to their OEM franchisers.

We believe we are the market leader in North America and have the largest installed base of DMS in the industry. CDK has consistently grown market share and served over 5,600 customers representing over 15,000 dealer sites and adjacent businesses as of March 31, 2022, compared to 14,681 as of Fiscal Year 2019. Within the core automotive space, CDK is primarily focused on the largest and most sophisticated dealerships, with 78% of dealership customers having three or more dealer sites in fiscal year 2021, which positions the Company to benefit from the consolidation trends in the industry. We are deeply embedded in our customers' operations – the majority of our customers use three to five CDK products on average, and our average customer tenure is approximately 20 years. The average customer contract length is approximately four years. In the LTM ended March 31, 2022, approximately 78% of our revenue was generated from multi-year subscription contracts where revenue is tied to customer site count, not transaction volume.

The strength of our business model is reflected in our financial performance. In the LTM period ended March 31, 2022, we generated approximately $1,763 million of Pro Forma Adjusted Revenue, which represents a 3% CAGR since fiscal 2019, and $811 million of Pro Forma Adjusted EBITDA, which represents a margin of approximately 46% including $146 million of margin improvement initiatives identified by Brookfield.

Product Offerings

Our primary solutions include Dealer Management Systems, layered software applications, and value-added services and solutions.



Our flagship DMS software solutions are hosted ERP applications tailored to the unique requirements of the dealer in multiple industries. Dealers use this software solution to manage critical business processes, including most revenue producing activities as well as the system of record for accounting and OEM reporting. With multi-location management ability, dealers receive real-time data with actionable insights to deliver immediate business improvements. Our DMS products facilitate the sale of new and used vehicles, consumer financing, repair and maintenance services, and vehicle and parts inventory management.

Complementary to our core DMS, we also provide a portfolio of layered software applications and services to address the unique needs of automotive retail workflows. In recent years, we have strategically focused on delivering solutions that solve key pain points for our customers. This includes consolidating technology vendors within a dealer location and removing friction from the vehicle-buying experience. Specifically, we digitized critical pieces of the sales process with products such as Connected Store, ELEAD CRM, Digital Contracting and eSign. On an as-needed basis, we have also implemented installation procedures for our DMS and layered application products on a fully remote basis to meet the needs of our dealers. Our acquisition of Roadster in 2021 provided capabilities to enable dealers to sell new and used vehicles completely online, while also giving consumers the option to begin and end the vehicle-buying process anywhere they choose – online or in-store. These solutions are often integrated into and targeted at users of our DMSs, but may, in some cases, be provided to customers that do not otherwise use our DMS.

We further connect the automotive ecosystem by providing third party retail solution providers with robust and secure interfaces to the core DMS through our Partner Program. For both automotive retailers and OEMs, we provide data management and business intelligence solutions through our open Neuron intelligent data platform that extract, cleanse, normalize, enhance, and distribute billions of pieces of industry information and turn it into usable data that provides actionable insights and products.

We also offer automotive retailers and OEMs a variety of professional services, custom programming, consulting, IT solutions, implementation and training solutions, as well as a full range of customer support solutions.

Technology

To enable end-to-end automotive commerce, our strategy is to invest for the long-term in integrated software products and an open technology platform that can deliver seamless, workflow-driven solutions for our customers. The automotive retail market is evolving and demand for new and integrated technology solutions is growing –

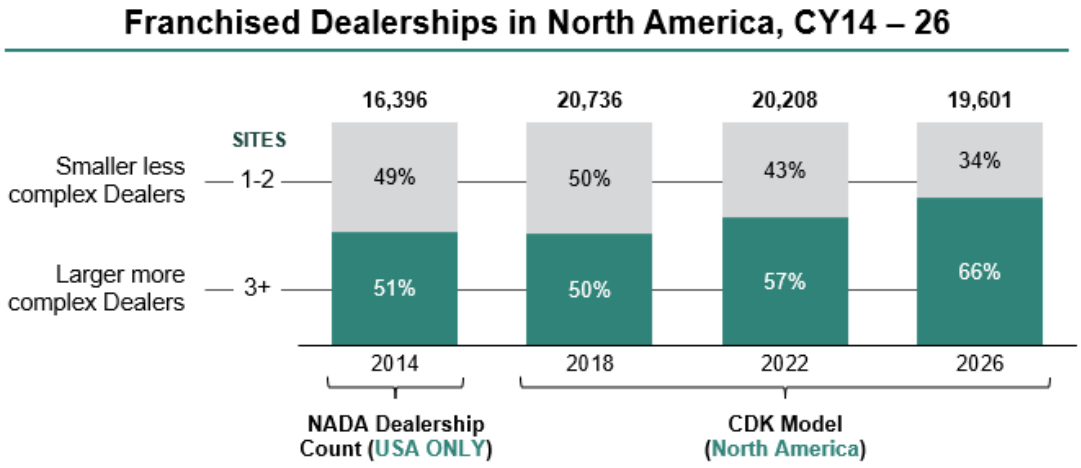
consumers increasingly expect a seamless omnichannel experience when purchasing or servicing vehicles; OEMs see technology as a tool to ensure a consistent and positive customer experience across their retail networks; and retailers are seeking integrated workflow technology solutions to help them improve both customer satisfaction and dealership cost structure. We believe that the best way to compete in a world with numerous providers of unconnected software solutions for numerous automotive retailers, OEMs, consumers, and vehicles is to provide integrated technology solutions and platform tools that can connect the disparate elements to create continuous retail workflows.

The DMS is a mission critical central software system that is connected to all aspects of the dealer technology landscape – it enables the dealers' day-to-day operations, and the replacement process can be complex.

Industry Overview

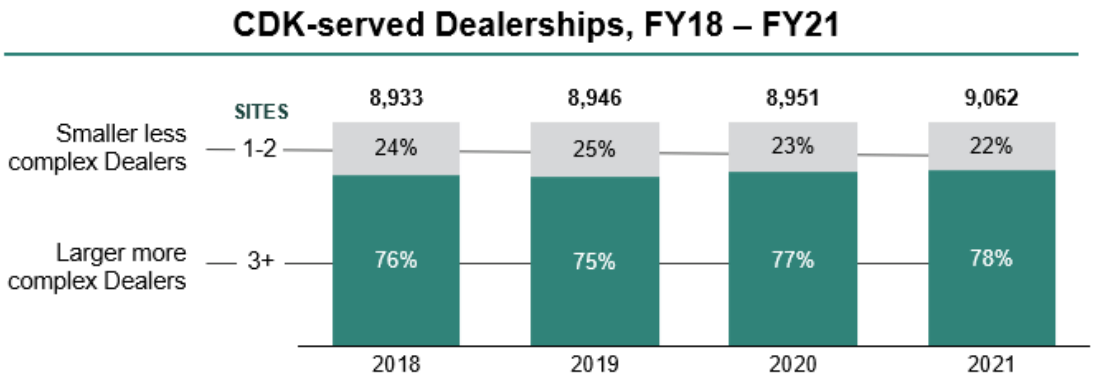
Dealership Consolidation

The dealership market in North America has experienced continued consolidation in recent years, with the larger dealers (i.e. those with three or more dealership rooftops) driving industry growth. According to McKinsey research, dealers with three or more sites have grown at a CAGR of approximately 1.4% since 2015 while the overall number of rooftops has increased by approximately 0.1%. We expect this consolidation to continue, with key trends such as increasing penetration of EVs and associated larger capital requirements further accelerating consolidation. According to Bain research, approximately 66% of all automotive dealerships in North America are expected to be owned by dealers with three or more dealerships by 2026, compared to approximately 50% in 2018.



Source: Bain.

We believe CDK is well positioned to continue to benefit from dealer consolidation. Larger, more sophisticated dealers have more complex software requirements and are CDK's core customer. CDK offers a differentiated product with ties to OEMs that can be easily adapted to handle the complexities of large dealer groups. In fiscal 2021 approximately 78% of CDK-served dealerships were owned by dealers with three or more rooftops. CDK has a leading market share among the largest dealers and currently serves more than 60 of the 100 largest dealers in North America. As dealer consolidation continues, we believe this will drive additional market share gains and growth in site count.



Source: CDK data.

Embedded Economic and Operating Moat and Regulatory Landscape

The dealership model benefits from an embedded economic and operating moat. While OEMs are using digital platforms to optimize the customer journey, dealership networks remain integral to new and used car sales and the service value chain. Dealers are a cost-efficient distribution method for OEMs, and dealerships remain an essential part of the customer journey to provide an omnichannel experience. Consumers increasingly research potential vehicle purchases online, but they still prefer to visit a dealer in order to test drive, complete the purchase and take delivery. Consumers expect a seamless experience across digital and physical channels. According to research from Cox Automotive, 72% of customers seek to finalize the deal in-store and 67% of 'Gen Z' consumers agree that face-to-face interaction is critical to the purchasing decision. In addition, the dealership acts as part of a nationwide footprint of service centers for the OEM and helps ensure that a car purchased at one dealer can be serviced by all dealers under that OEM brand.

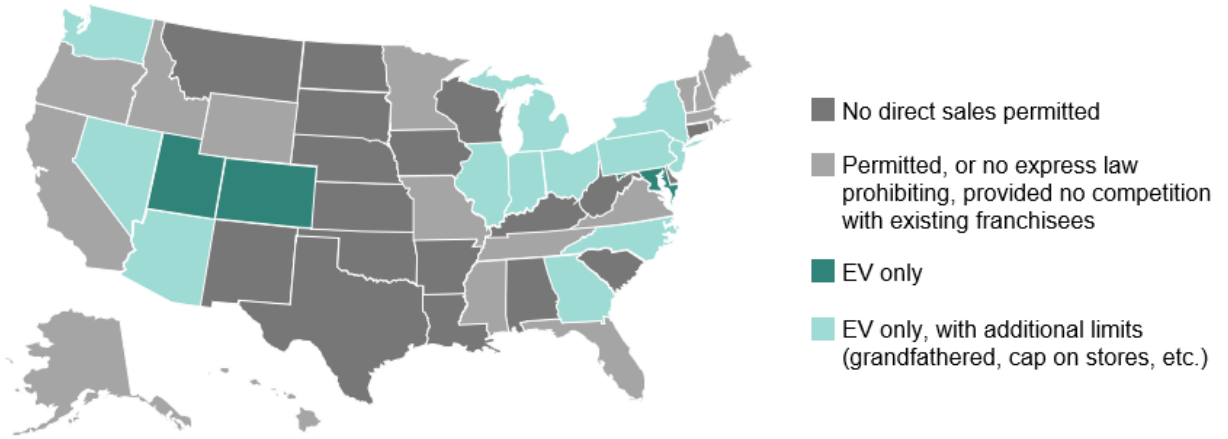
The dealership industry also benefits from a favorable regulatory landscape. Every state in the U.S. has franchise laws that protect existing franchise networks. Specific laws vary on a state-by-state basis but can include:

Outright prohibition on OEMs selling directly against their franchisees

Requirement for warranty service for vehicles and OEM parts to be provided through the franchise dealers

Constraints on ability to terminate franchises, allocate inventory, allocate incentives and impose restrictions on dealer autonomy

The net impact of these regulations is that major OEMs cannot sell under existing brands except through their dealer networks and even new entrants face limitations on their ability to sell direct-to-consumer. We believe these elements create a robust and protective moat around our business.



Source: National Conference of State Legislatures.

Vehicle Electrification and Future of the Dealer

We expect the automotive market to continue its long-term transition to EVs and believe this transition will reinforce the growing importance of large auto dealers. We believe CDK, with our focus and leadership in the large auto dealer segment, is well positioned to capitalize on and benefit from this shift.

According to Bain research, EVs are expected to reach 33% penetration of North American light vehicle sales by 2030 – gaining share but not significantly displacing ICE cars in the next decade. Given the inertia that exists in the car parc, we expect this will be a gradual but sustaining transition. Incumbent OEMs are expected to account for the majority of 2030 EV sales at approximately 27% of total light vehicle production. We also expect OEMs to continue to sell EVs through dealers as the economics and regulatory limitations have mostly not changed with the advent of newer technologies.

Dealerships will require substantial investment throughout this transition, including building out showrooms and charging infrastructure and training their salesforce and technicians. We believe this required investment will serve as a catalyst to further accelerate the consolidation trends within the industry, with the larger, better capitalized dealers gaining share. As CDK is primarily focused on the largest and most sophisticated dealerships, we believe we are well positioned to benefit from this trend.

Increasing penetration of EVs is also expected to improve the profit pools of larger dealerships. While EVs include fewer serviceable parts than ICE cars, the total value of parts for an EV is on average approximately two times more expensive than ICE cars due to the electrification systems, and more complex servicing requirements and tooling investment are expected to result in dealers retaining a greater share of servicing from less equipped third party providers. Higher warranty provisions provided by OEMs on EVs are expected to result in greater revenue for dealers providing the service.

The OEM and dealer relationship landscape is also evolving. In the current landscape, OEMs have limited control over pricing and there is a lack of seamless omnichannel experience due to limited OEM-to-dealer connectivity and inconsistent practices among dealers. New entrants (both OEMs and online retailers) have created stronger customer experiences, which is forcing OEMs and dealers to compete.

As the evolution continues, we expect OEMs to demand a consistent branded experience (including product information and centrally managed pricing) and dealers will need to scale to provide a superior guest experience for new and used car buying and ownership. This will necessitate close collaboration between the OEM and dealers. We believe dealer consolidation will continue to accelerate and bolster the dealership importance to OEMs – both parties will focus on providing an omnichannel digital retail sales experience, leading to more efficient inventory and costs management.

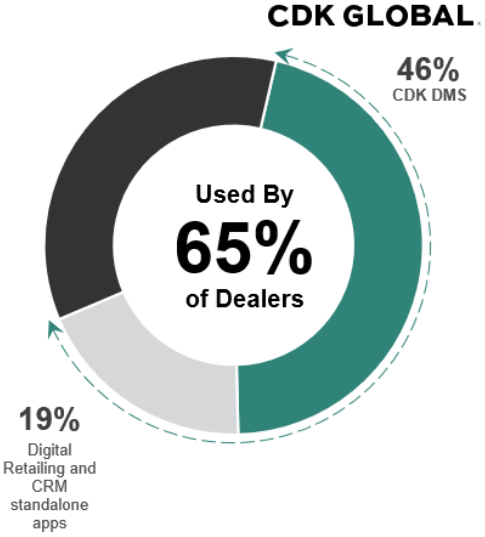
Our Strengths

Clear market leader across automotive commerce software market

CDK has over 40 years of experience designing and implementing mission-critical solutions for automotive retailers and original equipment manufacturers. We believe our core DMS software is the most comprehensive and adaptive solution in the market, as evidenced by our having the largest installed base in the industry. We serve approximately 9,200 auto sites and 6,200 sites across adjacent businesses as of March 31, 2022. Including DMS, our digital retailing products and CRM standalone applications, we serve approximately 65% of the entire North American market.

We also have the highest penetration among the largest dealers, which is the fastest growing segment of the market. As of December 31, 2021 we served 5 of the 10 largest dealers in North America and 60 of the top 100.

North America Auto Site Penetration

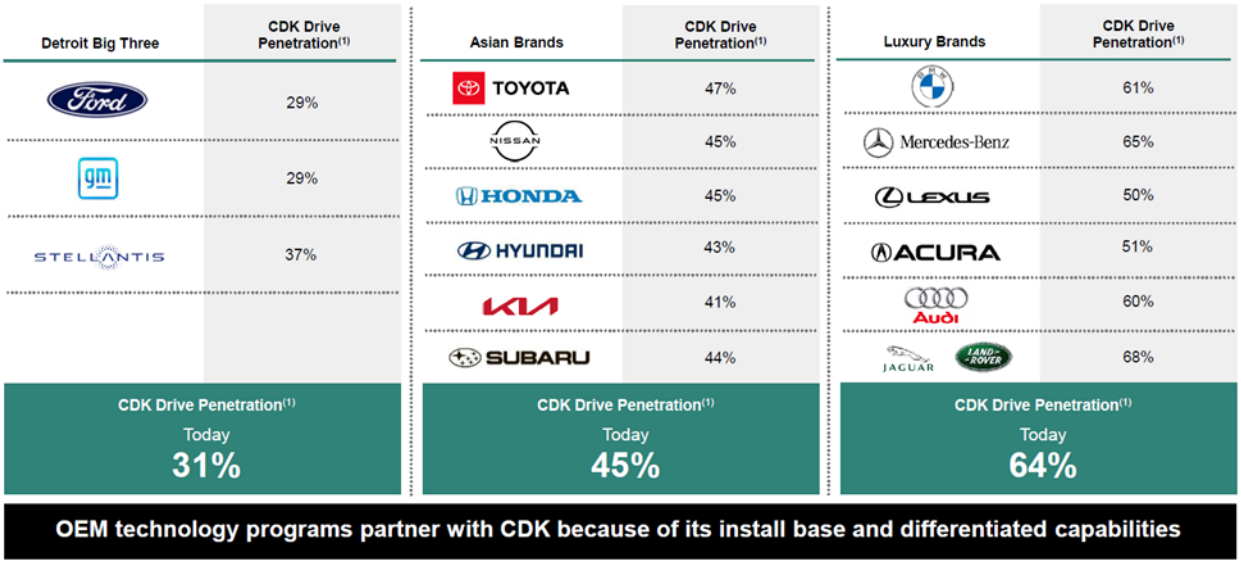


CDK Drive Penetration

	Number	Percentage
Top 10	5	**50%**
Top 50	30	**60%**
Top 100	60	**60%**
Top 150	84	**56%**

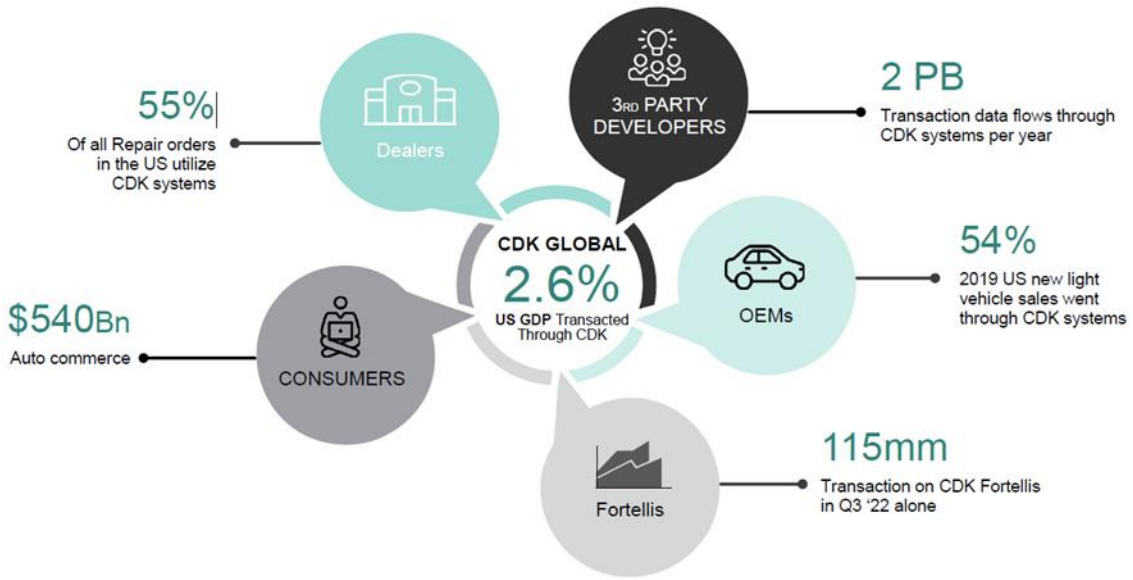
To enable seamless, omnichannel, and end-to-end automotive commerce, we believe it is critical to provide integrated technology solutions and platforms than can connect automotive retailers, OEMs, consumer, and vehicles. Core to our leadership across automotive commerce is our partnership and presence across all major OEMs.

OEMs see technology as a tool to ensure a consistent and positive customer experience across their retail networks. We believe OEM technology programs partner with us because of our installed base and differentiated capabilities. Across the industry, luxury brand dealerships (e.g. BMW, Mercedes-Benz, Audi) are more often part of larger, multi-site dealers than domestic brands (e.g. Ford or GM) or Asian brands (e.g. Toyota or Honda). As our primary customers are larger, multi-site dealers, our penetration of luxury brands is higher than other brand categories.



(1) Market penetration of dealership sites for each OEM group calculated by weighted avg. share of respective OEM brands.

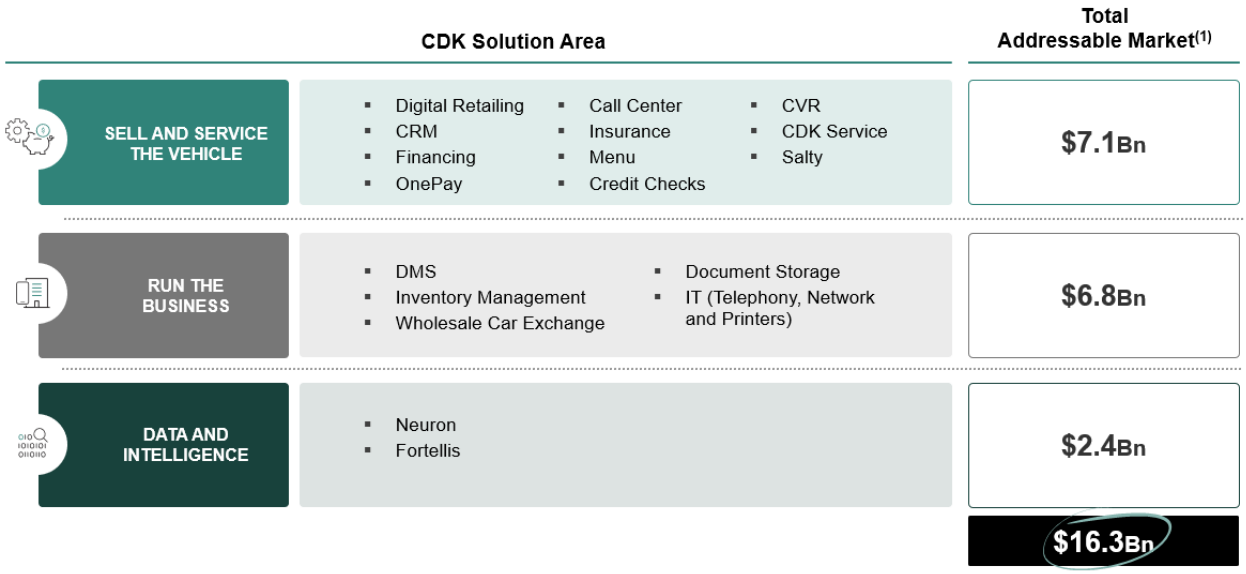
We have been able to build our leadership in the industry through organic expansion and investments and acquisitions, transforming from providing DMS to providing a suite of solutions that allow us to serve as a strategic partner across OEMs, dealers, consumers, and developers. In fiscal 2021, approximately $540 billion of automotive commerce transacted through CDK and 55% of all repair orders to dealers in the US utilized CDK systems.



Large and growing market with trends playing to CDK's strengths and delivering new opportunities

CDK's TAM is large, resilient, and growing. Our core DMS software solutions provide full-service ERP applications to dealers and facilitate the sale of new and used vehicles, consumer financing, repair and maintenance services, and vehicle and parts inventory management. Complementary to our core DMS, we also provide broad portfolio of layered software applications and services, data management and business intelligence solutions, a variety of professional services, and a full range of customer support solutions. Our open technology platform allows us and third parties to develop adaptive and interchangeable APIs that can be used to connect existing technology solutions and build new solutions reliably and quickly

We have made these strategic investments and acquisitions to expand our TAM from our core DMS offering to include all aspects of selling and servicing vehicles as well as data management and business intelligence solutions. In aggregate, Bain estimates our TAM at over $16 billion as of January 2022.



Source: Bain.

We believe the markets we serve are also poised to benefit from secular trends within automotive retail, including EV adoption and dealer consolidation, consumer focus on seamless and omnichannel digital retail, and increasing value in and complexity of servicing vehicles.

EV adoption is accelerating, and we expect this to drive increased dealer consolidation as the capital investment required and technological complexities will favor larger, more sophisticated, and better capitalized dealers

OEMs, dealers, and consumers are increasingly focused on an omnichannel digital retail sales experience

Vehicles are becoming increasingly connected, with OEMs and dealers placing a premium on data management and interoperability to deliver a modern service experience

We believe service is and will continue to be the biggest catalyst of dealer profitability growth, supported by the EV transition

The automotive retail market is evolving and demand for new and integrated technology solutions is only growing. As consumers increasingly expect a seamless omnichannel experience, we believe integrated dealer technology will be essential for OEMs to ensure a consistent and positive customer experience across their retail networks.

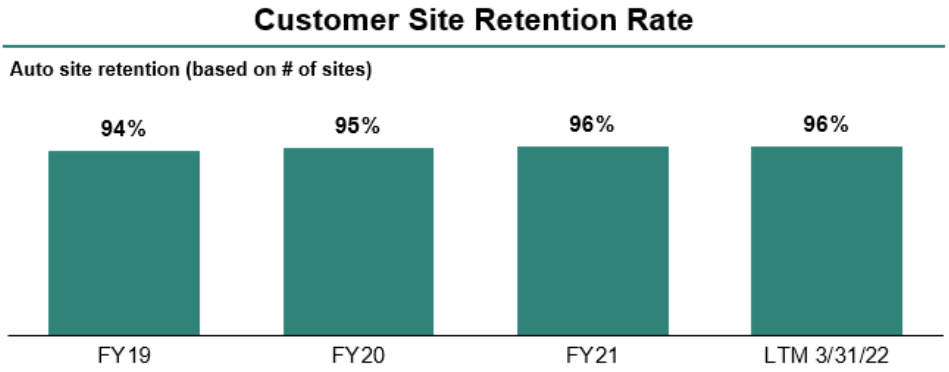
As a provider of solutions for all aspects of operating a dealership, with industry-leading innovative technologies, a primary focus on larger dealers, and best-in-class software applications and data management, we believe CDK is poised to capture the robust growth opportunities across our various markets.

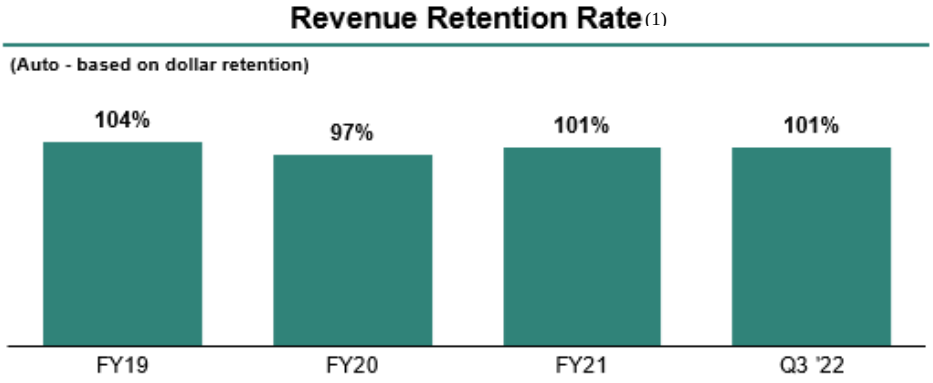
Deeply embedded, mission critical software solutions driving robust retention rates

CDK's DMS and CRM software solutions are tailored specifically to automotive dealers and are mission-critical to all core operations of a dealership. Our strategy is and has been to invest for the long-term in integrated software products and an open technology platform that can deliver seamless, end-to-end automotive software solutions to our customers.

We believe we offer industry-leading software solutions and have cultivated deeply embedded and highly strategic relationships with both OEMs and dealers over our more than 40 years of year operating history.

We believe our historical retention rates demonstrate the quality of our solutions and strength of our customer and partner relationships. Since fiscal 2019 we have averaged 95% customer retention based on the number of auto dealer sites and 100% customer retention based on auto site revenue contribution. In addition, we had an approximately 92% gross retention rate for the LTM period ended March 31, 2022.





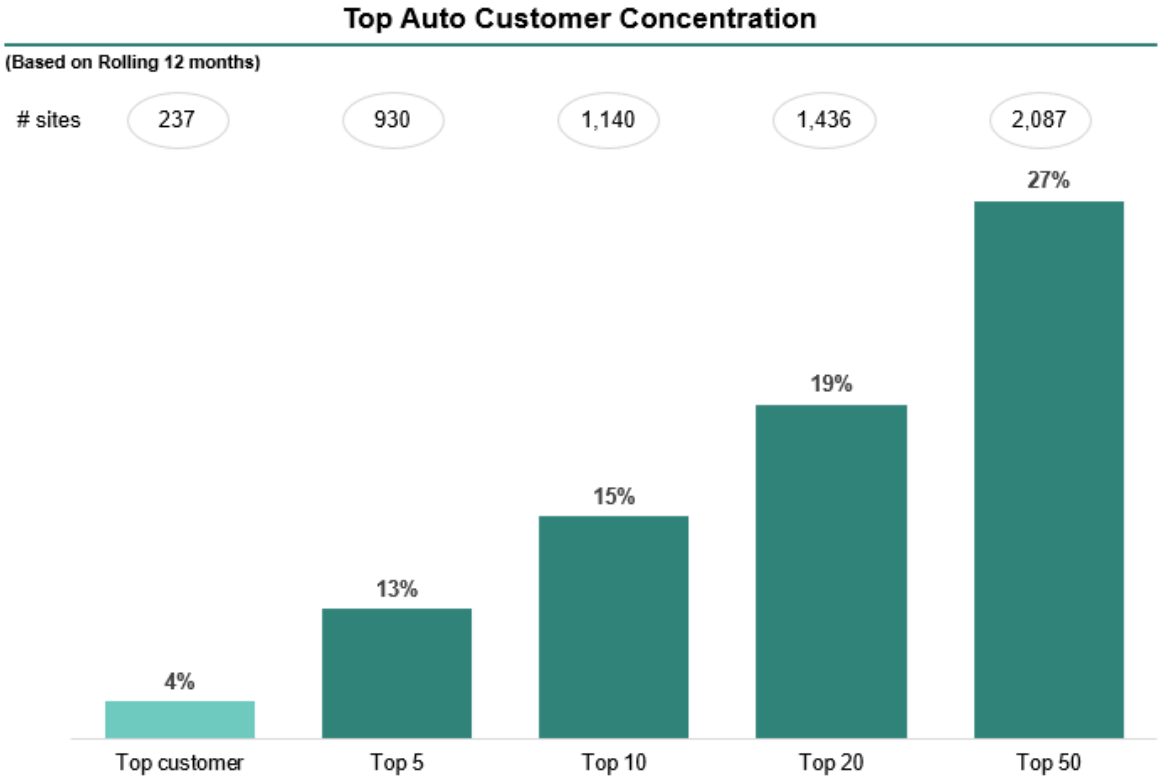
(1) Net revenue retention rate which is calculated by dividing revenue earned in a specific period by the revenue earned from the same customers in the corresponding period of the previous year. Our calculation of Net revenue retention rate for a given period only includes revenue from customers that were customers during the corresponding period of the previous year, and excludes revenue from new business on boarded during the last 12 months.

Long-tenured, highly diversified customer base

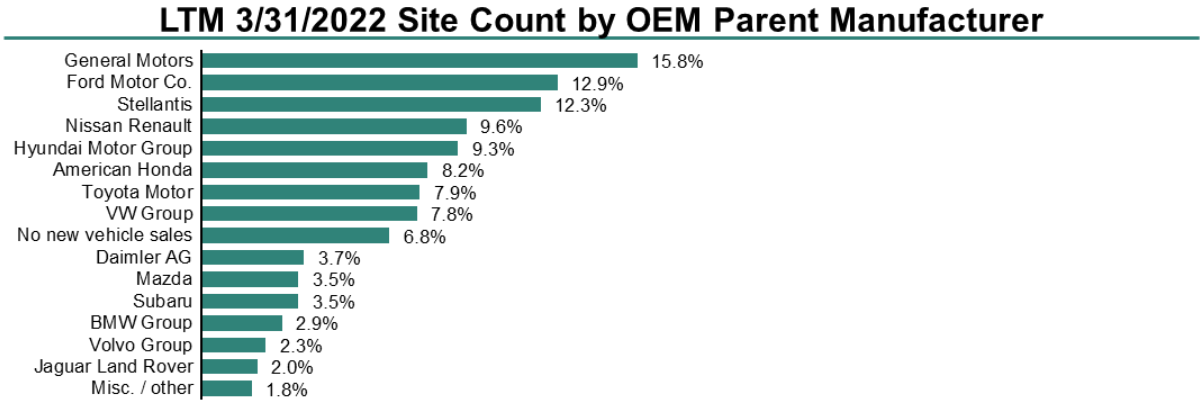
CDK benefits from a large and long-tenured customer base that is highly diversified across both dealers and OEMs. As of March 31, 2022, we served more than 5,600 customers across automotive and non-automotive end markets that represented over 15,000 individual dealer sites. Approximately 60% of our DMS sites are in the automotive end market, with the remaining 40% in adjacency end markets (including heavy trucks, construction equipment, agricultural equipment, motorcycles, boats and other marine and recreational vehicles). Our primary focus is on larger, more complex dealers with three or more sites. These dealers represent approximately 80% of CDK-served dealerships as of March 31, 2022.

Across our entire customer base, the average length of relationship is approximately 20 years, which we believe demonstrates the quality of our service offerings, value proposition to our customers, and embedded nature of our solutions within our customers' sites.

Within our end markets we provide solutions to over 5,600 customers that represent more than 15,000 sites as of March 31, 2022. Our largest customer accounts for 237 sites and just 4% of revenue, with the top 50 customers accounting for accounting for 2,087 sites and 27% of revenue. Additionally, less than 10% of our revenue is related to transactional volumes of car sales. This diversification insulates us from the risk of losing a customer or a customer experiencing financial distress, as no individual dealer customer represents a material portion of our total revenue.



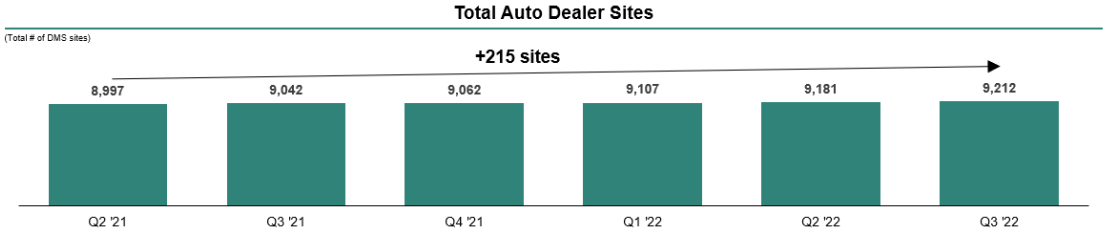
Further, our base of automotive customers is also highly diversified by parent manufacturer. For the LTM period ended March 31, 2022, General Motors, Ford, and Stellantis dealerships represented approximately 16%, 13%, and 12% of revenue, respectively. No other parent manufacturer accounted for greater than 10% of our revenues. We believe the diversity in brands that we service further insulates our business from the risk of any individual automotive manufacturer experiencing financial or other distress.



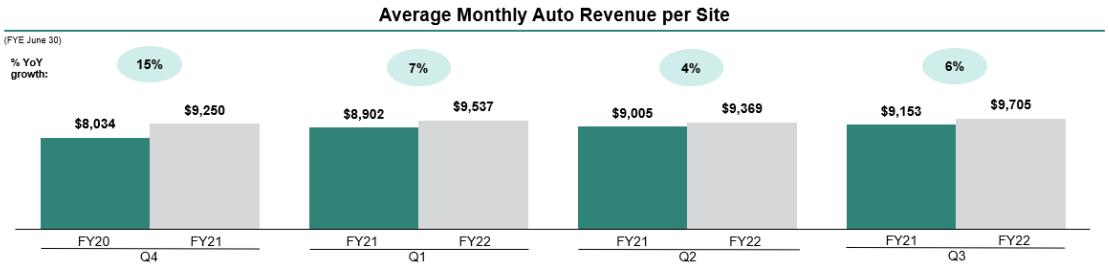
Strong subscription revenue growth supported by consistent increases in new dealer sites and penetration of layered applications

We generate revenue primarily by providing our suite of software and technology solutions under subscription-based, SaaS contracts. Our contracts are multi-year with revenue tied to customer site count, not transaction volume, which provides a recurring revenue stream and stability to our financial performance. In the LTM period ended March 31, 2022, approximately 78% of our revenue was generated from subscriptions-based contracts.

We have successfully been able to grow our subscription-based revenue through a combination of increasing the number of dealer sites served and cross selling layered applications to existing DMS customers. We have grown our number of sites both through organic new dealer wins as well as through the natural flow-through effects of industry consolidation, whereby our existing larger dealer customers increase their site count. In the last six quarters through the COVID-19 pandemic we have added 215 total auto dealer sites, bringing our total base to over 9,200.



We have also been successful in cross selling and increasing the penetration of our best-in-class layered applications with our existing and new DMS customers. These layered applications have been a key driver of our ability to increase our revenue per site, which has experienced robust growth through the last several quarters.

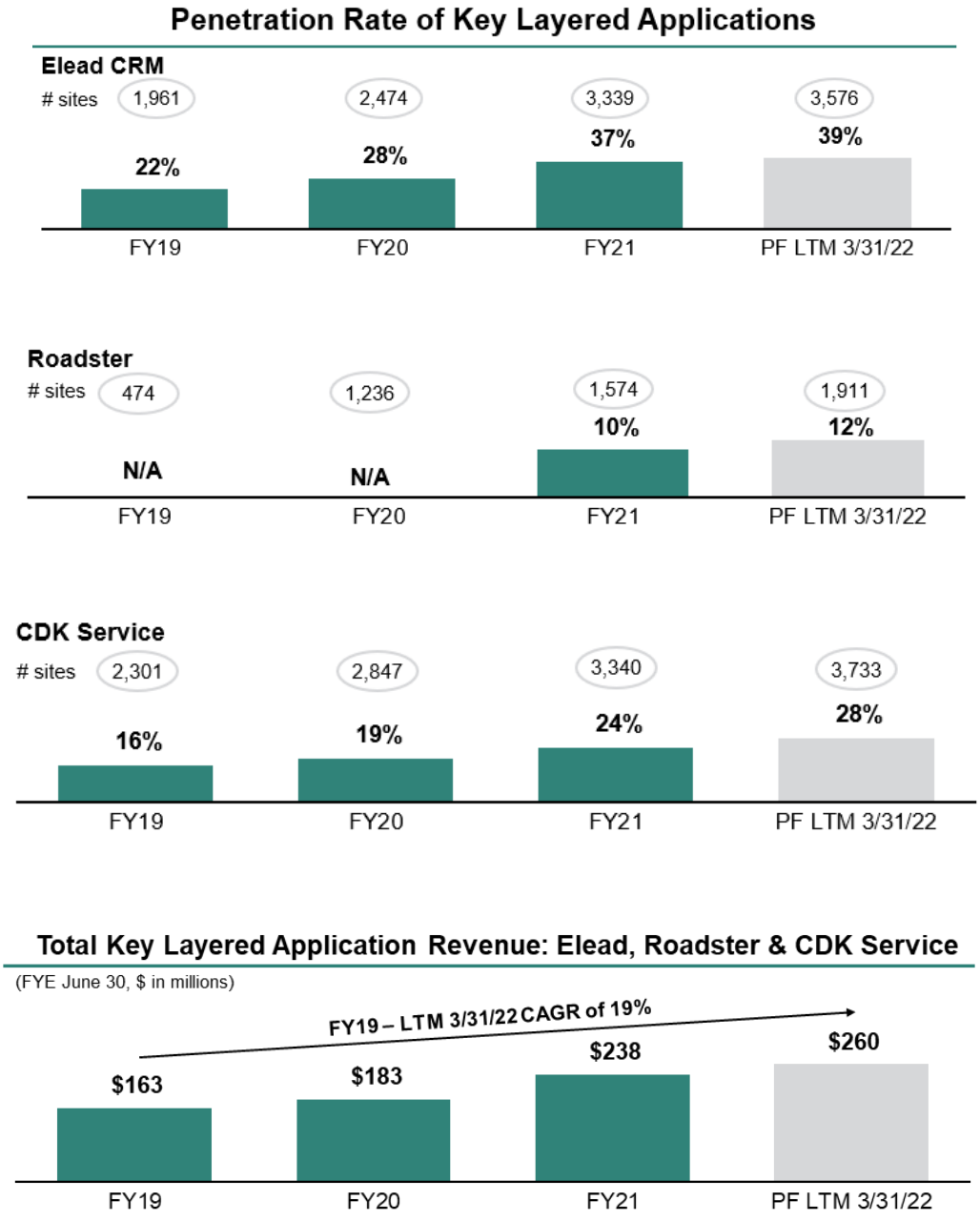


We have been particularly successful increasing the penetration of our ELEAD, CDK Service, and Roadster layered applications.

CDK acquired ELEAD in September 2018 – ELEAD's automotive CRM software and call center solutions enable interaction between sales, service and marketing operations to provide dealers with an integrated customer acquisition and retention platform

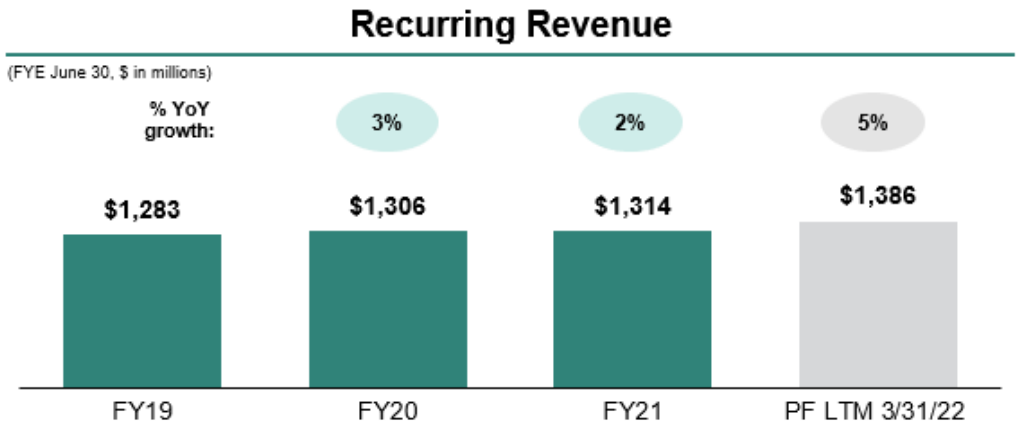
CDK Services includes CDK Appointment (convenient scheduling platform), CDK Lane (innovative inspection tablet), and CDK Inspect (automated inspection process), among other value-add services

CDK acquired Roadster in June 2021 – Roadster's CRM solution enables dealers and OEMs to sell vehicles completely online, and to enhance the consumer retail experience



Attractive financial model with highly visible and growing recurring revenue, strong profitability and cash flow combined with actionable margin improvement initiatives

We believe our recurring, subscription-based revenue and highly diversified customer base provide us with a resilient financial profile. These subscription contracts are multi-year in length, and our high retention rates historically have provided us with a consistent base of recurring revenue from which to drive organic growth through adding dealer sites and cross selling layered applications to increase the average revenue per site. In the LTM period ended March 31, 2022, approximately 78% of our revenue was generated from these subscription contracts in which revenue is tied to customer site count, not transaction volume. We have consistently grown our recurring revenue base to over $1.3 billion in the LTM period.

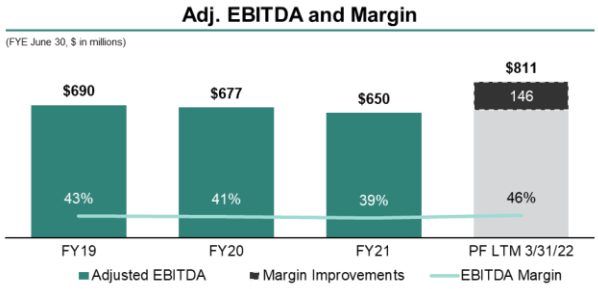


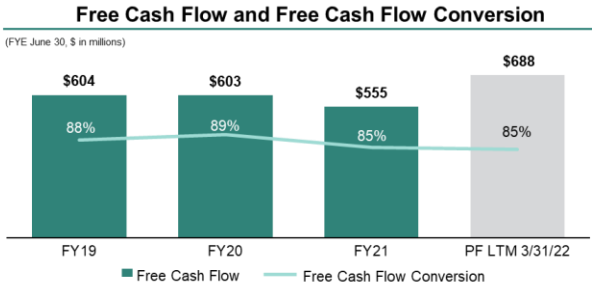
Note: Recurring revenue refers to revenue generated pursuant to multi-year subscription contracts.

The Company has a high free cash flow conversion rate due to relatively low capex spend and working capital requirements, providing a stable cash flow profile. The recurring nature of CDK's revenue has contributed to an average Adjusted EBITDA margin of approximately 41% and average free cash flow of $587.3 million over the past three fiscal years.

We continuously invest in our business and technology which we believe helps us maintain our industry-leading position and market share. In the last several years we have invested and re-deployed capital into early-stage growth businesses, increases in corporate overhead and customer support, and technology modernization. These one-time investments drove a modest compression in Adjusted EBITDA margins from fiscal 2019 to fiscal 2021. Including the impact of identified margin improvement initiatives, Pro Forma Adjusted EBITDA for the LTM period ended March 31, 2022 was $811 million, representing a 46% Pro Forma Adjusted EBITDA margin. Our business also benefits from relatively low capital expenditure and working capital requirements, which has driven a high Free Cash Flow Conversion historically between 85% and 89% from fiscal 2019 to fiscal 2021.

We have consistently achieved financial results earning status as a Rule of 40 Company, with combined Adjusted EBITDA margin and revenue growth exceeding 40%.

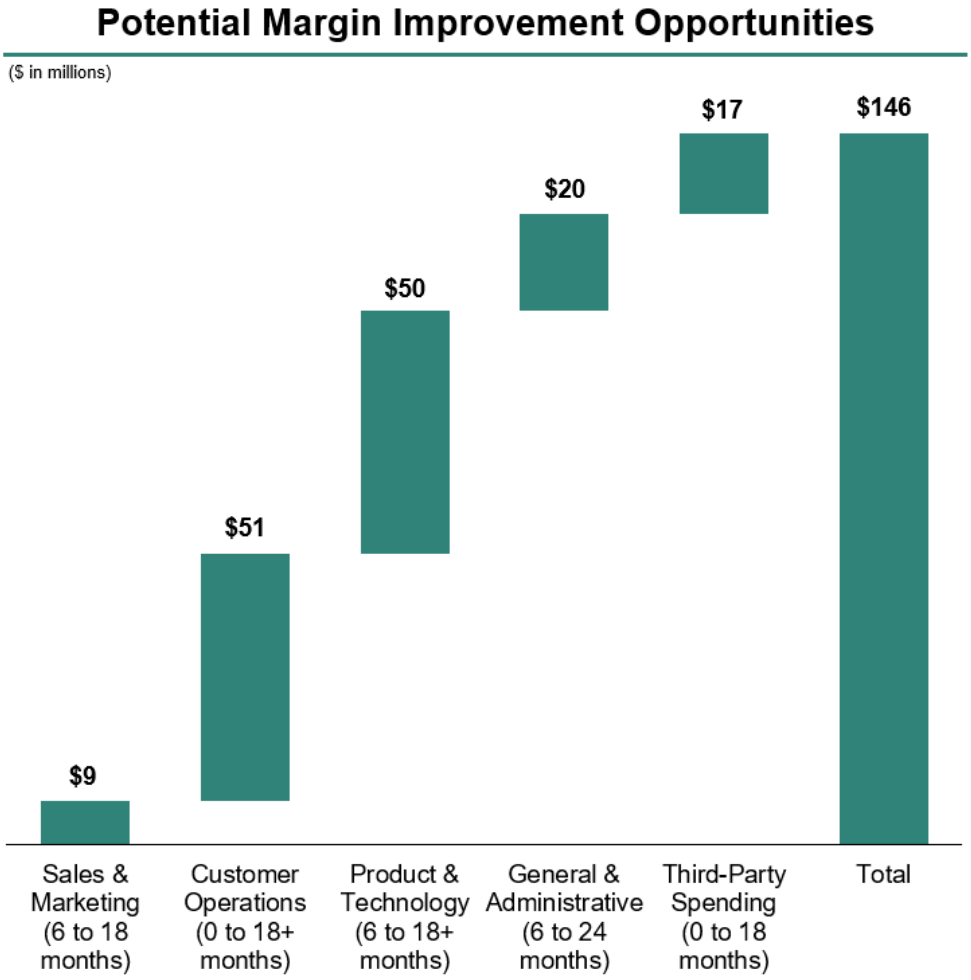




Identified margin improvement initiatives

Our management team, together with external advisors and Brookfield, has identified an estimated $146 million of margin improvement initiatives. Approximately one-third of these initiatives are related to customer operations, which includes improved utilization of installation delivery teams, increased automation and offshoring, as well as increasing managerial efficiency and removing redundant layers in targeted areas. Approximately one-third are related to product and technology, which includes rationalizing resources and geographies, adjusting the DMS Modernization roadmap and improving managerial efficiency. The remaining margin improvement initiatives are related to improved productivity within the Sales & Marketing team, increasing General & Administrative efficiency, and optimizing third party spend. We intend to fully action these initiatives within 24 months of closing the transaction. Brookfield has a strong track record of successfully delivering on expected cost savings realization

with its other portfolio companies and we believe we will be able to leverage their expertise to implement the cost savings initiatives.



Highly experienced management team with proven track record of operational excellence

Our business is led by a highly experienced and qualified management team. Our management team has a demonstrated track record of delivery value to our stakeholders as a publicly listed company. Our leadership team have on average over 20 years of industry experience. See "Management."

Competition

Our industry is highly competitive and fragmented. We compete with a broad and diverse range of information, technology, services, and consulting companies, as well as with the in-house capabilities of OEMs and dealers. Our competitors range from local providers to regional and global competitors. However, we believe that no competitor provides the same combination of customer focus and breadth of solutions that we do.

Each of our solutions faces competition from an array of solution providers. For our DMS solutions in North America, our principal competitors are Reynolds and Reynolds, Dealertrack (Cox Automotive), Auto/Mate, AutoSoft, Tekion, PBS Systems, and various local and regional providers. The most significant competitive factors that we face across our solutions are price, breadth of features and functionality, user experience, quality, brand, scalability, and service capability.

Regulation

The automotive retail industry is highly regulated and automotive retailers and OEMs are subject to a broad array of complex regulations governing virtually every aspect of their operations. Our customers must ensure their compliance with their regulatory requirements, and, in turn, we must ensure that our solutions effectively address their regulatory compliance needs.

Because our business delivers solutions across a broad spectrum of automotive retailer operations, our activities are impacted by a wide variety of federal, state, local, and international laws and regulations. Central to the value of our DMS application, for example, is that the forms we provide for our customers meet the requirements of their applicable laws. Likewise, in our Vehicle Sales Solutions application, our electronic vehicle registration service is dependent on our compliance with complex and detailed regulatory requirements. Across our portfolio of automotive retail solutions, we are focused on ensuring that we meet our regulatory compliance obligations and that our solutions enable our customers to comply with the laws and regulations applicable to them. See "Risk Factors—Risks Relating to Legal, Regulatory and Compliance Matters" for additional information regarding the application and impact of laws and regulations on our operations.

Privacy and Data Protection Regulations

We are subject to a number of federal, state, and foreign laws and regulations regarding data governance and the privacy and protection of personal data. For example, under the Gramm-Leach-Bliley Act ("GLB Act"), automotive retailers are generally deemed to be regulated financial institutions and therefore are subject to the GLB Act and applicable regulations, including the Federal Trade Commission's ("FTC") Privacy Rule and Safeguards Rule. In our capacity as a service provider to automotive retailers, we generally commit to our customers that we will handle non-public personal information consistent with the GLB Act and the related regulations. Similarly, many U.S. states and foreign jurisdictions have adopted regulations that impose obligations on businesses that handle personal information, including notification requirements in the event of data breaches relating to personal data, as well as minimum security standards with respect to the handling and transmission of personal data. For a discussion of privacy and data protection regulation and the potential impacts on our business, see "Risk Factors—Risks Relating to Legal, Regulatory and Compliance Matters."

Seasonality

Though our business is not highly cyclical, a portion of it is seasonal. Our Transaction revenue experiences volatility around seasonal consumer vehicle shopping activity, and our Other revenue has a seasonal increase in the third quarter of each fiscal year related to the services we provide to dealers in support of their year-end reporting and tax filing obligations.

Concentrations

We maintain deposits in federally insured financial institutions in excess of federally insured limits. The Company maintains deposits in a diversified group of financial institutions, has not experienced any losses to date, and monitors the credit ratings of the primary depository institutions where deposits reside.

For fiscal 2021, 2020, and 2019, no customer accounted for 10% or more of our consolidated revenue. As of June 30, 2021, and 2020, no customer represented 10% or more of our accounts receivable.

Human Capital Resources

Our employees are our most valuable asset and are critical to our ability to deliver on our strategic plans. Our success in delivering high quality and innovative products and solutions for our customers and driving operational excellence is only achievable through the talent, expertise, and dedication of our team.

We recognize that attracting, developing and retaining skilled talent and promoting a diverse and inclusive culture are essential to our long-term success. Our values – Be Open, Stay Curious, Own It and Create Possibilities represent who we are and how we show up for each other and our stakeholders. These values inspire our employee experience and the connection our employees have with the resources and tools to learn, grow and perform. We

continue to make significant investments in talent development and recognize that the growth and development of our employees is crucial to deliver for our customers.

The following are some of the investments we make in our employees, to align with our key priorities:

- *Diversity and Inclusion ("D&I").* Our D&I strategy embodies our continuous focus around increasing representation, embracing an inclusive culture, and positively impacting our communities. We foster an inclusive culture that creates a sense of belonging for employees, no matter their ethnicity, gender, race, physical abilities or preferences. This inclusive culture encourages employees to embrace different views which fuels innovation, sparks growth, increases productivity and enables the delivery of best-in-class service to our customers. Our employee-led impact teams support the activation of our D&I and Corporate Responsibility efforts across the organization to engage employees and deliver on our commitments. During fiscal 2021, we launched a required Ignite Inclusion learning journey for all people leaders to continue cultivating this inclusive culture that will help CDK and our customers win. To embed accountability for these efforts, our D&I efforts are reflected in a component of our fiscal 2021 bonus plan for all eligible employees.

- *Thrive Continuous Performance Management ("THRIVE").* At CDK, we believe that everyone plays a distinct role in contributing to our business objectives. We empower our people to achieve their highest performance and potential by building a culture of high-performing teams and growth. We enable everyone to learn, grow, perform and accomplish tough goals. With THRIVE, employees own their performance and career by aligning performance and development objectives with business priorities, and crowd sourcing feedback all throughout the year. Employees and managers check in regularly to reflect on what's gone well, what could go better and how they are tracking against their goals. At year end, employees and managers collaborate to conduct a year-end performance assessment that encapsulates both performance achievements and demonstration of behaviors in line with our values.

- *Pulse Real-Time Engagement ("PULSE").* Employee engagement is the connection that creates discretionary effort and commitment to the organization, our colleagues and our customers. At CDK, employee engagement is a top priority for us. We strive to Be Open, and one way we live this value is by providing employees with opportunities to share their feedback. The insights we gain through weekly PULSE feedback is how we measure progress and share anonymous feedback with people leaders who are empowered to take action to strengthen engagement in their teams. Through PULSE, we are consistently evaluating how our people feel about our organizational priorities including engagement, D&I, and health and well-being drivers.

- *Learning and Development*. We Stay Curious by enabling a culture of continuous learning and growth. CDK offers a variety of learning and development programs and technologies that enhance our ability to connect employees with meaningful learning content. We offer a variety of learning opportunities including technical learning paths, professional skill development, and leadership development programming. Our partnership with EdAssist reimburses employees for tuition costs for career-enhancing education. We have also invested in LinkedIn Learning licenses for all CDK employees, offering more than 16,000 learning items for employees to connect with throughout their unique journey.

- *Health and Safety*. We are committed to providing a healthy environment and safe workplace by operating in accordance with established health and safety protocols across our facilities while maintaining an enhanced health and safety compliance program. In response to the COVID-19 pandemic, we have modified practices at our offices to adhere to guidance from the U.S. Centers for Disease Control and Prevention and local health and governmental authorities in our global network. We have made investments to provide oversight, enhance coordination and ensure robust safety protocols are present across our operations. We believe that a healthy and safe workforce is an engaged workforce that is ready and able to contribute to our success. In fiscal 2021, we added Health and Wellbeing questions to our PULSE survey to continuously assess the mental and social well-being of our employees in real-time.

As of June 30, 2021, we had a total of approximately 6,500 employees. We believe that relations with our employees are good. None of our employees in the United States are covered by a collective bargaining agreement. We have statutory employee representation obligations with our Canadian employees.

Legal Proceedings

We are a party to ordinary and routine litigation incidental to our business. In addition, we are subject to two purported class action lawsuits alleging anti-competitive conduct and anti-competitive agreements between the Company and Reynolds and Reynolds relating to the manner in which the defendants control access to, and allow integration with, their respective DMSs. While we believe the pending antitrust lawsuits to be meritless and we do not expect the outcome of any pending litigation to have a material adverse effect on our operating results, liquidity or financial position we can provide no assurances as to the ultimate outcome. For a discussion of pending and potential litigation and the potential impacts on our business, see "Risk Factors—Risks Relating to Legal, Regulatory and Compliance Matters."

MANAGEMENT

Executive Officers and Other Key Employees

The following table sets forth certain information regarding the individuals who we expect will serve as the executive officers of the Company at the closing of the Acquisition.

Name	Position
Brian M. Krzanich	President, Chief Executive Officer
Eric J. Guerin	Executive Vice President, Chief Financial Officer
Joseph A. Tautges	Executive Vice President, Chief Operating Officer
Mahesh Shah	Executive Vice President, Chief Product and Technology
Lee J. Brunz	Executive Vice President, General Counsel and Secretary
Amy W. Byrne	Executive Vice President, Chief Human Resources Officer

Brian M. Krzanich

Brian M. Krzanich has served as CDK's President and Chief Executive Officer and as a member of the board of directors since November 7, 2018. Mr. Krzanich served as the Chief Executive Officer of Intel Corporation from 2013 to June 2018. As Chief Executive Officer, he led Intel's corporate strategy and operations, including development of Intel's business model and identification of emerging technologies. Mr. Krzanich joined Intel in 1982, became a corporate Vice President in 2006, and served until 2010 as Vice President and General Manager of Assembly and Test. He was Senior Vice President and General Manager of Manufacturing and Supply Chain from 2010 to 2012. He became Executive Vice President and Chief Operating Officer in 2012, responsible for global manufacturing, supply chain, human resources and information technology. Mr. Krzanich has served as a member of the supervisory board of ams AG, a designer and manufacturer of advanced sensor solutions, since June 2019 and as a member of the board of directors of Electric Last Mile, Inc., a commercial electric vehicle (EV) solutions company, since June 2021. He previously served on the board of directors of Deere & Company from 2016 to 2018.

Mr. Krzanich has informed us that he plans to retire over the next several years. As a result, Brookfield has begun transition planning.

Eric J. Guerin

Eric J. Guerin has served as CDK's Executive Vice President, Chief Financial Officer since January 18, 2021. Prior to joining CDK, Mr. Guerin served as division vice president and sector Chief Financial Officer, Corning Glass Technologies for Corning Incorporated from September 2016 to January 2021. Throughout his career, Mr. Guerin has held various leadership roles, including vice president, Finance and Chief Financial Officer, Aftermarket Services and Solutions at Flowserve Corporation; vice president, Finance, Global R&D, Alcon Division at Novartis; and finance director, WWR&D and New Business Development, Ethicon at Johnson & Johnson. Mr. Guerin has served as a member of the board of directors of Natus Medical Incorporated, a medical device solutions company, since August 2021.

Joseph A. Tautges

Joseph A. Tautges has served as CDK's Executive Vice President, Chief Operating Officer since January 18, 2021, and served as CDK's Executive Vice President, Chief Financial Officer from August 9, 2017 to January 17, 2021. Prior to joining CDK, Mr. Tautges served as Chief Financial Officer of the $18 billion Enterprise Services segment of Hewlett Packard Enterprise ("HPE") from May 2014 to April 2017. While at HPE, he led a transformation initiative which enabled significant margin expansion and improved free cash flow resulting in the spin-merger of Enterprise Services with Computer Science Corporation to form DXC Technology Company. Prior to HPE, Mr. Tautges held various levels of increasing responsibility in both operations and financial management with Sears Holdings from 2011 to 2014 and Aon Hewitt from 2002 to 2011. Mr. Tautges is a Certified Public Accountant.

Mahesh Shah

Mahesh Shah has served as CDK's Executive Vice President, Chief Product & Technology Officer since April 22, 2019. Previously, Mr. Shah was Senior Vice President and General Manager of Application Services & Business Process Services at DXC Technology Company until April 2019. He served as Vice President and General Manager of Business Process Services at DXC Technology, including both the current portfolio of service offerings and next-generation business process services at DXC Technology Company until 2018. Previously, Mr. Shah served as General Manager and Vice President of Acquisition and Divestiture, IT Consulting Services at Hewlett Packard Enterprise. Prior to DXC Technology, Mr. Shah spent 16 years, in various roles at HPE including building a consulting organization focused on M&A, serving as chief information officer, vice president, Product R&D and IT, and executive director, Security Product Management and Development.

Lee J. Brunz

Lee J. Brunz has served as CDK's Executive Vice President, General Counsel and Secretary since October 2014. Prior to October 2014, Mr. Brunz served as Vice President, Counsel for the Digital Marketing business of the Dealer Services division of ADP since Dealer Services' 2010 acquisition of Cobalt Holding Company ("Cobalt"). Prior to joining the Dealer Services division of ADP, he served as Vice President, Finance & General Counsel of Cobalt from 2008 to 2010 and as Vice President & General Counsel of Cobalt from 2004 to 2008.

Amy W. Byrne

Amy W. Byrne has served as CDK's Executive Vice President, Chief Human Resources Officer since June 5, 2017. Prior to joining CDK, Ms. Byrne served as Vice President, Human Resources, Latin America for Avon Products from 2011 to 2016 and as Vice President, Corporate Human Resources and Global Compensation and Benefits for Avon Products from 2006 to 2011.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

In the ordinary course of business, we enter into transactions with related parties that consist of sale or purchase of goods and other arrangements. As of June 30, 2021 and 2020, we had $27.3 million and $24.4 million, respectively, in receivables due from related parties. A description of these and certain of our other related party transactions is included in “Note 15–Investments” in our audited consolidated financial statements included elsewhere in this offering memorandum.

DESCRIPTION OF CERTAIN OTHER INDEBTEDNESS

New First Lien Credit Facilities

Concurrently with the closing of the Acquisition, we intend to enter into a first lien syndicated facility credit agreement with, among others, Parent, as borrower (in such capacity, the "Borrower"), and Merger Sub and after giving effect to the Merger, CDK Global, Inc., a Delaware corporation, as co-borrower (in such capacity, the "Co-Borrower" and together with the Borrower, the "Borrowers"), Credit Suisse AG, Cayman Islands Branch, as administrative agent and collateral agent, and the lenders party thereto, providing for the New First Lien Credit Facilities described under the heading "The Transactions—Acquisition Financing Transactions." The final terms of the New First Lien Credit Facilities may not be determined until after completion of this offering and may differ from those described below.

Under the New First Lien Credit Facilities, we expect to have the ability to increase the amount of first lien term loans and/or first lien revolving credit facilities thereunder, or incur incremental equivalent debt, in an aggregate amount not to exceed (a) a "fixed" amount equal to the sum of (x) the greater of $811.0 million and 100% of consolidated EBITDA on a trailing four quarter basis, plus (y) any unused portion of the general debt basket "fixed" dollar amounts that the Borrowers elect to reallocate to increase the amount of incremental first lien facilities, minus (z) the aggregate outstanding principal amount of any incremental second lien term facilities incurred pursuant to the New Second Lien Credit Facility's "fixed" incremental dollar basket, plus (b) an additional amount subject to (i) if such indebtedness is secured by a lien on the Collateral that is *pari passu* with the lien on the Collateral securing the New First Lien Credit Facilities, the pro forma first lien net leverage ratio not exceeding the greater of (1) 5.50 to 1.00 and (2) the first lien net leverage ratio immediately prior to the incurrence of such indebtedness, (ii) if such indebtedness is secured by a lien on the Collateral that is junior to the lien on the Collateral securing the New First Lien Credit Facilities, either (x) the pro forma secured net leverage ratio not exceeding the greater of (1) 6.80 to 1.00 and (2) the secured net leverage ratio immediately prior to the incurrence of such indebtedness or (y) the pro forma interest coverage ratio not being less than the lesser of (1) 1.75 to 1.00 and (2) the interest coverage ratio immediately prior to the incurrence of such indebtedness or (iii) if such indebtedness is unsecured or secured on a third-lien basis on the Collateral or secured by assets that do not secure the New First Lien Credit Facilities, either (x) the pro forma total net leverage ratio not exceeding the greater of (1) 7.15 to 1.00 and (2) the total net leverage ratio immediately prior to the incurrence of such indebtedness or (y) the interest coverage ratio not being less than the lesser of (1) 1.75 to 1.00 and (2) the interest coverage ratio immediately prior to the incurrence of such indebtedness plus (c) other customary prepayment builder amounts. The lenders under the New First Lien Credit Facilities will not be under any obligation to provide commitments in respect of any such increase or incurrence.

Interest Rate and Fees

Amounts borrowed under the New First Lien Credit Facilities are expected to be subject to interest at a rate per annum equal to an applicable margin plus, at our option, either (a) for base rate loans denominated in US Dollars, a base rate determined by reference to the highest of (i) the rate last quoted by The Wall Street Journal (or, if such rate is not quoted by The Wall Street Journal, another national publication selected by the administrative agent in consultation with the Borrower) as the U.S. "Prime Rate" in effect on such day, (ii) the Federal Funds Effective Rate plus 0.50% per annum and (iii) the applicable Secured Overnight Financing Rate ("SOFR") (which shall not be less than 0.00%) plus 1.00% per annum, (b) for term rate loans denominated in US Dollars, a rate determined by reference to the highest of (i) the SOFR rate based on the interest period of the applicable borrowing and (ii) 0.50% and (c) for loans denominated in Canadian dollars, the rate equal to the Canadian Dollar Offered Rate ("CDOR"), as published on the applicable Reuters screen page (or such other commercially available source providing such quotations as may be designated by the administrative agent from time to time) (or, if such rate is unavailable, the highest of (i) the interest rate publicly announced from time to time by the administrative agent as its reference rate in effect on such day at its principal office in Toronto for determining interest rates applicable to commercial loans denominated in Canadian dollars and made by it in Canada (each change in such reference rate being effective from and including the date such change is publicly announced as being effective) and (ii) the interest rate per annum equal to the sum of (x) the rate that appears on the Reuters Screen CDOR Page for Canadian dollar bankers' acceptances having a term of one month on the date of determination as reported by the administrative agent (and if such screen is not available, any successor or similar service as may be reasonably selected by the administrative agent) and (y) 1.00% per annum (the "Canadian Prime Rate").

We expect to be required to pay an unused line fee to the lenders under the New Revolving Facility on the committed but unutilized balance of the New Revolving Facility at a rate of, initially, 0.50% per annum, subject to stepdowns upon the achievement of certain first lien net leverage ratios.

Mandatory Repayments

The definitive loan documents that will govern the New First Lien Credit Facilities are expected to require us to prepay outstanding term loans, subject to certain exceptions, with: (1) 100% of the net cash proceeds of any incurrence of debt not permitted under the New First Lien Credit Facilities and debt incurred to refinance the New First Lien Credit Facilities, (2) 50% (which percentage will be reduced to 25% and 0% if our first lien net leverage ratio is less than specified levels) of our annual excess cash flow (as defined in the credit agreement that will govern the New First Lien Credit Facilities) commencing with the first full fiscal year ended after the closing date of the New First Lien Credit Facilities minus the amount of any voluntary prepayments of first lien term loans and certain other debt, and any voluntary prepayment of certain first lien revolving facilities to the extent such prepayment is accompanied by a permanent commitment reduction, in each case made (or committed to be made) during the applicable calculation period (or, at the Borrower's option, after the applicable calculation period and prior to the payment due date) and further reduced by certain other amounts and (3) 100% (which percentage will be reduced to 50% and 0% if our first lien net leverage ratio is less than specified levels) of the net cash proceeds of asset sales or other dispositions of assets constituting collateral pursuant to the "unlimited" basket (and including non-ordinary course casualty or condemnation events with respect to assets constituting collateral) by the Borrowers or by any Guarantor, subject to reinvestment rights and certain other exceptions. Mandatory repayments will be applied pro rata across the first lien term loans, subject to certain exceptions.

Voluntary Repayments

We expect to be able to voluntarily prepay outstanding loans under the New First Lien Credit Facilities at any time without premium or penalty, other than (i) customary "breakage" costs and (ii) a premium of 1.00% applicable to any prepayment of the New First Lien Term Loan Facility that is made in connection with a "repricing transaction" (subject to certain exceptions) that occurs on or prior to the 6-month anniversary of the effective date of the New First Lien Credit Facilities.

Amortization and Final Maturity

The New First Lien Term Loan Facility is expected to amortize at 1% per annum in equal quarterly installments, with the balance payable at the time the New First Lien Term Loan Facility matures in 2029. The New Revolving Facility will not amortize and will mature in 2027.

Guarantees and Security

Certain of our direct and indirect wholly-owned domestic restricted subsidiaries (and, at our option, other subsidiaries of the Borrower) are expected to unconditionally guarantee all obligations under the New First Lien Credit Facilities (with certain agreed-upon exceptions).

All obligations under the New First Lien Credit Facilities, and the guarantees of those obligations, are expected to be secured, subject to certain exceptions, by:

- a pledge of certain of the equity interests held by the Borrowers or any Guarantor subsidiary; and
- a security interest in substantially all other tangible and intangible assets of the Borrowers and each Guarantor subsidiary, subject to certain permitted liens and customary exceptions.

The liens securing our obligations under the New First Lien Credit Facilities are expected to be first-priority liens on substantially all the assets of the Borrowers and the Guarantor subsidiaries, subject to customary exceptions and liens permitted under the New First Lien Credit Facilities.

Certain Covenants and Events of Default

The New First Lien Credit Facilities are expected to contain a number of covenants that, among other things and subject to certain exceptions, restrict the ability of the Borrower and its restricted subsidiaries to, among other things:

- incur additional indebtedness, including capital leases;
- pay dividends on capital stock or redeem, repurchase or retire capital stock or certain junior indebtedness;
- make investments, loans, advances and acquisitions;
- enter into agreements with negative pledge clauses;
- engage in transactions with our affiliates;
- sell or dispose of assets, including the capital stock of our subsidiaries;
- make certain fundamental changes, including consolidate or merge; and
- create liens.

The credit agreement that will govern the New First Lien Credit Facilities is also expected to contain a leverage-based financial maintenance covenant, applicable only to the New Revolving Facility and only applicable if certain exposures thereunder exceed a threshold amount on the last day of a fiscal quarter.

The credit agreement that will govern the New First Lien Credit Facilities is also expected to contain certain events of default, including payment defaults, failure to perform or observe covenants, cross-defaults with certain other events of default in connection with our other material indebtedness, a change of control and certain bankruptcy events, among others.

New Second Lien Credit Facility

Concurrently with the closing of the Acquisition, we intend to enter into a second lien syndicated facility credit agreement with, among others, the Borrower, the Co-Borrower, Goldman Sachs Specialty Lending Group, L.P., as administrative agent and collateral agent, and the lenders party thereto, providing for the New Second Lien Credit Facility described under the heading "The Transactions—Acquisition Financing Transactions." The final terms of the New Second Lien Credit Facility may not be determined until after completion of this offering and may differ from those described below.

Under the New Second Lien Credit Facility, we expect to have the ability to increase the amount of term loans thereunder, or incur incremental equivalent debt, in an aggregate amount not to exceed (a) a "fixed" amount set at the sum of (x) the greater of $811.0 million and 100% of consolidated EBITDA on a trailing four quarter basis, plus (y) any unused portion of the general debt basket "fixed" dollar amounts that the Borrowers elect to reallocate to increase the amount of incremental second lien facilities, minus (z) the aggregate outstanding principal amount of any incremental first lien facilities incurred pursuant to the New First Lien Credit Facility's "fixed" incremental dollar basket, plus (b) an additional amount subject to (i) if such indebtedness is secured by a lien on the Collateral that is senior with the lien on the Collateral securing the New Second Lien Credit Facility, the pro forma first lien net leverage ratio not exceeding the greater of (1) 5.50 to 1.00 and (2) if such debt is incurred in connection with a permitted acquisition or other investment, the first lien net leverage ratio immediately prior to the incurrence of such indebtedness, (ii) if such indebtedness is secured by a lien on the Collateral that is *pari passu* with the lien on the Collateral securing the New Second Lien Facility, either (x) the pro forma secured net leverage ratio not exceeding the greater of (1) 6.80 to 1.00 and (2) if such debt is incurred in connection with a permitted acquisition or other investment, the secured net leverage ratio immediately prior to the incurrence of such indebtedness or (y) the interest coverage ratio not being less than the lesser of (1) 2.00 to 1.00 and (2) if such debt is incurred in connection with a permitted acquisition or other investment, the interest coverage ratio immediately prior to the incurrence of such indebtedness or (iii) if such indebtedness is unsecured or secured on a third-lien basis on the Collateral or secured by

assets that do not secure the New Second Lien Credit Facility, either (x) the pro forma total net leverage ratio not exceeding the greater of (1) 7.15 to 1.00 and (2) if such debt is incurred in connection with a permitted acquisition or other investment, the total net leverage ratio immediately prior to the incurrence of such indebtedness or (y) the interest coverage ratio not being less than the lesser of (1) 1.75 to 1.00 and (2) if such debt is incurred in connection with a permitted acquisition or other investment, the interest coverage ratio immediately prior to the incurrence of such indebtedness, plus (c) other customary prepayment builder amounts. The lenders under the New Second Lien Credit Facility will not be under any obligation to provide commitments in respect of any such increase or incurrence.

Interest Rate and Fees

Amounts borrowed under the New Second Lien Credit Facility are expected to be subject to interest at a rate per annum equal to an applicable margin plus, at our option, either (a) for base rate loans, a base rate determined by reference to the highest of (i) the rate last quoted by The Wall Street Journal (or, if such rate is not quoted by The Wall Street Journal, another national publication selected by the administrative agent in consultation with the Borrower) as the U.S. "Prime Rate" in effect on such day, (ii) the Federal Funds Effective Rate plus 0.50% per annum and (iii) the applicable Secured Overnight Financing Rate ("SOFR") (which shall not be less than 0.75%) plus 1.00% per annum and (b) for term rate loans, a rate determined by reference to the highest of (i) the SOFR rate based on the interest period of the applicable borrowing and (ii) 0.75%.

Mandatory Repayments

The definitive loan documents that will govern the New Second Lien Credit Facility are expected to require us to prepay outstanding second lien term loans, subject to certain exceptions, with: (1) 100% of the net cash proceeds of any incurrence of debt not permitted under the New Second Lien Credit Facility and debt incurred to refinance the New Second Lien Credit Facility and (2) 100% (which percentage will be reduced to 50% and 0% if our secured net leverage ratio is less than specified levels) of the net cash proceeds of asset sales or other dispositions of assets constituting collateral pursuant to the "unlimited" basket (and including non-ordinary course casualty or condemnation events with respect to assets constituting collateral) by the Borrowers or by any Guarantor, subject to reinvestment rights and certain other exceptions. Mandatory repayments will be applied pro rata across the second lien term loans, subject to certain exceptions; provided that no mandatory repayments on the New Second Lien Credit Facility will be required until the New First Lien Term Loan Facility and any other debt secured on a *pari passu* basis with the New First Lien Credit Facilities, including the Notes, have been paid in full.

Voluntary Repayments

We expect to be able to voluntarily prepay outstanding loans under the New Second Lien Credit Facility at any time after the first year following the Closing Date without premium or penalty, other than (i) customary "breakage" costs and (ii) a prepayment premium of (x) 2.00% for prepayments occurring after the first anniversary of the Closing Date and prior to the second anniversary of the Closing Date, (y) 1.00% for prepayments occurring after the second anniversary of the Closing Date and prior to the third anniversary of the Closing Date and (z) 0.00% thereafter (in each case, subject to certain exceptions). Voluntary prepayments of term loans outstanding under the Second Line Credit Facility prior to the first anniversary of the Closing Date will be subject to a customary "make whole" premium.

Amortization and Final Maturity

The New Second Lien Credit Facility will not amortize and will mature in 2030.

Guarantees and Security

Certain of our direct and indirect wholly-owned domestic restricted subsidiaries (and, at our option, other subsidiaries of the Borrower) are expected to unconditionally guarantee all obligations under the New Second Lien Credit Facility (with certain agreed-upon exceptions).

All obligations under the New Second Lien Credit Facility, and the guarantees of those obligations, are expected to be secured on a second lien basis by the collateral securing the New First Lien Credit Facilities and the Notes.

Certain Covenants and Events of Default

The New Second Lien Credit Facility are expected to contain a number of covenants that, among other things and subject to certain exceptions, restrict the ability of the Borrower and its restricted subsidiaries to, among other things:

- incur additional indebtedness, including capital leases;
- pay dividends on capital stock or redeem, repurchase or retire capital stock or certain indebtedness;
- make investments, loans, advances and acquisitions;
- enter into agreements with negative pledge clauses;
- engage in transactions with our affiliates;
- sell or dispose of assets, including the capital stock of our subsidiaries;
- make certain fundamental changes, including consolidate or merge; and
- create liens.

The credit agreement that will govern the New Second Lien Credit Facility is also expected to contain certain events of default, including payment defaults, failure to perform or observe covenants, cross-defaults with certain other events of default in connection with our other material indebtedness, a change of control and certain bankruptcy events, among others. The New Second Lien Credit Facilities will not contain a financial maintenance covenant.

4.500% Senior Notes due 2024

On October 14, 2014, we issued $500.0 million aggregate principal amount of 4.500% Senior Notes due 2024 (the "2024 Notes"). Following the closing of the Acquisition, approximately $87 million aggregate principal amount of 2024 Notes are expected to remain outstanding. The 2024 Notes mature on October 15, 2024. Pursuant to the terms of the 2024 Notes, the interest rate adjusts from time to time and currently accrues at a rate of 5.000% per annum. Interest on the 2024 Notes is payable semi-annually on April 15 and October 15 of each year. The 2024 Notes were offered and sold in transactions not required to be registered under the Securities Act. The 2024 Notes are unsecured obligations and, following the Expiration Date of the Debt Tender Offers, will not benefit from any of the restrictive covenants that are eliminated by the adoption of the Proposed Amendments. See "The Transactions—Acquisition Financing Transactions."

4.875% Senior Notes due 2027

On May 15, 2017, we issued $600.0 million aggregate principal amount of 4.875% Senior Notes due 2027 (the "2027 Notes"). Following the closing of the Acquisition, approximately $62 million aggregate principal amount of 2027 Notes are expected to remain outstanding. The 2027 Notes mature on May 15, 2027. Interest accrues on the 2027 Notes at a rate of 4.875% per annum and interest is payable semi-annually on May 15 and November 15 of each year. The 2027 Notes were offered and sold in transactions not required to be registered under the Securities Act. The 2027 Notes are unsecured obligations and, following the Expiration Date of the Debt Tender Offers, will not benefit from any of the restrictive covenants that are eliminated by the adoption of the Proposed Amendments. See "The Transactions—Acquisition Financing Transactions."

5.250% Senior Notes due 2029

On May 15, 2019, we issued $500.0 million aggregate principal amount of 5.250% Senior Notes due 2029 (the "2029 Notes"). Following the closing of the Acquisition, approximately $10 million aggregate principal amount of 2029 Notes are expected to remain outstanding. The 2029 Notes mature on May 15, 2029. Interest accrues on the 2029 Notes at a rate of 5.250% per annum and interest is payable semi-annually on May 15 and November 15 of each year. The 2029 Notes were offered and sold in transactions not required to be registered under the Securities Act. The 2029 Notes are unsecured obligations and, following the Expiration Date of the Debt Tender Offers, will not benefit from any of the restrictive covenants that are eliminated by the adoption of the Proposed Amendments. See "The Transactions—Acquisition Financing Transactions."

DESCRIPTION OF NOTES

General

Certain terms used herein are defined under the subheading "—Certain Definitions." In this "Description of Notes," (1) the term "Issuer" refers to Central Parent Inc., a Delaware corporation, and not to any of its Subsidiaries or Affiliates; (2) the term "Company" or "Co-Issuer" refers to Central Merger Sub Inc., a Delaware corporation, prior to the Escrow Release Date and CDK Global, Inc., a Delaware corporation, from and after the Escrow Release Date, and in each case, not to any of its Subsidiaries or Affiliates; (3) the term "Issuers" refers to the Issuer and Co-Issuer together, and not to any of their Subsidiaries or Affiliates; (4) the term "Holdings" refers to Central Holdings Inc., a Delaware corporation, and not to any of its Subsidiaries or Affiliates; and (5) the terms "we," "our" and "us" each refer to the Issuer and its consolidated Subsidiaries.

The Issuers will jointly and severally issue $750,000,000 aggregate principal amount of % senior notes due 2029 (the "Notes") under an indenture (the "Indenture"), to be dated as of the Issue Date, among the Issuers and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), Notes Collateral Agent (as defined herein)registrar (the "Registrar"), Paying Agent (as defined herein) and transfer agent (the "Transfer Agent"). The Notes will be issued in a private transaction that is not subject to the registration requirements of the Securities Act. See "Transfer Restrictions." The Issuers will not be required to, nor do they currently intend to, offer to exchange the Notes for notes registered under the Securities Act or otherwise register or qualify by prospectus the Notes for resale under the Securities Act or the state securities laws or under the securities laws of any other non-U.S. jurisdiction. The Indenture will not be qualified under the Trust Indenture Act of 1939, as amended, or subject to the terms thereof. Accordingly, the terms of the Notes include only those stated in the Indenture. The Issuers do not intend to list the Notes on any securities exchange or for inclusion of the Notes in any automated quotation system.

The closing of this offering of the Notes may occur prior to the Completion Date. In that case, pending the satisfaction of the Escrow Release Conditions, the gross proceeds of the offering of the Notes will be placed in a segregated escrow account (the "Escrow Account"). If the Escrow Release Conditions are not satisfied on or prior to the Escrow End Date (as defined below) (or such earlier date as the Issuers notify the Trustee and the Escrow Agent (as defined below) in writing that either (x) in their reasonable judgment the Acquisition will not be consummated on or prior to the Escrow End Date or (y) the Merger Agreement (as defined below) has been terminated), then the Notes offered hereby will be subject to a Special Mandatory Redemption at a redemption price of 100.0% of the issue price of the Notes offered hereby, plus accrued and unpaid interest to, but not including, the Special Mandatory Redemption Date (as defined below). See "—Escrow of Gross Proceeds; Special Mandatory Redemption." The funds in the Escrow Account will be released and applied to pay for any such redemption and any unpaid fees or expenses of the Escrow Agent and the Trustee, with any excess amounts to be released to the Issuers. If the closing of this offering of the Notes occurs on the Completion Date, the escrow provisions described herein will not be applicable.

The following description is only a summary of the material provisions of the Indenture and the Escrow Agreement. It does not purport to be complete and is qualified in its entirety by reference to the provisions of the Indenture and the Escrow Agreement, including the definitions therein of certain terms used below. We urge you to read the Indenture and the Escrow Agreement because they, and not this description, will define your rights as Holders of the Notes. You may request copies of the Indenture and the Escrow Agreement as set forth under "Where You Can Find Additional Information."

Brief Description of the Notes

Prior to the Escrow Release Date (if the Escrow Release Conditions are not satisfied on or prior to the Issue Date), the Notes will be senior secured obligations of the Issuers secured by a first-priority security interest in the Escrow Account and all amounts on deposit therein.

From and after the Completion Date, the Notes will be:

- general, secured senior obligations of the Issuers;
- equal in right of payment with any existing and future Senior Indebtedness of the Issuers;

- senior in right of payment to any future Indebtedness of the Issuers that is expressly subordinated in right of payment to the Notes; and

- structurally subordinated to all existing and future Indebtedness, claims of holders of Preferred Stock and other liabilities of the Issuer's Subsidiaries that do not guarantee the Notes (other than the Co-Issuer).

In addition, from and after the Completion Date, the Notes will have the benefit of a security interest in the Collateral that will be (i) *pari passu* in priority with the security interest in the Collateral that secures obligations under the other existing and future First Lien Obligations, (ii) senior in priority to the security interest in the Collateral that secures obligations under the existing and future Second Lien Obligations and all other future junior priority obligations secured by the Collateral and (iii) effectively senior in priority to obligations under the existing and future unsecured obligations to the extent of the value of the Collateral, in each case, subject to Permitted Liens and exceptions described under the caption "—Security for the Notes."

Guarantees

Prior to the Escrow Release Date (if the Escrow Release Conditions are not satisfied on or prior to the Issue Date), the Notes will be guaranteed only by Holdings. From and after the Completion Date, Holdings and certain of the Issuer's Restricted Subsidiaries other than the Co-Issuer (as detailed below) will guarantee the Notes. The Issuer's existing or future Foreign Subsidiaries and FSHCO Subsidiaries, any future Receivables Subsidiaries and other Excluded Subsidiaries are not expected to guarantee the Notes.

The Guarantors will jointly and severally guarantee, fully and unconditionally, on a senior secured basis, the performance and full and punctual payment when due, whether at maturity, by acceleration or otherwise, of all obligations of the Issuers under the Indenture and the Notes, whether for payment of principal of, premium, if any, or interest on, the Notes or expenses, indemnification or otherwise, on the terms set forth in the Indenture by executing the Indenture or a supplement thereto.

As further described in "—Certain Covenants—Limitation on Guarantees of Indebtedness by Restricted Subsidiaries," in the future, certain additional domestic Restricted Subsidiaries of the Issuer that guarantee certain Indebtedness of either Issuer or any Subsidiary Guarantor will guarantee the Notes, subject to certain exceptions and subject to release and discharge as described in this "Description of Notes."

Each of the Guarantees will be:

- a general, secured senior obligation of the applicable Guarantor;

- equal in right of payment with any existing and future Senior Indebtedness of such Guarantor;

- senior in right of payment to any future Indebtedness of such Guarantor that is expressly subordinated in right of payment to such Guarantee;

- structurally subordinated to all existing and future Indebtedness, claims of holders of Preferred Stock and other liabilities of the Issuer's Subsidiaries that do not guarantee the Notes (other than the Co-Issuer); and

- subordinated to obligations prescribed by statute, such as tax, social security and labor.

In addition, from and after the Completion Date, the Guarantees will have the benefit of a security interest in the Collateral that will be (i) *pari passu* in priority with the security interest in the Collateral that secures obligations under the other existing and future First Lien Obligations, (ii) senior in priority to the security interest in the Collateral that secures obligations under the existing and future Second Lien Obligations and all other future junior priority obligations secured by the Collateral and (iii) effectively senior in priority to all existing and future unsecured obligations to the extent of the value of the Collateral, in each case, subject to Permitted Liens and exceptions described under the caption "—Security for the Notes."

As of March 31, 2022, on a *pro forma* basis after giving effect to the Transactions:

- the Issuers and the Guarantors would have had $5,215.0 million in long-term indebtedness outstanding, $3,600.0 million of which would have been *pari passu* senior secured indebtedness outstanding under the New First Lien Credit Facilities, $707.0 million of which would have been junior secured indebtedness under the New Second Lien Credit Facility and $158.0 million of which would have been unsecured indebtedness, subordinated to the Notes to the extent of the value of the Collateral; and

- the Issuers would have had availability to incur additional secured indebtedness of $650.0 million under the revolving credit facility under the New First Lien Credit Facilities, reduced by the amount of borrowings of loans and any letters of credit to be issued under such facilities on the Completion Date, subject to satisfaction of customary borrowing conditions.

From and after the Completion Date, unless designated as Unrestricted Subsidiaries in accordance with the Indenture, all of the Issuer's Subsidiaries will be "Restricted Subsidiaries." Under certain circumstances, the Issuer will be permitted to designate certain of the Issuer's existing and future subsidiaries (other than the Co-Issuer) as "Unrestricted Subsidiaries." Any Unrestricted Subsidiaries will not be subject to any of the restrictive covenants in the Indenture and will not guarantee the Notes.

As of and for the nine months ended March 31, 2022 and the year ended June 30, 2021, before intercompany eliminations, the non-Guarantor Subsidiaries represented approximately 8% and 8% of our revenues, 9% and 8% of our Adjusted EBITDA and 5% and 5% of our total assets (excluding cash), respectively. In the event of a bankruptcy, liquidation, reorganization or similar proceeding of any of the non-Guarantor Subsidiaries, such non-Guarantor Subsidiaries will pay the holders of their debt and their trade and other creditors before they will be able to distribute any of their assets to the Issuers or a Guarantor. As a result, all of the existing and future liabilities of the non-Guarantor Subsidiaries, including any claims of trade creditors, will be structurally senior to the Notes and the Guarantees. The Indenture does not limit the amount of liabilities that are not considered Indebtedness and that may be incurred by the Issuer or its Restricted Subsidiaries, including the non-Guarantor Subsidiaries. As of the Completion Date, Holdings and each Restricted Subsidiary (other than the Co-Issuer) that guarantees the obligations of the Borrowers under the New First Lien Credit Facilities will guarantee the Notes.

The obligations of each Guarantor under its Guarantee will be limited as necessary to prevent the Guarantee from constituting a fraudulent conveyance or fraudulent transfer under applicable law. This provision may not, however, be effective (as a legal matter or otherwise) to protect a Guarantee from being voided under applicable fraudulent conveyance or fraudulent transfer law, or may reduce the applicable Guarantor's obligation to an amount that effectively makes its Guarantee worthless. If a Guarantee or related security interest were avoided (in whole or in part), it could be canceled or subordinated by a court to all other indebtedness (including guarantees and other contingent liabilities) of a Guarantor, and, depending on the amount of such indebtedness, a Guarantor's liability on its Guarantee could be reduced to zero.

Any Guarantor that makes a payment under its Guarantee will be entitled upon payment in full of all guaranteed obligations under the Indenture to a contribution from each other Guarantor in an amount equal to such other Guarantor's *pro rata* portion of such payment based on the respective net assets of all the Guarantors at the time of such payment determined in accordance with GAAP, but such contribution shall be subordinated in a customary manner to the payment in full of the obligations under the Indenture and the Notes.

Each Guarantor may consolidate with, amalgamate or merge with or into or sell all or substantially all its assets to the Issuer, the Co-Issuer or another Guarantor without limitation or any other Person upon the terms and conditions set forth in the Indenture. See "—Certain Covenants—Merger, Consolidation or Sale of All or Substantially All Assets—Subsidiary Guarantors."

Each Guarantee by a Guarantor will provide by its terms that it will be automatically and unconditionally released and discharged upon:

(1) in the case of a Subsidiary Guarantor, any sale, exchange, issuance, disposition or transfer (by merger, amalgamation, consolidation, dividend, distribution or otherwise) of (i) the Capital Stock of such Subsidiary Guarantor, after which such Subsidiary Guarantor is no longer a Restricted Subsidiary, or

(ii) all or substantially all the assets of such Subsidiary Guarantor, in each case, if such sale, exchange, issuance, disposition or transfer is made in compliance with the applicable provisions of the Indenture (including any amendments thereof);

(2) the release or discharge of the guarantee by, or direct obligation of, such Guarantor of Indebtedness under the New First Lien Credit Facilities (in the case of Guarantors on the Completion Date), or the release or discharge of such other guarantee or direct obligation that resulted in the creation of such Guarantee, except a discharge or release by or as a result of payment under such guarantee or direct obligation (it being understood that a release subject to a contingent reinstatement will constitute a release for the purposes of this provision, and that if any such Guarantee is so reinstated, such Guarantee shall also be reinstated to the extent that such Guarantor would then be required to provide a Guarantee pursuant to the covenant described under "—Certain Covenants—Limitation on Guarantees of Indebtedness by Restricted Subsidiaries");

(3) in the case of a Subsidiary Guarantor, the designation of any Restricted Subsidiary that is a Subsidiary Guarantor as an Unrestricted Subsidiary in compliance with the applicable provisions of the Indenture or the occurrence of any event following which the Subsidiary Guarantor is no longer a Restricted Subsidiary in compliance with the applicable provisions of the Indenture or becomes an Excluded Subsidiary;

(4) upon the merger, amalgamation or consolidation of any Guarantor with and into the Issuer, the Co-Issuer or another Guarantor or upon the liquidation of such Guarantor, in each case, in compliance with the applicable provisions of the Indenture;

(5) in the case of a Subsidiary Guarantor, the occurrence of a Covenant Suspension Event;

(6) as described under "—Amendment, Supplement and Waiver" or in accordance with the provisions of any Acceptable Intercreditor Agreement then in effect with respect to the Notes;

(7) the exercise by the Issuers of their legal defeasance option or covenant defeasance option as described under "—Legal Defeasance and Covenant Defeasance" or the discharge of the Issuers' obligations under the Indenture in accordance with the terms of the Indenture; or

(8) in the case of Holdings, if Holdings ceases to be the direct parent of the Issuer as a result of a transaction or designation permitted pursuant to the Indenture, *provided* that, if any successor Parent Entity guarantees the obligations of the Borrower under the New First Lien Credit Facilities, such Person assumes all of the obligations of Holdings under the Indenture and the applicable Notes Security Documents, in each case, pursuant to supplemental indentures or other applicable documents or instruments.

Notwithstanding clause (5) above, if, after any Covenant Suspension Event, a Reversion Date shall occur, then the Suspension Period with respect to such Covenant Suspension Event shall terminate and all actions reasonably necessary to provide that the Notes shall have been unconditionally guaranteed by each Guarantor (to the extent such guarantee is required by the covenant described under "—Certain Covenants—Limitation on Guarantees of Indebtedness by Restricted Subsidiaries") shall be taken within 90 days after such Reversion Date or as soon as reasonably practicable thereafter.

Principal, Maturity and Interest

The Issuers will issue an aggregate principal amount of $750.0 million of Notes on the Issue Date. The Notes will mature on , 2029.

Subject to compliance with the covenants described below under the caption "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" and "—Liens," the Issuers may issue additional Notes ("Additional Notes") from time to time after this offering under the Indenture. The Notes offered hereby and any Additional Notes subsequently issued under the Indenture will be treated as a single class for all purposes under the Indenture, including waivers, amendments, redemptions and offers to purchase; *provided*,

however, that a separate CUSIP or ISIN will be issued for the Additional Notes, unless the Additional Notes are issued pursuant to a "qualified reopening" of the Notes, are otherwise treated as part of the "issue" of debt instruments as the Notes or are issued with less than a *de minimis* amount of original issue discount, in each case, for U.S. federal income tax purposes. Unless the context requires otherwise, references to "Notes" for all purposes of the Indenture and this "Description of Notes" include any Additional Notes that are actually issued.

The Notes will be issued in minimum denominations of $2,000 and any integral multiples of $1,000 in excess thereof.

Interest on the Notes will accrue at the rate of % per annum. Interest on the Notes will be payable semi-annually in arrears on each and commencing on to the Holders of Notes of record on the immediately preceding and (whether or not a Business Day), respectively. Interest on the 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 Issue Date. If the Issuers deliver global notes to the Trustee for cancellation on a date that is on or after the record date and on or before the corresponding interest payment date, the accrued and unpaid interest up to, but excluding, the redemption date will be paid on the redemption date to the Holder in whose name the Note is registered at the close of business on such record date in accordance with the applicable procedures of The Depository Trust Company ("DTC") and no additional interest will be payable to Holders whose Notes will be subject to redemption by the Issuers. Interest on the Notes will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Payment of Principal, Premium and Interest

Cash payments of principal of, premium, if any, and interest on, the Notes will be payable at the office or agency of the Issuers maintained for such purpose (the "Paying Agent") or, at the option of the Issuers, cash payment of interest on the Notes may be made through the applicable Paying Agent by check mailed to the Holders of the Notes at their respective addresses set forth in the register of Holders; *provided* that (i) all cash payments of principal, premium, if any, and interest with respect to the Notes represented by one or more global notes registered in the name of or held by DTC or its nominee will be made through the Paying Agent by wire transfer of immediately available funds to the accounts specified by the registered Holder or Holders thereof and (ii) all cash payments of principal, premium, if any, and interest with respect to certificated Notes may, at the option of the Issuers, be made by wire transfer to a U.S. dollar account maintained by the payee with a bank in the United States if the applicable Holder elects payment by wire transfer by giving written notice to the Trustee or the Paying Agent to such effect designating such account no later than 30 days immediately preceding the relevant due date for payment (or such other date as the Trustee may accept in its discretion). Until otherwise designated by the Issuers, the Issuers' office or agency will be the office of the Trustee maintained for such purpose in the United States.

Paying Agents, Registrar and Transfer Agent for the Notes

The Issuers will maintain one or more paying agents for the Notes. The initial Paying Agent for the Notes will be U.S. Bank Trust Company, National Association.

The Issuers will also maintain one or more registrars and transfer agents for the Notes. The initial Registrar and Transfer Agent will be U.S. Bank Trust Company, National Association. The Registrar will maintain a register reflecting ownership of the Notes outstanding from time to time. The applicable paying agent will make payments on, and the applicable transfer agent will facilitate transfer of, the Notes on behalf of the Issuers.

The Issuers may change any Paying Agent, registrar or transfer agent without prior notice to the Holders. The Issuer or any of its Subsidiaries may act as a Paying Agent, registrar or transfer agent.

Transfer and Exchange

A Holder may transfer or exchange Notes in accordance with the Indenture. The Registrar and the Trustee may require a Holder to furnish appropriate endorsements and transfer documents in connection with a transfer of Notes. Holders will be required to pay all taxes due on transfer. The Issuers and the Transfer Agent will not be required to transfer or exchange any Note selected for redemption or tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer or an Asset Sale Offer. Also, the Issuers and the Transfer Agent will not be required

to transfer or exchange any Note for a period of 15 days before the delivery of a notice of redemption of Notes to be redeemed or between record date and payment date. The registered Holder of a Note will be treated as the owner of the Note for all purposes.

Escrow of Gross Proceeds; Special Mandatory Redemption

The Issue Date is expected to occur prior to the Completion Date. In that case, concurrently with the closing of the offering of the Notes on the Issue Date, the Issuers will enter into an escrow agreement (the "Escrow Agreement") with the Trustee and U.S. Bank Trust Company, National Association, as escrow agent (the "Escrow Agent"), pursuant to which the Issuers will deposit (or cause to be deposited) the gross proceeds of the offering of the Notes into the Escrow Account. The Issuers will grant to the Trustee, for its benefit and the benefit of the Holders of the Notes, a first-priority security interest in the Escrow Account and all amounts on deposit therein to secure the Obligations under the Notes, pending disbursement as described below. The ability of the Holders of the Notes to realize upon such funds or securities held in the Escrow Account would generally be subject to applicable bankruptcy law limitations in the event of a bankruptcy of the Issuers. If the closing of this offering of the Notes occurs on the Completion Date, the escrow provisions described herein will not be applicable.

The Issuers will only be entitled to direct the Escrow Agent to release the funds held in the Escrow Account in accordance with the terms of the Escrow Agreement. Pursuant to the Escrow Agreement, the Escrow Agent will release funds held in the Escrow Account (the "Release") to, or at the order of, the Issuers (the date of such release being referred to as the "Escrow Release Date") upon delivery by the Issuers to the Escrow Agent and the Trustee of an Officer's Certificate addressed to the Escrow Agent and the Trustee on or prior to January 5, 2023 (the "Escrow End Date"), certifying that the following conditions (collectively, the "Escrow Release Conditions") will be met substantially concurrently with or promptly following the Release on the Escrow Release Date:

(i) (A) the funds held in the Escrow Account will be used to consummate, or in connection with the financing of, the Acquisition, (B) the Acquisition will be consummated substantially concurrently with the release of the funds from the Escrow Account and (C) the conditions precedent to borrowing under the New Credit Facilities shall have been, or substantially concurrently shall be, satisfied or waived in all material respects; and

(ii) each of the Issuer's Wholly Owned Subsidiaries (other than the Co-Issuer) that are Restricted Subsidiaries that guarantees obligations of the Borrowers under the New First Lien Credit Facilities on the Escrow Release Date shall become a Guarantor of the Notes.

In the event that (a) the Escrow Agent shall not have received the Officer's Certificate described above on or prior to the Escrow End Date, (b) the Issuers shall notify the Escrow Agent in writing that in their reasonable judgment the Acquisition will not be consummated on or prior to the Escrow End Date or (c) the Issuers shall notify the Escrow Agent in writing that the Merger Agreement has been terminated (each such event described in clauses (a), (b) and (c) above being a "Mandatory Redemption Event"), the Issuers will redeem the Notes (the "Special Mandatory Redemption") at a price (the "Special Mandatory Redemption Price") equal to 100.0% of the issue price of the Notes plus accrued and unpaid interest from the Issue Date, or from the most recent date to which interest has been paid or provided for, to, but not including, the date of such redemption (the "Special Mandatory Redemption Date"), which shall be the third Business Day following the Mandatory Redemption Event (or such date as may be required by the applicable procedures of DTC).

On the Special Mandatory Redemption Date, funds will be liquidated and released from the Escrow Account in order to consummate the Special Mandatory Redemption.

The Escrow Account will not include cash to fund any accrued and unpaid interest owing to Holders of the Notes, which is included in the Special Mandatory Redemption Price. In the event that the Special Mandatory Redemption Price payable upon such Special Mandatory Redemption exceeds the amount of the funds held in the Escrow Account, one or more of the Investors will be required to fund the accrued and unpaid interest owing to the Holders of the Notes, pursuant to a commitment provided by them.

If at any time the Escrow Account contains funds having an aggregate value in excess of the Special Mandatory Redemption Price as determined by the Issuers, such excess cash may be released to or at the direction of the Issuers.

By its acceptance of the Notes, each Holder shall be deemed to authorize and direct the Trustee to enter into and perform its obligations under, if any, the Escrow Agreement.

Activities Prior to the Release

Prior to the Escrow Release Date, the primary activities of the Issuers will be restricted to issuing the Notes, issuing Capital Stock to, and receiving capital contributions from, Holdings or any other Parent Entity, performing their obligations in respect of the Notes under the Indenture, the Escrow Agreement and the purchase agreement with the Initial Purchasers, performing any obligations under the Merger Agreement and redeeming the Notes, if applicable, and conducting such other activities as are necessary or appropriate in connection with the Transactions or to carry out the activities described above.

Mandatory Redemption; Offers to Purchase; Open Market Purchases

Except as described under "—Escrow of Gross Proceeds; Special Mandatory Redemption," the Issuers will not be required to make any mandatory redemption or sinking fund payment with respect to the Notes. However, under certain circumstances, the Issuers may be required to offer to purchase Notes as described under the caption "—Repurchase at the Option of Holders." As market conditions warrant, the Issuers, Holdings, their direct and indirect equityholders, including the Investors, any of their respective Subsidiaries and their respective Affiliates and members of our management may from time to time seek to purchase the Issuers' outstanding debt securities or loans, including the Notes, in privately negotiated or open market transactions, by tender offer or otherwise. Subject to any applicable limitations contained in the agreements governing the Issuers' indebtedness, including the Indenture, any purchases made by the Issuers may be funded by the use of cash on an Issuers' balance sheet or the incurrence of new secured or unsecured debt, including borrowings under the Issuers' then outstanding credit facilities. The amounts involved in any such purchase transactions, individually or in the aggregate, may be material. Any such purchases may be with respect to a substantial amount of a particular class or series of debt, with the attendant reduction in the trading liquidity of such class or series. In addition, any such purchases made at prices below the "adjusted issue price" (as defined for U.S. federal income tax purposes) may result in taxable cancellation of indebtedness income to the Issuers, which amounts may be material, and in related adverse tax consequences to the Issuers.

Optional Redemption

Except as set forth below, the Issuers will not be entitled to redeem the Notes at their option prior to , 2025. At any time prior to , 2025, the Issuers may, at their option and on one or more occasions, redeem all or a part of the Notes, upon notice as described under "—Selection and Notice," at a redemption price equal to 100.0% of the principal amount of the Notes being redeemed plus the Applicable Premium as of, plus accrued and unpaid interest, if any, to, but excluding, the date of redemption (the "Redemption Date"), subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date falling prior to or on the Redemption Date.

At any time on and after , 2025, the Issuers may, at their option and on one or more occasions, redeem all or a part of the Notes, upon notice as described under "—Selection and Notice," at the redemption price (expressed as a percentage of the principal amount of the Notes to be redeemed) set forth below, plus accrued and unpaid interest, if any, thereon to, but excluding, the Redemption Date, subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date falling prior to or on the Redemption Date, if redeemed during the twelve-month period beginning on of each of the years indicated below:

Year	Redemption Price
2025	%
2026	%

Year	Redemption Price
2027 and thereafter	100.000%

At any time and from time to time prior to , 2025, the Issuers may, at their option and on one or more occasions, redeem an aggregate principal amount of Notes not to exceed the amount of the Net Cash Proceeds received by the Issuers from one or more Equity Offerings or a contribution to the Issuer's Qualified Stock or capital in respect thereof made with the Net Cash Proceeds of one or more Equity Offerings, upon notice as described under "—Selection and Notice," at a redemption price equal to (i) % of the aggregate principal amount of the Notes being redeemed, plus (ii) accrued and unpaid interest, if any, to, but excluding, the Redemption Date, subject to the right of Holders of Notes of record on the relevant record date to receive interest due on the relevant interest payment date falling prior to or on the Redemption Date; *provided* that (1) the amount redeemed shall not exceed 40% of the aggregate principal amount of the Notes issued under the Indenture (including any Additional Notes); (2) at least 50% of the aggregate principal amount of the Notes originally issued under the Indenture on the Issue Date remains outstanding immediately after the occurrence of each such redemption (unless all the Notes are redeemed substantially concurrently); and (3) each such redemption occurs within 180 days of the date of closing of the applicable Equity Offering.

The aggregate principal amount of the Notes that may be redeemed pursuant to the immediately preceding paragraph cannot exceed the aggregate Net Cash Proceeds from the relevant Equity Offerings.

In addition, the Issuers may, at their option and on one or more occasions, redeem, upon notice as described under "—Selection and Notice," (i) at any time prior to , 2025, up to 10% of the original aggregate principal amount of the Notes (including Additional Notes) during any twelve month period at a redemption price equal to 103% of the principal amount thereof, plus accrued and unpaid interest, if any, thereon to, but excluding, the Redemption Date, subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date falling prior to or on the Redemption Date, and (ii) at any time prior to , 2023, an aggregate principal amount of the Notes not to exceed the Non-Automotive DMS Business Line Cash Proceeds at a redemption price equal to % of the principal amount thereof, *provided* that at least $300.0 million of the aggregate principal amount of the Notes remains outstanding immediately after the occurrence of each such redemption (unless all the Notes are redeemed substantially concurrently), plus accrued and unpaid interest, if any, thereon to, but excluding, the Redemption Date, subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date falling prior to or on the Redemption Date.

Notwithstanding the foregoing, in connection with any tender offer, Change of Control Offer, Alternate Offer or Asset Sale Offer for the Notes, if Holders of not less than 90% in aggregate principal amount of the then outstanding Notes validly tender and do not validly withdraw such Notes in such offer, and the Issuers, or any third party making such offer in lieu of the Issuers, purchases all of the Notes validly tendered and not validly withdrawn by such Holders, all of the Holders of the Notes will be deemed to have consented to such tender or other offer, and accordingly the Issuers or such third party will have the right upon not less than 10 nor more than 60 days' prior notice, given not more than 60 days following such purchase date, to redeem all Notes that remain outstanding following such purchase at a price equal to the price offered to each other Holder in such offer (which may be less than par) plus, to the extent not included in the offer payment, accrued and unpaid interest, if any, thereon, to, but excluding, the Redemption Date, subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date falling prior to or on the Redemption Date. In determining whether the Holders of at least 90% of the aggregate principal amount of the then outstanding Notes have validly tendered and not validly withdrawn Notes in a tender offer, Change of Control Offer, Alternate Offer or Asset Sale Offer, as applicable, Notes owned by an Affiliate of the Issuers or by funds controlled or managed by any Affiliate of the Issuers, or any successor thereof, shall be deemed to be outstanding for the purposes of such tender offer, Change of Control Offer, Alternate Offer or Asset Sale Offer, as applicable.

Notice of any redemption or offer to purchase, whether in connection with an Equity Offering, Change of Control, Alternate Offer, Asset Sale Offer or other transaction or event or otherwise, may, at the Issuers' discretion, be given prior to the completion or occurrence thereof, and any such redemption, offer to purchase or notice may, at the Issuers' discretion, be subject to one or more conditions precedent, including, but not limited to, completion or

occurrence of the related Equity Offering, Change of Control, Asset Sale or other transaction or event, as the case may be. The Issuers may redeem the Notes pursuant to one or more of the relevant provisions in the Indenture, and a single notice of redemption may be delivered with respect to redemptions made pursuant to different provisions. Any such notice may provide that redemptions made pursuant to different provisions will have different Redemption Dates. In addition, if such redemption or offer to purchase is subject to satisfaction of one or more conditions precedent, such notice shall state that, in the Issuers' discretion, the redemption or repurchase date may be delayed until such time (including more than 60 days after the date the notice of redemption or offer to purchase was sent) as any or all such conditions shall be satisfied (or waived by the Issuers in their 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 Issuers in their sole discretion) by the redemption or purchase date, or by the redemption or purchase date so delayed, or that such notice or offer may be rescinded at any time in the Issuers' sole discretion if the Issuers determine that any or all of such conditions will not be satisfied or waived. In addition, the Issuers may provide in such notice or offer to purchase that payment of the redemption or purchase price and performance of the Issuers' obligations with respect to such redemption or offer to purchase may be performed by another Person.

The Issuers, Holdings, their direct and indirect equityholders, including the Investors, any of their Subsidiaries and their respective Affiliates and members of our management may acquire the Notes by means other than a redemption, whether by tender offer, open market purchases, negotiated transactions or otherwise.

Selection and Notice

If the Issuers are redeeming or purchasing fewer than all of the Notes issued under the Indenture at any time, selection of the Notes to be redeemed or purchased will be made in accordance with applicable procedures of DTC; *provided* that no Notes in denominations of $2,000 or less can be redeemed or purchased in part.

Notices of redemption or purchase shall be delivered electronically or mailed by first-class mail, postage prepaid, at least 10 days (except as set forth in the seventh paragraph under "—Optional Redemption" or in connection with a special mandatory redemption described under "—Escrow of Gross Proceeds; Special Mandatory Redemption") but not more than 60 days (except as set forth in the seventh paragraph under "—Optional Redemption") before the redemption date to each Holder of the Notes at such Holder's registered address or otherwise in accordance with the procedures of DTC, except that redemption notices may be delivered more than 60 days prior to a Redemption Date if the notice is issued in connection with a defeasance or a satisfaction and discharge of the Indenture with respect to such Notes. The Issuers may provide in any redemption or purchase notice that payment of the redemption price and the performance of the Issuers' obligations with respect to such redemption or purchase may be performed by another Person. If any Note is to be redeemed in part only, any notice of redemption that relates to such Note shall state the portion of the principal amount thereof that has been or is to be redeemed.

With respect to Notes represented by certificated notes, the Issuers will issue a new Note in a principal amount equal to the unredeemed portion of the original Note in the name of the Holder upon cancellation of the original Note; *provided* that new Notes will only be issued in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof. Notes called for redemption or purchase become due on the date fixed for redemption or purchase, unless such redemption or purchase is conditioned on the happening of a future event. On and after the Redemption Date or purchase date, unless the Issuers default in the payment of the redemption or purchase price, interest ceases to accrue on the Notes called for redemption or purchase.

Security for the Notes

The Issue Date is expected to occur prior to the satisfaction of the Escrow Release Conditions. In that case, the Notes, during the period from the Issue Date until the Completion Date, will be secured by a first-priority security interest in the Escrow Account and the escrowed property as described above under "—Escrow of Gross Proceeds; Special Mandatory Redemption."

From and after the Completion Date, the Notes, related Guarantees and other Notes Obligations will be secured by security interests in substantially the same assets and property that constitute Collateral securing the First Lien Credit Facilities Obligations but excluding any Excluded Assets (the assets and property securing the Notes

Obligations, the "Collateral"), and will be secured on a *pari passu* basis therewith. Such security interests, including their stated priorities, shall be subject to certain exceptions and Permitted Liens as described herein.

The security interests securing the Notes Obligations and the First Lien Credit Facilities Obligations will be first-priority security interests in the Collateral (as described below). Such security interests are expected to be granted to a Notes Collateral Agent (and not the Trustee (in its capacity as such)) for the benefit of the Notes Secured Parties and the other First Lien Secured Parties collectively (the "Notes Collateral Agent"), in accordance with the terms of the First Lien Intercreditor Agreement and the First Lien/Second Lien Intercreditor Agreement described below. As of the Completion Date, it is expected that Credit Suisse AG, New York Branch, the collateral agent for the New First Lien Credit Facilities, will be the Notes Collateral Agent.

None of the Notes Collateral Agent, the Second Lien Collateral Agent or any Authorized Representative will have any fiduciary or similar obligations to the Secured Parties pursuant to any Security Document (regardless of whether the security interests granted pursuant to such Security Document secure any or all of the First Lien Credit Facilities Obligations, the Second Lien Credit Facility Obligations, the Notes Obligations or any other Secured Obligations), the First Lien Intercreditor Agreement or the First Lien/Second Lien Intercreditor Agreement.

The "Collateral" will consist of the following assets and properties owned as of the Completion Date or at any time thereafter acquired by the Issuers or any of the Guarantors (collectively, the "Pledgors"), in each case, to the extent otherwise constituting Collateral for the Notes Obligations (and not Excluded Assets): (a) all securities; (b) all pledged equity and all intercompany indebtedness; (c) all intellectual property and all other general intangibles; (d) all investment property; (e) all accounts, chattel paper, deposit accounts, documents, instruments, letter-of-credit rights and commercial tort claims; (f) all equipment, inventory and goods; (g) all supporting obligations; (h) extraordinary receipts constituting proceeds of judgments, indemnity payments and purchase price adjustments related to any such property; (i) all books and records (including all books, databases, customer lists and records, whether tangible or electronic); and (j) all collateral security and guarantees with respect to any Collateral, and all cash, money, insurance, proceeds, condemnation awards and other proceeds, instruments, securities constituting or evidencing pledged equity and financial assets received as proceeds of any Collateral, including proceeds of business interruption and other insurance and claims against third parties.

The Collateral will exclude all assets that do not secure First Lien Credit Facilities Obligations at any time and from time to time.

The assets that secure the Notes Obligations will exclude the assets described below (the "Excluded Assets"), including as further described below under "—Limitations on Stock Collateral,":

(a) (i) any owned real property and (ii) all leasehold, easement and other interests in real property interests (other than fee ownership interests) and, except to the extent a security interest therein can be perfected by the filing of an "all assets" Uniform Commercial Code financing statement (or equivalent filing under a similar Requirement of Law), leasehold interests in any other assets;

(b) any governmental or regulatory licenses or state or local franchises, charters, consents, permits or authorizations, to the extent the granting of a security interest in any such license, franchise, charter, consent, permit or authorization would be prohibited or restricted thereby (including any legally effective prohibition or restriction, but excluding any prohibition or restriction that is ineffective under the Uniform Commercial Code or equivalent Requirement of Law of any applicable jurisdiction);

(c) any asset to the extent a pledge thereof or grant of security interest therein is prohibited or restricted by any Requirement of Law (including any legally effective requirement to obtain the consent, approval, license or authorization of any Governmental Authority, except to the extent such consent has been obtained, other than to the extent that any such prohibition would be rendered ineffective pursuant to any other applicable Requirement of Law, including the Uniform Commercial Code of any applicable jurisdiction) (with no requirement to obtain the consent, approval, license or authorization of any Governmental Authority or third party, including, without limitation, no requirement to comply with the Federal Assignment of Claims Act or any similar statute);

(d) any margin stock;

(e) any asset to the extent a grant or perfection of a security interest in such assets could reasonably be expected to result in non-de minimis adverse Tax consequences or non-de minimis adverse regulatory consequences to Holdings or any of its Subsidiaries or Parent Entities (as determined by the Issuer in good faith);

(f) any (i) Excluded Foreign Intellectual Property and (ii) intent-to-use trademark or service mark application for the registration of a trademark or service mark filed pursuant to Section 1(b) of the Lanham Act, 15 U.S.C. § 1051 (the "Lanham Act") (1) prior to the filing and acceptance of a "Statement of Use" and issuance of a "Certificate of Registration" pursuant to Section 1(d) of the Lanham Act or (2) an accepted filing of an "Amendment to Allege Use"; *provided* that, upon the acceptance of a "Statement of Use" or "Amendment to Allege Use" whereby such intent-to-use trademark application is converted to a "use in commerce" application pursuant to Section 1(c) of the Lanham Act with respect thereto, *provided* that upon the issuance of a "Certificate of Registration" or the accepted filing of an "Amendment to Allege Use", such trademark application will cease to be an Excluded Asset;

(g) any general intangible and any lease, sublease, license, occupancy agreement, permit or other agreement or any property or right subject thereto (including pursuant to a purchase money security interest, capital lease obligation or similar arrangement or, in the case of after-acquired property, pre-existing secured debt not incurred in anticipation of the acquisition by the Issuer, the Co-Issuer or Guarantor of such property) permitted under the Indenture to the extent that a grant of a security interest therein would violate or invalidate such item or create a breach, default or right of termination in favor of or otherwise require consent thereunder from any other party thereto (other than the Issuer, the Co-Issuer or any Guarantor) after giving effect to the applicable anti-assignment provisions of the Uniform Commercial Code of any applicable jurisdiction or other similar applicable Requirement of Law, other than proceeds and receivables thereof, the assignment of which is expressly deemed effective under the Uniform Commercial Code of any applicable jurisdiction or other similar applicable Requirement of Law notwithstanding such prohibition;

(h) (i) any Equity Interests in excess of 65% of any first tier CFC or FSHCO Subsidiary, (b) any Equity Interests or other voting ownership interests in any Subsidiary that is not a first tier Subsidiary of the Issuer, the Co-Issuer or a Guarantor and (c) the Equity Interests of a Subsidiary (other than a Wholly Owned Subsidiary) the pledge of which would violate such Subsidiary's organizational or joint venture documents that is binding on or relating to such Equity Interests after giving effect to the applicable anti-assignment provisions in the Uniform Commercial Code of any applicable jurisdiction;

(i) any Equity Interest and asset of any (A) Person other than the Issuer or a wholly-owned Restricted Subsidiary of the Issuer, (B) Immaterial Subsidiary, (C) Unrestricted Subsidiary, (D) Limited Purpose Subsidiary or (E) employee stock ownership plan or trust established by Holdings or any of its Subsidiaries or a direct or indirect parent of Holdings (to the extent such employee stock ownership plan or trust has been funded by Holdings or any Subsidiary or a direct or indirect parent of Holdings);

(j) Permitted Receivables Financing Assets subject to (or otherwise sold, contributed, pledged, factored, transferred or otherwise disposed of in connection with) any Permitted Receivables Financing;

(k) any Vehicle (other than to the extent a security interest therein can be perfected by filing an "all assets" Uniform Commercial Code financing statement or equivalent filing and without the requirement to list any VIN, serial or similar number or to file or revise any certificate of title of such Vehicle);

(l) any letter of credit right (other than to the extent a security interest in such right can be perfected solely by filing an "all assets" Uniform Commercial Code financing statement or equivalent filing) or commercial tort claim other than certain material commercial tort claims;

(m) cash and Cash Equivalents (other than cash and Cash Equivalents representing identifiable proceeds of other Collateral, a security interest in which can be perfected solely through the filing of an "all-assets" Uniform Commercial Code financing statement or equivalent filing), and any deposit, commodity or securities account (including any securities entitlement and any related asset) (except to the extent a

security interest therein can be perfected solely through the filing of an "all-assets" Uniform Commercial Code financing statement or equivalent filing or automatically without a filing);

(n) Rule 3-16 Capital Stock;

(o) Excluded Accounts;

(q) any other assets to the extent that the Issuer determines in good faith that the cost, burden, difficulty or consequence of obtaining or perfecting a security interest in such assets is excessive in relation to the benefit to the holders of the Notes of the security to be afforded thereby or the value of such assets as Collateral; and

(r) any other assets that do not secure the New First Lien Credit Facilities, including, for the avoidance of doubt, if the New First Lien Credit Facilities shall become unsecured credit facilities (including pursuant to any modification, refinancing or replacement thereof).

The security interests in the Collateral securing the Notes Obligations (other than as set forth in the following proviso) will not be required to be in place on the Completion Date or perfected on such date, but the Issuers will be required to use commercially reasonable efforts to cause such security interests to be put in place no later than 120 days after the Completion Date; *provided, however*, the perfection of the security interests (1) in the certificated Equity Interests of the Issuer, the Co-Issuer and, to the extent received by the Issuer after use of its commercially reasonable efforts to obtain such certificates, the Issuer's wholly-owned Domestic Subsidiaries (other than the Co-Issuer) will, in each case, be required to be delivered on the Completion Date and (2) in other assets of the Issuer, the Co-Issuer, and Domestic Subsidiary Guarantors with respect to which a Lien may be perfected by the filing of a Uniform Commercial Code financing statement (or equivalent), which Uniform Commercial Code financing statement (or equivalent) will be required to be provided as of the Completion Date. No assurance can be given that such security interest to be delivered after the Completion Date will be granted or perfected on a timely basis. In addition, the security documents will generally not require the Issuers and the Guarantors to take certain actions to perfect the liens in certain of the Collateral, including, prior to the repayment in full of the obligations under the New First Lien Credit Facilities, if such actions are not requested by the New First Lien Credit Facilities Administrative Agent with respect to such Collateral. As a result, the liens may not attach or be perfected in certain of the Collateral, which could adversely affect the rights of the holders of the Notes with respect to such Collateral.

In addition, Liens required to be granted from time to time pursuant to the Indenture shall be subject to exceptions and limitations set forth in the Notes Security Documents, the First Lien Intercreditor Agreement described below, the First Lien/Second Lien Intercreditor Agreement described below and other applicable intercreditor agreements and consistent with the New First Lien Credit Facilities, including that:

(i) the Indenture and Notes Security Documents shall not require the creation or perfection of pledges of, or security interests in, or the obtaining of title insurance, legal opinions or other deliverables with respect to, particular assets of the Issuers or Guarantors (x) if, and for so long as and to the extent that the Issuers in good faith determine that the cost, burden or consequence of creating or perfecting such pledges or security interests in such assets, or obtaining such title insurance, legal opinions or other deliverables in respect of such assets (taking into account any non-de minimis adverse Tax consequences (including the imposition of non-de minimis withholding or other Taxes) and any non-de minimis adverse regulatory consequences, in each case to Holdings or its Subsidiaries or any Parent Entities, Affiliates or direct or indirect equity owners thereof), outweighs the benefits to be obtained by the holders of the Notes therefrom and/or (y) if the grant or perfection of a security interest in such asset would (A) be prohibited by enforceable anti-assignment provisions of any applicable Requirement of Law, (B) violate the terms of any contract (to the extent binding on such property at the time of the acquisition thereof and not incurred in contemplation of such acquisition) (in each case, after giving effect to the applicable anti-assignment provisions of the Uniform Commercial Code or other applicable Requirement of Law) or (C) trigger termination of any contract pursuant to any "change of control" or similar provision (to the extent binding on such property at the time of the acquisition thereof and not incurred in contemplation of such acquisition); it being understood that the Collateral shall include any proceeds and/or receivables (other than to the extent constituting Excluded Assets) arising out of any contract described in this clause (y) to the extent the assignment of such proceeds or receivables is expressly deemed effective under the

Uniform Commercial Code or other applicable Requirement of Law notwithstanding the relevant prohibition, violation or termination right;

(ii) control agreements or other control or similar arrangements shall not be required with respect to cash, Cash Equivalents, deposit accounts, securities accounts, commodities accounts or other assets requiring perfection by control agreements;

(iii) entry into any source code escrow arrangements or the registration of any intellectual property shall not be required;

(iv) except with respect to a Designated Guarantor that is a Foreign Subsidiary (if any), no perfection actions shall be required, nor shall the Notes Collateral Agent be authorized to take any perfection or other actions, other than (x) filings pursuant to the Uniform Commercial Code in the office of the secretary of state (or similar central filing office) of the relevant state(s), (y) filings in the United States Copyright Office or the United States Patent and Trademark Office with respect to intellectual property and (z) subject to the Intercreditor Agreements, delivery to the Notes Collateral Agent to be held in its possession of all Collateral consisting of certificated Equity Interests and other instruments, in each case to the extent not constituting Excluded Assets and to the extent required to be delivered pursuant to the applicable Security Documents;

(v) except, in each case, with respect to a Designated Guarantor that is Foreign Subsidiary (if any), no actions in any jurisdiction other than the United States, a state thereof or the District of Columbia, or required by the laws of any jurisdiction other than the United States, a state thereof or the District of Columbia, shall be required to be taken, nor shall the Notes Collateral Agent be authorized to take any such action, to create any security interests in assets located or titled outside of the United States, a state thereof or the District of Columbia (including any Equity Interests of Subsidiaries organized under the laws of a jurisdiction other than the United States, a state thereof or the District of Columbia and any Excluded Foreign Intellectual Property) or to perfect or make enforceable any security interests in any such assets (it being understood that there shall be no security agreements or pledge agreements governed under the laws of any jurisdiction other than the United States, a state thereof or the District of Columbia and all guarantee agreements shall be governed under the laws of the State of New York); and

(vi) no Issuers or Guarantor shall be required to seek any landlord lien waiver, estoppel, warehouseman waiver or other collateral access or similar letter or agreement.

Any periods of time for the taking of any action with respect to the granting of security interests with respect to the Notes shall be deemed extended to the extent the same period is extended in respect of the New First Lien Credit Facilities or by a person that becomes Applicable Collateral Agent as described under "First Lien Intercreditor Agreement—Exercise of Remedies." In no event shall the Issuers or the Guarantors be required to take any action with respect to the Notes if the same shall not be required and taken in respect of the New First Lien Credit Facilities (so long as outstanding).

The security interest securing the Notes Obligations will be *pari passu* in priority with any and all security interests in the Collateral securing the First Lien Credit Facilities Obligations and any Additional First Lien Obligations, and will be senior in priority with any and all security interests in the Collateral securing Second Lien Obligations, including the Second Lien Credit Facility Obligations, in each case, subject to all other Permitted Liens. The First Lien Credit Facilities Obligations (and any Additional First Lien Obligations may include) obligations in respect of Cash Management Services and related obligations, as well as certain hedging obligations. The person holding such First Lien Credit Facilities Obligations or Additional First Lien Obligations may have rights and remedies with respect to the property subject to such Liens that, if exercised, could adversely affect the value of the Collateral or the ability of the Notes Collateral Agent to realize or foreclose on the Collateral for the benefit of the Holders and the other Notes Secured Parties. Pursuant to the First Lien Intercreditor Agreement, in connection with any enforcement action with respect to the Collateral or any insolvency or liquidation proceeding, all proceeds of Collateral (after paying the fees and expenses of the applicable agents and any expenses of selling or otherwise foreclosing on the Collateral) will be applied *pro rata* to the repayment of the Notes Obligations, the First Lien Credit Facilities Obligations and the other outstanding First Lien Obligations.

The Issuers and the Guarantors will be able to incur additional indebtedness in the future which could share in the Collateral, including Additional First Lien Obligations and Additional Second Lien Obligations, indebtedness secured by a Permitted Lien such as purchase money liens that may be prior to the Liens securing the Notes Obligations and additional indebtedness which may be secured on a junior priority basis to the Notes Obligations. The Indenture and the Initial Intercreditor Agreements will provide that the Notes Collateral Agent, on behalf of the holders of the Notes Obligations and all other First Lien Obligations, and without the consent of the Notes Secured Parties, shall be authorized to enter into one or more intercreditor agreements with the holders of any such junior priority indebtedness. Although not all holders of Notes Obligations will be party to such intercreditor agreements, by their acceptance of the Notes, each agrees to be bound thereby. The amount of such other First Lien Obligations and Second Lien Obligations will be limited by the covenant disclosed under "—Certain Covenants—Limitation on Liens", and the amount of all such additional indebtedness will be limited by the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock". Under certain circumstances the amount of such First Lien Obligations and Second Lien Obligations and additional indebtedness could be significant.

Limitations on Stock Collateral

The Capital Stock and securities of a Subsidiary of Holdings that are owned by Holdings, the Issuer, the Co-Issuer or any other Guarantor will constitute Collateral only to the extent that such Capital Stock and securities can secure the Notes without Rule 3-16 of Regulation S-X under the Securities Act (or any other law, rule or regulation) requiring separate financial statements of such Subsidiary to be filed with the SEC (or any other governmental agency). In the event that Rule 3-16 of Regulation S-X under the Securities Act requires or is amended, modified or interpreted by the SEC to require (or is replaced with another rule or regulation, or any other law, rule or regulation is adopted, which would require) the filing with the SEC (or Subsidiary's Capital Stock or securities secure the Notes or any Guarantee, then the Capital Stock and/or securities of such Subsidiary shall automatically be deemed not to be part of the Collateral securing the Notes (but only to the extent necessary to not be subject to such requirement) (such Capital Stock, the "Rule 3-16 Capital Stock"). In such event, the Notes Security Documents may be amended or modified, without the consent of the Trustee or any holder of Notes, to the extent necessary to release the security interests on the shares of Capital Stock and securities that are so deemed to no longer constitute part of the Collateral.

In the event that Rule 3-16 of Regulation S-X under the Securities Act is amended, modified or interpreted by the SEC to permit (or is replaced with another rule or regulation, or any other law, rule or regulation is adopted, which would permit) such Subsidiary's Capital Stock or securities to secure the Notes in excess of the amount then pledged without the filing with the SEC (or any other governmental agency) of separate financial statements of any Subsidiary due to the fact that such any other governmental agency) of separate financial statements of such Subsidiary, then the Capital Stock and/or securities of such Subsidiary shall automatically be deemed to be a part of the Collateral (but only to the extent that will not result in such Subsidiary being subject to any such financial statement requirement). In such event, the Notes Security Documents may be amended or modified, without the consent of the Trustee or any holder of Notes, to the extent necessary to subject to the Liens under the Notes Security Documents such additional Capital Stock and securities, on the terms contemplated herein.

After-Acquired Collateral

From and after the Completion Date, and subject to certain limitations and exceptions, if the Issuer, the Co-Issuer or any Guarantor acquires any property or rights which are of a type constituting Collateral under any Notes Security Document (excluding, for the avoidance of doubt, any Excluded Assets or assets not required to be Collateral pursuant to the Indenture or the Notes Security Documents), it will be required to execute and deliver such security instruments, financing statements and such certificates as are required under the Indenture or any Notes Security Document to vest in the Notes Collateral Agent for the benefit of the Notes Secured Parties a perfected security interest (subject to Permitted Liens, including any *pari passu* liens that secure any other First Lien Obligations and junior liens that secure Second Lien Obligations) in such after-acquired collateral and to take such actions to add such after-acquired collateral to the Collateral, and thereupon all provisions of the Indenture and the Notes Security Documents relating to the Collateral shall be deemed to relate to such after-acquired collateral to the same extent and with the same force and effect. For the avoidance of doubt, opinions of counsel will not be required in connection with the addition of new Guarantors or in connection with such Guarantors entering into the Notes

Security Documents or to vest in the Notes Collateral Agent a perfected security interest in after-acquired collateral owned by such Guarantors.

First Lien Intercreditor Agreement

The Notes Collateral Agent, the Trustee and the First Lien Credit Facilities Administrative Agent will enter into an intercreditor agreement (as the same may be amended from time to time, the "First Lien Intercreditor Agreement") with respect to the Shared Collateral, which may be amended from time to time without the consent of the holders to add Additional First Lien Obligations and Additional Authorized Representatives therefor. Although not all holders of First Lien Obligations are parties to the First Lien Intercreditor Agreement, by their acceptance of the instruments evidencing such obligations, each agrees to be bound thereby. All references to the First Lien Obligations in this "Description of Notes" shall refer only to such First Lien Obligations, and all references to the First Lien Secured Parties in this "Description of Notes" shall refer only to First Lien Secured Parties, in each case, subject to the First Lien Intercreditor Agreement (and in the event any Additional First Lien Obligations are in the future created, the provisions of the First Lien Intercreditor Agreement and the First Lien/Second Lien Intercreditor Agreement, as described herein, may be amended without the consent of the holders to provide therefor).

Under the First Lien Intercreditor Agreement, only the "Applicable Authorized Representative" or "Applicable Collateral Agent" will have the right to act or refrain from acting with respect to any Shared Collateral. The Applicable Authorized Representative will initially be the First Lien Credit Facilities Administrative Agent and will remain the First Lien Credit Facilities Administrative Agent until the earlier of (1) the discharge of First Lien Credit Facilities Obligations and (2) the Non-Applicable Authorized Representative Enforcement Date (as defined below) (such earlier date, the "Applicable Authorized Representative Change Date"). After the Applicable Authorized Representative Change Date, the Applicable Authorized Representative will be the representative (other than the First Lien Credit Facilities Administrative Agent) of the Series of First Lien Obligations that constitutes the largest outstanding principal amount of any then outstanding Series of First Lien Obligations as such representative is notified by the Issuer (excluding the Series constituting the obligations under the New First Lien Credit Facilities) with respect to such Shared Collateral, but solely to the extent that such Series of First Lien Obligations has a larger aggregate principal amount than the Series of obligations then outstanding under the New First Lien Credit Facilities as determined by the Issuer (the "Major Non-Applicable Authorized Representative").

With respect to any Shared Collateral, no representative of a Series of First Lien Obligations that is not the Applicable Authorized Representative ("Non-Applicable Authorized Representative"), the Applicable Collateral Agent or the holders of indebtedness for which such Non-Applicable Authorized Representative is a representative ("Non-Controlling Secured Party") shall be permitted to instruct the Applicable Authorized Representative or Applicable Collateral Agent to, commence any judicial or nonjudicial foreclosure proceedings with respect to, seek to have a trustee, receiver, liquidator, examiner or similar official appointed for or over, attempt any action to take possession of, exercise any right, remedy or power with respect to, or otherwise take any action to enforce its security interest in or realize upon, or take any other action available to it in respect of, any Shared Collateral or have a right to consent to any such action. Only the Applicable Authorized Representative and/or the Applicable Collateral Agent shall be entitled to take any such actions or exercise any such remedies with respect to Shared Collateral.

The "Non-Applicable Authorized Representative Enforcement Date" means, with respect to any Non-Applicable Authorized Representative, the date that is 180 days (throughout which 180-day period such Non-Applicable Authorized Representative was the Major Non-Applicable Authorized Representative) after the occurrence of both (a) an event of default, as defined in the indenture or other debt facility for the applicable Series of First Lien Obligations, and (b) the Applicable Authorized Representative and each other representative of First Lien Obligations' (each such representative of First Lien Obligations, a "First Priority Collateral Agent") receipt of written notice from such Major Non-Applicable Authorized Representative certifying that (i) such Non-Applicable Authorized Representative is the Major Non-Applicable Authorized Representative and that an event of default, as defined in the indenture or other debt facility for that Series of First Lien Obligations has occurred and is continuing and (ii) the First Lien Obligations of that Series with respect to which such Major Non-Applicable Authorized Representative is the Authorized Representative are currently due and payable in full (whether as a result of acceleration thereof or otherwise) in accordance with the indenture or debt facility for that Series of First Lien Obligations; *provided* that the Non-Applicable Authorized Representative Enforcement Date will be stayed and will not occur and will be deemed not to have occurred with respect to any Shared Collateral (1) at any time the

Applicable Authorized Representative has commenced and is diligently pursuing any enforcement action with respect to a material portion of Shared Collateral or (2) at any time the Issuer, the Co-Issuer or the Guarantor that has granted a security interest in such Shared Collateral is then a debtor under or with respect to (or otherwise subject to) any insolvency or liquidation proceeding.

The Applicable Authorized Representative and the Applicable Collateral Agent will each initially be the First Lien Credit Facilities Administrative Agent, and the Notes Collateral Agent will not have any rights to take any action under the First Lien Intercreditor Agreement with respect to the Shared Collateral unless and until the Trustee becomes the Applicable Authorized Representative and the Notes Collateral Agent becomes the Applicable Collateral Agent.

Notwithstanding the equal priority of the Liens on Shared Collateral, the Applicable Authorized Representative may deal with the Shared Collateral as if the Applicable Authorized Representative had a senior Lien on such Shared Collateral. No Non-Applicable Authorized Representative or Non-Controlling Secured Party will be permitted to contest, protest or object to any foreclosure proceeding or action brought by the Applicable Authorized Representative or any holders of indebtedness for which the Applicable Authorized Representative is a representative ("Controlling Secured Party") or any other exercise by the Applicable Authorized Representative or any Controlling Secured Party of any rights and remedies relating to the Shared Collateral. Each of the Holders of the notes and secured parties under the New First Lien Credit Facilities and the holders of any additional first lien debt that may be issued in the future that is subject to the First Lien Intercreditor Agreement (collectively, the "First Priority Secured Parties" and each a "First Priority Secured Party") also will agree that they will not contest or support any other person in contesting, in any proceeding (including any insolvency or liquidation proceeding), the perfection, priority, validity, attachment or enforceability of a Lien held by or on behalf of any of the First Priority Secured Parties in all or any part of the Shared Collateral, or the provisions of the First Lien Intercreditor Agreement.

If an Event of Default or an event of default under any document governing a Series of First Lien Obligations has occurred and is continuing and the Applicable Authorized Representative or the Applicable Collateral Agent is taking action to enforce rights in respect of any Shared Collateral, or any distribution is made with respect to any Shared Collateral in any bankruptcy, insolvency or restructuring case of the Issuer or Co-Issuer or any Guarantor (including any adequate protection payments), or any First Priority Secured Party receives any payment pursuant to any intercreditor agreement (other than the First Lien Intercreditor Agreement) with respect to any Shared Collateral, then the proceeds of any sale, collection or other liquidation of any such Shared Collateral by any First Priority Collateral Agent or any First Priority Secured Party and proceeds of any such distribution or payment (subject, in the case of any such proceeds, payments, and distributions, to the paragraph immediately following) shall be applied among the First Lien Obligations to the payment in full of the First Lien Obligations on a ratable basis, after payment of all amounts owing to each First Priority Collateral Agent (in its capacity as such); provided that following the commencement of any bankruptcy, insolvency or restructuring case of the Issuer or any other Guarantor, solely for purposes of the waterfall provisions of the First Lien Intercreditor Agreement and not any other document with respect to any First Lien Obligation, in the event the value of the Shared Collateral is not sufficient for the entire amount of post-petition interest, fees, and expenses on the First Lien Obligations to be allowed under Sections 506(a) and (b) of the Bankruptcy Code or any other applicable provision of the Bankruptcy Code or other applicable law in such insolvency or liquidation proceeding, the amount of First Lien Obligations of each Series of First Lien Obligations shall include only the maximum amount of post-petition interest, fees, and expenses allowable under Sections 506(a) and (b) of the Bankruptcy Code or any other applicable provision of the Bankruptcy Code or other applicable bankruptcy law in such insolvency or liquidation proceeding.

The First Priority Secured Parties of each Series will agree that the holders of First Lien Obligations of such Series (and not the First Priority Secured Parties of any other Series) bear the risk of (i) any determination by a court of competent jurisdiction that (x) any of the First Lien Obligations of such Series are unenforceable under applicable law or are subordinated to any other obligations (other than another Series of First Lien Obligations), (y) any of the First Lien Obligations of such Series do not have an enforceable security interest in any of the Shared Collateral securing any other Series of First Lien Obligations and/or (z) any intervening security interest exists securing any other obligations (other than another Series of First Lien Obligations) on a basis ranking prior to the security interest of such Series of First Lien Obligations but junior to the security interest of any other Series of First Lien Obligations or (ii) the existence of any Shared Collateral for any other Series of First Lien Obligations that is not

Shared Collateral (any such condition referred to in the foregoing clauses (i) or (ii) with respect to any Series of First Lien Obligations, an "Impairment" of such Series); *provided* that the existence of a maximum claim with respect to any properties subject to a Mortgage (as defined in the New First Lien Credit Facilities (or the equivalent provision thereof)) which applies to all First Lien Obligations shall not be deemed to be an Impairment of any Series of First Lien Obligations. In the event of any Impairment with respect to any Series of First Lien Obligations, the results of such Impairment shall be borne solely by the holders of such Series of First Lien Obligations, and the rights of the holders of such Series of First Lien Obligations (including, without limitation, the right to receive distributions in respect of such Series of First Lien Obligations permitted by the First Lien Intercreditor Agreement) set forth in the First Lien 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 First Lien Obligations subject to such Impairment.

Additionally, in the event the First Lien Obligations of any Series are modified pursuant to applicable law (including, without limitation, pursuant to Section 1129 of the Bankruptcy Code), any reference to such First Lien Obligations or the Security Documents governing such First Lien Obligations will be deemed to refer to such obligations or such documents as so modified.

None of the First Priority Secured Parties may institute in any bankruptcy case or other proceeding any claim against the Applicable Authorized Representative or any other First Priority Secured Party seeking damages from or other relief by way of specific performance, instructions or otherwise with respect to any Shared Collateral. None of the First Priority Secured Parties may challenge, or support any other Person in challenging, in any proceeding (including any insolvency or liquidation proceeding) the validity or enforceability of any First Lien Obligations of any Series or any first priority security document or the validity, attachment, perfection or priority of any Lien under any first priority security document or the validity or enforceability of the priorities, rights or duties established by or other provisions of the First Lien Intercreditor Agreement. None of the First Priority Secured Parties may take or cause to be taken any action the purpose or intent of which is, or could be, to interfere, hinder or delay, in any manner, whether by judicial proceedings or otherwise, any sale, transfer or other disposition of the Shared Collateral by the Applicable Authorized Representative or Applicable Collateral Agent. In addition, none of the First Priority Secured Parties may seek to have any Shared Collateral or any part thereof marshaled upon any foreclosure or other disposition of such Shared Collateral. If any First Priority Secured Party obtains possession of any Shared Collateral or realizes any proceeds or payment in respect thereof pursuant to any Security Document or by the exercise of any rights available to it under applicable law or in any insolvency or liquidation proceeding or through any other exercise of remedies (including pursuant to any intercreditor agreement), at any time prior to the discharge of each of the First Lien Obligations, then it must hold such Shared Collateral, proceeds or payment in trust for the other First Priority Secured Parties and promptly transfer such Shared Collateral, proceeds or payment to the Applicable Authorized Representative to be distributed in accordance with the First Lien Intercreditor Agreement.

Under the First Lien Intercreditor Agreement, if at any time the Applicable Authorized Representative forecloses upon or otherwise exercises remedies against any Shared Collateral resulting in a sale or disposition thereof, then (whether or not any insolvency or liquidation proceeding is pending at the time) the Liens in favor of the other First Priority Collateral Agents for the benefit of the Trustee and the holders of the notes and each other Series of First Priority Secured Parties upon such Shared Collateral will automatically be released and discharged upon conclusion of the applicable foreclosure proceeding or other exercise of remedies. However, any proceeds of any Shared Collateral realized therefrom will be applied as described in the First Lien Intercreditor Agreement.

The First Lien Intercreditor Agreement will also provide that if the Issuer, the Co-Issuer or any Guarantor becomes subject to a bankruptcy case and shall, as debtor(s)-in-possession, move for approval of debtor-in-possession financing to be provided by one or more lenders under Section 364 of the Bankruptcy Code (or any equivalent provision of any other applicable debtor relief law) and/or the use of cash collateral under Section 363 of the Bankruptcy Code (or under any equivalent provision of any other applicable debtor relief law), each First Priority Secured Party will agree that it will not oppose and will raise no objection to any such financing or to any Liens on the Shared Collateral (including by joining or supporting any such objection by any other Person) securing the same and/or to any use of cash collateral that constitutes Shared Collateral, unless the Applicable Authorized Representative with respect to such Shared Collateral opposes or objects (or joins in any opposition or objection) to such debtor-in-possession financing or such debtor-in-possession financing Liens or use of cash collateral (and (i) to the extent that such debtor-in-possession financing Liens are senior to the Liens on any such Shared Collateral for the benefit of the Controlling Secured Parties, each Non-Controlling Secured Party will subordinate its Liens with

respect to such Shared Collateral on the same terms as the Liens of the Controlling Secured Parties (other than any Liens of any First Priority Secured Parties constituting debtor-in-possession financing Liens) are subordinated thereto, and (ii) to the extent that such debtor-in-possession financing Liens rank pari passu with the Liens on any such Shared Collateral granted to secure the First Lien Obligations of the Controlling Secured Parties, each Non-Controlling Secured Party will confirm the priorities with respect to such Shared Collateral as set forth in the First Lien Intercreditor Agreement), in each case so long as:

(A) the First Priority Secured Parties of each Series retain the benefit of their Liens on all such Shared Collateral pledged to the debtor-in-possession financing lenders, including proceeds thereof arising after the commencement of such proceeding, with the same priority vis-a-vis all the other First Priority Secured Parties (other than any Liens of the First Priority Secured Parties constituting debtor-in-possession financing liens) as existed prior to the commencement of the insolvency or liquidation proceedings;

(B) the First Priority Secured Parties of each Series are granted Liens on any additional or replacement collateral pledged to any First Priority Secured Parties as adequate protection or otherwise in connection with such debtor-in-possession financing and/or use of cash collateral, with the same priority vis-a-vis the First Priority Secured Parties (other than any Liens of the First Priority Secured Parties constituting debtor-in-possession financing Liens) as set forth in the First Lien Intercreditor Agreement;

(C) if any amount of such debtor-in-possession financing and/or cash collateral is applied to repay any of the First Lien Obligations, such amount is applied pursuant to the First Lien Intercreditor Agreement; and

(D) if any First Priority Secured Parties are granted adequate protection with respect to the First Lien Obligations subject to the First Lien Intercreditor Agreement, including in the form of periodic payments, in connection with such debtor-in-possessions financing and/or use of cash collateral, the proceeds of such adequate protection are applied pursuant to the First Lien Intercreditor Agreement;

provided that the First Priority Secured Parties of each Series will have a right to object to the grant of a Lien to secure the debtor-in-possession financing over any collateral subject to Liens in favor of the First Priority Secured Parties of such Series or its or their representative that do not constitute Shared Collateral; and *provided, further,* that any First Priority Secured Parties receiving adequate protection will not object to any other First Priority Secured Party receiving adequate protection comparable to any adequate protection granted to such First Priority Secured Parties in connection with a debtor-in-possession financing or use of cash collateral.

The First Priority Secured Parties will acknowledge that the First Lien Obligations of any Series may, subject to the limitations set forth in the other documents governing the First Lien Obligations, be increased, extended, renewed, replaced, restated, supplemented, restructured, repaid, refunded, refinanced or otherwise amended or modified from time to time, all without affecting the priority of claims and application of proceeds set forth in the First Lien Intercreditor Agreement or the other provisions thereof defining the relative rights of the First Priority Secured Parties of any Series.

By its acceptance of notes, each Holder will be deemed to have consented to the terms of the Security Documents and the First Lien Intercreditor Agreement and to have authorized and directed the Trustee and the Notes Collateral Agent to execute, deliver and perform each of the Security Documents and the First Lien Intercreditor Agreement, to which it is a party, binding the Holders to the terms thereof.

The First Lien Intercreditor Agreement will contain broad exculpatory provisions in favor of the Applicable Collateral Agent and Applicable Authorized Representative. The First Lien Intercreditor Agreement will contain provisions for the protection of the Applicable Collateral Agent and Applicable Authorized Representative from the incurrence of certain liabilities and will contain provisions for satisfactory indemnity and/or security for such liabilities (in the absence of which the Applicable Collateral Agent and Applicable Authorized Representative may be entitled to decline to take any action).

First Lien/Second Lien Intercreditor Agreement

General

The Notes Collateral Agent, the Trustee, the First Lien Credit Facilities Administrative Agent and the Second Lien Credit Facilities Administrative Agent will enter into an intercreditor agreement (as the same may be amended from time to time, the "First Lien/Second Lien Intercreditor Agreement"). The First Lien/Second Lien Intercreditor Agreement may be amended from time to time without the consent of the Holders to add other parties holding Second Lien Obligations and First Lien Obligations permitted to be incurred under the relevant agreements, or their respective representatives.

Notwithstanding (i) the date, time, method, manner, or order of grant, attachment, or perfection of, or any defect or deficiencies in, or failure to perfect, any Liens granted to any First Lien Representative or any of the First Lien Secured Parties in respect of all or any portion of the Collateral or of any Liens granted to any Second Lien Representative or any of the Second Lien Secured Parties in respect of all or any portion of the Collateral and regardless of how any such Lien was acquired (whether by grant, statute, operation of law, subrogation or otherwise) and whether or not such Liens are otherwise subordinated, voided, avoided, invalidated or lapsed, (ii) the order or time of filing or recordation of any document or instrument for perfecting the Liens in favor of any First Lien Representative or any Second Lien Representative in any Collateral, (iii) any provision of the Uniform Commercial Code, the Bankruptcy Code, other Debtor Relief Law, or any other applicable law, or of the First Lien Documents or the Second Lien Documents, (iv) whether any First Lien Representative or any Second Lien Representative in each case, either directly or through agents, holds possession of, or has control over, all or any part of the Collateral, (v) the date on which any of the First Lien Obligations or the Second Lien Obligations are advanced or made available to any Grantor, or (vi) any failure of any First Lien Representative or any Second Lien Representative to perfect its Lien on any Collateral, the subordination of any Lien on the Collateral securing any First Lien Obligations or Second Lien Obligations, as applicable, to any Lien securing any other obligation of any Grantor, or the avoidance, invalidation or lapse of any Lien on the Collateral securing any First Lien Obligations or Second Lien Obligations:

(i) any Lien in respect of all or any portion of the Collateral now or hereafter held by or on behalf of any Second Lien Representative or any other Second Lien Secured Party that secures all or any portion of the Second Lien Obligations are junior and subordinate to all Liens granted to any First Lien Representative and the other First Lien Secured Parties in the Collateral to secure all or any portion of (A) the First Lien Priority Obligations and (B) the First Lien Obligations which do not constitute First Lien Priority Obligations, in the case of this clause (B), solely after the Discharge of Second Lien Obligations;

(ii) any Lien in respect of all or any portion of the Collateral now or hereafter held by any First Lien Representative or any other First Lien Secured Party that secures all or any portion of (A) the First Lien Priority Obligations shall in all respects be senior and prior to all Liens granted to any Second Lien Representative or any other Second Lien Secured Party in the Collateral to secure all or any portion of the Second Lien Obligations, respectively, or (B) the First Lien Obligations which do not constitute First Lien Priority Obligations shall in all respects be senior and prior to all Liens granted to any Second Lien Representative or any other Second Lien Secured Party in the Collateral to secure all or any portion of the Second Lien Obligations which do not constitute Second Lien Priority Obligations; and

(iii) any Lien in respect of all or any portion of the Collateral now or hereafter held by or on behalf of any Second Lien Representative or any other Second Lien Secured Party that secures all or any portion of the Second Lien Priority Obligations shall in all respects be senior and prior to all Liens granted to any First Lien Representative or any other First Lien Secured Party in any Collateral to secure all or any portion of the First Lien Obligations which do not constitute First Lien Priority Obligations.

Pursuant to the terms of the First Lien/Second Lien Intercreditor Agreement, each Representative, acting on behalf of the applicable Secured Parties, waives any right to take any action to contest or challenge (or assist or support any other Person in contesting or challenging), directly or indirectly, whether or not in any proceeding, the validity, priority, enforceability, or perfection of the Liens of, or the allowability of the claims asserted by, any other Representative and the other Secured Parties in respect of the Collateral (in each case to the extent in accordance with the First Lien/Second Lien Intercreditor Agreement) or the provisions of the First Lien/Second Lien Intercreditor Agreement. In addition, each Second Lien Representative, acting on behalf of the applicable Second

Lien Secured Parties (i) agrees not to take any action that would interfere with any exercise of remedies undertaken by any of the First Lien Representatives or any First Lien Secured Party under the First Lien Documents with respect to the Collateral and (ii) waives any and all rights it or the Second Lien Secured Parties may have as a junior lien creditor or otherwise to contest, protest, object to, or interfere with the manner in which any First Lien Representative or any First Lien Secured Party seeks to enforce its Liens in any Collateral.

The Collateral or proceeds thereof received in connection with the sale or other disposition of, or collection on, such Collateral upon the exercise of remedies or in connection with an insolvency proceeding will be applied to the First Lien Obligations prior to application to any Second Lien Obligations in such order as specified in the relevant First Lien Security Documents until the Discharge of First Lien Obligations has occurred.

If any Representative or any other Secured Party is required in any insolvency proceeding or otherwise to turn over or otherwise pay to the estate of any Grantor, or any other Person any payment made in satisfaction of all or any portion of the Secured Obligations (a "Recovery"), then the applicable First Lien Obligations or Second Lien Obligations shall be reinstated to the extent of such Recovery. If the First Lien/Second Lien Intercreditor Agreement shall have been terminated prior to such Recovery, the First Lien/Second Lien Intercreditor Agreement shall be reinstated in full force and effect in the event of such Recovery, and such prior termination shall not diminish, release, discharge, impair, or otherwise affect the obligations of the Parties from such date of reinstatement. All rights, interests, agreements, and obligations of the Representatives, and the Secured Parties under the First Lien/Second Lien Intercreditor Agreement shall remain in full force and effect and shall continue irrespective of the commencement of, or any discharge, confirmation, conversion, or dismissal of, any insolvency proceeding by or against any Grantor or any other circumstance which otherwise might constitute a defense available to, or a discharge of any Grantor in respect of the Obligations. No priority or right of any Representative or any other Secured Party shall at any time be prejudiced or impaired in any way by any act or failure to act on the part of any Grantor or by the noncompliance by any Person with the terms, provisions, or covenants of any of the First Lien Documents or Second Lien Documents, regardless of any knowledge thereof which any Representative or any Secured Party may have.

The First Lien/Second Lien Intercreditor Agreement will provide that so long as the Discharge of First Lien Obligations has not occurred, no Second Lien Representative or any other Second Lien Secured Party will exercise any remedies with respect to any of the Collateral; *provided, however*, that the Designated Second Lien Representative or any person authorized by it may exercise remedies with respect to the Collateral after a period of at least 150 days has elapsed since the date on which the Designated First Lien Representative has received written notice from such Second Lien Representative of the existence of any event of default under any applicable Second Lien Documents that is continuing and the written demand by such Second Lien Representative of the immediate payment in full (whether as a result of acceleration thereof or otherwise) of all of the Second Lien Obligations so long as such event of default has not been cured or waived (such period being referred to herein as the "Standstill Period"); provided further, however, that:

(i) in the event that at any time after a Second Lien Representative has sent a notice to the Designated First Lien Representative to commence the Standstill Period, the event of default that was the basis for such notice is cured or waived or otherwise ceases to exist, and any notice of acceleration has been rescinded by such Second Lien Representative, then the notice to commence the Standstill Period shall automatically and without further action of the parties be deemed rescinded and no Standstill Period shall be deemed to have been commenced;

(ii) the Standstill Period shall be tolled for any period during which the Designated First Lien Representative is stayed pursuant to any insolvency proceeding or by an order issued in any insolvency proceeding or by any other court of competent jurisdiction from exercising any rights or remedies; and

(iii) in no event shall any Second Lien Representative or any other Second Lien Secured Parties or exercise any remedies with respect to the Collateral or commence or petition for any action or proceeding with respect to such rights or remedies if, notwithstanding the expiration of the Standstill Period, the Designated First Lien Representative shall have (A) commenced and be diligently pursuing (or shall have sought or requested relief from or modification of the automatic stay in any insolvency proceeding to enable the commencement and pursuit thereof) the exercise of its rights or remedies against the Grantors or all or any material portion of the Collateral, including any of the following: solicitation of

bids from third parties to conduct the liquidation of all or any material portion of the Collateral, the engagement or retention of sales brokers, marketing agents, investment bankers, accountants, auctioneers or other third parties for the purpose of valuing, marketing, promoting or selling all or any material portion of the Collateral, the notification of account debtors to make payments to a First Lien Representative or its agents, the initiation of any action to take possession of all or any material portion of the Collateral or the commencement of any legal proceedings or actions against or with respect to all or any material portion of the Collateral and (B) given prompt notice of such exercise to the Designated Second Lien Administrative Agent.

From and after the date that is the earlier of (x) the date upon which the Discharge of First Lien Obligations shall have occurred and (y) the date the Standstill Period shall have expired, the Designated Second Lien Representative or any Person authorized by it may exercise remedies with respect to any Collateral.

The foregoing will not prevent any Second Lien Representative or any Second Lien Secured Party from (i) filing a claim or statement of interest with respect to the Second Lien Obligations owed to it in any insolvency proceeding commenced by or against any Grantor, (ii) taking any action (not adverse to the priority or perfection status of the Liens of any First Lien Representative or other First Lien Secured Parties on the Collateral or the rights of any First Lien Representative or any of the other First Lien Secured Parties to exercise remedies in respect thereof) in order to create, perfect, preserve or protect (but not enforce) its Lien on any Collateral and including joining in (but not initiating or controlling) any foreclosure, sale or other judicial lien enforcement proceeding with respect to the Collateral initiated by such First Lien Representative or other First Lien Secured Party, (iii) filing any responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading filed by any Person objecting to or otherwise seeking disallowance of the claim or Lien of such Second Lien Representative or Second Lien Secured Party or otherwise making any agreements or filing any motions pertaining to the Second Lien Obligations owing to it, in each case, to the extent not in contravention of the terms of the First Lien/Second Lien Intercreditor Agreement, (iv) bidding for and purchasing Collateral at any private or judicial foreclosure sale of such Collateral initiated by any Agent (so long as such bid is subject to the limitations on credit bidding set forth in the First Lien/Second Lien Intercreditor Agreement), (v) subject to the First Lien/Second Lien Intercreditor Agreement, voting on any plan of reorganization or similar arrangement, filing any proof of claim or proof of interest, making other filings and making any arguments and motions in any insolvency proceeding of any Grantor that are, in each case, consistent with the terms of the First Lien/Second Lien Intercreditor Agreement with respect to the Second Lien Obligations and the Collateral, (vi) subject to the requirements of the First Lien/Second Lien Intercreditor Agreement, exercise remedies on and after the last day of the Standstill Period or (vii) asserting or exercising all other rights and remedies as unsecured creditors (or filing any pleadings, objections, motions or agreements which assert, or seek to exercise, such rights and remedies) to the extent set forth in the First Lien/Second Lien Intercreditor Agreement, in each case to the extent not inconsistent with or otherwise in violation of the terms of the First Lien/Second Lien Intercreditor Agreement.

In the event of the sale, transfer or other disposition of all or any portion of the Collateral permitted under the terms of the First Lien Documents and the Second Lien Documents, and in the event of any private or public sale of all or any portion of the Collateral in connection with any exercise of remedies by any First Lien Representative, and including for this purpose, any sale, transfer or other disposition of all or any portion of the Collateral by a Grantor with the consent of the Designated First Lien Representative at any time that an event of default under any First Lien Debt Agreement has occurred and is continuing, such sale will be free and clear of the Liens on such Collateral securing the Second Lien Obligations, and, upon consummation of such sale, transfer or other Disposition, the Liens of each Second Lien Representative and the other Second Lien Secured Parties with respect to the Collateral so sold, transferred, Disposed or released shall terminate and be automatically released without further action concurrently with, and to the same extent as, the release of the First Lien Secured Parties' Liens on such Collateral; *provided, however*, that the Liens of the parties shall attach to the proceeds of any such disposition of the Collateral with the same relative priority as the Liens which attached to the Collateral so released.

The First Lien/Second Lien Intercreditor Agreement will provide that First Lien Representatives may enforce the provisions of the applicable First Lien Documents and the Second Lien Representative may enforce the provisions of the applicable Second Lien Documents, each may exercise any secured creditor remedies, all in such order and in such manner as each may determine in the exercise of its sole discretion, to the extent such enforcement and/or exercise of secured creditor remedies is consistent with the terms of the First Lien/Second Lien Intercreditor

Agreement and mandatory provisions of applicable law; *provided, however*, that each of the Representatives agrees to provide to each other Representative (x) a notice (an "Enforcement Notice") prior to the commencement of the exercise of secured creditor remedies and (y) copies of any notices that it is required, under applicable law or the First Lien Documents or Second Lien Documents, as applicable, to deliver to any Grantor; provided further, however, that no First Lien Representative's failure to provide any such copies to the Second Lien Representative (but not the Enforcement Notice) shall impair any First Lien Representative's rights under the First Lien/Second Lien Intercreditor Agreement or under any of the First Lien Documents and no Second Lien Representative's failure to provide any such copies to the First Lien Representative (but not the Enforcement Notice) shall impair any Second Lien Representative's rights under the First Lien/Second Lien Intercreditor Agreement or under any of Second Lien Documents. Each Representative and each Secured Party shall agree that, except as otherwise set forth in the First Lien/Second Lien Intercreditor Agreement, it will not institute any suit or other proceeding or assert in any suit, insolvency proceeding or other proceeding any claim, in the case of any Second Lien Representative and each other Second Lien Secured Party, against the First Lien Representative, any other First Lien Secured Party, and in the case of the First Lien Representative and each other First Lien Secured Party, against any Second Lien Representative or any other Second Lien Secured Party, seeking damages or other relief by way of specific performance, instructions or otherwise, with respect to, any action taken or omitted to be taken by such Person with respect to the Collateral which is consistent and compliant with the terms of the First Lien/Second Lien Intercreditor Agreement, and none of such parties shall be liable under the First Lien/Second Lien Intercreditor Agreement for any such action taken or omitted to be taken.

Certain Matters in Connection with Liquidation and Insolvency Proceedings

The parties to the First Lien/Second Lien Intercreditor Agreement will agree that it constitutes a subordination agreement for purposes of Section 510(a) of the Bankruptcy Code or any comparable provisions of any other Debtor Relief Laws and shall be enforceable in any insolvency proceeding in accordance with its terms.

Debtor in Possession Financings

Each Second Lien Representative and each other Second Lien Secured Party will agree, among other things, that if the Issuer or any Guarantor is subject to any insolvency proceeding, each Second Lien Secured Party will (x) raise no objection to, nor support any other Person objecting to, and will be deemed to have consented to, the use of any Collateral constituting cash collateral under Section 363(a) of the Bankruptcy Code, or any comparable provision of any other Debtor Relief Laws ("Cash Collateral"), and/or any post-petition financing to be secured at least in part by the Collateral under Section 364 of the Bankruptcy Code or any comparable provision of any other Debtor Relief Laws (which may include a "roll-up" or "roll-over" of all or any of the First Lien Obligations), whether provided by any First Lien Secured Party or other Person, but in each case to the extent approved for such purpose by a First Lien Representative (a "DIP Financing"), (y) will not request or accept adequate protection or any other relief in connection with the use of such Cash Collateral or such DIP Financing except as set forth in the First Lien/Second Lien Intercreditor Agreement, and (z) will subordinate (and will be deemed hereunder to have subordinated) the Liens of the Second Lien Representatives or any other Second Lien Secured Parties on the Collateral to (I) the Liens on the Collateral securing such DIP Financing (to the extent the Liens securing the DIP Financing are pari passu or senior in priority to the Liens securing the First Lien Obligations), (II) any adequate protection provided to the First Lien Secured Parties with respect to the Collateral and (III) any surcharge, professional fee and U.S. trustee or clerk of the court fee "carve-outs" from the Collateral, in each case, consented to by such First Lien Representative to be paid prior to the Discharge of First Lien Obligations (it being understood that no such carve-out amounts shall be construed as giving rise to indebtedness under any DIP Financing for purposes of the First Lien Cap or otherwise), in each case, on the same terms as the Liens of the Second Lien Secured Parties are subordinated to the Liens granted with respect to such DIP Financing (and such subordination will not alter in any manner the terms of the First Lien/Second Lien Intercreditor Agreement); *provided* that:

(1) without the consent of the Designated Second Lien Representative, the aggregate principal amount of the DIP Financing plus the aggregate outstanding principal amount under the First Lien Documents (excluding, for the avoidance of doubt, any obligations under First Lien Secured Swap Agreements) not refinanced with, or "rolled up" into, the DIP Financing, plus the aggregate face amount of any letters of credit, banker's acceptances, bank guarantees or similar instruments issued (and whether drawn or undrawn) and not reimbursed (or cash collateralized) under the First Lien Documents (excluding, for the

avoidance of doubt, any First Lien Secured Cash Management Obligations or any First Lien Secured Swap Obligations), will not exceed 115% of the First Lien Cap;

(2) the DIP Financing does not compel any Grantor to seek confirmation of a specific plan of reorganization or similar arrangement for which all or substantially all of the material terms are set forth in the DIP Financing documentation or a related document;

(3) the foregoing shall not prevent any of the Second Lien Secured Parties from (a) objecting to any provision in any DIP Financing relating to any provision or content of a plan of reorganization or similar arrangement to the extent that such objection is not inconsistent with the terms of the First Lien/Second Lien Intercreditor Agreement, or (b) objecting to any agreement or arrangements that require a specific treatment of the claim in the insolvency proceeding for purposes of a plan of reorganization or similar arrangement, or that contravene the terms of the First Lien/Second Lien Intercreditor in any material respect (*provided* that in no event shall the foregoing be construed to give rise to the right to object to any of the rights and remedies that are customary for First Lien Representative to receive as part of any order with respect to the use of Cash Collateral or any such DIP Financing);

(4) the Second Lien Secured Parties receive a replacement Lien on post-petition assets, with the same priority relative to the Liens thereon securing the First Lien Obligations as existed prior to the commencement of the insolvency proceeding to the extent the Second Lien Secured Parties seek such replacement Liens and such replacement Liens are granted by the bankruptcy court having jurisdiction over the case, it being agreed that First Lien Secured Parties will raise no objection to or oppose a motion of (or support any Person in objecting or opposing) the Second Lien Secured Parties seeking such replacement Lien; and

(5) the DIP Financing documentation or Cash Collateral order does not expressly require the liquidation of the Collateral prior to a default under the DIP Financing documentation or Cash Collateral order (other than any sale or disposition of any assets of any Grantor pursuant to Section 363 of the Bankruptcy Code that is supported by the First Lien Secured Parties).

Relief from Automatic Stay; Bankruptcy Sales; and Post-Petition Interest

No Second Lien Secured Party may (1) seek relief from the automatic stay under Section 362 of the Bankruptcy Code or any other stay in any insolvency proceeding in respect of any portion of the Collateral without each First Lien Representative's express written consent; *provided* that in the event that any or all of the First Lien Representatives and the other applicable Secured Parties are seeking or have obtained relief from the automatic stay with respect to any Collateral, any Second Lien Representative may join such First Lien Representative in seeking corresponding relief from the automatic stay with respect to such Collateral and, upon obtaining such relief, may join such First Lien Representative in any foreclosure or other enforcement action commenced by any of the Secured Parties against any Collateral, but shall not take any independent action to commence or pursue any foreclosure or other enforcement action against any Collateral until after the Discharge of First Lien Obligations or after the expiration of the Standstill Period in accordance with the First Lien/Second Lien Intercreditor Agreement; any actions of a Second Lien Representative being subject to such Second Lien Representative's agreement not to hinder, delay or interfere with the efforts by a First Lien Representative and/or the other applicable Secured Parties either to obtain relief from the automatic stay with respect to such Collateral or to exercise any rights or remedies against such Collateral, (2) object or oppose (or support any Person in objecting or opposing), and will be deemed to have consented to pursuant to Section 363(f) of the Bankruptcy Code, (i) a motion to sell or otherwise dispose of any Collateral under Sections 363, 365 or 1129 of the Bankruptcy Code or any similar provisions under any other applicable Debtor Relief Laws, free and clear of any Liens or other claims, (ii) a motion establishing notice, sale or bidding procedures for such disposition (including any break-up fee or other bidder protections) or (iii) a motion to permit a credit bid of all or any portion of the claims of the Secured Parties under Section 363(k), in each case, if a First Lien Representative has consented to such sale or disposition of such Collateral, subject certain requirements in the First Lien/Second Lien Intercreditor Agreement or (iv) the right of the First Lien Secured Parties to credit bid under Section 363(k) of the Bankruptcy Code (or any similar provision under any other applicable Debtor Relief Laws) with respect to the Collateral, subject to certain requirements in the First Lien/Second Lien Intercreditor Agreement, or (3) contest (or support any other Person contesting) (x) any request by any First Lien Representative or any First Lien Secured Party for adequate protection of its interest in the Collateral to the extent in compliance

with the terms of the First Lien/Second Lien Intercreditor Agreement, (y) any objection by any First Lien Representative or any First Lien Secured Party to any motion, relief, action or proceeding based on a claim by such First Lien Representative or First Lien Secured Party that its interests in the Collateral are not adequately protected (or any other similar request under any law applicable to an insolvency proceeding), to the extent not inconsistent with the other terms of this Agreement and so long as any Liens granted to such First Lien Representative as adequate protection of its interests are subject to the First Lien/Second Lien Intercreditor Agreement or (z) the payment of interest, fees, expenses or other amounts to any First Lien Representative or any First Lien Secured Party under Section 506(b) or 506(c) of the Bankruptcy Code or otherwise from the proceeds of Collateral.

Adequate Protection

Each Second Lien Representative, for itself and on behalf of each applicable Second Lien Secured Party, will agree that none of them shall contest (or support any other Person contesting) (x) any request by any First Lien Representative or any First Lien Secured Party for adequate protection of its interest in the Collateral to the extent in compliance with the terms of the First Lien/Second Lien Intercreditor Agreement, (y) any objection by any First Lien Representative or any First Lien Secured Party to any motion, relief, action or proceeding based on a claim by such First Lien Representative or First Lien Secured Party that its interests in the Collateral are not adequately protected (or any other similar request under any law applicable to an insolvency proceeding), to the extent not inconsistent with the other terms of the First Lien/Second Lien Intercreditor Agreement and so long as any Liens granted to such First Lien Representative as adequate protection of its interests are subject to the First Lien/Second Lien Intercreditor Agreement or (z) the payment of interest, fees, expenses or other amounts to any First Lien Representative or any First Lien Secured Party under Section 506(b) or 506(c) of the Bankruptcy Code or otherwise from the Proceeds of Collateral. Each Second Lien Representative, on behalf of itself and the other applicable Second Lien Secured Parties, further agrees that, prior to the Discharge of First Lien Obligations, none of them shall assert or enforce any claim against any Collateral under Section 506(b) or 506(c) of the Bankruptcy Code or otherwise that is senior to or on a parity with the Liens created pursuant to the First Lien Documents or Second Lien Documents with respect to such Collateral for costs or expenses of preserving or disposing of any Collateral. In an insolvency proceeding (i) if a Second Lien Representative, on behalf of itself or any other Second Lien Secured Parties, seeks or requests adequate protection in respect of Second Lien Obligations and such adequate protection is granted in the form of additional collateral of a type of asset or property that would constitute Collateral, then such Second Lien Representative, on behalf of itself and the other applicable Second Lien Secured Parties, agrees that each First Lien Representative shall also be granted a Lien on such additional collateral as security and adequate protection for the First Lien Obligations and for any use of Collateral or DIP Financing and that any Lien on such additional collateral securing or providing adequate protection for the applicable Second Lien Obligations shall be subordinated to the Lien on such collateral securing the First Lien Obligations and any such use of Collateral or DIP Financing (and all obligations relating thereto) and to any other Liens granted to the First Lien Secured Parties as adequate protection on the same basis as the other Liens on Collateral securing the Second Lien Obligations are so subordinated to the Liens on Collateral securing the First Lien Obligations under the First Lien/Second Lien Intercreditor Agreement; and (ii) any or all of the First Lien Representative and the First Lien Secured Parties (or, after the Discharge of First Lien Obligations, any or all of the Second Lien Representative and the Second Lien Secured Parties), as the case may be, may request and obtain administrative expense claims or superpriority administrative expense claims as adequate protection, or pursuant to Section 507(b) of the Bankruptcy Code or otherwise, and all such administrative expense claims or superpriority administrative expense claims granted to the First Lien Representative and First Lien Secured Parties (or, after the Discharge of First Lien Obligations, the Second Lien Representative and the Second Lien Secured Parties) shall be pari passu based on the aggregate outstanding amounts of such administrative expense claims and superpriority administrative expense claims held by the First Lien Representative (or, after the Discharge of First Lien Obligations, the Second Lien Representative) and the First Lien Secured Parties (or, after the Discharge of First Lien Obligations, the Second Lien Secured Parties). In addition, all administrative expense claims or superpriority administrative expense claims granted to any or all of the First Lien Representatives (or, after the Discharge of First Lien Obligations, the Second Lien Representatives) and the First Lien Secured Parties (or, after the Discharge of First Lien Obligations, the Second Lien Secured Parties) with respect to any First Lien Obligations (or, after the Discharge of First Lien Obligations, the Second Lien Obligations) shall be junior to any claims relating to any DIP Financing.

Plans of Reorganization

Without the consent of the First Lien Secured Parties prior to the Discharge of First Lien Obligations, the Second Lien Secured Parties will not propose, support or vote, directly or indirectly (including by any restructuring plan support agreement) for any plan of reorganization or similar arrangement that is inconsistent with the First Lien/Second Lien Intercreditor Agreement unless such plan of reorganization or similar arrangement is accepted by the number of First Lien Secured Parties required under Section 1126(c) of the Bankruptcy Code or otherwise provides for the payment in full in cash of all First Lien Obligations (including all post-petition interest approved by the bankruptcy court, fees and expenses and cash collateralization of all letters of credit) on the effective date of such plan of reorganization or similar arrangement.

If it is held that the claims of the First Lien Secured Parties and the Second Lien Secured Parties in respect of the Collateral constitute only one secured claim (rather than separate classes of senior and junior secured claims), then the Second Lien Secured Parties hereby acknowledge and agree that all distributions shall be made as if there were separate classes of First Lien Obligation claims and Second Lien Obligation claims against the Grantors, with the effect being that, to the extent that the aggregate value of the Collateral is sufficient (for this purpose ignoring all claims held by the Second Lien Secured Parties), the First Lien Secured Parties shall be entitled to receive, in addition to amounts distributed to them in respect of principal, pre-petition interest, fees, expenses and all other claims, all amounts owing in respect of post-petition interest, fees and expenses that are available from the Collateral for the First Lien Secured Parties before any distribution is made in respect of the claims held by the Second Lien Secured Parties from the Collateral, with the Second Lien Secured Parties hereby acknowledging and agreeing to turn over to the First Lien Secured Parties amounts otherwise received or receivable by them from the Collateral to the extent necessary to effectuate the intent of this sentence, even if such turnover has the effect of reducing the aggregate recoveries.

If, in any insolvency proceeding, debt obligations of the Issuer or any Guarantor secured by Liens upon any property of such reorganized Issuer or Guarantor are distributed, pursuant to a plan of reorganization or similar arrangement on account of both the First Lien Obligations and the Second Lien Obligations, then, to the extent the debt obligations distributed on account of the First Lien Obligations and on account of the Second Lien Obligations are secured by Liens upon the same assets or property, the provisions of the Agreement will survive the distribution of such debt obligations pursuant to such plan of reorganization or similar arrangement and will apply with like effect to the Liens securing such debt obligations.

Release of Collateral

The property and other assets included in the Liens on the Collateral securing the Notes will be automatically and unconditionally released under any one or more of the following circumstances:

(1) to enable the Issuers and/or Guarantors to consummate the disposition of property or assets to any Person other than the Issuer, the Co-Issuer or a Guarantor to the extent not prohibited under the covenant described under "—Certain Covenants—Limitation on Asset Sales";

(2) in the case of a Guarantor that is released from its Guarantee with respect to the Notes, the release of the property and assets of such Guarantor;

(3) in the case of a sale or other transfer as part of or in connection with an Asset Sale by the Issuer, the Co-Issuer or any Guarantor to a person other than the Issuer, the Co-Issuer or a Guarantor in a transaction permitted under the terms of the Indenture;

(4) in respect of the property and assets of a Restricted Subsidiary that is a Guarantor, upon the designation of such Guarantor to be an Unrestricted Subsidiary in accordance with the terms of the Indenture or upon such Restricted Subsidiary otherwise becoming an Excluded Subsidiary;

(5) in respect of the property and assets of the Issuer, the Co-Issuer or a Guarantor that at any time is not subject to a Lien securing the New First Lien Credit Facilities (including by becoming an Excluded Asset (including Equity Interests of a Person that is sold or transferred));

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

(7) upon such property or other asset being released in respect of the Liens securing the New First Lien Credit Facilities or any replacement Credit Facilities in respect thereof (excluding in the case of the payment thereof);

(8) as required by the terms of any applicable Intercreditor Agreement;

(9 upon such property or asset becoming an Excluded Asset; or

(10) upon the occurrence of a Covenant Suspension Event.

The security interests in all Collateral securing the Notes also will be released upon (i) payment in full of the principal of, together with accrued and unpaid interest on, the Notes and all other Obligations under the Indenture, the Guarantees under the Indenture and the Notes Security Documents that are due and payable at or prior to the time such principal, together with accrued and unpaid interest, are paid (including pursuant to a satisfaction and discharge of the Indenture as described below under "—Satisfaction and Discharge"), (ii) a legal defeasance or covenant defeasance under the Indenture as described below under "—Defeasance" or (iii) pursuant to the Security Documents or the First Lien Intercreditor Agreement described above.

Notwithstanding clause (10) above, following the Reversion Date, the Issuers and the Guarantors shall use commercially reasonable efforts to take all actions reasonably necessary to provide to the Notes Collateral Agent for its benefit and the benefit of the Trustee and the holders of the Notes valid and perfected security interests (subject to Permitted Liens) in the Collateral within 120 days after such Reversion Date or as soon as reasonably practicable thereafter (but in each case, subject to all limitations and exclusions set forth herein).

The Issuers and the Guarantors may, subject to the provisions of the Indenture, among other things, without any release or consent by the Trustee, the Notes Collateral Agent, the First Lien Representatives or the Second Lien Collateral Agent, conduct ordinary course activities with respect to the Collateral, including, without limitation:

- selling or otherwise disposing of, in any transaction or series of related transactions, any property subject to the Lien of the Notes Security Documents that has become worn out, defective, obsolete or not used or useful in the business;

- abandoning, terminating, canceling, releasing or making alterations in or substitutions of any leases or contracts subject to the Lien of the Indenture or any of the Notes Security Documents;

- surrendering or modifying any franchise, license or permit subject to the Lien of the Notes Security Documents that it may own or under which it may be operating;

- altering, repairing, replacing, changing the location or position of and adding to its structures, machinery, systems, equipment, fixtures and appurtenances;

- granting a license of any intellectual property;

- selling, transferring or otherwise disposing of inventory in the ordinary course of business;

- collecting accounts receivable in the ordinary course of business as permitted by the covenant described under "—Certain Covenants—Limitation on Asset Sales";

- making cash payments (including for the repayment of indebtedness or interest) from cash that is at any time part of the Collateral in the ordinary course of business that are not otherwise prohibited by the Indenture and the Notes Security Documents; and

- abandoning any intellectual property that is no longer used or useful in Holdings' business.

Repurchase at the Option of Holders

Change of Control

The Indenture will provide that if a Change of Control occurs after the Completion Date, unless the Issuers have previously or concurrently sent a redemption notice with respect to all the outstanding Notes as described under "— Optional Redemption," the Issuers will make an offer to purchase all of the Notes pursuant to the offer described below (the "Change of Control Offer") at a price in cash (the "Change of Control Payment") equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest, if any, to, but excluding, the date of purchase, subject to the right of Holders of the Notes of record on the relevant record date to receive interest due on the relevant interest payment date falling prior to or on the purchase date. Within 60 days following any Change of Control, the Issuers will send (or cause to be sent) notice of such Change of Control Offer electronically or by first-class mail, with a copy to the Trustee, to each Holder of Notes to the address of such Holder appearing in the security register or otherwise in accordance with the procedures of DTC with the following information:

(1) that a Change of Control Offer is being made pursuant to the covenant entitled "Change of Control," and that all Notes properly tendered pursuant to such Change of Control Offer will be accepted for payment by the Issuers;

(2) the purchase price and the purchase date, which will be no earlier than 10 days nor later than 60 days from the date such notice is sent (the "Change of Control Payment Date"), except in the case of a conditional Change of Control Offer made in advance of a Change of Control as described below;

(3) that any Note not properly tendered will remain outstanding and continue to accrue interest;

(4) that unless the Issuers default in the payment of the Change of Control Payment, all Notes accepted for payment pursuant to the Change of Control Offer will cease to accrue interest on the Change of Control Payment Date;

(5) that Holders electing to have any Notes purchased pursuant to a Change of Control Offer will be required to surrender such Notes, with the form entitled "Option of Holder to Elect Purchase" on the reverse of such Notes completed or otherwise in accordance with the procedures of DTC to the Paying Agent specified in the notice at the address specified in the notice prior to the close of business on the third Business Day preceding the Change of Control Payment Date;

(6) that Holders whose Notes are being purchased only in part will be issued new Notes and such new Notes will be equal in principal amount to the unpurchased portion of the Notes surrendered. The unpurchased portion of the Notes must be equal to at least $2,000 or any integral multiple of $1,000 in excess thereof in relation to the Notes;

(7) if such notice is delivered prior to the occurrence of a Change of Control, stating that the Change of Control Offer is conditional on the occurrence of such Change of Control and shall describe each such condition, and, if applicable, shall state that, in the Issuers' discretion, the Change of Control Payment Date may be delayed until such time (including more than 60 days after the notice is sent) as any or all such conditions shall be satisfied or waived, or that such repurchase 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 Change of Control Payment Date, or by the Change of Control Payment Date as so delayed, or such notice or offer may be rescinded at any time in the Issuers' sole discretion if the Issuers determine that any or all of such conditions will not be satisfied or waived;

(8) any other instructions, as determined by the Issuers, consistent with this Change of Control covenant, that a Holder must follow; and

(9) that Holders will be entitled to withdraw their tendered Notes and their election to require the Issuers to purchase such Notes; *provided* that the applicable Paying Agent receives, not later than the close of business on the tenth Business Day prior to the expiration date of the Change of Control Offer, a facsimile transmission or letter setting forth the name of the Holder of the Notes, the principal amount of

Notes tendered for purchase, and a statement that such Holder is withdrawing its tendered Notes, or a specified portion thereof, and its election to have such Notes purchased.

While the Notes are in global form and the Issuers make an offer to purchase all of the Notes pursuant to the Change of Control Offer, a Holder may exercise its option to elect for the purchase of the Notes or withdraw such election through the facilities of DTC, subject to its applicable rules and regulations.

The Issuers 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 or regulations are applicable in connection with the repurchase of Notes pursuant to a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions of the Indenture, the Issuers will comply with the applicable securities laws and regulations and shall not be deemed to have breached their obligations described in the Indenture by virtue thereof.

On the Change of Control Payment Date, the Issuers will, to the extent permitted by law:

(1) accept for payment all Notes issued by them or portions thereof validly tendered pursuant to the Change of Control Offer;

(2) deposit with the applicable Paying Agent an amount equal to the aggregate Change of Control Payment in respect of all Notes or portions thereof so tendered and not validly withdrawn; and

(3) deliver, or cause to be delivered, to the Trustee for cancellation the Notes so accepted, together with an Officer's Certificate to the Trustee stating that such Notes or portions thereof have been tendered to and purchased by the Issuers.

The New First Lien Credit Facilities will provide, and future credit agreements or other agreements relating to Indebtedness to which the Issuers (or one of their Affiliates) becomes a party may provide, that certain change of control events with respect to the Issuers would constitute a default thereunder (including a Change of Control under the Indenture). If the Issuer or the Co-Issuer experiences a change of control event that triggers a default under the New First Lien Credit Facilities, the New Second Lien Credit Facility or any such future Indebtedness, the Issuers could seek a waiver of such default or seek to refinance the New First Lien Credit Facilities, the New Second Lien Credit Facility and/or such future Indebtedness. In the event the Issuers do not obtain such a waiver or do not refinance the New First Lien Credit Facilities, the New Second Lien Credit Facility and/or such future Indebtedness, such default or failure to repurchase any tendered Notes could result in amounts outstanding under the New First Lien Credit Facilities, the New Second Lien Credit Facility and/or such future Indebtedness being declared due and payable and/or cause Permitted Receivables Financings or other financing arrangements to be wound down.

Our ability to pay cash to the Holders of Notes following the occurrence of a Change of Control may be limited by our then-existing financial resources. Therefore, sufficient funds may not be available when necessary to make any required repurchases.

The Change of Control purchase feature of the Notes may in certain circumstances make it more difficult or discourage a sale or takeover of us and, thus, the removal of incumbent management. We have no present intention to engage in a transaction involving a Change of Control, although it is possible that we could decide to do so in the future. Subject to the limitations discussed below, we could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control under the Indenture, but that could increase the amount of Indebtedness outstanding at such time or otherwise affect our capital structure or credit ratings.

Restrictions on our ability to incur additional Indebtedness are contained in the covenants described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" and, in the case of Secured Indebtedness, "—Certain Covenants—Liens." Such restrictions in the Indenture can be waived only with the consent of the Holders of a majority in principal amount of all the then outstanding Notes. Except for the limitations contained in such covenants, however, the Indenture will not contain any covenants or provisions that may afford Holders of the Notes protection in the event of a highly leveraged transaction.

The Issuers will not be required to make a Change of Control Offer following a Change of Control if (i) 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 Indenture applicable to a Change of Control Offer made by the Issuers and purchases all Notes validly tendered and not validly withdrawn under such Change of Control Offer or (ii) in connection with or in contemplation of any Change of Control, the Issuers (or any Affiliate of the Issuers) have made an offer to purchase (an "Alternate Offer") any and all Notes validly tendered at a cash price equal to or higher than the Change of Control Payment and has purchased all Notes properly tendered in accordance with the terms of the Alternate Offer.

Notwithstanding anything to the contrary herein, a Change of Control Offer or Alternate 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 or Alternate Offer.

A Change of Control Offer or Alternate Offer may be made at the same time as consents are solicited with respect to an amendment, supplement or waiver of the Indenture, Notes and/or Guarantees (but the Change of Control Offer may not condition tenders on the delivery of such consents).

The provisions under the Indenture relating to the Issuers' obligation to make an offer to repurchase the Notes as a result of a Change of Control, including the definition of "Change of Control," may be waived or modified with the written consent of the Holders of a majority in principal amount of all the then outstanding Notes.

Asset Sales

The Indenture will provide that the Issuer will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale, unless:

(1) the Issuer or such Restricted Subsidiary, as the case may be, receives consideration (including, but not limited to, by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise, in connection with, such Asset Sale) at the time of such Asset Sale at least equal to the fair market value (as determined in good faith by the Issuer at the time of contractually agreeing to such Asset Sale) of the assets sold or otherwise disposed of; and

(2) except in the case of a Permitted Asset Swap, at least (x) 50% of the consideration for such Asset Sale (a "50% Cash Asset Sale") or (y) 75% of the consideration for such Asset Sale (a "75% Cash Asset Sale"), in each case, together with all other Asset Sales since the Completion Date (on a cumulative basis), received by the Issuer or such Restricted Subsidiary, as the case may be, is in the form of Cash Equivalents; *provided* that the amount of:

   (a) the greater of the principal amount and the carrying value of any liabilities (as reflected on the Issuer's or such Restricted Subsidiary's most recent consolidated balance sheet or in the footnotes thereto or, if incurred or increased subsequent to the date of such balance sheet, such liabilities that would have been reflected on the Issuer's or such Restricted Subsidiary's consolidated balance sheet or in the footnotes thereto if such incurrence or increase had taken place on or prior to the date of such balance sheet, as determined by the Issuer) of the Issuer or such Restricted Subsidiary, other than liabilities that are by their terms subordinated to the Notes, that are (i) assumed by the transferee of any such assets (or a third party in connection with such transfer) pursuant to a written agreement which releases or indemnifies the Issuer or such Restricted Subsidiary from such liabilities or (ii) otherwise cancelled or terminated in connection with the transaction;

   (b) any securities, notes or other obligations or assets received by the Issuer or such Restricted Subsidiary from such transferee that are converted or reasonably expected by the Issuer acting in good faith to be converted by the Issuer or such Restricted Subsidiary into Cash Equivalents (to the extent of the Cash Equivalents received or expected to be received) or by their terms are required to be satisfied for Cash Equivalents within 180 days following the closing of such Asset Sale; and

(c) any Designated Non-cash Consideration received by the Issuer or such Restricted Subsidiary 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, not to exceed the greater of (i) $811.0 million and (ii) 100.0% of LTM EBITDA at the time of the receipt of such Designated Non-cash Consideration (or, at the Issuer's option, at the time of contractually agreeing to such Asset Sale), with the fair market value of each item of Designated Non-cash Consideration being measured at the time received and without giving effect to subsequent changes in value, shall be deemed to be Cash Equivalents for purposes of this provision and for no other purpose.

Within 730 days after the later of (A) the date of any Asset Sale and (B) the receipt of any Net Proceeds of such Asset Sale, the Issuer or such Restricted Subsidiary, at its option, may apply an amount up to the Asset Sale Prepayment Percentage of the Net Proceeds from such Asset Sale,

(1) (a) to the extent such Net Proceeds are from an Asset Sale of Collateral, to reduce Indebtedness (through a prepayment, repayment or purchase, as applicable) as follows:

(i) Obligations under the Notes;

(ii) First Lien Obligations and, in the case of revolving obligations (other than Obligations in respect of any asset-based credit facility), to correspondingly reduce commitments with respect thereto; or

(iii) Obligations of a Restricted Subsidiary that is not the Co-Issuer or a Guarantor, other than Indebtedness owed to the Issuer or any Restricted Subsidiary;

(b) to the extent such Net Proceeds are from an Asset Sale that does not constitute Collateral, to reduce Indebtedness (through a prepayment, repayment or purchase, as applicable) as follows:

(i) Obligations under a Credit Facility to the extent such Obligations were incurred under clause (1) of the second paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock," and, in the case of revolving obligations (other than Obligations in respect of any asset-based credit facility), to correspondingly reduce commitments with respect thereto;

(ii) Obligations under Secured Indebtedness (other than Indebtedness owed to the Issuer or a Restricted Subsidiary), and, in the case of revolving obligations (other than Obligations in respect of any asset-based credit facility), to correspondingly reduce commitments with respect thereto;

(iii) Obligations under any Senior Indebtedness of the Issuer or any Restricted Subsidiary (and, in the case of Senior Indebtedness that consists of revolving obligations (other than Obligations in respect of any asset-based credit facility), to correspondingly reduce any outstanding commitments with respect thereto); *provided* that if the Issuer or any Restricted Subsidiary shall so reduce any Senior Indebtedness, the Issuer or such Restricted Subsidiary will either (A) reduce Obligations under the Notes on a *pro rata* basis by, at its option, (x) redeeming Notes as described under "—Optional Redemption" or (y) purchasing Notes through open-market purchases or in privately negotiated transactions at market prices (which may be below par), or (B) make an offer (in accordance with the procedures set forth below for an Asset Sale Offer) to all Holders to purchase their Notes on a ratable basis with such other Senior Indebtedness for no less than 100% of the principal amount thereof, plus the amount of accrued but unpaid interest, if any, thereon up to the principal amount of Notes to be repurchased;

(iv) Obligations of a Restricted Subsidiary that is not the Co-Issuer or a Guarantor, other than Indebtedness owed to the Issuer or any Restricted Subsidiary, and, in the case of revolving

obligations (other than Obligations in respect of any asset-based credit facility), to correspondingly reduce commitments with respect thereto; or

(v) to the extent such Net Proceeds are from an Asset Sale of property or assets of a Restricted Subsidiary that is not the Co-Issuer or a Guarantor, Obligations of the Issuer, the Co-Issuer or a Guarantor other than Subordinated Indebtedness and other than Indebtedness owed to the Issuer or any Restricted Subsidiary, and, in the case of revolving obligations (other than Obligations in respect of any asset-based credit facility), to correspondingly reduce commitments with respect thereto; or

(2) solely in the case of a 75% Cash Asset Sale, to make (a) an Investment in any one or more businesses so long as such Investment in any business is in the form of the acquisition of Capital Stock and results in the Issuer or any of its Restricted Subsidiaries, as the case may be, owning an amount of the Capital Stock of such business such that it constitutes or continues to constitute a Restricted Subsidiary, (b) capital expenditures, Capitalized Software Expenditures or acquisitions of intellectual property or intellectual property rights, (c) acquisitions of other properties or assets that, in each of (a), (b) and (c), are used or useful in a Similar Business or replace the businesses, properties and/ or assets that are the subject of such Asset Sale or (d) repayment of intercompany loans among the Issuer and the Restricted Subsidiaries; *provided* that (I) the Issuer may elect to deem expenditures that otherwise would be permissible Investments, capital expenditures or acquisitions of other property or assets or permissible repayments within the scope of the foregoing clauses (a), (b), (c) or (d), as applicable, that occur prior to the receipt of the Net Proceeds from such Asset Sale to have been invested in accordance with this clause (2) (it being agreed that such deemed expenditure shall have been made no earlier than the earliest of (x) notice of such Asset Sale, (y) execution of a binding agreement for such Asset Sale, if applicable, and (z) consummation of such Asset Sale) and (II) for the avoidance of doubt, during such reinvestment period, notwithstanding any further prepayment obligations arising from this clause, the Issuer may, in its sole discretion, utilize such Net Proceeds for general corporate purposes not otherwise prohibited by the Indenture; or

(3) solely in the case of a 75% Cash Asset Sale, any combination of the foregoing;

provided that a binding commitment or letter of intent entered into not later than such 730th day shall be treated as a permitted application of the Asset Sale Prepayment Percentage of such Net Proceeds from the date of such commitment or letter of intent so long as the Issuer or such Restricted Subsidiary enters into such commitment or letter of intent with the good faith expectation that the Asset Sale Prepayment Percentage of such Net Proceeds will be applied to satisfy such commitment or letter of intent within the later of such 730th day and 180 days of such commitment or letter of intent (an "Acceptable Commitment") or, in the event any Acceptable Commitment is later cancelled or terminated for any reason before the Asset Sale Prepayment Percentage of such Net Proceeds are applied in connection therewith, the Issuer or such 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 Proceeds are applied, then the Asset Sale Prepayment Percentage of such Net Proceeds shall constitute Excess Proceeds.

Notwithstanding any other provisions of this covenant, (i) to the extent that the application of any or all of the Net Proceeds of any Asset Sale by the Issuer or a Foreign Subsidiary giving rise to a prepayment pursuant to this covenant (or at any time during the applicable investment period described herein) (a "Foreign Disposition") is (x) prohibited or delayed by or would violate or conflict with applicable law from being repatriated to the United States or (y) would conflict with the fiduciary duties of such Foreign Subsidiary's directors, or result in, or could reasonably be expected to result in, a material risk of personal or criminal liability for any Company Person of such Foreign Subsidiary (including on account of financial assistance, corporate benefit, thin capitalization, capital maintenance or similar considerations), then, in each such case, an amount equal to the portion of such Net Proceeds so affected will not be required to be applied to reduce Indebtedness in compliance with this covenant, and such amounts may be retained by the Issuer or the applicable Foreign Subsidiary, and if such repatriation of any of such affected Net Proceeds is permitted under the applicable law and, to the extent applicable, would no longer conflict with the fiduciary duties of such Company Person or result in, or be reasonably expected to result in, a material risk of personal or criminal liability for such Company Person, in either case, within 365 days following such Foreign Disposition, the relevant Foreign Subsidiary will promptly repatriate the relevant Net Proceeds and such repatriated

Net Proceeds will be promptly applied (net of additional taxes, costs or expenses that would be payable or reserved against as a result thereof, in each case by the Issuer, the Co-Issuer or any Guarantor, any Subsidiary of the Issuer, Co-Issuer or such Guarantor and any Affiliates or direct or indirect equity owners of the foregoing) in compliance with this covenant, (ii) to the extent that and for so long as the Issuer has determined in good faith that repatriation of any or all of the Net Proceeds of any Foreign Disposition would have an adverse accounting consequence or an adverse tax or cost consequence (other than any consequence that would be immaterial to the amount being repatriated) to Issuer or its Subsidiaries or any Parent Entities, Affiliates or direct or indirect equity owners thereof (taking into account any foreign tax credit or benefit actually realized in connection with such repatriation in the year of such repatriation), including any withholding tax, with respect to such Net Proceeds if such amount were repatriated as a dividend, the Net Proceeds so affected will not be required to be applied to reduce Indebtedness in compliance with this covenant, and such amounts may be retained by the applicable Foreign Subsidiary; *provided* that if the Issuer determines in good faith, within 365 days of such Foreign Disposition, that the repatriation of any or all the Net Proceeds of such Foreign Disposition would no longer have such an adverse accounting consequence or an adverse Tax or cost consequence (other than any consequence that would be immaterial to the amount being repatriated) to Issuer or its Subsidiaries or any Parent Entities, Affiliates or direct or indirect equity owners thereof (taking into account any foreign tax credit or benefit actually realized in connection with such repatriation in the year of such repatriation), including any withholding tax, with respect to such Net Proceeds if such amount were repatriated as a dividend, the relevant Foreign Subsidiary will promptly repatriate the relevant Net Proceeds and such repatriated Net Proceeds shall be promptly applied (net of additional taxes, costs or expenses that would be payable or reserved against as a result thereof, in each case by the Issuer, the Co-Issuer or any Guarantor, any Subsidiary of the Issuer, the Co-Issuer or such Guarantor and any Affiliates or direct or indirect equity owners of the foregoing) in compliance with this covenant and (iii) in connection with any prepayment attributable to any Joint Venture, to the extent that repatriation of any or all of the Net Proceeds of any Foreign Disposition of a Foreign Subsidiary giving rise to a prepayment pursuant to this covenant (or at any time during the applicable investment period described herein), violate any applicable organizational documents or any agreement of any Joint Venture (or any relevant shareholders' agreement or similar agreement), in each case if the amount subject to the relevant prepayment were upstreamed or transferred as a distribution or dividend, the portion of such Net Proceeds so affected will not be required to be applied to reduce Indebtedness and such amounts may be retained by the applicable Foreign Subsidiary; *provided* that if repatriation of any of such affected Net Proceeds is permitted under the applicable documents within 365 days of such Foreign Disposition, the relevant Foreign Subsidiary will promptly repatriate the relevant Net Proceeds and such repatriated Net Proceeds will be promptly applied (net of additional taxes, costs or expenses that would be payable or reserved against as a result thereof, in each case by the Issuer, the Co-Issuer or any Guarantor, any Subsidiary of the Issuer, the Co-Issuer or such Guarantor and any Affiliates or direct or indirect equity owners of the foregoing) in compliance with this covenant. Any of the foregoing prohibitions, violations, legal liability events, fiduciary duty or similar considerations, capitalization requirements and/or tax costs or consequences, are referred to collectively as "Payment Deferral Events". The non-application of any prepayment amounts as a consequence of any of the foregoing Payment Deferral Events will not, for the avoidance of doubt, constitute a Default or an Event of Default. For the avoidance of doubt, nothing in the Indenture shall be construed to require either Issuer or any Subsidiary to repatriate cash.

Any Net Proceeds from an Asset Sale of Collateral (other than Retained Asset Sale Proceeds and any amounts excluded from this covenant as set forth in the immediately preceding paragraph) that are not invested or applied as provided and within the time period set forth in the second preceding paragraph will be deemed to constitute "Excess Proceeds"; *provided* that any amount of Net Proceeds offered to Holders of the Notes pursuant to clause (1)(b)(iii) of the second preceding paragraph shall not be deemed to be Excess Proceeds without regard to whether such offer is accepted by any Holders. When the aggregate amount of Excess Proceeds exceeds (i) with respect to any single transaction or series of related transactions, the greater of (x) $81.1 million and (y) 10.0% of LTM EBITDA individually or (ii) with respect to all other such dispositions, the greater of (x) $283.9 million and (y) 35.0% of LTM EBITDA in the aggregate in any fiscal year (the "Excess Proceeds Threshold"), the Issuers shall make an offer (a "Asset Sale Offer") to all Holders of the Notes and, if required or permitted by the terms of any other First Lien Obligations or Obligations secured by a Lien permitted under the Indenture on the Collateral disposed of (which Lien is not subordinate to the Lien of the Notes with respect to the Collateral), to the holders of such other First Lien Obligations or other Obligations, to purchase the maximum aggregate principal amount (or accreted value, as applicable) of the Notes and such other First Lien Obligations or other Obligations that is, with respect to the Notes only, in an amount equal to $2,000, or an integral multiple of $1,000 in excess thereof that may be purchased out of the Excess Proceeds at an offer price, in the case of the Notes, in cash in an amount equal to

100% of the principal amount thereof (or accreted value thereof, if less), plus accrued and unpaid interest, if any, to the date fixed for the closing of such offer, in accordance with the procedures set forth in the Indenture, and in the case of such other First Lien Obligations or other Obligations, at the offer price required by the terms thereof, in accordance with the procedures set forth in the agreement(s) governing such other First Lien Obligations or other Obligations. The Issuers will commence an Asset Sale Offer with respect to Excess Proceeds within 20 Business Days after the date that Excess Proceeds exceed the Excess Proceeds Threshold by delivering to the Holders the notice required pursuant to the terms of the Indenture, with a copy to the Trustee. The Issuers may satisfy the foregoing obligations with respect to any Net Proceeds from an Asset Sale by making an Asset Sale Offer with respect to such Net Proceeds prior to the time period that may be required by the Indenture with respect to all or a part of the available Net Proceeds (the "Advance Portion") in advance of being required to do so by the Indenture (an "Advance Offer").

To the extent that the aggregate amount (or accreted value, if applicable) of Notes and such other First Lien Obligations or Obligations secured by a Lien permitted under the Indenture on the Collateral disposed of, as the case may be, tendered pursuant to an Asset Sale Offer is less than the amount offered in the Asset Sale Offer (or in the case of an Advance Offer, the Advance Portion), the Issuers may use any remaining Excess Proceeds (or in the case of an Advance Offer, the Advance Portion) ("Declined Proceeds") for any purposes not otherwise prohibited under the Indenture. If the aggregate principal amount (or accreted value, if applicable) of Notes and such other First Lien Obligations or other Obligations, as the case may be, surrendered by such holders thereof exceeds the amount offered in the Asset Sale Offer (or in the case of an Advance Offer, the Advance Portion), the Issuers shall purchase the Notes (subject to applicable DTC procedures as to global notes) and such other First Lien Obligations or other Obligations, as the case may be, on a *pro rata* basis based on the aggregate principal amount (or accreted value, if applicable) of the Notes and such other First Lien Obligations or other Obligations, as the case may be, tendered with adjustments as necessary so that no Notes or such other First Lien Obligations or other Obligations, as the case may be, will be repurchased in part in an unauthorized denomination. Upon completion of any such Asset Sale Offer (or Advance Offer), the amount of Excess Proceeds (or in the case of an Advance Offer, the Advance Portion) that resulted in the requirement to make an Asset Sale Offer shall be reset to zero (regardless of whether there are any remaining Excess Proceeds (or Advance Portion) upon such completion). Upon consummation or expiration of any Asset Sale Offer (or Advance Offer), any remaining Net Proceeds shall not be deemed Excess Proceeds and the Issuers may use such Net Proceeds for any purpose not otherwise prohibited under the Indenture.

An Asset Sale Offer or an Advance Offer may be made at the same time as consents are solicited with respect to an amendment, supplement or waiver of the Indenture, Notes, Notes Security Documents and/or Guarantees (but the Asset Sale Offer or Advance Offer may not condition tenders on the delivery of such consents).

Pending the final application of the amount of any Net Proceeds pursuant to this covenant, the Issuer and its Restricted Subsidiaries may temporarily reduce Indebtedness, or otherwise use such Net Proceeds in any manner not prohibited by the Indenture.

The Issuers 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 or regulations are applicable in connection with the repurchase of the Notes pursuant to a Collateral Asset Sale Offer, an Asset Sale Offer, a Collateral Advance Offer or an Advance Offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions of the Indenture, the Issuers will comply with the applicable securities laws and regulations and shall not be deemed to have breached their obligations described in the Indenture by virtue thereof.

The provisions under the Indenture relative to the Issuers' obligation to make an offer to repurchase the Notes as a result of an Asset Sale may be waived or modified with the written consent of the Holders of a majority in principal amount of all the then outstanding Notes.

The New First Lien Credit Facilities and the New Second Lien Credit Facility contain, and future credit agreements or other similar agreements to which the Issuers become a party may contain, restrictions on the Issuers' ability to repurchase Notes. In the event an Asset Sale occurs at a time when the Issuers are prohibited from purchasing Notes, the Issuers could seek the consent of their lenders to the repurchase of the Notes or could attempt to refinance the borrowings that contain such prohibition. If the Issuers do not obtain such consent or repay such borrowings, the Issuers will remain prohibited from repurchasing the Notes. In such a case, the Issuers' failure to

repurchase tendered Notes would constitute a Default under the Indenture which would, in turn, likely constitute a default under such other agreements.

Certain Covenants

Set forth below are summaries of certain covenants contained in the Indenture that will apply to the Issuer and its Restricted Subsidiaries.

If on any date following the Completion Date, (i) the Notes have an Investment Grade Rating from any of the Rating Agencies and (ii) no Default has occurred and is continuing under the Indenture (the occurrence of the events described in the foregoing clauses (i) and (ii) being collectively referred to as a "Covenant Suspension Event" and the date thereof being referred to as the "Suspension Date"), then the covenants specifically listed under the following captions in this "Description of Notes" section of this offering memorandum will no longer be applicable to such Notes (collectively, the "Suspended Covenants") until the occurrence of the Reversion Date (as defined below):

(1) "—Repurchase at the Option of Holders—Asset Sales";

(2) "—Limitation on Restricted Payments";

(3) "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock";

(4) clause (3) of the first paragraph and the entire fifth and sixth paragraphs of "—Merger, Consolidation or Sale of All or Substantially All Assets";

(5) "—Transactions with Affiliates";

(6) "—Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries"; and

(7) "—Limitation on Guarantees of Indebtedness by Restricted Subsidiaries."

During any period that the foregoing covenants have been suspended, the Issuer may not designate any of its Subsidiaries as Unrestricted Subsidiaries.

If and while the Issuer and its Restricted Subsidiaries are not subject to the Suspended Covenants, the Notes will be entitled to substantially less covenant protection. In the event that the Issuer and its Restricted Subsidiaries are not subject to the Suspended Covenants under the Indenture for any period of time as a result of the foregoing, and on any subsequent date (the "Reversion Date") each of the Rating Agencies withdraw their Investment Grade Rating or downgrade the rating assigned to the Notes below an Investment Grade Rating (in each case, to the extent given an Investment Grade Rating by such Rating Agency), then the Issuer and its Restricted Subsidiaries will thereafter again be subject to the Suspended Covenants under the Indenture with respect to future events. The period of time between the Suspension Date and the Reversion Date is referred to in this "Description of Notes" as the "Suspension Period." The Guarantees of the Subsidiary Guarantors will be suspended during the Suspension Period. Additionally, upon the occurrence of a Covenant Suspension Event, the amount of Collateral Excess Proceeds and Excess Proceeds from any Asset Sales shall be reset to zero.

During the Suspension Period, the Issuer and its Restricted Subsidiaries will be entitled to incur Liens to the extent provided for under "—Liens" (including, without limitation, Permitted Liens) to the extent provided for in such covenant and any Permitted Liens which may refer to one or more Suspended Covenants shall be interpreted as though such applicable Suspended Covenant(s) continued to be applicable during the Suspension Period (but solely for purposes of the "—Liens" covenant and the "Permitted Liens" definition and for no other covenant).

Notwithstanding the foregoing, in the event of any such reinstatement, no action taken or omitted to be taken by the Issuer or any of its Restricted Subsidiaries prior to such reinstatement will give rise to a Default or Event of Default under the Indenture with respect to the Notes, and no Default or Event of Default will be deemed to exist or have occurred as a result of any failure by the Issuer or any Restricted Subsidiary to comply with any of the Suspended Covenants during the Suspension Period; *provided* that (1) with respect to Restricted Payments made after such reinstatement, the amount available to be made as Restricted Payments will be calculated as though the

covenant described under the caption "—Limitation on Restricted Payments" had been in effect prior to, but not during, the Suspension Period (including with respect to a Limited Condition Transaction entered into during the Suspension Period); (2) all Indebtedness incurred, or Disqualified Stock or Preferred Stock issued, during the Suspension Period (or deemed incurred or issued in connection with a Limited Condition Transaction entered into during the Suspension Period) will be classified to have been incurred or issued pursuant to clause (3) of the second paragraph of "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock"; (3) any Affiliate Transaction entered into after such reinstatement pursuant to an agreement entered into during any Suspension Period shall be deemed to be permitted pursuant to clause (6) of the second paragraph of the covenant described under "—Transactions with Affiliates"; (4) any encumbrance or restriction on the ability of any Restricted Subsidiary that is not the Co-Issuer or a Guarantor to take any action described in clauses (1) through (3) of the first paragraph of the covenant described under "—Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries" that becomes effective during any Suspension Period shall be deemed to be permitted pursuant to clause (a) of the second paragraph of the covenant described under "—Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries"; (5) no Subsidiary of the Issuer shall be required to comply with the covenant described under "—Limitation on Guarantees of Indebtedness by Restricted Subsidiaries" after such reinstatement with respect to any guarantee or obligation entered into by such Subsidiary during any Suspension Period; and (6) all Investments made during the Suspension Period (or deemed made in connection with a Limited Condition Transaction entered into during the Suspension Period) will be classified to have been made under clause (5) of the definition of "Permitted Investments."

Notwithstanding that the Suspended Covenants may be reinstated after the Reversion Date, (1) no Default, Event of Default or breach of any kind will be deemed to exist under the Indenture, the Notes or the Guarantees with respect to the Suspended Covenants, and none of the Issuer or any of its 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 the Suspended Covenants during the Suspension Period (or, upon termination of the Suspension Period or after that time based solely on any action taken or event that occurred during the Suspension Period), and (2) following a Reversion Date, the Issuer and each Restricted Subsidiary 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.

There can be no assurance that the Notes will ever achieve or maintain an Investment Grade Rating. The Issuers will give the Trustee written notice upon the occurrence of a Covenant Suspension Event or upon the occurrence of a Reversion Date. The Trustee shall have no duty to (i) monitor the ratings of the Notes, (ii) ascertain whether a Covenant Suspension Event or Reversion Date have occurred, or (iii) notify the Holders of any of the foregoing.

Limited Condition Transactions

Notwithstanding anything in the Indenture to the contrary (including in connection with any calculation made on a pro forma basis), to the extent that the terms of the Indenture require (i) compliance with any financial ratio or test (including, any financial ratio test and/or any cap expressed as a percentage of Consolidated Total Assets, Consolidated Net Income or LTM EBITDA), (ii) accuracy of any representations or warranties and/or require the absence of a Default or Event of Default (or any type of Default or Event of Default) or (iii) compliance with any other availability of a "basket", condition or exception set forth in the Indenture, in each case, in connection with a Limited Condition Transaction, the determination of whether the relevant condition is satisfied, in each case at the election of the Issuer (the Issuer's election to exercise such option in connection with any Limited Condition Transaction, an "LCT Election") may be made, (1) in the case of any acquisition, consolidation, business combination or other Investment, any Change of Control, any incurrence or assumption of Indebtedness, Disqualified Stock or Preferred Stock and the use of proceeds thereof, the incurrence of Liens, repayments, Restricted Payments and Asset Sales or any transaction related to the foregoing, at the time of (or on the basis of the financial statements for the most recently ended measurement period at the time of) either (a) the execution of the definitive acquisition agreements or other binding contracts or agreements, or the establishment of a commitment, as applicable, with respect to such acquisition, consolidation, business combination, Change of Control or other Investment, Asset Sale, Indebtedness, Disqualified Stock or Preferred Stock or related transaction (or, solely in connection with an acquisition, consolidation or business combination to which the United Kingdom City Code on Takeovers and Mergers applies, the date on which a "Rule 2.7 Announcement" of a firm intention to make an offer

is made or similar announcement or determination in another jurisdiction subject to laws similar to the City Code in respect of such target company made in compliance with the City Code or similar laws or practices in other jurisdictions (a "Public Offer")) or the establishment of a commitment with respect to such Indebtedness, Disqualified Stock or Preferred Stock or (b) the consummation of such acquisition, consolidation, business combination, Change of Control or other Investment, incurrence or assumption of Indebtedness, Disqualified Stock or Preferred Stock and the use of proceeds thereof, the incurrence of Liens, repayments, Restricted Payments and Asset Sales or related transaction, (2) in the case of any Restricted Payment, at the time of (or on the basis of the financial statements for the most recently ended measurement period at the time of) (x) the declaration of such Restricted Payment or (y) the making of such Restricted Payment and (3) in the case of any Restricted Payment in respect of Subordinated Indebtedness, at the time of (or on the basis of the financial statements for the most recently ended measurement period at the time of) (x) delivery of irrevocable (which may be conditional) notice with respect to such Restricted Payment or (y) the making of such Restricted Payment (the applicable date pursuant to clause (1), (2) or (3) above, as applicable, the "LCT Test Date"), and, in each case, if, after giving pro forma effect to the relevant Limited Condition Transaction and any actions or transactions related thereto (including acquisitions, Investments, the incurrence or issuance of Indebtedness, Disqualified Stock or Preferred Stock and the use of proceeds thereof, the incurrence of Liens, repayments, Restricted Payments and Asset Sales) and any related pro forma adjustments (disregarding for the purposes of such pro forma calculation any borrowing under the revolving credit facility that is part of the New First Lien Credit Facilities and/or any other revolving facility) and, at the election of the Issuer, any other acquisition, consolidation, business combination or similar Investment, Restricted Payment, incurrence or assumption of Indebtedness, Asset Sale or other transaction that has not been consummated but with respect to which the Issuers have elected to test any applicable condition prior to the date of consummation in accordance with this paragraph, as if they had occurred at the beginning of the most recently completed four fiscal quarter measurement period ending prior to the LCT Test Date, the Issuer or any of its Restricted Subsidiaries could have taken such action on the relevant LCT Test Date in compliance with such ratios, representation, warranty, absence of Default or Event of Default or "basket", such ratio, representation, warranty, absence of Default or Event of Default or "basket" shall be deemed to have been complied with (and no Default or Event of Default shall be deemed to have occurred solely as a result of an adverse change in such ratio, test, amount or condition occurring after the time such election is made (but any subsequent improvement in the applicable ratio, test or amount may be utilized by the Issuer or any Restricted Subsidiary)).

For the avoidance of doubt, if the Issuer has made an LCT Election and (x) any of the ratios, tests or "baskets" for which compliance was determined or tested as of the LCT Test Date are exceeded (or, with respect to the Fixed Charge Coverage Ratio, not reached) as a result of fluctuations in any such ratio, test or "basket" (including due to fluctuations of the target of any Limited Condition Transaction) at or prior to the consummation of the relevant Limited Condition Transaction, such "baskets" or ratios and other provisions will be deemed not to have been exceeded (or, with respect to the Fixed Charge Coverage Ratio, not reached) as a result of such fluctuations solely for purposes of determining whether the Limited Condition Transaction is permitted hereunder (*provided*, for the avoidance of doubt, that the Issuer or any Restricted Subsidiary may rely upon any improvement in any such ratio, test or "basket" availability); (y) if any related requirements and conditions (including as to the absence of any continuing Default or Event of Default) for which compliance or satisfaction was determined or tested as of the LCT Test Date would at any time after the LCT Test Date not have been complied with or satisfied (including due to the occurrence or continuation of an Default or Event of Default), such requirements and conditions will not be deemed to have been failed to be complied with or satisfied (and such Default or Event of Default shall be deemed not to have occurred or be continuing); and (z) in calculating the availability under any ratio, test or basket in connection with any subsequent calculation of any ratio, test or "basket" availability on or following the relevant LCT Test Date and prior to the earlier of (i) the date on which such Limited Condition Transaction is consummated or (ii) the date that the definitive agreement or Public Offer for such Limited Condition Transaction is terminated or expires without consummation of such Limited Condition Transaction, any such ratio, test or "basket" availability shall be calculated giving pro forma effect to, and assuming that, such Limited Condition Transaction and other transactions in connection therewith (including any incurrence of debt and the use of proceeds thereof (but without netting the cash proceeds thereof)) had been consummated. For the further avoidance of doubt, in the absence of an LCT Election, unless specifically stated in the Indenture to be otherwise, all determinations of (x) compliance with any financial ratio, test or amount (including any financial ratio, test or amount) and/or any cap expressed as a percentage of Consolidated Total Assets, Consolidated Net Income or LTM EBITDA, or any other financial metric, (y) the accuracy of any representation and warranties, or any requirement regarding the absence of a Default or Event of Default (or any type of Default or Event of Default) or (z) any availability test under any "baskets" shall, in

each case, be made as of the applicable date of the consummation of the relevant transaction or the time the applicable action is taken, change is made, transaction is consummated or event occurs, as the case may be, and no Default or Event of Default shall occur solely as a result of a change in any such financial ratio or test, amount, financial metric, or "basket" availability occurring after such time.

Certain Compliance Calculations

Notwithstanding anything to the contrary herein, in the event an item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) is incurred or issued, any Lien is incurred or other transaction is undertaken in reliance on a ratio basket, including based on the Fixed Charge Coverage Ratio, Consolidated Secured Debt Ratio or Consolidated Net Debt Ratio, such ratio(s) shall be calculated with respect to such incurrence, issuance or other transaction without giving effect to amounts being utilized under any other basket (other than a ratio basket based on the Fixed Charge Coverage Ratio, Consolidated Secured Debt Ratio or Consolidated Net Debt Ratio) on the same date. Each item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) that is incurred or issued, each Lien incurred and each other transaction undertaken will be deemed to have been incurred, issued or taken first, to the extent available, pursuant to the relevant Fixed Charge Coverage Ratio, Consolidated Secured Debt Ratio or Consolidated Net Debt Ratio test.

Notwithstanding anything to the contrary herein, in the event an item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) is incurred or issued, any Lien is incurred or other transaction is undertaken in reliance on a ratio basket based on the Fixed Charge Coverage Ratio, Consolidated Secured Debt Ratio or Consolidated Net Debt Ratio, such ratio(s) shall be calculated without regard to the incurrence of any Indebtedness under any revolving facility or letter of credit facility (1) immediately prior to or in connection therewith or (2) used to finance working capital needs of the Issuer and its Restricted Subsidiaries (as reasonably determined by the Issuer).

The Indenture will provide that any calculation or measure that is determined with reference to the Issuer's financial statements (including, without limitation, EBITDA, Consolidated Interest Expense, Consolidated Net Income, Consolidated Secured Debt Ratio, Consolidated Net Debt Ratio, Fixed Charge Coverage Ratio, Fixed Charges, and clause (2)(a) of the first paragraph under "—Limitation on Restricted Payments") may be determined with reference to the financial statements of any Parent Entity of the Issuer instead, so long as such Parent Entity does not hold any material assets other than, directly or indirectly, the Equity Interests of the Issuer (as determined in good faith by the Issuer).

Limitation on Restricted Payments

The Issuer will not, and as noted below, will not permit any of its Restricted Subsidiaries to, directly or indirectly:

(I) declare or pay any dividend or make any payment or distribution on account of the Issuer's Equity Interests (in each case, solely to a holder of Equity Interests in such Person's capacity as a holder of such Equity Interests), including any dividend, payment or distribution payable in connection with any merger, amalgamation or consolidation other than:

  (a) dividends, payments and distributions by the Issuer payable solely in Equity Interests (other than Disqualified Stock) of the Issuer or in options, warrants or other rights to purchase such Equity Interests (other than Disqualified Stock); or

  (b) dividends, payments and distributions by a Restricted Subsidiary so long as, in the case of any dividend, payment or distribution payable on or in respect of any class or series of securities issued by a Restricted Subsidiary other than a Wholly Owned Subsidiary, the Issuer or a Restricted Subsidiary receives at least its *pro rata* share of such dividend, payment or distribution in accordance with its Equity Interests in such class or series of securities;

(II) purchase, redeem, defease or otherwise acquire or retire for value any Equity Interests of the Issuer or any Parent Entity, including any purchase, redemption, defeasance, acquisition or retirement in

connection with any merger, amalgamation or consolidation, in each case held by a Person other than the Issuer or a Restricted Subsidiary;

(III) make any principal payment on, or redeem, repurchase, defease or otherwise acquire or retire for value, in each case, prior to any scheduled repayment, sinking fund payment or maturity, any Subordinated Indebtedness, other than:

(a) Indebtedness permitted under clauses (7) and (8) of the second paragraph of the covenant described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock"; or

(b) the payment, redemption, purchase, repurchase, defeasance or other acquisition or retirement for value of Subordinated Indebtedness purchased in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of payment, redemption, purchase, repurchase, defeasance or acquisition or retirement; or

(IV) make any Restricted Investment

(all such payments and other actions set forth in clauses (I) through (IV) above (other than any exceptions thereto) being collectively referred to as "Restricted Payments"), unless, at the time of such Restricted Payment:

(1) other than with respect to a Restricted Investment, (x) no Event of Default described under clause (1) or (2) or, solely with respect to the Issuer, clause (6) of the first paragraph of "—Events of Default and Remedies" shall have occurred and be continuing or would occur as a consequence thereof and (y) immediately after giving effect to such Restricted Payment, the Issuer is able to incur $1.00 of additional Indebtedness pursuant to the first paragraph under the covenant described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock"; and

(2) such Restricted Payment (including any Restricted Investment), together with the aggregate amount of all other Restricted Payments made by the Issuer and its Restricted Subsidiaries after the Completion Date (including Restricted Payments permitted by clauses (1) (without duplication) and 6(c) of the next succeeding paragraph), but excluding all other Restricted Payments permitted by the next succeeding paragraph and any Permitted Investments), is less than the sum of (without duplication):

(a) the greater of (i) 50% of the Consolidated Net Income of the Issuer for the period (taken as one accounting period) from the beginning of the fiscal quarter in which the Completion Date occurs to the end of the Issuer's most recently ended fiscal quarter for which internal financial statements required pursuant to "—Reports and Other Information" have been delivered, or, at the Issuer's option, are internally available at the time of such Restricted Payment (which amount, if less than $0 on a cumulative basis in any fiscal quarter shall be deemed to be $0 for such fiscal quarter) and (ii) 100.0% of LTM EBITDA for the cumulative period (taken as one accounting period) from the beginning of the fiscal quarter in which the Completion Date occurs to the end of the Issuer's most recently ended fiscal quarter for which internal financial statements required pursuant to "—Reports and Other Information" have been delivered, or, at the Issuer's option, are internally available at the time of such Restricted Payment less the product of (x) 1.40 multiplied by (y) Fixed Charges for such period (which amount, if less than $0 on a cumulative basis in any fiscal quarter, shall be deemed to be $0 for such fiscal quarter); plus

(b) 100% of the aggregate Net Cash Proceeds and the fair market value of marketable securities or other property received by the Issuer or its Restricted Subsidiaries after the Completion Date (other than Net Cash Proceeds to the extent such Net Cash Proceeds have been used to incur Indebtedness or issue Disqualified Stock or Preferred Stock pursuant to clause (12)(a) of the second paragraph of "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock") from the issue or sale of:

(i) (A) Equity Interests of the Issuer, including Treasury Capital Stock (as defined below), but excluding Net Cash Proceeds and the fair market value of marketable securities or other property received from the sale of:

(x) Equity Interests of the Issuer to any Permitted Payee after the Completion Date to the extent such amounts have been applied to Restricted Payments made in accordance with clause (4) of the next succeeding paragraph; and

(y) Designated Preferred Stock; and

(B) to the extent such Net Cash Proceeds, marketable securities or other property are actually contributed to the Issuer or any of its Restricted Subsidiaries, Equity Interests of the Issuer or any of the Issuer's direct or indirect parent companies (excluding contributions of the proceeds from the sale of Designated Preferred Stock of any such companies or contributions to the extent such amounts have been applied to Restricted Payments made in accordance with clause (4) of the next succeeding paragraph); or

(ii) Indebtedness of the Issuer or a Restricted Subsidiary that has been converted into or exchanged for such Equity Interests of the Issuer or a Parent Entity;

provided that this clause (b) shall not include the proceeds from (W) Refunding Capital Stock (as defined below) applied in accordance with clause (2) of the next succeeding paragraph, (X) Equity Interests or convertible debt securities of the Issuer or a Restricted Subsidiary sold to a Restricted Subsidiary or to the Issuer, (Y) Disqualified Stock or debt securities that have been converted into Disqualified Stock or (Z) Excluded Contributions; plus

(c) 100% of the aggregate amount of Cash Equivalents and the fair market value of marketable securities or other property contributed to the capital of the Issuer or a Restricted Subsidiary (including the aggregate principal amount of any Indebtedness of the Issuer or a Restricted Subsidiary contributed to the Issuer or a Restricted Subsidiary for cancellation) or that becomes part of the capital of the Issuer or a Restricted Subsidiary through consolidation, amalgamation or merger following the Completion Date (other than (i) Net Cash Proceeds to the extent such Net Cash Proceeds have been used to incur Indebtedness or issue Disqualified Stock or Preferred Stock pursuant to clause (12)(a) of the second paragraph of "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock," (ii) contributions by a Restricted Subsidiary and (iii) any Excluded Contributions); plus

(d) 100% of the aggregate amount received in Cash Equivalents and the fair market value of marketable securities or other property received by the Issuer or any Restricted Subsidiary by means of:

(i) the sale or other disposition (other than to the Issuer or a Restricted Subsidiary) of, or other returns on Investments from, Restricted Investments made by the Issuer or its Restricted Subsidiaries and repurchases and redemptions of such Restricted Investments from the Issuer or its Restricted Subsidiaries and repayments of loans or advances, and releases of guarantees, which constitute Restricted Investments made by the Issuer or its Restricted Subsidiaries, in each case after the Completion Date; or

(ii) the issuance, sale or other disposition (other than to the Issuer or a Restricted Subsidiary) of the Equity Interests of, or a dividend or distribution (other than an Excluded Contribution) from an Unrestricted Subsidiary (other than, in each case, to the extent the Investment in such Unrestricted Subsidiary was made by the Issuer or a Restricted Subsidiary pursuant to clause (7) of the next succeeding paragraph or to the extent such Investment constituted a Permitted Investment, but including such Cash Equivalents and

fair market value to the extent exceeding the amount of such Investment), in each case, after the Completion Date; or

(iii) any returns, profits, distributions and similar amounts received on account of any Permitted Investment subject to a dollar-denominated or ratio-based basket (to the extent in excess of the original amount of such Investment) and without duplication of any returns, profits, distributions or similar amounts included in the calculation of such basket; plus

(e) in the case of the redesignation of an Unrestricted Subsidiary as a Restricted Subsidiary or the merger, amalgamation or consolidation of an Unrestricted Subsidiary into the Issuer or a Restricted Subsidiary or the transfer of all or substantially all of the assets of an Unrestricted Subsidiary to the Issuer or a Restricted Subsidiary after the Completion Date, the fair market value (as determined by the Issuer in good faith) of the Investment in such Unrestricted Subsidiary (or the assets transferred) at the time of the redesignation of such Unrestricted Subsidiary as a Restricted Subsidiary or at the time of such merger, amalgamation, consolidation or transfer of assets, other than to the extent the Investment in such Unrestricted Subsidiary was made by the Issuer or a Restricted Subsidiary pursuant to clause (7) of the next succeeding paragraph or to the extent such Investment constituted a Permitted Investment made after the Completion Date, but, to the extent exceeding the amount of such Permitted Investment, including such excess amounts of fair market value; plus

(f) the aggregate amount of Retained Asset Sale Proceeds since the Completion Date; plus

(g) the aggregate amount of Declined Collateral Proceeds and Declined Proceeds since the Completion Date; plus

(f) the aggregate amount of Non-Automotive DMS Business Line Cash Proceeds (or any portion thereof) so long as, solely in the case of a Restricted Payments within the meaning of clause (I) or (II) of the definition thereof, the Consolidated Net Debt Ratio on a consolidated basis of the Issuer and its Restricted Subsidiaries would have been equal to or less than 6.40 to 1.00 after giving pro forma effect to such Restricted Payment; plus

(h) the greater of (a) $811.0 million and (b) 100.0% of LTM EBITDA.

The foregoing provisions will not prohibit:

(1) the payment of any dividend or other distribution or the consummation of any irrevocable redemption within 60 days after the date of declaration of the dividend or other distribution or the giving of the redemption notice, as the case may be, if at the date of declaration or notice, the dividend or other distribution or redemption payment would have complied with the provisions of the Indenture;

(2) (a) the redemption, repurchase, defeasance, retirement or other acquisition of any Equity Interests ("Treasury Capital Stock"), including any accrued and unpaid dividends thereon, or Subordinated Indebtedness of the Issuer or any Restricted Subsidiary or any Equity Interests of any Parent Entity, in exchange for, or in an amount not to exceed the proceeds of, the substantially concurrent sale or issuance (other than to a Restricted Subsidiary) of Equity Interests of the Issuer or any Parent Entity to the extent contributed to the Issuer (in each case, other than any Disqualified Stock) ("Refunding Capital Stock"), (b) the declaration and payment of dividends on Treasury Capital Stock out of the proceeds of the substantially concurrent sale or issuance (other than to a Subsidiary of the Issuer or to an employee stock ownership plan or any trust established by the Issuer or any of its Subsidiaries) of Refunding Capital Stock, and (c) if, immediately prior to the retirement of Treasury Capital Stock, the declaration and payment of dividends thereon was permitted under clauses (6)(a) or (b) of this paragraph, the declaration and payment of dividends on the Refunding Capital Stock (other than Refunding Capital Stock the proceeds of which were used to redeem, repurchase, retire or otherwise acquire any Equity Interests of any Parent Entity) in an aggregate amount per year no greater than the aggregate amount of dividends

per annum that were declarable and payable on such Treasury Capital Stock immediately prior to such retirement;

(3) the prepayment, defeasance, redemption, repurchase, exchange or other acquisition or retirement of (a) Subordinated Indebtedness of the Issuer, the Co-Issuer or a Guarantor made by exchange for, or in an amount not to exceed the proceeds of the sale of, new Indebtedness of the Issuer, the Co-Issuer or a Guarantor or Disqualified Stock of the Issuer, the Co-Issuer or a Guarantor made within 120 days of such incurrence or issuance of new Indebtedness or Disqualified Stock or (b) Disqualified Stock of the Issuer, the Co-Issuer or a Guarantor made by exchange for, or in an amount not to exceed the proceeds of the sale of, Disqualified Stock of the Issuer, the Co-Issuer or a Guarantor made within 120 days of such issuance of Disqualified Stock, that, in each case, is incurred or issued, as applicable, in compliance with "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" so long as:

(a) the principal amount (or accreted value, if applicable) of such new Indebtedness or the liquidation preference of such new Disqualified Stock does not exceed the principal amount of (or accreted value, if applicable), plus any accrued and unpaid interest on, the Subordinated Indebtedness or the liquidation preference of, plus any accrued and unpaid dividends on, the Disqualified Stock being so prepaid, defeased, redeemed, repurchased, exchanged, acquired or retired for value, plus the amount of any premium (including tender premium) paid on the Subordinated Indebtedness or Disqualified Stock being so defeased, redeemed, repurchased, exchanged, acquired or retired, defeasance costs and any fees and expenses incurred in connection with the issuance of such new Indebtedness or Disqualified Stock;

(b) such new Indebtedness is subordinated to the Notes or the applicable Guarantee at least to the same extent as such Subordinated Indebtedness so defeased, redeemed, repurchased, exchanged, acquired or retired;

(c) such new Indebtedness or Disqualified Stock has a final scheduled maturity date equal to or later than the final scheduled maturity date of the Subordinated Indebtedness or Disqualified Stock being so defeased, redeemed, repurchased, exchanged, acquired or retired (or, if earlier, a date that is at least 91 days after the maturity date of the Notes); and

(d) such new Indebtedness or Disqualified Stock has a Weighted Average Life to Maturity equal to or greater than the remaining Weighted Average Life to Maturity of the Subordinated Indebtedness or Disqualified Stock being so defeased, redeemed, repurchased, exchanged, acquired or retired (or requires no or nominal payments in cash prior to the date that is 91 days after the maturity date of the Notes);

(4) a Restricted Payment by the Issuer or any Restricted Subsidiary to redeem, acquire, retire or repurchase its direct or indirect Equity Interests (or any options, warrants, restricted stock, stock appreciation rights or other equity-linked interests issued with respect to any such Equity Interests) or to allow any Parent Entity to so redeem, retire, acquire or repurchase its Equity Interests (or any options, warrants, restricted stock, stock appreciation rights or other equity-linked interests issued with respect to any of such Equity Interests), in each case, held directly or indirectly by Permitted Payees, upon or in connection with the death, disability, retirement or termination of employment or service of, or breach of restrictive covenants by, any such Person or otherwise in accordance with any stock option or stock appreciation rights plan, any management, director and/or employee stock ownership or incentive plan, stock subscription plan, stock subscription or equity incentive award agreement, employment termination agreement or any other employment agreements or equity holders' agreement:

(a) so long as the aggregate amount of Restricted Payments made pursuant to this clause (a) in any fiscal year does not exceed the greater of (x) $121.7 million and (y) 15.0% of LTM EBITDA (which shall increase to the greater of (x) $202.8 million and (y) 25.0% of LTM EBITDA following the consummation of an IPO); *provided* that any unused amounts pursuant to this clause (a) during any fiscal year may, at the option of the Issuer, be carried forward into

succeeding fiscal years or carried back to the preceding fiscal years (in each case, until so applied);

(b) with the Net Proceeds obtained from any key-man life insurance policies; and

(c) with the amount of any cash bonuses otherwise payable to any Permitted Payee that are foregone in exchange for the receipt of Equity Interests of the Issuer or any Parent Entity pursuant to any compensation arrangement, including any deferred compensation plan;

(5) the declaration and payment of dividends or distributions to holders of any class or series of Disqualified Stock of Issuer or any of its Restricted Subsidiaries or any class or series of Preferred Stock of any Restricted Subsidiary issued in accordance with the covenant described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" to the extent such dividends or distributions are included in the definition of "Fixed Charges";

(6) (a) the declaration and payment of dividends to holders of any class or series of Designated Preferred Stock (other than Disqualified Stock) issued by the Issuer after the Completion Date;

(b) the declaration and payment of dividends to any Parent Entity, the proceeds of which will be used to fund the payment of dividends to holders of any class or series of Designated Preferred Stock (other than Disqualified Stock) issued by such Parent Entity after the Completion Date, *provided* that the amount of dividends paid pursuant to this clause (b) shall not exceed the aggregate amount of cash actually contributed to the Issuer from the sale of such Designated Preferred Stock; or

(c) the declaration and payment of dividends on Refunding Capital Stock that is Preferred Stock in excess of the dividends declarable and payable thereon pursuant to clause (2) of this paragraph;

provided, in the case of each of (a) and (c) of this clause (6), that for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date of issuance of such Designated Preferred Stock or the declaration of such dividends on Refunding Capital Stock that is Preferred Stock, after giving effect to such issuance or declaration on a pro forma basis, the Issuer could incur $1.00 of additional Indebtedness pursuant to the first paragraph of the covenant described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock";

(7) Investments in Similar Businesses or in any Restricted Subsidiary to enable such Restricted Subsidiary to make substantially concurrent Investments in Similar Businesses, in each case where such Investments have an aggregate fair market value, taken together with all other Investments made pursuant to this clause (7) that are at the time outstanding, without giving effect to the sale of an Unrestricted Subsidiary to the extent the proceeds of such sale do not consist of Cash Equivalents or marketable securities (until such proceeds are converted to Cash Equivalents), not exceeding the greater of (a) $608.3 million and (b) 75.0% of LTM EBITDA at the time of such Investment (in each case, determined on the date such Investment is made, with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value), plus the amount of any returns (including dividends, payments, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) in respect of such Investments; *provided*, *however*, that if any Investment pursuant to this clause (7) is made in any Person that is not a Restricted Subsidiary of the Issuer at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) of the definition of "Permitted Investments" and shall cease to have been made pursuant to this clause (7);

(8) payments made or expected to be made by the Issuer or any Restricted Subsidiary in respect of withholding or similar taxes payable upon or in connection with the exercise or vesting of Equity Interests or any other equity award by any Permitted Payee and any repurchases or withholdings of Equity Interests in connection with the exercise or vesting of stock options, warrants or the issuance of restricted stock units or similar equity-based awards or payments in lieu of the issuance of fractional

Equity Interests with respect to stock options, warrants, restricted stock units or similar equity-based awards;

(9) following the consummation of an IPO, the making of Restricted Payments directly or to any Parent Entity to fund the payment of regular dividends or other amounts on the Issuer's or on such Parent Entity's Equity Interests, in an aggregate amount per annum not to exceed the sum of (i) 8% of Market Capitalization and (ii) 7% per annum of the aggregate amount of proceeds from (x) a Qualifying IPO or (y) a SPAC IPO, to the extent of any cash held by the SPAC IPO Entity and remaining following the consummation of a SPAC IPO and, in each case of clause (x) or (y), received by, or contributed to, the Issuer or any of its Restricted Subsidiaries; *provided* that any unused amounts pursuant to this clause (ii) during any fiscal year may be carried forward into succeeding fiscal years or carried back to the preceding fiscal years (in each case, until so applied);

(10) Restricted Payments that are made (a) with the proceeds of Excluded Contributions received following the Completion Date or (b) without duplication with clause (a), in an amount not to exceed the cash proceeds from a sale, conveyance, transfer or other disposition in respect of property or assets acquired after the Completion Date, if the acquisition of such property or assets was financed with Excluded Contributions;

(11) (i) Restricted Payments in an aggregate amount taken together with all other Restricted Payments made pursuant to this clause (11)(i) (in the case of Restricted Investments, at the time outstanding (without giving effect to the sale of an Investment to the extent the proceeds of such sale do not consist of, or have not been converted to, Cash Equivalents)) not to exceed the greater of (a) $811 million and (b) 100.0% of LTM EBITDA at such time (in the case of a Restricted Investment, determined on the date such Investment is made, with the fair market value of such Investment being measured at the time made and without giving effect to subsequent changes in value, plus the amount of any returns (including dividends, payments, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) in respect of such Investments); and (ii) any Restricted Payments, so long as, after giving pro forma effect to the payment of any such Restricted Payment, the Consolidated Secured Debt Ratio shall be no greater than the greater of (x) 5.00 to 1.00 and (y) the Consolidated Secured Debt Ratio immediately prior to such payment;

(12) distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not a Receivables Subsidiary in connection with, any Permitted Receivables Financing;

(13) any Restricted Payment made in connection with the Transactions and the fees and expenses related thereto or used to fund amounts owed in connection with the Transactions (including dividends or distributions to any Parent Entity to permit payment by such Parent Entity of such amounts), including the settlement of claims or actions in connection with the Acquisition or to satisfy indemnity or other similar obligations or any other earnouts, purchase price adjustments, working capital adjustments and any other payments under the Transaction Agreement;

(14) the repurchase, redemption or other acquisition or retirement for value of any Subordinated Indebtedness, Disqualified Stock or Preferred Stock pursuant to provisions similar to those described under the captions "—Repurchase at the Option of Holders—Change of Control" and "— Repurchase at the Option of Holders—Asset Sales"; *provided* that if the Issuers shall have been required to make a Change of Control Offer, Collateral Asset Sale Offers or Asset Sale Offer, as applicable, to purchase the Notes on the terms provided in the Indenture applicable to Change of Control Offers, Collateral Asset Sale Offers or Asset Sale Offers, respectively, all Notes validly tendered by Holders of such Notes in connection with a Change of Control Offer, Collateral Asset Sale Offer or Asset Sale Offer, as applicable, have been repurchased, redeemed, acquired or retired for value;

(15) Restricted Payments by the Issuer to any Parent Entity:

(a)(i) (A) for any taxable period for which the Issuer or any of its Subsidiaries is a flow-through entity for tax purposes, to pay the tax liabilities of any direct or indirect owner of all or any part of the

Issuer's and such Subsidiaries' equity (including amounts determined by reference to an assumed tax rate), to the extent such tax liabilities are attributable to the activities of, or such person's ownership of, the Issuer or any such Subsidiaries, calculated on a *pro rata* basis such that each such owner receives an amount at least equal to the product of (1) the taxable income generated by the Issuer or its Subsidiaries or Joint Ventures, as the case may be, for such period (calculated without regard to any adjustments pursuant to Sections 734 or 743 of the Code) allocated to such owner in respect of its direct or indirect equity interests in the Issuer or its Subsidiaries and (2) the maximum combined marginal U.S. federal, state and/or local income tax rate applicable to an individual resident in Chicago, Illinois, Los Angeles, California or New York, New York or a corporation resident in the jurisdiction of a direct or indirect owner of the Issuer or such Subsidiaries, whichever is highest, in respect of income recognized during the relevant tax period, taking into account foreign tax credits and benefits under applicable income tax treaties and (B) for any taxable period for which the Issuer and/or any of its Subsidiaries are members of a consolidated, combined, unitary or similar group for any U.S. federal, state, local, or non-U.S. income tax purposes, any U.S. federal, state, local, or non-U.S. income taxes, or any franchise taxes imposed in lieu thereof, owed by any parent of any consolidated, combined, unitary or similar group that includes the Issuer or any of its Subsidiaries and/or their respective Subsidiaries or Joint Ventures in respect of any consolidated, combined, unitary or similar income tax return that includes the Issuer or any of its Subsidiaries or Joint Ventures to the extent attributable to the income of the Issuer and/or its Subsidiaries or Joint Ventures determined as if the Issuer and its Subsidiaries or Joint Ventures filed a consolidated, combined, unitary or similar return separately from any other members of the group;

(b) the proceeds of which shall be used to pay any installment obligation of a direct or indirect owner of the Issuer under Section 965(h) of the Code with respect to the Issuer or its Subsidiaries;

(c) the proceeds of which shall be used by such Parent Entity to pay (1) its general operating and compliance costs and expenses (including operating expenses and other corporate overhead costs and expenses (including administrative, legal, audit, accounting, tax and other reporting and similar costs and expenses)) that are reasonable and customary and incurred in the ordinary course of business, (2) any reasonable and customary indemnification claims made by Company Persons attributable to the ownership or operations of any Parent Entity, the Issuer and its Restricted Subsidiaries, (3) fees, expenses and other amounts (x) due and payable by the Issuer or its Restricted Subsidiaries and (y) otherwise permitted to be paid by the Issuer and its Restricted Subsidiaries under the Indenture, (4) its costs, expenses and liabilities in connection with any litigation or arbitration attributable to the ownership or operations of Holdings, the Issuer and its Restricted Subsidiaries and (5) payments that would otherwise be permitted to be paid directly by the Issuer or its Restricted Subsidiaries pursuant to clauses (3), (4) or (9) of the covenant described under "—Transactions with Affiliates";

(d) the proceeds of which shall be used by the Issuer or any Parent Entity to pay (1) franchise, excise and similar taxes, and other fees, taxes and expenses, required to maintain its organizational existence and (2) fees, expenses or Taxes described in clause (b) or (d) of the definition of "Net Proceeds" with respect to any Parent Entity or any direct or indirect equity holder thereof;

(e) the proceeds of which will be applied to the payment of advisory fees, consulting, expenses, indemnities, subsequent transaction fees and exit fees and other amounts as permitted pursuant to clause (3) of the covenant described under "—Transactions with Affiliates," and related indemnities and reasonable expenses;

(f) the proceeds of which shall be used by any Parent Entity to finance any Investment that would be permitted to be made by the Issuer or any Restricted Subsidiary pursuant to this covenant; *provided* that (1) such Restricted Payment shall be made within 120 days of the closing or consummation of such Investment or at future times as may be scheduled at the time of such closing or consummation to be made thereafter in connection therewith, (2) such Parent Entity shall, promptly following the closing or consummation thereof or at future times as may be scheduled at the time of such closing or consummation to be made thereafter in connection

therewith, cause (x) all property acquired (whether assets or Equity Interests) to be contributed to the Issuer or any such Restricted Subsidiary (which contribution will not, for the avoidance of doubt, increase the amount available for Restricted Payments pursuant to clause (2) of the preceding paragraph) or (y) the Person formed or acquired to merge, amalgamate or consolidate with or into the Issuer or such Restricted Subsidiary to the extent such merger, amalgamation or consolidation is permitted by the covenant described under "—Merger, Consolidation or Sale of All or Substantially All Assets"), in order to consummate such Investment, in each case in accordance with the requirements described under "—Limitation on Guarantees of Indebtedness of Restricted Subsidiaries," (3) any property received by the Issuer shall not increase amounts available for Restricted Payments pursuant to clause (2) of the preceding paragraph;

(g) the proceeds of which shall be used to pay customary salary, bonus, long-term incentive, indemnity, severance and other benefits, including payments to service providers of the Issuer or its Subsidiaries pursuant to any equity plan (whether in the form of options, cash settled options or otherwise), payable to Company Persons, as well as applicable employment, social security or similar Taxes, in each case to the extent such salary, bonuses, incentives, indemnities, severance or other benefits are attributable to the ownership or operation of the Issuer and its Subsidiaries and/or Joint Ventures;

(h) the proceeds of which shall be used by any Parent Entity to pay (i) fees and expenses related to any successful or unsuccessful equity issuance or offering or debt issuance, incurrence or offering, disposition or acquisition, Investment or other transaction not prohibited by the Indenture, in each case whether or not consummated, and including advisory, refinancing, subsequent transaction and exit fees of any Parent Entity and expenses and indemnities of any trustee, agent, arranger, underwriter or Person acting in a similar role and (ii) after the consummation of an IPO or issuance of debt securities, Public Company Costs;

(i) the proceeds of which shall be used for the payment of insurance premiums to the extent attributable to any Parent Entity, the Issuer or any of its Subsidiaries; and

(j) to pay amounts in respect of Indebtedness of such Parent Entity that is guaranteed by the Issuer or a Restricted Subsidiary;

(16) Restricted Payments by the Issuer of the Equity Interests or other securities of, or debt owed to the Issuer or any Restricted Subsidiary by, any Unrestricted Subsidiary (or a Restricted Subsidiary that owns one or more Unrestricted Subsidiaries, *provided* that such Restricted Subsidiary owns no other material assets other than Equity Interests, Indebtedness or other securities of one or more Unrestricted Subsidiaries), in each case other than Unrestricted Subsidiaries the primary assets of which are cash and/or Cash Equivalents received as an Investment from the Issuer or a Restricted Subsidiary;

(17) mandatory redemptions of Disqualified Stock issued as a Restricted Payment or as consideration for a Permitted Investment so long as the amount of such redemptions are no greater than the amount that constituted such Restricted Payment or Permitted Investment;

(18) payments or distributions to dissenting stockholders pursuant to applicable law (including in connection with, or as a result of, exercise of appraisal rights and the settlement of any claims or action (whether actual, contingent or potential)), pursuant to or in connection with any Permitted Investment or a consolidation, merger, amalgamation or transfer of assets that complies with, or is not prohibited by, the covenant described under "—Merger, Consolidation or Sale of all or Substantially All Assets";

(19) the repurchase, redemption or other acquisition of Equity Interests of the Issuer or any Restricted Subsidiary deemed to occur in connection with paying cash in lieu of fractional shares of such Equity Interests in connection with a share dividend, distribution, share split, reverse share split, merger, consolidation, amalgamation or other business combination of the Issuer or any Restricted Subsidiary, in each case, permitted under the Indenture;

(20) redemptions in whole or in part of any of the Issuer's Equity Interests for another class of its Equity Interests (other than Disqualified Stock, except to the extent issued by the Issuer to a Restricted Subsidiary) or with proceeds from substantially concurrent equity contributions or issuances of new Equity Interests (and in no event shall such contribution or issuance so utilized increase the amount available for Restricted Payments under clause (2)(a) of the first paragraph under "—Limitation on Restricted Payments") (other than Disqualified Stock, except to the extent issued by the Issuer to a Restricted Subsidiary);

(21) Restricted Payments by the Issuer to satisfy dissenters' rights (including in connection with, or as a result of, the exercise of appraisal rights and the settlement of any claims or actions, whether actual, contingent or potential), pursuant to or in connection with any acquisition, merger, amalgamation or consolidation or Asset Sale that complies with the covenant described under "—Asset Sales" or any other transaction permitted under the Indenture;

(22) Restricted Payments to any Parent Entity to enable such Parent Entity to (A) pay cash in lieu of the issuance of fractional Equity Interests in connection with any dividend, split, reverse split, the exercise of any warrant, option or other security convertible into or exchangeable for Equity Interests of such Parent Entity, or in connection with any merger, amalgamation, consolidation, other business combination, acquisition or other Investment not prohibited hereunder, or any combination of the foregoing and/or (B) honor any conversion request by a holder of convertible Indebtedness and make cash payments in lieu of fractional shares in connection with any such conversion;

(23) Restricted Payments constituting or otherwise made in connection with or relating to any Permitted Reorganization, IPO Reorganization Transactions (other than with respect to clause (d) of the definition thereof) or Tax Restructuring; *provided* that if immediately after giving pro forma effect to any such Permitted Reorganization, IPO Reorganization Transactions or Tax Restructuring and the transactions to be consummated in connection therewith, any distributed asset ceases to be owned by the Issuer or any Restricted Subsidiary (or any entity ceases to be a Restricted Subsidiary), the applicable portion of such Restricted Payment must be otherwise permitted under another provision of this covenant (and constitute utilization of such other Restricted Payment exception or capacity);

(24) Restricted Payments made by the Issuer the proceeds of which are applied (i) on or about the Completion Date, solely to effect the consummation of the Transactions, (ii) on and after the Completion Date, to satisfy any payment obligations owing, or as otherwise required, under the Merger Agreement or any permitted acquisition or other Investment not prohibited under the Indenture (including, in each case, payments in respect of earnouts, working capital and/or purchase price adjustments and appraisal rights) and to pay related transaction costs (including the Transaction Costs) and (iii) to satisfy any settlement of claims or actions in connection with the Transactions or any permitted acquisition or other Investment not prohibited under the Indenture or to satisfy indemnity or other similar obligations in connection with the Transactions or any permitted acquisition or other Investment not prohibited under the Indenture;

(25) Restricted Payments within the meaning of clause (III) or (IV) of the definition thereof, taken together with all other Restricted Payments made pursuant to this clause (25), in an aggregate amount not to exceed the Restricted Debt Payment Amount; and

(26) any of the Issuer and its Restricted Subsidiaries may make a Restricted Payment to holders of any class or series of Disqualified Stock of the Issuer or such Restricted Subsidiaries that is permitted to be issued pursuant "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock";

provided that at the time of, and after giving effect to, any Restricted Payment permitted under clauses (11)(i) or (25) above, no Event of Default shall have occurred and be continuing or would occur as a consequence thereof.

For purposes of determining compliance with this covenant, in the event that a proposed Restricted Payment (or a portion thereof) meets the criteria of clauses (1) through (26) above and/or one or more of the clauses contained in the definition of "Permitted Investments," or is entitled to be made pursuant to the first paragraph of this covenant,

the Issuer will be entitled to divide or classify or later divide or reclassify (based on circumstances existing on the date of such reclassification) such Restricted Payment (or a portion thereof) between such clauses (1) through (26) and such first paragraph and/or one or more of the clauses contained in the definition of "Permitted Investments," in any manner that otherwise complies with this covenant.

As of the Completion Date, all of the Issuer's Subsidiaries are expected to be Restricted Subsidiaries. The Issuer will not permit any Unrestricted Subsidiary to become a Restricted Subsidiary except pursuant to the penultimate sentence of the definition of "Unrestricted Subsidiary." For purposes of designating any Restricted Subsidiary as an Unrestricted Subsidiary, all outstanding Investments by the Issuer and its Restricted Subsidiaries (except to the extent repaid) in the Subsidiary so designated will be deemed to be Restricted Payments in an amount determined as set forth in the penultimate sentence of the definition of "Investments." Such designation will be permitted only if a Restricted Payment in such amount would be permitted at such time, pursuant to this covenant or pursuant to the definition of "Permitted Investments," and if such Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. Unrestricted Subsidiaries will not be subject to any of the restrictive covenants set forth in the Indenture.

For the avoidance of doubt, this covenant shall not restrict the making of any "AHYDO catch-up payment" with respect to, and required by the terms of, any Indebtedness of the Issuer or any of its Restricted Subsidiaries permitted to be incurred under the terms of the Indenture.

Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise (collectively, "incur" and collectively, an "incurrence") with respect to any Indebtedness (including Acquired Indebtedness) and the Issuer will not issue any shares of Disqualified Stock and will not permit any Restricted Subsidiary to issue any shares of Disqualified Stock or any Restricted Subsidiary that is not the Co-Issuer or a Guarantor to issue Preferred Stock; *provided* that the Issuer may incur Indebtedness (including Acquired Indebtedness) or issue shares of Disqualified Stock, and any Restricted Subsidiary may incur Indebtedness (including Acquired Indebtedness) and issue shares of Disqualified Stock and any Restricted Subsidiary that is not the Co-Issuer or a Guarantor may issue shares of Preferred Stock, if (i) the Fixed Charge Coverage Ratio on a consolidated basis of the Issuer and its Restricted Subsidiaries would have been equal to or greater than the lesser of (x) 1.75 to 1.00 and (y) the Fixed Charge Coverage Ratio as of, in each case, the most recently ended four fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock or Preferred Stock is issued or (ii) the Consolidated Net Debt Ratio on a consolidated basis of the Issuer and its Restricted Subsidiaries would have been equal to or less than the greater of (x) 7.15 to 1.00 and (y) the Consolidated Net Debt Ratio immediately preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock or Preferred Stock is issued, in the case of (i) and (ii), determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been incurred, or the Disqualified Stock or Preferred Stock had been issued, as the case may be, and the application of proceeds therefrom had occurred at the beginning of such four-quarter period; *provided* that the then outstanding aggregate principal amount of Indebtedness (including Acquired Indebtedness), Disqualified Stock and Preferred Stock that may be incurred or issued (plus any Refinancing Indebtedness in respect thereof), as applicable, pursuant to this paragraph by Restricted Subsidiaries that are not Subsidiary Guarantors shall not exceed the greater of (a) $811.0 million and (b) 100.0% of LTM EBITDA (in each case, determined on the date of such incurrence).

The foregoing limitations will not apply to:

(1) Indebtedness incurred pursuant to any Credit Facilities by the Issuer or any Restricted Subsidiary and the issuance and creation of letters of credit and bankers' acceptances thereunder (with letters of credit and bankers' acceptances being deemed to have a principal amount equal to the face amount thereof); *provided* that immediately after giving effect to any such incurrence or issuance (including pro forma application of the net proceeds therefrom), the then outstanding aggregate principal amount of all Indebtedness incurred or issued under this clause (1) does not exceed the sum of (a) (x) $4,250.0 million plus (II) $1,000.0 million; *provided* that amounts outstanding under this subclause (a)(x)(II) shall be unsecured or secured with a Lien junior in priority to the Lien securing the Notes, plus (y) an amount equal to the greater of (A) $811.0 million and (B) 100.0% of LTM EBITDA, plus (z) any unused amounts pursuant to clause 12(b) below, without giving effect to any reallocation of amounts thereunder

to the first paragraph of this covenant and (b) an additional amount, if after giving pro forma effect to the incurrence of such additional amount but excluding any incurrence pursuant to clause (a) above (including a pro forma application of any acquisition or other transaction consummated in connection therewith and other appropriate pro forma adjustments of the net proceeds therefrom), (i) if such Indebtedness would be secured by a Lien *pari passu* in priority with the Lien securing the Notes, the Consolidated Secured Debt Ratio would have been equal to or less than the greater of (x) 5.50 to 1.00 or (y) the Consolidated Secured Debt Ratio immediately prior to the incurrence of such Indebtedness *provided* that for purposes of determining the amount that may be incurred under this clause (1)(b)(i) only, all Indebtedness incurred under this clause (1)(b)(i) shall be deemed to be First Lien Obligations or (ii) if such Indebtedness would be unsecured or secured with a Lien junior in priority to the Lien securing the Notes (including, for the avoidance of doubt, if such Indebtedness would be secured by a Lien *pari passu* in priority with the Lien securing the New Second Lien Credit Facility), the Consolidated Net Debt Ratio would have been equal to or less than the greater of (x) 6.80 to 1.00 or (y) the Consolidated Net Debt Ratio immediately prior to the incurrence of such Indebtedness;

(2) the incurrence by the Issuer, the Co-Issuer and any Guarantor of Indebtedness represented by the Notes and the Guarantees (but excluding any Additional Notes and any Guarantees thereof);

(3) Indebtedness, Disqualified Stock and Preferred Stock of the Issuer and its Restricted Subsidiaries in existence on the Completion Date (other than Indebtedness described in clauses (1) and (2)) (including, for the avoidance of doubt, any Rollover Notes);

(4) Indebtedness (including Capital Lease Obligations, Purchase Money Obligations, mortgage financing, industrial revenue bonds, industrial development bonds or similar financings), Disqualified Stock and Preferred Stock incurred or issued by the Issuer or any Restricted Subsidiary the proceeds of which are used to finance the acquisition, development, purchase, lease, construction, repair, restoration, installation, replacement, maintenance, upgrade, expansion or improvement of fixed or capital assets or other property (whether real or personal) (whether through the direct purchase of property or the Equity Interests of any Person owning such property); it being understood that any Indebtedness, Disqualified Stock or Preferred Stock incurred pursuant to this clause (4) shall cease to be deemed incurred or outstanding for purposes of this clause (4) but shall be deemed incurred for the purposes of the first paragraph of this covenant from and after the first date on which the Issuer or such Restricted Subsidiary could have incurred such Indebtedness, Disqualified Stock or Preferred Stock under the first paragraph of this covenant without reliance on this clause (4);

(5) Indebtedness incurred by the Issuer or any of its Restricted Subsidiaries constituting reimbursement obligations with respect to letters of credit, bank guarantees, banker's acceptances, warehouse receipts, or similar instruments issued or created, or relating to obligations or liabilities incurred, in the ordinary course of business or consistent with industry or past or industry practice or otherwise not material to the conduct of the business of the Issuer and its Restricted Subsidiaries, taken as a whole, including letters of credit in favor of suppliers, customers, franchisees, licensees, sublicensees, cross-licenses or trade creditors or in respect of workers' compensation claims, performance or surety bonds, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance or other Indebtedness with respect to reimbursement type obligations regarding workers' compensation claims, performance or surety bonds, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance;

(6) Indebtedness, Disqualified Stock and Preferred Stock arising from (a) Permitted Intercompany Activities and (b) agreements of the Issuer or its Restricted Subsidiaries providing for indemnification, payment obligations in respect of any non-compete, consulting or similar arrangement, or obligations in respect of purchase price, deferred purchase price (including adjustments thereof, contingent obligations, earnouts and similar obligations) or progress payments for property or services, or other similar adjustments or obligations, in each case, incurred or assumed in connection with the acquisition or disposition of any business (including the Transactions), assets, a Subsidiary or Investment, other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets, Subsidiary or Investment for the purpose of financing such acquisition;

(7) Indebtedness, Disqualified Stock and Preferred Stock of the Issuer to a Restricted Subsidiary; *provided* that any such Indebtedness, Disqualified Stock or Preferred Stock owing to a Restricted Subsidiary that is not the Co-Issuer or a Guarantor, excluding any Indebtedness, Disqualified Stock or Preferred Stock incurred or issued in the ordinary course of business or consistent with past or industry practice, is subordinated in right of payment (to the extent permitted by applicable law) to the Issuer's obligations with respect to the Notes (for the avoidance of doubt, any such Indebtedness, Disqualified Stock or Preferred Stock owing to a Restricted Subsidiary that is not the Co-Issuer or a Guarantor shall be deemed to be expressly subordinated in right of payment to the Issuer's obligations with respect to the Notes unless the terms of such Indebtedness, Disqualified Stock or Preferred Stock expressly provide otherwise); *provided, further*, that any subsequent issuance or transfer of any Capital Stock or any other event which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such Indebtedness, Disqualified Stock or Preferred Stock (except to the Issuer or another Restricted Subsidiary or any pledge of such Indebtedness, Disqualified Stock or Preferred Stock constituting a Permitted Lien) shall be deemed, in each case, to be an incurrence of such Indebtedness, Disqualified Stock or Preferred Stock (to the extent such Indebtedness, Disqualified Stock or Preferred Stock is then outstanding) not permitted by this clause (7);

(8) Indebtedness, Disqualified Stock and Preferred Stock of a Restricted Subsidiary to the Issuer or another Restricted Subsidiary; *provided* that if the Issuer, the Co-Issuer or a Guarantor incurs such Indebtedness, Disqualified Stock or Preferred Stock to a Restricted Subsidiary that is not the Co-Issuer or a Guarantor, excluding any Indebtedness, Disqualified Stock or Preferred Stock incurred or issued in the ordinary course of business or consistent with past or industry practice, such Indebtedness, Disqualified Stock or Preferred Stock is subordinated in right of payment (to the extent permitted by applicable law) to the Notes or the Guarantee of the Notes by such Guarantor, as applicable (for the avoidance of doubt, any such Indebtedness, Disqualified Stock or Preferred Stock owing to a Restricted Subsidiary that is not the Co-Issuer or a Guarantor shall be deemed to be expressly subordinated in right of payment to the Notes or the Guarantee of the Notes by such Guarantor, as applicable, unless the terms of such Indebtedness, Disqualified Stock or Preferred Stock expressly provide otherwise); *provided, further*, that any subsequent issuance or transfer of any Capital Stock or any other event which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any subsequent transfer of any such Indebtedness, Disqualified Stock or Preferred Stock (except to the Issuer or another Restricted Subsidiary or any pledge of such Indebtedness, Disqualified Stock or Preferred Stock constituting a Permitted Lien) shall be deemed, in each case, to be an incurrence of such Indebtedness, Disqualified Stock or Preferred Stock (to the extent such Indebtedness, Disqualified Stock or Preferred Stock is then outstanding) not permitted by this clause (8);

(9) Indebtedness of, or incurred on behalf of or representing Guarantees of Indebtedness of, Joint Ventures; *provided* that after giving pro forma effect thereto, the aggregate principal amount (together with any Refinancing Indebtedness in respect thereof) of such Indebtedness outstanding in reliance on this clause (9) shall not exceed the greater of (x) $608.3 million and (y) 75.0% of LTM EBITDA (on the date of incurrence or issuance);

(10) Hedging Obligations (excluding Hedging Obligations entered into for speculative purposes);

(11) Indebtedness and obligations in respect of performance, bid, appeal, indemnity, stay, customs, judgment, completion, return-of-money and/or surety bonds, bankers' acceptance facilities, completion guarantees and other obligations of a like nature, leases, tenders, statutory obligations (including health, safety and environmental obligations), warranties, bids, government or trade contracts (including customer contracts), indemnities and similar obligations of the Issuer or any Restricted Subsidiary or obligations in respect of letters of credit related to the foregoing, in each case in the ordinary course of business or consistent with past or industry practice;

(12) (a) Indebtedness or Disqualified Stock of the Issuer and Indebtedness, Disqualified Stock or Preferred Stock of any Restricted Subsidiary in an aggregate principal amount or liquidation preference up to 200% of (x) the aggregate amount of cash contributions or proceeds and (y) the fair market value of in-kind contributions of Cash Equivalents, marketable securities or Qualified Proceeds, in each case received by the Issuer since immediately after the Completion Date from the issue or sale of Equity

Interests of the Issuer or cash contributed to the capital of the Issuer (in each case, other than Excluded Contributions, proceeds of Disqualified Stock or sales of Equity Interests to the Issuer or any of its Subsidiaries) as determined in accordance with clauses (2)(b) and (2)(c) of the first paragraph of "—Limitation on Restricted Payments" to the extent such Net Cash Proceeds or cash have not been applied pursuant to such clauses to make Restricted Payments pursuant to the first paragraph of "—Limitation on Restricted Payments" or to make Permitted Investments specified in clauses (8), (11), (13), (28) or (43) of the definition thereof, and (b) Indebtedness or Disqualified Stock of the Issuer and Indebtedness, Disqualified Stock or Preferred Stock of any Restricted Subsidiary in an aggregate principal amount or liquidation preference, which, when aggregated with the principal amount and liquidation preference of all other Indebtedness, Disqualified Stock and Preferred Stock then outstanding and incurred pursuant to this clause (12)(b), does not at any time outstanding exceed the greater of (i) $811.0 million and (ii) 100.0% of LTM EBITDA (in each case, determined on the date of such incurrence); it being understood that any Indebtedness, Disqualified Stock or Preferred Stock incurred pursuant to this clause (12)(b) shall cease to be deemed incurred or outstanding for purposes of this clause (12)(b) but shall be deemed incurred for the purposes of the first paragraph of this covenant from and after the first date on which the Issuer or such Restricted Subsidiary could have incurred such Indebtedness, Disqualified Stock or Preferred Stock under the first paragraph of this covenant without reliance on this clause (12)(b);

(13) the incurrence or issuance by the Issuer or any Restricted Subsidiary of Indebtedness, Disqualified Stock or Preferred Stock which serves to extend, replace, refund, refinance, renew or defease any Indebtedness (or unutilized commitment in respect of Indebtedness), Disqualified Stock or Preferred Stock incurred or issued as permitted under the first paragraph of this covenant and clauses (1)(b), (2), (3), (4), (9) and (12)(a) above, this clause (13) and clauses (14), (28), (29), (30) and (31) below or any Indebtedness, Disqualified Stock or Preferred Stock incurred or issued to so extend, replace, refund, refinance, renew or defease such Indebtedness (or unutilized commitment in respect of Indebtedness), Disqualified Stock or Preferred Stock, including, in each case, additional Indebtedness, Disqualified Stock or Preferred Stock incurred to pay premiums (including tender premiums), defeasance costs, accrued interest or dividends, underwriting or initial purchaser discounts, fees, costs and expenses (including original issue discount, upfront fees or similar fees) in connection therewith and Indebtedness incurred pursuant to a commitment that refinances any Indebtedness or unutilized commitment (the "Refinancing Indebtedness") prior to its respective maturity; *provided* that such Refinancing Indebtedness:

(a) has a Weighted Average Life to Maturity at the time such Refinancing Indebtedness is incurred which is not less than the remaining Weighted Average Life to Maturity of the Indebtedness, Disqualified Stock or Preferred Stock being extended, replaced, refunded, refinanced, renewed or defeased (or requires no or nominal payments in cash (other than interest payments) prior to the date that is 91 days after the maturity date of the Notes);

(b) to the extent such Refinancing Indebtedness extends, replaces, refunds, refinances, renews or defeases;

(i) Indebtedness subordinated in right of payment to the Notes or any Guarantee thereof, such Refinancing Indebtedness is subordinated in right of payment to the Notes or the Guarantee thereof at least to the same extent as the Indebtedness being extended, replaced, refunded, refinanced, renewed or defeased or

(ii) Disqualified Stock or Preferred Stock, such Refinancing Indebtedness must be Disqualified Stock or Preferred Stock, respectively; and

(c) shall not include:

(i) Indebtedness, Disqualified Stock or Preferred Stock of a Subsidiary of the Issuer that is not the Co-Issuer or a Subsidiary Guarantor that refinances Indebtedness, Disqualified Stock or Preferred Stock of the Issuer;

(ii) Indebtedness, Disqualified Stock or Preferred Stock of a Subsidiary of the Issuer that is not the Co-Issuer or a Guarantor that refinances Indebtedness, Disqualified Stock or Preferred Stock of the Co-Issuer or a Guarantor; or

(iii) Indebtedness or Disqualified Stock of the Issuer or Indebtedness, Disqualified Stock or Preferred Stock of a Restricted Subsidiary that refinances Indebtedness, Disqualified Stock or Preferred Stock of an Unrestricted Subsidiary;

and, *provided*, *further*, that subclause (a) of this clause (13) will not apply to any extension, replacement, refunding, refinancing, renewal or defeasance of any Credit Facilities or Secured Indebtedness;

(14) (a) Indebtedness, Disqualified Stock or Preferred Stock of the Issuer or a Restricted Subsidiary incurred or issued to finance an acquisition (or other purchase of assets or Investments) or (b) Indebtedness, Disqualified Stock or Preferred Stock of Persons that are acquired by the Issuer or any Restricted Subsidiary or merged into or consolidated or amalgamated with the Issuer or a Restricted Subsidiary in accordance with the terms of the Indenture; *provided* that (1) in the case of clause (b), such Indebtedness, Disqualified Stock or Preferred Stock is not incurred in contemplation of such acquisition, merger, consolidation or amalgamation; and (2) in the case of clause (a), the outstanding principal amount of such Indebtedness, Disqualified Stock or Preferred Stock shall not exceed the sum of (I) at the Issuer's election, an amount such that (w) the Issuer would be permitted to incur at least $1.00 of additional Indebtedness, Disqualified Stock or Preferred Stock pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of this covenant, (x) the Fixed Charge Coverage Ratio for the Issuer and its Restricted Subsidiaries is equal to or greater than immediately prior to such acquisition, merger, amalgamation or consolidation, (y) the Issuer would be permitted to incur at least $1.00 of additional Indebtedness, Disqualified Stock or Preferred Stock pursuant to the Consolidated Net Debt Ratio test set forth in the first paragraph of this covenant or (z) the Consolidated Net Debt Ratio for the Issuer and its Restricted Subsidiaries is equal to or less than immediately prior to such acquisition, merger, amalgamation or consolidation plus (II) the greater of (x) $811.0 million and (y) 100.0% of LTM EBITDA;

(15) Indebtedness consisting of (i) obligations in respect of incentive, supplier finance, supply, license, sublicense or similar agreements, or take or pay obligations or contracts, in each case entered into in the ordinary course of business or consistent with past or industry practice, (ii) obligations to reacquire assets or inventory in connection with customer financing arrangements in the ordinary course of business or consistent with past or industry practice, (iii) customer deposits and advance payments received in the ordinary course of business or consistent with past or industry practice from customers for goods or services purchased in the ordinary course of business or consistent with past or industry practice and/or (iv) the deferred purchase price of goods or services or progress payments in connection with such goods and services incurred in connection with open accounts extended by suppliers in the ordinary course of business or consistent with past or industry practice;

(16) Indebtedness of the Issuer or any of its Restricted Subsidiaries supported by an LC Instrument issued pursuant to any Credit Facilities, any Additional Letter of Credit Facility or otherwise permitted, in a principal amount not in excess of the stated amount of such LC Instrument (together with any Refinancing Indebtedness in respect thereof);

(17) (a) any guarantee or co-issuance by the Issuer or a Restricted Subsidiary of Indebtedness or other obligations of any Restricted Subsidiary so long as the incurrence of such Indebtedness or other obligations by such Restricted Subsidiary is permitted under the terms of the Indenture; or (b) any guarantee or co-issuance by a Restricted Subsidiary of Indebtedness or other obligations of the Issuer so long as the incurrence of such Indebtedness or other obligations by the Issuer is permitted under the terms of the Indenture;

(18) (a) Indebtedness, Disqualified Stock or Preferred Stock consisting of Indebtedness, Disqualified Stock or Preferred Stock issued by the Issuer or any of its Restricted Subsidiaries to Permitted Payees, in each case to finance the purchase or redemption of Equity Interests of the Issuer or any Parent Entity to the extent described in clause (4) of the second paragraph under the caption "—Limitation on Restricted

Payments" and (b) Indebtedness representing deferred compensation or similar arrangements (i) to any Permitted Payee incurred in the ordinary course of business or consistent with past or industry practice or (ii) incurred in connection with any Investment or acquisition (by merger, consolidation, amalgamation or otherwise);

(19) to the extent constituting Indebtedness, customer deposits and advance payments (including progress premiums) received in the ordinary course of business or consistent with past or industry practice from customers for goods and services purchased in the ordinary course of business or consistent with past or industry practice;

(20) (a) Indebtedness owed on a short-term basis to banks and other financial institutions incurred in the ordinary course of business or consistent with past or industry practice of the Issuer and its Restricted Subsidiaries with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of the Issuer and its Restricted Subsidiaries and (b) Indebtedness in respect of Cash Management Services, Permitted Treasury Arrangements and other Indebtedness in respect of netting services, overdraft protections, check drawing services and similar arrangements and Indebtedness arising from the honoring of a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds, or the endorsement of instruments or other payment items for collection or deposit, in each case in the ordinary course of business or consistent with past or industry practice;

(21) Indebtedness in connection with bankers' acceptances, discounted bills of exchange or the discounting or factoring of receivables or payables for credit management purposes, in each case incurred or undertaken consistent with past or industry practice or in the ordinary course of business or consistent with past or industry practice or any Permitted Receivables Financing;

(22) (i) Indebtedness of the Issuer or any of its Restricted Subsidiaries consisting of (a) the financing of insurance premiums or obligations in respect of self-insurance or (b) take-or-pay obligations contained in supply arrangements, in each case incurred in the ordinary course of business or consistent with past or industry practice and (ii) Indebtedness incurred by the Issuer or any Restricted Subsidiary (x) in the ordinary course of business or consistent with past or industry practice in connection with workers' compensation (or in respect of reimbursement type obligations regarding workers' compensation claims), payroll taxes, unemployment insurance (including premiums related thereto), health, disability or employee benefits and other social security laws and regulations, pension or retirement obligations, vacation pay, or property, casualty or liability insurance or self-insurance or other reimbursement-type obligations regarding workers compensation claims and (y) to the extent required by applicable law or in connection with any statutory filing or the delivery of audit opinions performed in jurisdictions other than within the United States, in each case of clauses (x) and (y) including letters of credit posted to support any of the foregoing;

(23) the incurrence of Indebtedness, Disqualified Stock or Preferred Stock of non-guarantor Restricted Subsidiaries or of Foreign Subsidiaries in an aggregate principal amount or liquidation preference, which, when aggregated with the principal amount and liquidation preference of all other Indebtedness, Disqualified Stock and Preferred Stock then outstanding and incurred pursuant to this clause (23), does not at any time outstanding exceed the greater of (a) $811.0 million and (b) 100.0% of LTM EBITDA (in each case, determined on the date of such incurrence); it being understood that any Indebtedness, Disqualified Stock or Preferred Stock incurred pursuant to this clause (23) shall cease to be deemed incurred or outstanding for purposes of this clause (23) but shall be deemed incurred for the purposes of the first paragraph of this covenant from and after the first date on which the Issuer or its Restricted Subsidiaries could have incurred such Indebtedness, Disqualified Stock or Preferred Stock under the first paragraph of this covenant without reliance on this clause (23);

(24) Indebtedness of the Issuer or any of its Restricted Subsidiaries undertaken in connection with cash management and related activities with respect to any Subsidiary or joint venture in the ordinary course of business or consistent with past or industry practice;

(25) Indebtedness, Disqualified Stock or Preferred Stock of any Restricted Subsidiary that is not the Co-Issuer or a Guarantor or any Restricted Subsidiary that is a Foreign Subsidiary to fund working capital or for any other purpose in an aggregate principal amount or liquidation preference, which, when aggregated with the principal amount and liquidation preference of all other Indebtedness, Disqualified Stock and Preferred Stock then outstanding and incurred pursuant to this clause (25), does not at any time outstanding exceed the greater of (x) $608.3 million and (y) 75.0% of LTM EBITDA (in each case, determined on the date of such incurrence); it being understood that any Indebtedness, Disqualified Stock or Preferred Stock incurred pursuant to this clause (25) shall cease to be deemed incurred or outstanding for purposes of this clause (25) but shall be deemed incurred for the purposes of the first paragraph of this covenant from and after the first date on which the Issuer or its Restricted Subsidiaries could have incurred such Indebtedness, Disqualified Stock or Preferred Stock under the first paragraph of this covenant without reliance on this clause (25));

(26) Indebtedness, Disqualified Stock or Preferred Stock incurred by the Issuer or any of its Restricted Subsidiaries to the extent that the net proceeds thereof are deposited with the Trustee at or promptly after the funding of such Indebtedness, Disqualified Stock or Preferred Stock to satisfy and discharge the Notes or exercise the Issuers' legal defeasance or covenant defeasance option as described under "— Legal Defeasance and Covenant Defeasance," in each case, in accordance with the Indenture;

(27) Indebtedness consisting of obligations of the Issuer or any of its Restricted Subsidiaries under deferred purchase price, earnouts or other arrangements incurred by such Person in connection with any acquisition permitted under the Indenture or any other Investment permitted under the Indenture;

(28) (a) to the extent constituting Indebtedness, obligations under the Merger Agreement, (b) Indebtedness in connection with the exercise of appraisal rights or the settlement of any claims or actions (whether actual, contingent or potential) with respect to the Transactions or any other acquisition (by merger, amalgamation or consolidation or otherwise), (c) Indebtedness consisting of obligations under deferred compensation or other similar arrangements incurred (x) pursuant to the Merger Agreement (and documents related thereto) or otherwise contemplated thereby, in each case in connection with the Transactions or (y) in connection with any permitted acquisition or other Investment not prohibited under the Indenture and (d) any Refinancing Indebtedness in respect of the immediately preceding subclauses (a), (b) and (c);

(29) Indebtedness or Disqualified Stock of the Issuer and Indebtedness, Disqualified Stock or Preferred Stock of any Restricted Subsidiary in an aggregate principal amount or liquidation preference, which, when aggregated with the principal amount and liquidation preference of all other Indebtedness, Disqualified Stock and Preferred Stock then outstanding and incurred pursuant to this clause (29), does not at any time outstanding exceed the Available RP Capacity Amount (determined on the date of such incurrence); it being understood that any Indebtedness, Disqualified Stock or Preferred Stock incurred pursuant to this clause (29) shall cease to be deemed incurred or outstanding for purposes of this clause (29) but shall be deemed incurred for the purposes of the first paragraph of this covenant from and after the first date on which the Issuer or such Restricted Subsidiary could have incurred such Indebtedness, Disqualified Stock or Preferred Stock under the first paragraph of this covenant without reliance on this clause (29);

(30) Permitted Sponsor Debt;

(31) Indebtedness in respect of any Additional Letter of Credit Facility;

(32) Indebtedness in respect of any LC Instrument issued in favor of any issuing bank or swingline lender to support any defaulting lender's participation in letters of credit issued, or swingline loans made under any Credit Facilities or Additional Letter of Credit Facility;

(33) [reserved];

(34) (i) tenant improvement loans and allowances in the ordinary course of business or consistent with past or industry practice and (ii) to the extent constituting Indebtedness, guarantees in the ordinary course of

business or consistent with past or industry practice of the obligations of suppliers, customers, franchisees, lessors and licensees of the Issuer and any Restricted Subsidiary;

(35) Indebtedness incurred in connection with any Sale Leaseback;

(36) intercompany Indebtedness in respect of any Permitted Reorganization, any IPO Reorganization Transaction, Permitted Intercompany Activity, Tax Restructuring and related transactions;

(37) Disqualified Stock in an aggregate principal amount incurred in reliance on this clause (37) not to exceed the greater of (x) $162.2 million and (y) 20.0% of LTM EBITDA; and

(38) all premiums (if any), interest (including post-petition interest), accretion or amortization of original issue discount, fees, expenses, charges and additional or contingent interest on obligations described in clauses (1) through (37) above.

For purposes of determining compliance with this covenant:

(1) in the event that an item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) meets the criteria of more than one of the categories of permitted Indebtedness, Disqualified Stock or Preferred Stock described in clauses (1) through (38) above or is entitled to be incurred pursuant to the first paragraph of this covenant, the Issuer, in its sole discretion, may divide or classify, and may from time to time redivide and reclassify, such item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) and will only be required to include the amount and type of such Indebtedness, Disqualified Stock or Preferred Stock in one or more of the above clauses or under the first paragraph of this covenant; *provided* that (i) all Indebtedness outstanding under the New First Lien Credit Facilities on the Completion Date will be treated as incurred on the Completion Date under clause (1) (A)(x)(I) of the second paragraph above and may not be reclassified and (ii) all Indebtedness outstanding under the New Second Lien Credit Facility on the Completion Date will be treated as incurred on the Completion Date under clause (1)(a)(x)(II) of the second paragraph above and may not be reclassified;

(2) the Issuer will be entitled to divide and classify an item of Indebtedness, Disqualified Stock or Preferred Stock in more than one of the types of Indebtedness, Disqualified Stock or Preferred Stock described in the first and second paragraphs above;

(3) guarantees of, or obligations in respect of letters of credit, bankers' acceptances or other similar instruments relating to, or Liens securing, Indebtedness, Disqualified Stock or Preferred Stock that is otherwise included in the determination of a particular amount of Indebtedness, Disqualified Stock or Preferred Stock shall not be included;

(4) if obligations in respect of letters of credit, bankers' acceptances or other similar instruments are incurred pursuant to any Credit Facility and are being treated as incurred pursuant to any clause of the second paragraph above or the first paragraph above and the letters of credit, bankers' acceptances or other similar instruments relate to other Indebtedness, Disqualified Stock or Preferred Stock, then such other Indebtedness, Disqualified Stock or Preferred Stock shall not be included;

(5) the principal amount of any Disqualified Stock of the Issuer or a Restricted Subsidiary, or Preferred Stock of a Restricted Subsidiary, will be equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof; and

(6) for purposes of calculating the Fixed Charge Coverage Ratio, the Consolidated Secured Debt Ratio or the Consolidated Net Debt Ratio, as applicable, in connection with the incurrence of any Indebtedness pursuant to the first or second paragraph above or the creation or incurrence or any Lien pursuant to the definition of "Permitted Liens," the Issuer may elect, at its option, to treat all or any portion of the committed amount of any Indebtedness (and the issuance and creation of letters of credit and bankers' acceptances thereunder) which is to be incurred (or any commitment in respect thereof) or secured by such Lien, as the case may be (any such committed amount elected until revoked as described below, the

"Reserved Indebtedness Amount"), as being incurred as of such election date, and, if such Fixed Charge Coverage Ratio, Consolidated Secured Debt Ratio or Consolidated Net Debt Ratio, as applicable, is satisfied with respect thereto on such election date, any subsequent borrowing or reborrowing thereunder (and the issuance and creation of letters of credit and bankers' acceptances thereunder) will be deemed to be permitted under this covenant or the definition of "Permitted Liens," as applicable, whether or not the Fixed Charge Coverage Ratio, the Consolidated Secured Debt Ratio or the Consolidated Net Debt Ratio, as applicable, at the actual time of any subsequent borrowing or reborrowing (or issuance or creation of letters of credit or bankers' acceptances thereunder) is met; *provided* that for purposes of subsequent calculations of the Fixed Charge Coverage Ratio, the Consolidated Secured Debt Ratio or the Consolidated Net Debt Ratio, as applicable, the Reserved Indebtedness Amount shall be deemed to be outstanding, whether or not such amount is actually outstanding, for so long as such commitments are outstanding or until the Issuer revokes an election of a Reserved Indebtedness Amount.

Accrual of interest or dividends, the accretion of accreted value, the accretion or amortization of original issue discount and the payment of interest or dividends in the form of additional Indebtedness, Disqualified Stock or Preferred Stock, as the case may be, of the same class will not be deemed to be an incurrence of Indebtedness, Disqualified Stock or Preferred Stock for purposes of this covenant. If Indebtedness, Disqualified Stock or Preferred Stock originally incurred in reliance upon a percentage of LTM EBITDA under this covenant is being refinanced and such refinancing would cause the maximum amount of Indebtedness, Disqualified Stock or Preferred Stock thereunder to be exceeded at such time, then such refinancing will nevertheless be permitted thereunder and such additional Indebtedness, Disqualified Stock or Preferred Stock will be deemed to have been incurred under the applicable provision so long as the principal amount or liquidation preference of such refinancing Indebtedness, Disqualified Stock or Preferred Stock does not exceed the principal amount or liquidation preference of Indebtedness, Disqualified Stock or Preferred Stock being refinanced plus amounts permitted by the next sentence. Any Refinancing Indebtedness and any Indebtedness, Disqualified Stock or Preferred Stock permitted to be incurred under the Indenture to refinance Indebtedness incurred pursuant to clauses (1), (12)(b), (23), (25), (29), (30) and (31) above shall be deemed to include additional Indebtedness, Disqualified Stock or Preferred Stock incurred to pay accrued but unpaid interest or dividends, premiums (including tender premiums), defeasance costs, underwriting or initial purchaser discounts, fees, costs and expenses (including original issue discount, upfront fees or similar fees) in connection with such refinancing.

For purposes of determining compliance with any U.S. dollar-denominated restriction on the incurrence of Indebtedness, Disqualified Stock or Preferred Stock, the U.S. Dollar Equivalent principal amount or liquidation preference of Indebtedness, Disqualified Stock or Preferred Stock denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness, Disqualified Stock or Preferred Stock was incurred, in the case of a term obligation, or upon execution of the definitive credit agreement, in the case of revolving credit debt; *provided* that if such Indebtedness, Disqualified Stock or Preferred Stock is incurred to refinance other Indebtedness, Disqualified Stock or Preferred Stock denominated in a foreign currency, and such refinancing would cause the applicable U.S. dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount or liquidation preference of such refinancing Indebtedness, Disqualified Stock or Preferred Stock does not exceed (a) the principal amount or liquidation preference of such Indebtedness, Disqualified Stock or Preferred Stock being refinanced plus (b) the aggregate amount of accrued but unpaid interest, fees, underwriting or initial purchaser discounts, premiums (including tender premiums) and other costs and expenses (including original issue discount, upfront fees or similar fees) incurred in connection with such refinancing.

The principal amount or liquidation preference of any Indebtedness, Disqualified Stock or Preferred Stock incurred to refinance other Indebtedness, Disqualified Stock or Preferred Stock, if incurred in a different currency from the Indebtedness, Disqualified Stock or Preferred Stock being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such respective Indebtedness, Disqualified Stock or Preferred Stock is denominated that is in effect on the date of such refinancing.

The Indenture will not treat (1) unsecured Indebtedness as subordinated or junior to Secured Indebtedness merely because it is unsecured or (2) Indebtedness as subordinated or junior to any other Indebtedness merely

because it has a junior priority with respect to the same collateral or because it is secured by different collateral or issued or guaranteed by other obligors.

Liens

The Issuer will not, and will not permit the Co-Issuer or any Subsidiary Guarantor to, directly or indirectly, create, incur, assume or suffer to exist any Lien (except Permitted Liens) (each, a "Subject Lien") that secures Obligations under any Indebtedness, on any asset or property of the Issuer, the Co-Issuer or any Guarantor, or any income or profits therefrom, or assign or convey any right to receive income therefrom, unless:

(1) in the case of Subject Liens on any Collateral, (i) such Subject Lien expressly has priority that is junior to the Liens on the Collateral relative to the Notes and the Guarantees or (ii) such Subject Lien is a Permitted Lien; and

(2) in the case of any Subject Lien on any asset or property that is not Collateral, (i) the Notes (or a Guarantee in the case of Subject Liens on assets or property of a Guarantor) are equally and ratably secured with (or on a senior basis to, in the case such Subject Lien secures any Subordinated Indebtedness) the Obligations secured by such Subject Lien until such time as such Obligations are no longer secured by such Subject Lien or (ii) such Subject Lien is a Permitted Lien..

Any Lien created for the benefit of the Holders of the Notes pursuant to this covenant shall be deemed automatically and unconditionally released and discharged upon the release and discharge of the Subject Lien that gave rise to the obligation to secure the Notes. In addition, in the event that a Subject Lien is or becomes a Permitted Lien, the Issuer may, at its option and without consent from any Holder, elect to release and discharge any Lien created for the benefit of the Holders pursuant to the preceding paragraph in respect of such Subject Lien.

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, 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.

Merger, Consolidation or Sale of All or Substantially All Assets

Issuer

The Issuer may not consolidate or merge with or into or wind up into (whether or not the Issuer is the surviving Person), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets, in one or more related transactions, to any Person unless:

(1) (a) the Issuer is the surviving Person or (b) the Person formed by or surviving any such consolidation, amalgamation or merger (if other than the Issuer or the Co-Issuer, as the case may be) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made (such Person being herein called the "Successor Company"), (i) expressly assumes all of the obligations of the Issuer under the Indenture and the Notes pursuant to Security Documents and (ii) is a Person organized or existing under the laws of the jurisdiction of organization of the Issuer or the laws of the United States, any state thereof, the District of Columbia, or any territory thereof;

(2) immediately after such transaction, no Event of Default exists;

(3) immediately after giving pro forma effect to such transaction and any related financing transactions, as if such transactions had occurred at the beginning of the applicable four-quarter period,

(a) the Issuer or the Successor Company, as applicable, would be permitted to incur at least $1.00 of additional Indebtedness pursuant to the first paragraph of the covenant described under "—

Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" or

(b) either (x) the Fixed Charge Coverage Ratio for the Issuer and its Restricted Subsidiaries or the Successor Company and its Restricted Subsidiaries, as applicable, would be equal to or greater than the Fixed Charge Coverage Ratio for the Issuer and its Restricted Subsidiaries immediately prior to such transaction or (y) the Consolidated Net Debt Ratio for the Issuer and its Restricted Subsidiaries or the Successor Company and its Restricted Subsidiaries, as applicable, would be equal to or less than the Consolidated Net Debt Ratio for the Issuer and its Restricted Subsidiaries immediately prior to such transaction; and

(4) the Issuer or, if applicable, the Successor Company shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such supplemental indentures, if any, comply with the Indenture.

The Successor Company will succeed to, and be substituted for, the Issuer under the Indenture, the Guarantees and the Notes, as applicable, and the Issuer will automatically be released and discharged from its obligations under the Indenture, the Guarantees and the Notes, as applicable.

Co-Issuer

The Co-Issuer may not consolidate or merge with or into or wind up into (whether or not the Co-Issuer is the surviving Person), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets, in one or more related transactions, to any Person unless:

(1) (a) (i) the Co-Issuer is the surviving Person or (ii) the Person formed by or surviving any such consolidation, amalgamation or merger (if other than the Issuer or the Co-Issuer, as the case may be) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made (such Person being herein called the "Successor Co-Issuer"), expressly assumes all of the obligations of the Co-Issuer under the Indenture and the Notes pursuant to supplemental indentures or (b) after giving effect thereto, at least one obligor on the Notes shall be an entity organized and validly existing under the laws of the United States, any state thereof, the District of Columbia or any territory thereof;

(2) immediately after such transaction, no Event of Default exists; and

(3) the Co-Issuer or, if applicable, the Successor Co-Issuer shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such supplemental indentures, if any, comply with the Indenture.

The Successor Co-Issuer will succeed to, and be substituted for, the Co-Issuer under the Indenture and the Notes, as applicable, and the Co-Issuer will automatically be released and discharged from its obligations under the Indenture, the Guarantees and the Notes, as applicable.

Notwithstanding the immediately preceding clauses:

(1) the Issuer may consolidate or amalgamate with or merge with or into or transfer all or part of its properties and assets to the Co-Issuer or a Subsidiary Guarantor;

(2) the Co-Issuer may consolidate or amalgamate with or merge with or into or transfer all or part of its properties and assets to the Issuer or a Guarantor;

(3) the Issuer or the Co-Issuer may consolidate with, amalgamate with or merge with or into, or wind up into an Affiliate of the Issuer for the purpose of reorganizing the Issuer or the Co-Issuer in any other jurisdiction or reincorporating the Issuer or the Co-Issuer in the United States, any state thereof, the District of Columbia or any territory thereof, so long as the amount of Indebtedness of the Issuer and its Restricted Subsidiaries is not increased thereby;

(4) any Restricted Subsidiary may consolidate or amalgamate with or merge with or into or transfer all or part of its properties and assets to the Issuer or a Restricted Subsidiary;

(5) the Issuer or the Co-Issuer may convert into a corporation, partnership, limited partnership, limited liability company or trust organized or existing under the laws of the jurisdiction of organization of the Issuer or the Co-Issuer or the laws of a jurisdiction in the United States (and, if such entity is not a corporation, a co-obligor of the Notes is a corporation organized or existing under such laws), and

(6) the Issuer, the Co-Issuer or a Guarantor may change its name.

Notwithstanding the foregoing, the Co-Issuer may consolidate or merge with or into the Issuer.

Holdings

Holdings may not consolidate or merge with or into or wind up into (whether or not Holdings is the surviving Person), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets, in one or more related transactions, to any Person unless:

(1) if Holdings is not the surviving Person and if the Person formed by or surviving any such consolidation, amalgamation or merger or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made (such Person being referred to herein as the "Successor Parent") assumes all of the obligations of Holdings under the New First Lien Credit Facilities, the Successor Parent, expressly assumes all of the obligations of Holdings under the Indenture and the Notes pursuant to supplemental indentures;

(2) immediately after such transaction, no Event of Default exists; and

(3) Holdings or, if applicable, the Successor Parent shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that such consolidation, merger or transfer and such supplemental indentures, if any, comply with the Indenture.

The Successor Parent will succeed to, and be substituted for, Holdings under the Indenture, the Guarantees and the Notes, as applicable, and Holdings will automatically be released and discharged from its obligations under the Indenture, the Guarantees and the Notes, as applicable. If the Successor Parent is not a guarantor under the New First Lien Credit Facilities, it shall not be required to guarantee the Notes, while Holdings shall still be automatically released and discharged from its obligations.

Notwithstanding the immediately preceding clauses:

(1) Holdings may consolidate with, amalgamate with or merge with or into, or wind up into an Affiliate of Holdings;

(2) Holdings may convert into a corporation, partnership, limited partnership, limited liability company or trust organized or existing under the laws of the jurisdiction of organization of Holdings or the laws of a jurisdiction in the United States (and, if such entity is not a corporation, a co-obligor of the Notes is a corporation organized or existing under such laws), and

(3) Holdings may change its name.

Subsidiary Guarantors

Subject to certain limitations described in the Indenture governing release of a Guarantee upon the sale, disposition or transfer of a Subsidiary Guarantor, no Subsidiary Guarantor will, and the Issuer will not permit any Subsidiary Guarantor to, consolidate or merge with or into or wind up into (whether or not such Subsidiary Guarantor is the surviving Person), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets, in one or more related transactions, to any Person unless:

(1) (a)(i) such Subsidiary Guarantor is the surviving Person or (ii) the Person formed by or surviving any such consolidation or merger (if other than such Subsidiary Guarantor) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made (such Person being herein called the "Successor Person") expressly assumes all the obligations of such Subsidiary Guarantor under the Indenture and the applicable Notes Security Documents and such Subsidiary Guarantor's related Guarantee pursuant to supplemental indentures or other applicable documents or instruments; and (b) immediately after such transaction, no Event of Default exists; or

(2) the transaction is not prohibited by the first paragraph of the covenant described under "—Repurchase at the Option of Holders—Asset Sales"; or

(3) in the case of assets comprised of Equity Interests of Subsidiaries that are not Subsidiary Guarantors, such Equity Interests are sold, assigned, transferred, leased, conveyed or otherwise disposed of to one or more Restricted Subsidiaries.

Subject to certain limitations described in the Indenture, the Successor Person will succeed to, and be substituted for, such Subsidiary Guarantor under the Indenture and such Subsidiary Guarantor's Guarantee.

Notwithstanding the foregoing, any Subsidiary Guarantor may (a) merge or consolidate with or into, wind up into or transfer all or part of its properties and assets to the Issuer, the Co-Issuer or a Guarantor, (b) merge with an Affiliate of Holdings solely for the purpose of reorganizing the Subsidiary Guarantor in another jurisdiction, (c) convert into a corporation, partnership, limited partnership, limited liability company or trust organized or existing under the laws of the jurisdiction of organization of such Subsidiary Guarantor or (d) liquidate or dissolve or change its legal form if the Issuer determines in good faith that such action is in the best interests of the Issuer, in each case, without regard to the requirements set forth in the second preceding paragraph.

Notwithstanding anything to the contrary in this "—Merger, Consolidation or Sale of All or Substantially All Assets" covenant, the Issuer may contribute Capital Stock or assets of any or all of its Subsidiaries to any Subsidiary.

Notwithstanding the foregoing, this covenant will not apply to the Transactions.

Transactions with Affiliates

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Issuer (each of the foregoing, an "Affiliate Transaction") involving aggregate payments or consideration in excess of the greater of (x) $202.8 million and (y) 25.0% of LTM EBITDA at such time, unless such Affiliate Transaction is on terms that are not materially less favorable to the Issuer or its relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Issuer or such Restricted Subsidiary with an unrelated Person on an arm's-length basis or, if in the good faith judgment of the Issuer, no comparable transaction is available with which to compare such Affiliate Transaction, such Affiliate Transaction is otherwise fair to the Issuer or such Restricted Subsidiary from a financial point of view and when such transaction is taken in its entirety.

The foregoing provisions will not apply to the following:

(1) (a) transactions between or among the Issuer or any of its Restricted Subsidiaries (or any entity that becomes a Restricted Subsidiary as a result of such transaction) and (b) any merger, amalgamation or consolidation of the Issuer into any Parent Entity; *provided* that such merger, amalgamation or consolidation is otherwise consummated in compliance with the terms of the Indenture;

(2) Restricted Payments permitted by the provisions of the Indenture described above under the covenant "—Limitation on Restricted Payments" (including any transaction specifically excluded from the definition of the term "Restricted Payments") (other than pursuant to clause (13) of the second paragraph of such covenant) and Permitted Investments;

(3) payments by the Issuer or any Restricted Subsidiary (including any payment to any Parent Entity for further payment by such Parent Entity), (A) to reimburse the Sponsor and any of its Affiliates and designees for any out-of-pocket costs and expenses incurred in connection with the provision of any management, advisory, consulting or other similar services, (B) for indemnification and similar expenses, (C) for customary compensation to Affiliates in connection with financial advisory, financing, underwriting, placement or similar services or in respect of other investment banking or similar activities, which payments are approved by the majority of the Board of the Issuer or a majority of the disinterested members of any Parent Entity in good faith, (D) for customary termination fees payable to the Investors, (E) to pay transaction fees to the Sponsor; *provided* that, in the case of this subclause (E), such transaction fees shall not exceed, with respect to any transaction, 1.0% of the total enterprise value of Holdings and its Subsidiaries, taken as a whole, after giving effect to such transaction, as determined by the Board of Directors of Holdings in good faith using customary and appropriate valuation methodologies, and (F) to pay management, monitoring, consulting and similar fees to the Sponsor; *provided* that, in the case of this subclause (F), (1) such fees shall not exceed, with respect to any fiscal year, the greater of (x) $24.3 million and (y) 3.0% of LTM EBITDA and (2) any unused amounts pursuant to this subclause (F) during any fiscal year shall carry forward into succeeding fiscal years; *provided, further,* that, in the case of each of the foregoing subclauses (E) and (F), no such payments shall be made if a Specified Event of Default shall have occurred and be continuing or would immediately result after giving pro forma effect to such payments (it being agreed that such amounts may accrue, but not be payable in cash during such period; *provided* that all such accrued amounts (plus accrued interest, if any, with respect thereto) may be payable in cash upon the cure or waiver of such Specified Event of Default);

(4) (A) employment agreements, employee benefit and incentive compensation plans and arrangements, and (B) the payment of reasonable and customary fees and compensation paid to, and indemnities and reimbursements and employment and severance arrangements provided on behalf of or for the benefit of, Permitted Payees, including in connection with the Transactions;

(5) transactions in which the Issuer or any of its Restricted Subsidiaries, as the case may be, delivers to the Trustee a letter from an Independent Financial Advisor stating that such transaction is fair to the Issuer or such Restricted Subsidiary from a financial point of view or stating that the terms are not materially less favorable, when taken as a whole, to the Issuer or its relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Issuer or such Restricted Subsidiary with an unrelated Person on an arm's-length basis;

(6) any agreement or arrangement as in effect as of the Completion Date, or any amendment or replacement thereto (so long as any such amendment or replacement is not materially disadvantageous in the good faith judgment of the Issuer to the Holders when taken as a whole as compared to the applicable agreement or arrangement as in effect on the Completion Date);

(7) [reserved];

(8) the existence of, or the performance by the Issuer or any of its Restricted Subsidiaries of its obligations under the terms of, any stockholders, investor rights or similar agreement (including any registration rights agreement or purchase agreement related thereto) to which it (or any Parent Entity) is a party as of the Completion Date and any similar agreements which it (or any Parent Entity) may enter into thereafter; *provided* that the existence of, or the performance by the Issuer or any of its Restricted Subsidiaries (or such parent company) of obligations under any future amendment to any such existing agreement or under any similar agreement entered into after the Completion Date shall only be permitted by this clause (8) to the extent that the terms of any such amendment or new agreement are not otherwise, when taken as a whole, materially disadvantageous in the good faith judgment of the Issuer to the Holders than those in effect on the Completion Date;

(9) the Transactions, the Transaction Costs and payments required under the Merger Agreement;

(10) transactions with customers, clients, suppliers, contractors, joint venture partners or purchasers or sellers of goods or services or providers of employees or other labor that are Affiliates, in each case in the

ordinary course of business or that are consistent with past or industry practice and otherwise in compliance with the terms of the Indenture which are fair to the Issuer and its Restricted Subsidiaries, in the reasonable determination of the Issuer, or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated party;

(11) the issuance or transfer of (a) Equity Interests (other than Disqualified Stock) of the Issuer to any Parent Entity or to any Permitted Holder or to any Permitted Payee and (b) directors' qualifying shares and shares issued to foreign nationals as required by applicable law;

(12) sales of accounts receivable, or participations therein, or accounts receivable, royalty or other revenue streams and other rights to payment and any other assets, or other transactions, in connection with any Permitted Receivables Financing;

(13) payments by the Issuer or any of its Restricted Subsidiaries to the Investors made for any financial advisory, consulting, financing, underwriting or placement services or in respect of other investment banking activities, including, without limitation, in connection with acquisitions or divestitures which payments are approved by the Issuer in good faith;

(14) payments and Indebtedness and Disqualified Stock (and cancellation of any thereof) of the Issuer and its Restricted Subsidiaries and Preferred Stock (and cancellation of any thereof) of any Restricted Subsidiary to any Permitted Payee pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement or any stock subscription or shareholder agreement that are, in each case, approved by the Issuer in good faith; and any employment agreements, stock option plans and other compensatory arrangements (and any successor plans thereto) and any supplemental executive retirement benefit plans or arrangements with any such Permitted Payee that are, in each case, approved by the Issuer in good faith;

(15) (i) investments by Affiliates in securities or loans or other Indebtedness of the Issuer or any of its Restricted Subsidiaries (and payment of out-of-pocket expenses incurred by such Affiliates in connection therewith) so long as the investment is being offered by the Issuer or such Restricted Subsidiary generally to other investors on the same or more favorable terms, and (ii) payments to Affiliates in respect of securities or loans or other Indebtedness of the Issuer or any of its Restricted Subsidiaries contemplated in the foregoing subclause (i) or that were acquired from Persons other than the Issuer and its Restricted Subsidiaries, in each case, in accordance with the terms of such securities or loans;

(16) payments to or from, and transactions with, customers, clients, Joint Ventures or Joint Venture partners, suppliers, purchasers or sellers of goods or services or Unrestricted Subsidiary in the ordinary course of business or consistent with past or industry practice (including, without limitation, any cash management activities related thereto);

(17) payments by the Issuer (and any Parent Entity) and its Subsidiaries pursuant to, or the entry into, tax sharing agreements among the Issuer (and any such Parent Entity) and its Subsidiaries, to the extent such payments are permitted under clause (15) of the second paragraph under the caption "—Limitation on Restricted Payments";

(18) any lease entered into between the Issuer or any Restricted Subsidiary, as lessee, and any Affiliate of the Issuer, as lessor, which is approved by the Issuer in good faith;

(19) intellectual property licenses or sublicenses and research and development agreements (including joint marketing, co-development, joint venture, or other similar agreements or arrangements) which are made or entered into in the ordinary course of business or consistent with past or industry practice;

(20) the payment of customary fees and reasonable out-of-pocket costs and expenses relating to registration rights and indemnities provided to equityholders of the Issuer or any Parent Entity pursuant to any equityholders, registration rights or similar agreements or to Company Persons in the ordinary course of business or consistent with past or industry practice to the extent attributable to the ownership or

operation of the Issuer and its Restricted Subsidiaries and transactions pursuant to stock option and other equity award plans and employee benefit plans and arrangements in the ordinary course of business;

(21) the pledge of Equity Interests of any Unrestricted Subsidiary to lenders to support the Indebtedness of such Unrestricted Subsidiary owed to such lenders;

(22) Permitted Intercompany Activities, any Permitted Reorganization, any IPO Reorganization Transactions, any Tax Restructuring, any Holdings Reorganization and related transactions;

(23) (a) any transactions with a Person which would constitute an Affiliate Transaction solely because the Issuer or its Restricted Subsidiary owns an equity interest in or otherwise controls such Person or (b) transactions with a Person which would constitute an Affiliate Transaction solely because a director of such other Person is also a director of the Issuer or any Parent Entity; *provided* that such director abstains from voting as a director of the Issuer or such Parent Entity, as the case may be, on any matter including such other Person; and

(24) transactions undertaken in the ordinary course of business or consistent with past or industry practice pursuant to membership in a purchasing consortium.

Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

The Issuer will not, and will not permit any of its Restricted Subsidiaries that is not a Subsidiary Guarantor to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary that is not the Co-Issuer or a Subsidiary Guarantor to:

(1) (a) pay dividends or make any other distributions to the Issuer, the Co-Issuer or any Subsidiary Guarantor on its Capital Stock or with respect to any other interest or participation in, or measured by, its profits, or (b) pay any Indebtedness owed to the Issuer, the Co-Issuer or any Guarantor;

(2) make loans or advances to the Issuer, the Co-Issuer or any Subsidiary Guarantor; or

(3) sell, lease or transfer any of its properties or assets to the Issuer, the Co-Issuer or any Guarantor, except (in each case) for such encumbrances or restrictions existing under or by reason of:

(a) encumbrances or restrictions in effect on the Completion Date, including pursuant to the Indenture, the New First Lien Credit Facilities, the New Second Lien Credit Facility and the related documentation and Hedging Obligations;

(b) the Secured Notes Documents;

(c) Purchase Money Obligations and Capital Lease Obligations that impose restrictions of the nature discussed in clause (3) above on the property so purchased, leased, expanded, constructed, developed, installed, replaced, relocated, renewed, maintained, upgraded, repaired or improved;

(d) applicable law or any applicable rule, regulation or order;

(e) (i) in the case of the redesignation of an Unrestricted Subsidiary as a Restricted Subsidiary or the merger, amalgamation or consolidation of an Unrestricted Subsidiary into the Issuer or a Restricted Subsidiary or the transfer of all or substantially all of the assets of an Unrestricted Subsidiary to the Issuer or a Restricted Subsidiary, any agreement or other instrument of such Unrestricted Subsidiary (but, in any such case, not created in contemplation thereof) and (ii) any agreement or other instrument of a Person acquired by or merged, amalgamated or consolidated with or into the Issuer or any of its Restricted Subsidiaries in existence at the time of such acquisition or at the time it merges with or into the Issuer or any of its Restricted Subsidiaries or assumed in connection with the acquisition of assets from such Person (but, in any such case, not created in contemplation thereof), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person so acquired and its

Subsidiaries, or the property or assets of the Person so acquired and its Subsidiaries or the property or assets so acquired;

(f) contracts for the sale or disposition of assets, including sale-leaseback agreements, including customary restrictions with respect to a Subsidiary of the Issuer pursuant to an agreement that has been entered into for the sale or disposition of any of the Capital Stock or assets of such Subsidiary;

(g) Secured Indebtedness otherwise permitted to be incurred pursuant to the covenants described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" and "—Liens" that limit the right of the debtor to dispose of or incur Liens on the assets securing such Indebtedness;

(h) restrictions on Cash Equivalents or other deposits or net worth imposed by suppliers, customers or landlords under contracts entered into in the ordinary course of business or consistent with past or industry practice or arising in connection with any Permitted Liens;

(i) other Indebtedness, Disqualified Stock or Preferred Stock of Restricted Subsidiaries that are not the Issuer, the Co-Issuer or a Guarantor permitted to be incurred subsequent to the Completion Date pursuant to the provisions of the covenant described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock";

(j) customary provisions in joint venture agreements and other similar agreements or arrangements relating to such joint venture;

(k) provisions contained in leases, sub-leases, licenses, sub-licenses or similar agreements, including with respect to intellectual property and other agreements, in each case, entered into in the ordinary course of business or consistent with industry or past practices or that in the good faith judgment of the Issuer would not materially impair the Issuers' ability to make payments under the Notes when due;

(l) restrictions or conditions contained in any trading, netting, operating, construction, service, supply, purchase, sale or other agreement to which the Issuer or any of its Restricted Subsidiaries is a party entered into in the ordinary course of business or consistent with past or industry practice; *provided* that such agreement prohibits the encumbrance of solely the property or assets of the Issuer or such Restricted Subsidiary that are the subject to such agreement, the payment rights arising thereunder or the proceeds thereof and does not extend to any other asset or property of the Issuer or such Restricted Subsidiary or the assets or property of another Restricted Subsidiary;

(m) customary provisions restricting subletting or assignment of any lease governing a leasehold interest of any Restricted Subsidiary or the assignment of any license, cross-license or sub-license agreement;

(n) provisions restricting assignment of any agreement entered into in the ordinary course of business or consistent with past or industry practice;

(o) restrictions arising in connection with cash or other deposits permitted under the covenant "—Liens";

(p) any agreement or instrument relating to any Indebtedness, Disqualified Stock or Preferred Stock permitted to be incurred or issued subsequent to the Completion Date pursuant to the covenant described under "—Limitation on incurrence of Indebtedness and issuance of Disqualified Stock and Preferred Stock" if either (i) the encumbrances and restrictions are not materially more disadvantageous, taken as a whole, to the Holders than is customary in comparable financings for similarly situated issuers (as determined in good faith by the Issuer), (ii) the encumbrances and restrictions are not materially more restrictive, taken as whole, with respect to such Restricted

Subsidiaries, than the restrictions or encumbrances (A) contained in the Indenture, the New First Lien Credit Facilities, the New Second Lien Credit Facility or related security documents as of the Completion Date or (B) otherwise in effect on the Completion Date or (iii) either (A) the Issuer determines that such encumbrance or restriction will not materially impair the Issuers' ability to make principal and interest payments on the Notes as and when they come due or (B) such encumbrances and restrictions apply only during the continuance of a default in respect of a payment or financial maintenance covenant relating to such Indebtedness;

(q) restrictions created in connection with any Permitted Receivables Financing and customary transactions with (including any Investment in or relating to) any Receivables Subsidiary as part of any Permitted Receivables Financing; and

(r) any encumbrances or restrictions of the type referred to in clauses (1), (2) and (3) above imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (a) through (q) above; *provided* that either (i) such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of the Issuer, not materially more restrictive with respect to such encumbrance and other restrictions taken as a whole than those prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing or (ii) either (A) the Issuer determines that such encumbrance or restriction will not materially impair the Issuers' ability to make principal and interest payments on the Notes as and when they come due or (B) such encumbrances and restrictions apply only during the continuance of a default in respect of a payment or financial maintenance covenant relating to such Indebtedness.

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 equity shall not be deemed a restriction on the ability to make distributions on Capital Stock and (2) the subordination of (including the application of any standstill requirements to) loans and advances made to the Issuer or a Restricted Subsidiary to other Indebtedness incurred by the Issuer or such Restricted Subsidiary shall not be deemed a restriction on the ability to make loans or advances.

Limitation on Guarantees of Indebtedness by Restricted Subsidiaries

The Issuer will not permit any of its Wholly Owned Subsidiaries that are Restricted Subsidiaries (and non-Wholly Owned Subsidiaries if such non-Wholly Owned Subsidiaries guarantee other capital markets debt securities of the Issuer, the Co-Issuer or any Subsidiary Guarantor), other than the Co-Issuer, a Subsidiary Guarantor or an Excluded Subsidiary, to guarantee the payment of (i) any syndicated Credit Facility by a U.S. obligor incurred under clause (1) of the second paragraph under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" or (ii) capital market debt securities of the Issuer, the Co-Issuer or any Subsidiary Guarantor in an aggregate principal amount in excess of $100.0 million unless such Restricted Subsidiary within 60 days after the guarantee of such Indebtedness (i) executes and delivers a supplemental indenture to the Indenture providing for a Guarantee by such Restricted Subsidiary, except that with respect to a guarantee of Indebtedness of the Issuer, the Co-Issuer or any Subsidiary Guarantor, if such Indebtedness is by its express terms subordinated in right of payment to the Notes or such Subsidiary Guarantor's Guarantee, any such guarantee by such Restricted Subsidiary with respect to such Indebtedness shall be subordinated in right of payment to such Guarantee substantially to the same extent as such Indebtedness is subordinated to the Notes and (ii) executes and delivers Security Documents or supplements thereto and takes all actions required thereunder or under the indenture to perfect the liens created thereunder; *provided* that this covenant shall not be applicable to any guarantee of any Restricted Subsidiary that existed at the time such Person became a Restricted Subsidiary and was not incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary. The Issuer may elect, in its sole discretion, to cause any Subsidiary that is not otherwise required to be a Subsidiary Guarantor to become a Subsidiary Guarantor, in which case such Subsidiary shall not be required to comply with the 60 day period described in clause (1) above.

Reports and Other Information

After the Completion Date, so long as any Notes are outstanding, the Issuer will furnish to the Holders of the Notes the following reports:

(1) (x) all annual and quarterly financial statements, substantially in forms that would be required to be contained in a filing with the SEC on Forms 10-K and 10-Q of the Issuer, if the Issuer were required to file such forms, plus a "Management's Discussion and Analysis of Financial Condition and Results of Operations" substantially consistent with the section in this offering memorandum; (y) with respect to the annual and quarterly information, a presentation of "Adjusted EBITDA" of the Issuer substantially consistent with the presentation thereof in this offering memorandum and derived from such financial information; and (z) with respect to the annual financial statements only, a report on the annual financial statements by the Issuer's independent registered public accounting firm, in each case for each fiscal annual or quarterly period ending after the Completion Date; and

(2) substantially the same information that would be required to be contained in filings with the SEC on Form 8-K under Items 1.03, 2.01 (only with respect to acquisitions that are "significant" at the 20% or greater level pursuant to clauses (1) and (2) of the definition of "Significant Subsidiary" under Rule 1-02 of Regulation S-X only), 4.01, 4.02(a) and (b), 5.01 and 5.02(b) (with respect to the principal executive officer, president, principal financial officer, principal accounting officer and principal operating officer only) and (c) (other than with respect to information otherwise required or contemplated by subclause (3) of such Item or by Item 402 of Regulation S-K) as in effect on the Completion Date if the Issuer were required to file such reports; *provided*, *however*, that (A) no such report will be required to include as an exhibit, or to include a summary of the terms of, any employment or compensatory arrangement, agreement, plan or understanding between the Issuer (or any Parent Entity or its Subsidiaries) and any director, manager or officer, of the Issuer (or any Parent Entity or its Subsidiaries), (B) the Issuer shall not be required to make available any information regarding the occurrence of any of the events set forth in clause (2) above if the Issuer determines in its good faith judgment that the event that would otherwise be required to be disclosed is not material to the Holders of the Notes or the business, assets, operations, financial positions or prospects of the Issuer and its Restricted Subsidiaries taken as a whole, (C) no such report will be required to 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 therein, (D) no such report will be required to comply with Regulation S-X including, without limitation, Rules 3-05, 3-09, 3-10, 3-16 or Article 11 thereof, (E) no such report will be required to provide any information that is not otherwise similar to information currently included in this offering memorandum, (F) in no event will such reports be required to include as an exhibit copies of any agreements, financial statements or other items that would be required to be filed as exhibits under the SEC rules; (G) trade secrets and other information that could, in the Issuer's good faith judgment, cause competitive harm to the Issuer and its Restricted Subsidiaries may be excluded from any disclosures; (H) such financial statements or information will not be required to contain any "segment reporting"; (I) such financial statements and information may, at the election of the Issuer, be prepared in accordance with U.S. GAAP or IFRS; and (J) the Issuer may elect to change its fiscal year end, in which case it will provide the information required by clauses (1) and (2) of this paragraph in a report covering the transition period on substantially the same basis as if the Issuer were required to file a transition report with the SEC except that such transition report shall not be due until 60 days (in the case of a transition report on Form 10-Q/T) or 120 days (in the case of a transition report on Form 10-K/T), in each case after the later of the date on which the Issuer elected to change the fiscal year or the end of transition period.

All such annual reports for periods ending after the Completion Date shall be furnished within 120 days after the end of the fiscal year to which they relate; *provided* that the annual report for (i) the first fiscal year ending after the Completion Date and (ii) any fiscal year during which a material acquisition or accounting change, in each case as determined by the Issuer in good faith, is consummated shall be furnished within 150 days after the end of such fiscal year; all such quarterly reports for periods ending after the Completion Date shall be furnished within 60 days after the end of the fiscal quarter to which they relate; *provided* that the quarterly report for (i) all fiscal quarters ending on or prior to date of the delivery of the first annual financial report following the Completion Date and (ii) any fiscal quarter during with a material acquisition or accounting change, in each case as determined by the Issuer

in good faith, is consummated shall be furnished within 90 days after the end of the fiscal quarter which they relate; and all such current reports for triggering events occurring after the Completion Date shall be furnished within 15 days of the due date specified in the SEC's rules and regulations for reporting companies under the Exchange Act.

Notwithstanding the foregoing, the Indenture will permit the Issuer to satisfy its obligations in this covenant with respect to financial information relating to the Issuer by furnishing financial information (i) pursuant to IFRS at any time IFRS is GAAP pursuant to the definition thereof and (ii) relating to any Parent Entity; *provided* that if such Parent entity is not a Guarantor then the same is accompanied by selected financial metrics that show the differences (in the Issuer's sole discretion) between the information relating to such Parent Entity, on the one hand, and the information relating to the Issuer and its Restricted Subsidiaries on a stand-alone basis, on the other hand.

The Issuer will be deemed to have furnished the reports referred to in clauses (1) and (2) of the first paragraph of this covenant if the Issuer or any Parent Entity has filed reports containing such information (or any such information of a Parent Entity) with the SEC. The Trustee shall have no obligation to determine if and when any such reports have been filed with the SEC.

If the Issuer or any Parent Entity does not file reports containing such information with the SEC, then the Issuer will make available such information and such reports to any Holder of the Notes and to any beneficial owner of the Notes, in each case by posting such information on a password-protected website or online data system which will require a confidentiality acknowledgment, and will make such information readily available to any bona fide prospective investor, any securities analyst (to the extent providing analysis of investment in the Notes) or any market maker in the Notes who agrees to treat such information as confidential; *provided* that the Issuer shall post such information thereon and make readily available any password or other login information to any such bona fide prospective investor, securities analyst or market maker; *provided, however*, that the Issuer may deny access to any competitively-sensitive information otherwise to be provided pursuant to this covenant to any such Holder, beneficial owner, bona fide prospective investor, securities analyst or market maker to the extent that the Issuer determines in good faith that the provision of such information to such Person would be competitively harmful to the Issuer and its Subsidiaries; and *provided, further*, that such Holders, beneficial owners, bona fide prospective investors, securities analysts and market makers shall agree to (A) treat all such reports (and information contained therein) as confidential, (B) not to use such reports (and the information contained therein) for any purpose other than their investment or potential investment in the Notes and (C) not publicly disclose any such reports (and the information contained therein).

To the extent not satisfied by the foregoing, the Issuer will furnish to Holders of the Notes, securities analysts and prospective investors upon request the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act of 1933, as amended (the "Securities Act"), so long as the Notes are not freely transferable under the Securities Act.

If any Subsidiary of the Issuer is an Unrestricted Subsidiary and if any such Unrestricted Subsidiary or group of Unrestricted Subsidiaries, if taken together as one Subsidiary, would constitute a Significant Subsidiary of the Issuer, then the annual and quarterly information required by clause (1) of the first paragraph of this covenant shall include a presentation of selected financial metrics (in the Issuer's sole discretion) of such Unrestricted Subsidiaries as a group in the "Management's Discussion and Analysis of Financial Condition and Results of Operations." Notwithstanding anything herein to the contrary, the Issuer will not be deemed to have failed to comply with any of its obligations hereunder for purposes of clause (3) under "—Events of Default and Remedies" until 180 days after the receipt of the written notice delivered thereunder.

To the extent any information is not provided within the time periods specified in this section "—Reports and Other Information" and such information is subsequently provided, the Issuer 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.

Delivery of the above reports to the Trustee is for informational purposes only and the Trustee's receipt of such reports shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Issuer's compliance with any of its covenants in this Indenture (as to which the Trustee is entitled to rely conclusively on Officers' Certificates).

Beginning with the first fiscal quarter ending after the Completion Date, the Issuer shall use its commercially reasonable efforts to participate in quarterly conference calls for all Holders of Notes, prospective investors, market makers affiliated with any Initial Purchaser and securities analysists (which may be a single conference call together with investors and lenders holding other securities or Indebtedness of the Issuer or any Restricted Subsidiary) to discuss results of operations and, prior to the date of each such conference call, will announce (which announcement may be through the password-protected or online datasite through which information is provided by the Issuer) the time and date of such conference call and either include all information necessary to access the call or inform Holders of Notes, prospective investors, market makers affiliated with any Initial Purchaser and securities analysists how they can obtain such information, including, without limitation, the applicable password or login information (if applicable); *provided* that such participation shall no longer be required following the consummation of an IPO.

Events of Default and Remedies

The Indenture will provide that each of the following is an "Event of Default":

(1) default in payment when due and payable, upon redemption, acceleration or otherwise, of principal of, or premium, if any, on the Notes;

(2) default for 30 days or more in the payment when due of interest on or with respect to the Notes;

(3) failure by the Issuer, the Co-Issuer or any Guarantor for 60 days after receipt of written notice given by the Trustee or the Holders of not less than 30% in aggregate principal amount of the then outstanding Notes to comply with any of its obligations, covenants or agreements (other than a default referred to in clause (1) or (2) above) contained in the Indenture or the Notes;

(4) (i) default under any mortgage, indenture or instrument under which there is issued or by which there is secured or evidenced any Indebtedness for money borrowed by the Issuer or any of its Restricted Subsidiaries or the payment of which is guaranteed by the Issuer or any of its Restricted Subsidiaries, other than Indebtedness owed to the Issuer or a Restricted Subsidiary, whether such Indebtedness or guarantee now exists or is created after the issuance of the Notes, if both:

   (a) such default either results from the failure to pay any principal of such Indebtedness at its stated final maturity (after giving effect to any applicable grace periods) or relates to an obligation other than the obligation to pay principal of any such Indebtedness at its stated final maturity and results in the holder or holders of such Indebtedness causing such Indebtedness to become due prior to its stated maturity; and

   (b) the principal amount of such Indebtedness, together with the principal amount of any other such Indebtedness in default for failure to pay principal at stated final maturity (after giving effect to any applicable grace periods), or the maturity of which has been so accelerated, exceed the greater of (x) $283.9 million and (y) 35.0% of LTM EBITDA (or its foreign currency equivalent);

(5) (i) failure by the Issuer, the Co-Issuer or any Significant Subsidiary (or any group of Restricted Subsidiaries that together (as of the latest consolidated financial statements of the Issuer for a fiscal quarter end provided as required under "—Reports and Other Information") would constitute a Significant Subsidiary) to pay final judgments aggregating in excess of the greater of (x) $283.9 million and (y) 35.0% of LTM EBITDA (net of amounts covered by insurance policies issued by reputable insurance companies), which final judgments remain unpaid, undischarged and unstayed for a period of more than 60 days after such judgment becomes final, and in the event such judgment is covered by insurance, an enforcement proceeding has been commenced by any creditor upon such judgment or decree which is not promptly stayed;

(6) certain events of bankruptcy or insolvency with respect to the Issuer, the Co-Issuer or any Significant Subsidiary (or any group of Restricted Subsidiaries that together (as of the latest consolidated financial statements of the Issuer for a fiscal quarter end provided as required under "—Reports and Other Information") would constitute a Significant Subsidiary);

(7) the Guarantee of any Subsidiary Guarantor that is a Significant Subsidiary (or any group of Subsidiary Guarantors that together (as of the latest consolidated financial statements of the Issuer for a fiscal quarter end provided as required under "—Reports and Other Information") would constitute a Significant Subsidiary) shall for any reason cease to be in full force and effect or be declared null and void or any responsible officer of the Issuers or any Subsidiary Guarantor that is a Significant Subsidiary (or the responsible officers of any group of Subsidiary Guarantors that together (as of the latest consolidated financial statements of the Issuer for a fiscal quarter end provided as required under "—Reports and Other Information") would constitute a Significant Subsidiary), as the case may be, denies in writing that it has any further liability under its Guarantee or gives written notice to such effect, other than by reason of the termination of the Indenture or the release of any such Guarantee in accordance with the Indenture;

(8) the Liens created by the Notes Security Documents shall at any time not constitute a valid and perfected Lien on any material portion of the Collateral intended to be covered thereby (unless perfection is not required by the Indenture or the Notes Security Documents) other than (A) in accordance with the terms of the relevant Notes Security Document and the Indenture, (B) the satisfaction in full of all Obligations under the Indenture or (C) any loss of perfection that results from the failure of the Notes Collateral Agent or other First Lien Representative, as applicable, to maintain possession of certificates delivered to it representing securities pledged under the Security Documents and (ii) such default continues for 30 days after receipt of written notice given by the Trustee or the Holders of not less than 30% in aggregate principal amount of the then outstanding Notes;

(9) the Issuer, the Co-Issuer or any Subsidiary Guarantor that is a Significant Subsidiary (or any group of Subsidiary Guarantors that together (as of the latest consolidated financial statements of the Issuer for a fiscal quarter end provided as required under "—Reports and Other Information") would constitute a Significant Subsidiary) shall assert, in any pleading in any court of competent jurisdiction, that any security interest in any Notes Security Document is invalid or unenforceable; and

(10) the failure by the Issuers to consummate the Special Mandatory Redemption to the extent required, as described under "—Escrow of Gross Proceeds; Special Mandatory Redemption."

If any Event of Default (other than of a type specified in clause (6) above with respect to the Issuer) occurs and is continuing under the Indenture, the Trustee or the Holders of not less than 30% in aggregate principal amount of all the then outstanding Notes may declare the principal, premium, if any, interest and any other monetary obligations on all the then outstanding Notes to be due and payable immediately.

The Trustee will not be charged with knowledge of any Default or Event of Default or knowledge of any cure of any Default or Event of Default except for the occurrence of (1) or (2) above unless written notice of such Default or Event of Default has been received by a responsible officer of the Trustee from the Issuers or by any Holder.

Upon the effectiveness of such declaration, such principal of and premium, if any, and interest will be due and payable immediately. Notwithstanding the foregoing, in the case of an Event of Default arising under clause (6) of the first paragraph of this section with respect to the Issuer, all outstanding Notes will become due and payable without further action or notice. The Indenture will provide that the Trustee may withhold from the Holders notice of any continuing Default, except a Default relating to the payment of principal, premium, if any, or interest, if it determines that withholding notice is in their interest.

The Indenture will provide that the Holders of a majority in aggregate principal amount of all the then outstanding Notes, by notice to the Trustee may on behalf of the Holders of all of the Notes waive any existing Default and its consequences under the Indenture and rescind any acceleration with respect to the Notes and its consequences (except if such rescission would conflict with any judgment of a court of competent jurisdiction and except a continuing Default in the payment of interest on, premium, if any, or the principal of, any Note held by a non-consenting Holder).

In the event of any Event of Default specified in clause (4) of the first paragraph of this section, such Event of Default and all consequences thereof (excluding any resulting payment default, other than as a result of acceleration

of the Notes) shall be annulled, waived and rescinded, automatically and without any action by the Trustee or the Holders, if within 30 days after such Event of Default arose:

(1) the Indebtedness or guarantee that is the basis for such Event of Default has been discharged;

(2) 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

(3) the default that is the basis for such Event of Default has been cured.

In case an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any of the Holders of the Notes unless the Holders have offered to the Trustee indemnity and/or security satisfactory to the Trustee against any loss, liability or expense. Except to enforce the contractual right to receive payment of principal, premium (if any) or interest when due on or after the respective due dates expressed in an outstanding Note, no Holder of a Note may pursue any remedy with respect to the Indenture or the Notes unless:

(1) such Holder has previously given the Trustee written notice that an Event of Default is continuing;

(2) the Holders of at least 30% in the aggregate principal amount of the then outstanding Notes have requested in writing the Trustee to pursue the remedy;

(3) Holders of the Notes have offered the Trustee security and/or indemnity satisfactory to it against any loss, liability or expense;

(4) the Trustee has not complied with such request within 60 days after the receipt thereof and the offer of security and/or indemnity; and

(5) the Holders of a majority in principal amount of the then outstanding Notes have not given the Trustee a direction inconsistent with such written request within such 60-day period.

Subject to certain restrictions contained in the Indenture, the Holders of a majority in principal amount of all the then outstanding Notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or that the Trustee determines is unduly prejudicial to the rights of any other Holder of a Note (it being understood that the Trustee does not have an affirmative duty to ascertain whether or not any such directions are unduly prejudicial to any other Holder of a Note) or that would involve the Trustee in personal liability, and may take any other action that is not inconsistent with any such direction received from Holders of the Notes.

The Indenture will provide that the Issuer is required to deliver to the Trustee annually a statement regarding compliance with the Indenture, and the Issuers are required, within 20 Business Days upon becoming aware of any Default, to deliver to the Trustee a statement specifying such Default (unless such Default has been cured or waived within such 20-Business Day time period).

No Personal Liability of Directors, Managers, Officers, Members, Partners, Employees and Equityholders

No past, present or future director, manager, officer, employee, incorporator, member, partner or direct or indirect equityholder of the Issuer or any Restricted Subsidiaries or of any of their direct or indirect parent companies (other than in such equityholder's capacity as the Issuer, the Co-Issuer or a Guarantor) shall have any liability, for any obligations of the Issuer, the Co-Issuer or the Guarantors under the Notes, the Guarantees, the Notes Security Documents or the Indenture or for any claim based on, in respect of, or by reason of such obligations or their creation. Each Holder by accepting Notes waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the federal securities laws and it is the view of the SEC that such a waiver is against public policy.

Legal Defeasance and Covenant Defeasance

The obligations of the Issuers and the Guarantors under the Indenture with respect to the Notes, such Notes, the Notes Security Documents and the Guarantees of such Notes, as the case may be, will terminate (other than certain obligations) and will be released upon payment in full of all of the Notes. The Issuers may, at their option and at any time, elect to have all of their obligations discharged with respect to the Notes and the Notes Security Documents and have each Guarantor's obligation discharged with respect to its Guarantee of the Notes ("Legal Defeasance") and cure all then existing Defaults and Events of Default except for:

(1) the rights of Holders of Notes to receive payments in respect of the principal of, premium, if any, and interest on the Notes when such payments are due solely out of the trust created pursuant to the Indenture;

(2) the Issuers' obligations with respect to Notes concerning issuing temporary Notes, registration of such Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust;

(3) the rights, powers, trusts, duties and immunities of the Trustee, and the Issuers' obligations in connection therewith; and

(4) the Legal Defeasance provisions of the Indenture.

In addition, the Issuers may, at their option and at any time, elect to have their obligations and those of each Guarantor released with respect to substantially all of the restrictive covenants that are described in the Indenture with respect to the Notes ("Covenant Defeasance") and thereafter any omission to comply with such obligations shall not constitute a Default or Event of Default with respect to the Notes. In the event Covenant Defeasance occurs, certain events (not including bankruptcy, receivership, rehabilitation and insolvency events pertaining to the Issuers) described under "—Events of Default and Remedies" will no longer constitute a Default or an Event of Default with respect to the Notes.

In order to exercise either Legal Defeasance or Covenant Defeasance with respect to the Notes:

(1) the Issuers shall irrevocably deposit with the Trustee, in trust, for the benefit of the Holders of the Notes, cash in U.S. dollars, U.S. Government Securities, or a combination thereof in such amount as will be sufficient, in the opinion of an Independent Financial Advisor, without consideration of any reinvestment to pay the principal of, premium, if any, and interest due on such Notes on the stated maturity date or on the redemption date, as the case may be, of such principal, premium, if any, or interest on such Notes and the Issuers must specify whether such Notes are being defeased to maturity or to a particular redemption date; *provided* that upon any redemption that requires the payment of the Applicable Premium, the amount deposited shall be sufficient for purposes of the Indenture to the extent that an amount is deposited with the Trustee equal to the Applicable Premium calculated as of the date of the notice of redemption, 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;

(2) in the case of Legal Defeasance, the Issuers shall have delivered to the Trustee an Opinion of Counsel confirming that, subject to customary assumptions and exclusions,

   (a) the Issuers have received from, or there has been published by, the United States Internal Revenue Service a ruling, or

   (b) since the Issue Date, 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, subject to customary assumptions and exclusions, the beneficial owners of the Notes 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 Issuers shall have delivered to the Trustee an Opinion of Counsel confirming that, subject to customary assumptions and exclusions, the beneficial owners of the Notes 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 Event of Default (other than that resulting from borrowing funds to be applied to make such deposit and any similar and simultaneous deposit relating to other Indebtedness and, in each case, the granting of Liens in connection therewith) shall have occurred and be continuing on the date of such deposit;

(5) such Legal Defeasance or Covenant Defeasance shall not result in a breach or violation of, or constitute a default under any material agreement or instrument (other than the Indenture) to which the Issuer, the Co-Issuer or any Guarantor is a party or by which the Issuer, the Co-Issuer or any Guarantor is bound (other than that resulting from any borrowing of funds to be applied to make the deposit required to effect such Legal Defeasance or Covenant Defeasance and any similar and simultaneous deposit relating to other Indebtedness, and, in each case, the granting of Liens in connection therewith);

(6) the Issuers shall have delivered to the Trustee an Officer's Certificate stating that the deposit was not made by the Issuers with the intent of defeating, hindering, delaying or defrauding any creditors of the Issuers or any Guarantor or others; and

(7) the Issuers shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel (which Opinion of Counsel may be subject to customary assumptions and exclusions), 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.

Satisfaction and Discharge

The Indenture with respect to the Notes will be discharged and will cease to be of further effect as to all Notes (other than certain rights of the Trustee and the Issuers' obligations with respect thereto), when either:

(1) all Notes theretofore authenticated and delivered, except lost, stolen or destroyed Notes which have been replaced or paid and Notes for whose payment money has theretofore been deposited in trust, have been delivered to the Trustee for cancellation; or

(2) (a) all Notes not theretofore delivered to the Trustee for cancellation have become due and payable by reason of the making of a notice of redemption or otherwise, will become due and payable within one year or are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuers, and the Issuer, the Co-Issuer or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the Holders of the Notes, cash in U.S. dollars, U.S. Government Securities, or a combination thereof in such amounts as will be sufficient without consideration of any reinvestment to pay and discharge the entire indebtedness on the Notes not theretofore delivered to the Trustee for cancellation for principal, premium, if any, and accrued interest to the date of maturity or redemption; *provided* that upon any redemption that requires the payment of the Applicable Premium, the amount deposited shall be sufficient for purposes of the Indenture to the extent that an amount is deposited with the Trustee equal to the Applicable Premium calculated as of the date of the notice of redemption, with any 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;

(b) no Event of Default (other than that resulting from borrowing funds to be applied to make such deposit or any similar and simultaneous deposit relating to other Indebtedness and, in each case, the granting of Liens in connection therewith) with respect to the Indenture with respect to such Notes or the Notes shall have occurred and be continuing on the date of such deposit or shall occur as a result of such deposit and such deposit will not result in a breach or violation of, or constitute a default under any material agreement or instrument (other than the Indenture) to which the Issuer, the Co-Issuer or any Guarantor is a party or by which the Issuer, the Co-Issuer or any Guarantor is bound (other than resulting from any borrowing of funds to be applied to make such deposit and any similar and simultaneous deposit relating to other Indebtedness and, in each case, the granting of Liens in connection therewith);

(c) the Issuers have paid or caused to be paid all sums payable by them under the Indenture with respect to such Notes; and

(d) the Issuers have delivered irrevocable instructions to the Trustee to apply the deposited money toward the payment of the Notes at maturity or the redemption date, as the case may be.

In addition, the Issuers must deliver an Officer's Certificate and an Opinion of Counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

Amendment, Supplement and Waiver

Except as provided in the next two succeeding paragraphs, the Indenture, any Guarantee, the Notes Security Documents, any Initial Intercreditor Agreement or any other intercreditor agreement and the Notes may be amended or supplemented with the consent of the Holders of at least a majority in principal amount of all the Notes then outstanding, including consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes, and any existing Default or Event of Default (other than a Default or Event of Default in the payment of the principal of, premium, if any, or interest on the Notes (which shall be considered waived only with respect to Notes held by consenting Holders), except a payment default resulting from an acceleration that has been rescinded) or compliance with any provision of the Indenture, any Guarantee, the Notes Security Documents, any Initial Intercreditor Agreement or any other intercreditor agreement or the Notes may be waived with the consent of the Holders of a majority in principal amount of all the then outstanding Notes, other than Notes beneficially owned by the Issuers or their Affiliates (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, the Notes).

The Indenture will provide that, without the consent of each affected Holder of Notes, an amendment or waiver may not, with respect to any Notes held by a non-consenting Holder:

(1) reduce the principal amount of such Notes whose Holders must consent to an amendment, supplement or waiver;

(2) reduce the principal of or change the fixed final maturity of any such Note or alter or waive the provisions with respect to the redemption of such Notes (other than provisions relating to (a) notice periods (to the extent consistent with applicable requirements of clearing and settlement systems) for redemption and conditions to redemption and (b) the covenants described above under the caption "— Repurchase at the option of Holders");

(3) reduce the rate of or change the time for payment of interest on any such Note;

(4) waive a Default or Event of Default in the payment of principal of or premium, if any, or interest on such Notes, except a rescission of acceleration of Notes by the Holders of a majority in principal amount of all the then outstanding Notes, and a waiver of the payment default that resulted from such acceleration, or in respect of a covenant or provision contained in the Indenture, the Notes or any Guarantee which cannot be amended or modified without the consent of all affected Holders;

(5) make any such Note payable in money other than that stated therein;

(6) make any change in the provisions of the Indenture relating to waivers of past Defaults;

(7) make any change in these amendment and waiver provisions;

(8) amend the contractual right expressly set forth in the Indenture or the Notes of any Holder to institute suit for the enforcement of any payment on or with respect to such Holder's Notes on or after the due dates therefor; or

(9) make any change to or modify the ranking of such Notes that would adversely affect the Holders.

Notwithstanding the foregoing, without the consent of the Holders of at least 66-2/3% in aggregate principal amount of the Notes then outstanding, no amendment or waiver may (A) make any change in any Notes Security Document or the provisions in the Indenture dealing with Collateral or application of trust proceeds of the Collateral with the effect of releasing the Liens on all or substantially all of the Collateral which secure the Obligations in respect of the Notes, (B) change or alter the priority of the Liens securing the Obligations in respect of the Notes in any material portion of the Collateral in any way materially adverse, taken as a whole, to the Holders or (C) modify the Guarantees of any Subsidiary Guarantor that is a Significant Subsidiary, or any group of Subsidiary Guarantors that, taken together (as of the latest consolidated financial statements of the Issuer for a fiscal quarter end provided as required under "—Reports and Other Information"), would constitute a Significant Subsidiary, in any manner materially adverse to the Holders of such Notes, other than, in each case, as provided under the terms of the Indenture, the Notes Security Documents or any Acceptable Intercreditor Agreement then in effect (as applicable).

Notwithstanding the foregoing, the Issuer, the Co-Issuer or any Guarantor (with respect to a Guarantee or the Indenture to which it is a party), as the case may be, and, in each case the Notes Collateral Agent and/or the Trustee, as applicable (and any other agents party thereto (to the extent applicable)), may amend or supplement the Indenture, the Notes, the Security Documents, any Initial Intercreditor Agreement or any other intercreditor agreement, or any Guarantee without the consent of any Holder:

(1) to cure any ambiguity, omission, mistake, defect or inconsistency;

(2) 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);

(3) to comply with the covenant relating to mergers, amalgamations, consolidations and sales of assets;

(4) to provide for the assumption of the Issuer's, the Co-Issuer's or any Guarantor's obligations to the Holders;

(5) to make any change that would provide any additional rights or benefits to the Holders or that does not materially adversely affect the legal rights under the Indenture of any such Holder;

(6) to add or modify covenants for the benefit of the Holders or to surrender any right or power conferred upon the Issuer, the Co-Issuer or any Guarantor;

(7) to provide for the issuance of Additional Notes in accordance with the terms of the Indenture;

(8) to evidence and provide for the acceptance and appointment under the Indenture of a successor Trustee or a successor Paying Agent thereunder (or any other agents party thereto (to the extent applicable)) pursuant to the requirements thereof;

(9) to secure the Notes and/or the related Guarantees or to add collateral thereto;

(10) to add an obligor or a Guarantor under the Indenture;

(11) to conform the text of the Indenture, the Notes, the Security Documents, the Initial Intercreditor Agreements or any other applicable intercreditor agreement or any Guarantees to any provision of this "Description of Notes";

(12) to make any amendment to the provisions of the Indenture relating to the transfer and legending of Notes as permitted by the Indenture, including, without limitation to facilitate the issuance and administration of the Notes; *provided, however,* that such amendment does not materially and adversely affect the rights of Holders to transfer Notes;

(13) to release any Guarantor from its Guarantee pursuant to the Indenture when permitted or required by the Indenture;

(14) to release and discharge any Lien securing the Notes when permitted or required by the Indenture (including pursuant to the second paragraph under "Certain Covenants—Liens"), the Security Documents, the Initial Intercreditor Agreements or any other applicable intercreditor agreement;

(15) to comply with the rules of any applicable securities depositary;

(16) to mortgage, pledge, hypothecate or grant any other Lien in favor of the Trustee or the Notes Collateral Agent or other representative for the benefit of the Holders, as additional security for the payment and performance of all or any portion of the Notes Obligations, in any property or assets, including any which are required to be mortgaged, pledged or hypothecated, or in which a Lien is required to be granted to or for the benefit of the Trustee or the Notes Collateral Agent pursuant to the Indenture, any of the Security Documents, the Initial Intercreditor Agreements, any other applicable intercreditor agreement or otherwise;

(17) to add Additional First Lien Secured Parties or Additional Second Lien Secured Parties to any Security Documents, the Initial Intercreditor Agreements or any other applicable intercreditor agreement;

(18) to enter into any Acceptable Intercreditor Agreement;

(19) in the case of any Security Document, to include therein any legend required to be set forth therein pursuant to the Initial Intercreditor Agreements or any other applicable intercreditor agreement or to modify any such legend as required by the Initial Intercreditor Agreements or any other applicable intercreditor agreement; and

(20) to provide for the succession of any parties to the Security Documents, the Initial Intercreditor Agreements or any other applicable intercreditor agreement (and other amendments that are administrative or ministerial in nature) in connection with an amendment, renewal, extension, substitution, refinancing, restructuring, replacement, supplementing or other modification from time to time of the New First Lien Credit Facilities, the New Second Lien Credit Facility, any other First Lien Obligations or any other agreement that is not prohibited by the Indenture.

The consent of the Holders is not necessary under the Indenture to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment.

For the avoidance of doubt, no amendment to, or deletion of any of the covenants described under, "—Repurchase at the Option of Holders" or "—Certain Covenants," or action taken in compliance with the covenants in effect at the time of such action, shall be deemed to impair or affect any legal rights of any Holders of the Notes to receive payment of principal of or premium, if any, or interest on the Notes or to institute suit for the enforcement of any payment on or with respect to such Holder's Notes.

Notices

Notices given by publication (including posting of information as contemplated by the covenant described under "Certain Covenants—Reports and Other Information") will be deemed given on the first date on which publication is made and notices given by first-class mail, postage prepaid, will be deemed given five calendar days after mailing or transmitting. Notices sent by overnight delivery service will be deemed given when delivered and notices given electronically will be deemed given when sent. Notice otherwise given in accordance with the procedures of DTC will be deemed given on the date sent to DTC.

Concerning the Trustee

The Indenture will contain certain limitations on the rights of the Trustee thereunder, should it become a creditor of the Issuer, the Co-Issuer or a Guarantor, to obtain payment 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; however, if it acquires any conflicting interest, it must eliminate such conflict within 90 days or resign.

The Indenture will provide that the Holders of a majority in principal amount of all the then outstanding Notes will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee, subject to certain exceptions. The Indenture will provide that in case an Event of Default shall occur (which shall not be cured) of which a responsible officer of the Trustee has received written notice, the Trustee will be required, in the exercise of its power, to use the degree of care of a prudent person in the conduct of his own affairs. The Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any Holder of the Notes, unless such Holder shall have offered to the Trustee security and/or indemnity satisfactory to the Trustee against any loss, liability or expense.

The obligations of the Trustee to any Holder will be subject to certain immunities and rights to be set forth in the Indenture.

Governing Law

The Indenture, the Notes, the Notes Security Documents and any Guarantee will be governed by and construed in accordance with the laws of the State of New York.

Certain Definitions

Set forth below are certain defined terms used in the Indenture. For purposes of the Indenture, unless otherwise specifically indicated, the term "consolidated" with respect to any Person refers to such Person consolidated with its Restricted Subsidiaries.

The terms of the New First Lien Credit Facilities and the New Second Lien Credit Facility have not been finalized. References herein to terms as defined in or with respect to the definitive agreements with respect to such facilities will be references to the corresponding term as defined in the New First Lien Credit Facilities and the New Second Lien Credit Facility, as applicable.

"Acceptable Intercreditor Agreement" means each Initial Intercreditor Agreement, a Market Intercreditor Agreement or another intercreditor agreement that is reasonably satisfactory to the Notes Collateral Agent (which may, if applicable consist of a collateral proceeds "waterfall" or, in the case of payment subordinated Indebtedness, a payment "waterfall").

"Acquired EBITDA" means, with respect to any Pro Forma Entity for any period, the amount for such period of LTM EBITDA of such Pro Forma Entity (determined as if references to the Issuer and the Restricted Subsidiaries in the definition of "EBITDA" (and in the component financial definitions used therein) were references to such Pro Forma Entity and its Subsidiaries that will become Restricted Subsidiaries), all as determined on a consolidated basis for such Pro Forma Entity.

"Acquired Entity or Business" means, any Person, property, business or asset acquired by the Issuer or any Restricted Subsidiary whether such acquisition occurred before or after the Completion Date to the extent not subsequently sold, transferred or otherwise disposed of.

"Acquired Indebtedness" means, with respect to any specified Person,

(1) Indebtedness of any other Person existing at the time such other Person is merged, consolidated or amalgamated with or into or became a Restricted Subsidiary of such specified Person, including Indebtedness incurred or assumed in connection with, or in contemplation of, such other Person merging, consolidating or amalgamating with or into or becoming a Restricted Subsidiary of such specified Person, and

(2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"Acquisition" means the transactions contemplated by the Merger Agreement pursuant to which the Issuer acquires, directly or indirectly, a majority of the issued and outstanding Equity Interests of CDK.

"Additional First Lien Obligations" means obligations secured by Liens *pari passu* with the Liens securing the First Lien Facilities Obligations and/or the Notes Obligations permitted to be incurred under the New First Lien Credit Facilities, the Indenture and the First Lien Intercreditor Agreement.

"Additional First Lien Representatives" means the applicable agents, trustees or other representatives in respect of any Series of Additional First Lien Obligations pursuant to the First Lien Intercreditor Agreement and/or the First Lien/Second Lien Intercreditor Agreement, as the context may require.

"Additional First Lien Secured Parties" means the secured parties in respect of any Series of Additional First Lien Obligations.

"Additional Letter of Credit Facility" means any facility established, other than the New Revolving Facility, by the Issuer and/or any Restricted Subsidiary to obtain LC Instruments required by customers, suppliers or landlords or otherwise in the ordinary course of business.

"Additional Second Lien Obligations" means obligations secured by Liens *pari passu* with or junior to the Liens securing the Second Lien Facilities Obligations permitted to be incurred under the New Second Lien Credit Facility and the First Lien/Second Lien Intercreditor Agreement.

"Additional Second Lien Representatives" means the applicable agents, trustees or other representatives in respect of any Series of Additional Second Lien Obligations pursuant to the First Lien/Second Lien Intercreditor Agreement.

"Additional Second Lien Secured Parties" means the secured parties in respect of any Series of Additional Second Lien Obligations.

"Additional Secured Obligations" means Additional First Lien Obligations and Additional Second Lien Obligations.

"Affiliate" means, with respect to a specified Person, another Person that directly or indirectly controls or is controlled by or is under common control with the Person specified. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ability to exercise voting power, by contract or otherwise.

"Applicable Premium" means, with respect to any Note on any Redemption Date, the greater of: (1) 1.0% of the principal amount of such Note, and (2) the excess, if any, of (a) the present value at such Redemption Date of (i) the redemption price of such Note at , 2025 (such redemption price being set forth in the table appearing above under the caption "—Optional Redemption"), plus (ii) all required remaining scheduled interest payments due on such Note through , 2025 (excluding accrued but unpaid interest to, but excluding, the Redemption Date), computed using a discount rate equal to the Applicable Treasury Rate as of such Redemption Date plus 50 basis points, over (b) the then outstanding principal amount of such Note. The Issuer shall calculate, or cause the calculation of, the Applicable Premium, and the Trustee shall have no duty to calculate, or verify the Issuer's calculations of, the Applicable Premium.

"Applicable Treasury Rate" means, at the time of computation, the weekly average (for the most recently completed week for which such information is available as of the date that is two Business Days prior to the Redemption Date) of the yield to maturity of United States Treasury securities with a constant maturity (as compiled and published in Federal Reserve Statistical Release H.15 with respect to each applicable day during such week or, if such Statistical Release is no longer published, any publicly available source of similar market data) most nearly equal to the period from the Redemption Date to , 2025; *provided, however*, that if the period from the

Redemption Date to , 2025 is not equal to the constant maturity of a United States Treasury security for which a yield is given, the Applicable 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 the Redemption Date to , 2025 is less than one year, the weekly average yield on actively traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

"Asset Sale" means:

(1) the sale, conveyance, transfer or other disposition, whether in a single transaction or a series of related transactions (including by way of a Sale Leaseback), of property or assets of the Issuer or any of its Restricted Subsidiaries (each referred to in this definition as a "disposition"); or

(2) the issuance or sale of Equity Interests of any Restricted Subsidiary (other than Preferred Stock or Disqualified Stock of Restricted Subsidiaries issued in compliance with the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock"), whether in a single transaction or a series of related transactions;

in each case, other than:

(a) any disposition of Cash Equivalents or Investment Grade Securities or surplus, obsolete, used or worn out property or other property, in each case whether now owned or hereafter acquired, if made in the good faith determination of the Issuer or the applicable Restricted Subsidiary and/or in the ordinary course of business or consistent with past or industry practice, and dispositions of property (including intellectual property) that, in the good faith judgment of the Issuer, is no longer used or useful to, or economically practicable or commercially reasonable to maintain, or otherwise not material to the business of the Issuer or the Restricted Subsidiaries, taken as a whole;

(b) the disposition of all or substantially all of the assets of the Issuer or any Restricted Subsidiary in a manner permitted pursuant to the provisions described above under "—Certain Covenants—Merger, Consolidation or Sale of All or Substantially All Assets" or any disposition that constitutes a Change of Control pursuant to the Indenture;

(c) any Permitted Investment and the making of any Restricted Payment that is permitted to be made, and is made, under the covenant described above under "—Certain Covenants—Limitation on Restricted Payments," or the proceeds of which are used to fund a Permitted Investment or the making of a Restricted Payment;

(d) any disposition of property or assets that do not constitute Collateral;

(e) any disposition of property or assets or issuance or sale of Equity Interests of any Restricted Subsidiary in any transaction or series of related transactions with an aggregate fair market value for all such property or assets disposed of pursuant to this clause (e) in any fiscal year, not to exceed the greater of $608.3 million and 75.0% of LTM EBITDA; *provided* that any unused amounts pursuant to this clause (e) during any fiscal year may, at the option of the Issuer, be carried forward into succeeding fiscal years or carried back to the preceding fiscal years (in each case, until so applied);

(f) (i) any exchange of like property (excluding any boot thereon) for use in a Similar Business and (ii) dispositions of property to the extent that (x) such property is exchanged for credit against the purchase price of similar replacement property, or other assets or services of comparable or greater value or usefulness to the business (including transactions covered by Section 1031 of the Code or any comparable provision of any foreign jurisdiction) as determined by the Issuer in good faith or (y) an amount equal to the Net Proceeds of such disposition are promptly applied to the purchase price of similar replacement property, or other assets or services of comparable or greater value or usefulness to the business;

(g) the lease, assignment, sub-lease, license or sub-license of any real or personal property in the ordinary course of business or consistent with industry or past practices;

(h) any issuance, disposition or sale of Equity Interests in, or Indebtedness or other securities of, an Unrestricted Subsidiary (or a Restricted Subsidiary which owns an Unrestricted Subsidiary so long as such Restricted Subsidiary owns no assets other than the Equity Interests of such Unrestricted Subsidiary);

(i) foreclosures, condemnation, expropriation, forced dispositions, eminent domain or any similar action with respect to assets or the granting of Liens not prohibited by the Indenture, and transfers of any property that have been subject to a casualty to the respective insurer of such property as part of an insurance settlement or upon receipt of the net proceeds of such casualty event;

(j) (i) dispositions or discounts without recourse of accounts receivable (including defaulted receivables), notes receivable, rights to payment, other current assets or participations therein or the conversion of accounts receivable to notes receivable or other dispositions of accounts receivable or rights to payment in connection with the collection or compromise thereof or as part of any bankruptcy or reorganization process (including any discount or forgiveness in connection with the foregoing) or (ii) dispositions of assets in connection with any Permitted Receivables Financing Assets pursuant to any Permitted Receivables Financing (including Equity Interests in any Subsidiary all of substantially all of the assets of which are Permitted Receivables Financing Assets);

(k) any financing transaction and asset securitizations permitted by the Indenture with respect to property built or acquired by the Issuer or any Restricted Subsidiary after the Completion Date and any Sale Leasebacks;

(l) (i) the sale, discount, consignment or other disposition of inventory, goods held for sale, equipment, accounts receivable, notes receivable or other assets (including leasehold or licensed interests in real property), including on an intercompany basis, (x) in the ordinary course of business or consistent with past or industry practice or the conversion of accounts receivable to notes receivable or (y) with respect to facilities that are temporarily not in use, held for sale or closed or the discontinuation of any product line or line of business, (ii) the leasing or subleasing of real property in the ordinary course of business or consistent with past or industry practice and (iii) to the extent constituting an Asset Sale, the expiration of any option or similar agreement in respect of real or personal property;

(m) the assignment, licensing, sub-licensing or cross-licensing of intellectual property (including software and technology) or other general intangibles, the assignment, licensing, sub-licensing or cross-licensing of which (i) is made or entered into in the ordinary course of business or consistent with industry or past practices, or (ii) does not materially interfere with the business of the Issuer and the Restricted Subsidiaries, taken as a whole;

(n) any surrender or waiver of contract rights or the settlement, release or surrender of contract rights or other litigation claims in the ordinary course of business or consistent with industry or past practices or otherwise if the Issuer determines in good faith that such action is in the best interests of the Issuer and the Restricted Subsidiaries, taken as a whole, and is not materially disadvantageous to the Holders of the Notes;

(o) the termination, settlement, extinguishment, unwinding, netting or set-off of obligations in respect of any Hedging Obligations;

(p) sales, transfers and other dispositions of Investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell and/or put/call arrangements between the joint venture parties set forth in joint venture arrangements and similar binding arrangements;

(q) the lapse, abandonment or other disposition of intellectual property (including software and technology), including (i) allowing any registration or application for registration of any such intellectual property to lapse, go abandoned or be invalidated or (ii) disposing of, discontinuing the use or maintenance of,

abandoning, failing to pursue or otherwise allowing to lapse, expire, terminate or put into the public domain any such intellectual property, in each case of clauses (i) and (ii), whether now owned or hereafter acquired and which in the good faith judgment of the Issuer are no longer used or useful, or economically practicable or commercially reasonable to maintain, or otherwise not material to the conduct of the business of the Issuer and its Restricted Subsidiaries taken as a whole;

(r) the granting of a Lien that is permitted under the covenant described above under "—Certain Covenants—Liens";

(s) the issuance of directors' qualifying shares and shares issued to foreign nationals or other third parties as required by applicable law;

(t) Permitted Intercompany Activities and related transactions;

(u) transfers of property subject to, or otherwise as a result of, Casualty Events upon receipt of the Net Proceeds of such Casualty Event; *provided* that any Cash Equivalents received by the Issuer or any of its Restricted Subsidiaries in respect of such Casualty Event shall be deemed to be Net Proceeds of an Asset Sale, and such Net Proceeds shall be applied in accordance with the covenant described under "—Repurchase at the Option of Holders—Asset Sales";

(v) any disposition of property or assets or issuance of securities by a Restricted Subsidiary to the Issuer or by the Issuer or a Restricted Subsidiary to a Restricted Subsidiary;

(w) any sale of property or assets, if the acquisition of such property or assets was financed with Excluded Contributions and the proceeds of such sale are used to make a Restricted Payment pursuant to clause (10)(b) under the second paragraph of the covenant described under "—Certain Covenants— Limitation on Restricted Payments";

(x) the disposition of any assets (including Equity Interests) acquired in a transaction after the Completion Date, which assets are not used or useful in the core or principal business of the Issuer and its Restricted Subsidiaries, (i) made in connection with the approval of any applicable antitrust authority or otherwise necessary or advisable in the good faith determination of the Issuer to consummate any acquisition or (ii) which, within 90 days of the date of such acquisition, are designated in writing to the Trustee as being held for sale and not for the continued operations of the Issuer or any Restricted Subsidiary or any of their respective businesses;

(y) any disposition of non-revenue producing assets to a Person who is providing services related to such assets, the provision of which have been or are to be outsourced by the Issuer or any Restricted Subsidiary to such Person;

(z) dispositions of investments in Joint Ventures to the extent required by, or made pursuant to buy/sell and/or put/call arrangements between the Joint Venture parties set forth in, Joint Venture agreements and similar binding arrangements;

(aa) dispositions of any assets (including Equity Interests) acquired in connection with any acquisition or other investment permitted hereunder, which assets are not core or principal to the business of the Issuer and the Restricted Subsidiaries, including such dispositions (x) made with the approval of (or to obtain the approval of) any applicable antitrust authority or otherwise necessary or advisable in the good faith determination of the Issuer to consummate any acquisition or other investment permitted hereunder or (y) which are being held for sale and not for the continued operation of the Issuer or any Restricted Subsidiary or any of their respective businesses;

(bb) transfers of condemned property as a result of the exercise of "eminent domain" or other similar powers to the respective Governmental Authority or agency that has condemned such property (whether by deed in lieu of condemnation or otherwise), and transfers of property arising from, or subject to, foreclosure, expropriation, forced disposition, casualty, eminent domain, condemnation proceedings or any similar

action, or in lieu thereof, or that have been subject to a casualty or otherwise to the respective insurer of such real property as part of an insurance settlement;

(cc) additional dispositions (including the sale or issuance of Equity Interests); *provided* that (x) such disposition is made for fair market value and (y) the disposition involves assets with a fair market value of less than (A) with respect to any single transaction or series of related transactions, the greater of $121.7 million and 15.0% of LTM EBITDA or (B) with respect to all other dispositions in any fiscal year, the greater of $243.4 million and 30.0% of LTM EBITDA for all such transactions on an aggregate basis in any fiscal year;

(dd) any sale, transfer or other disposition to effect the formation of any Subsidiary that is a Delaware Divided LLC; *provided* that upon formation of such Delaware Divided LLC, such Delaware Divided LLC shall be a Restricted Subsidiary;

(ee) dispositions and terminations of leases, subleases, licenses, sublicenses or cross-licenses (including of intellectual property, software or technology and any sale of improvements made to leased real property resulting from such sale), the sale or termination of which is (i) made or entered into in the ordinary course of business or consistent with past or industry practice, (ii) does not materially interfere with the business of the Issuer and the Restricted Subsidiaries, taken as a whole, or (iii) related to facilities that are temporarily not in use, held for sale or closed, or the discontinuation of any product line or line of business;

(ff) dispositions in connection with Permitted Liens;

(gg) dispositions contemplated in connection with the Transactions, including dispositions consummated in accordance with the Merger Agreement;

(hh) dispositions in connection with the undertaking or consummation of any Permitted Reorganization, any IPO Reorganization Transactions or any Tax Restructuring and, in each case, any transaction related thereto or contemplated thereby;

(ii) dispositions of immaterial real property and related immaterial assets, in each case in the ordinary course of business or consistent with past or industry practice in connection with relocation activities for Permitted Payees;

(jj) dispositions made to comply with any final order or other binding directive of any Governmental Authority or any applicable law having proper jurisdiction over the entity making such disposition;

(kk) any sale of Vehicles and information technology equipment purchased at the end of an operating lease and resold thereafter;

(ll) any netting arrangement of accounts receivable between or among the Issuer and its Restricted Subsidiaries in the ordinary course of business or consistent with past or industry practice;

(mm) dispositions in connection with Cash Management Services, Permitted Treasury Arrangements and related activities, in each case, in the ordinary course of business or consistent with past or industry practice;

(nn) any “fee in lieu” or other disposition of assets to any Governmental Authority that continue in use by the Issuer or any Restricted Subsidiary, so long as the Issuer or such Restricted Subsidiary may obtain title to such asset upon reasonable notice by paying a nominal fee; and

(oo) dispositions of any assets consisting of all or any portion of the Non-Automotive DMS Business Line.

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, the Issuer, in its sole discretion, will be entitled to divide and classify such transaction (or a portion thereof) as an Asset Sale and/or one or more of the types of permitted Restricted Payments or Permitted Investments.

"Asset Sale Prepayment Percentage" means 100%; *provided* that if, at the time of receipt by the Issuer or the relevant Restricted Subsidiary of the Net Proceeds from any Asset Sale (or at any time during the applicable reinvestment period described herein), on a pro forma basis after giving effect to the applicable Asset Sale and the application of the Net Proceeds therefrom, (i) the Consolidated Secured Debt Ratio is less than or equal to 5.00 to 1.00 and greater than 4.75 to 1.00, such percentage shall instead be 50% or (ii) the Consolidated Secured Debt Ratio is less than or equal to 4.75 to 1.00, such percentage shall instead be 0%.

"Available RP Capacity Amount" means (i) 200% of the sum of (x) the amount of Restricted Payments that may be made at the time of determination pursuant to clause (2) of the first paragraph under the covenant described in "—Certain Covenants—Limitation on Restricted Payments" and clauses (4), (9), (10), (11)(i) and (25) of the second paragraph under the covenant described in "—Certain Covenants—Limitation on Restricted Payments", plus (y) the amount of Investments that could be made at the time of determination pursuant to clause (13) of the definition of "Permitted Investments", minus (ii) the sum of (A) the amount of the Available RP Capacity Amount utilized by the Issuer or any Restricted Subsidiary to make Restricted Payments in reliance on clause (2) of the first paragraph under the covenant described in "—Certain Covenants—Limitation on Restricted Payments" and clauses (4), (9), (10), (11)(i) and (25) of the second paragraph under the covenant described in "—Certain Covenants—Limitation on Restricted Payments" and (B) the sum of (x) the amount of Investment capacity under clause (13) of the definition of "Permitted Investments"utilized by the Issuer or any Restricted Subsidiary to incur Indebtedness and (y) the amount of the Available RP Capacity Amount utilized by the Issuer or any Restricted Subsidiary to incur Indebtedness pursuant to clause (29) of the second paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" plus (iii) the aggregate principal amount of Indebtedness prepaid prior to or substantially concurrently at such time, solely to the extent such Indebtedness was incurred pursuant to clause (29) of the second paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" (it being understood that the amount under this clause (iii) shall only be available for use pursuant to clause (29) of the second paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock").

"Bankruptcy Code" means Title 11 of the United States Code (11 U.S.C. § 101 et seq.), as amended.

"Board" means, with respect to any Person, (a) in the case of any corporation, the board of directors of such Person or any committee thereof duly authorized to act on behalf of such board, (b) in the case of any limited liability company, the board of managers, board of directors, manager or managing member of such Person or the functional equivalent of the foregoing, (c) in the case of any partnership, the board of directors, board of managers, manager or managing member of a general partner of such Person or the functional equivalent of the foregoing and (d) in any other case, the functional equivalent of the foregoing.

"Borrowers" means CDK Global, Inc., a Delaware corporation, and Central Parent Inc., a Delaware corporation.

"Business Day" means each day which is not a Legal Holiday.

"Business Expansion" mean (a) each facility which is either a new facility, branch or office or an expansion, relocation, remodeling or substantial modernization of an existing facility, branch or office owned by the Issuer or a Restricted Subsidiary and (b) each creation or expansion into new markets (in one or a series of related transactions) of a business unit to the extent such business unit commences operations or each expansion (in one or a series of related transactions) of business into a new market.

"Capitalized Software Expenditures" means for any period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities) by a Person during such period in respect of licensed or purchased software or internally developed software and software enhancements that, in accordance with GAAP, are or are required to be reflected as capitalized costs on the consolidated balance sheet of the Issuer and the Restricted Subsidiaries.

"Capital Lease Obligation" means an obligation that is required to be accounted for as a financing or capital lease (and, for the avoidance of doubt, not a straight-line or operating lease) on both the balance sheet and income statement for financial reporting purposes in accordance with GAAP as in effect prior to giving effect to the

adoption of ASU No. 2016-02 "Leases (Topic 842)" and ASU No. 2018-11 "Leases (Topic 842)" or IFRS 16 "Leases."

"Capital Stock" means:

(1) in the case of a corporation, corporate stock or shares in the capital of such corporation;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

"Cash Equivalents" means any of the following, to the extent owned by the Issuer or any Restricted Subsidiary:

(a) any cash denominated in United States dollars, Canadian dollars, pounds sterling, yen, euros or any national currency of any participating member state of the EMU, Chinese yuan, Czech koruna, Danish kroner, Mexican pesos, Swiss francs or Turkish lira, or in such other currencies held by the Issuer or any Restricted Subsidiary from time to time in the ordinary course of business or consistent with industry practice;

(b) readily marketable obligations issued or directly and fully guaranteed or insured by the government or any agency or instrumentality of the United States, the United Kingdom, Canada, a member state of the European Union or any state or political subdivision of the foregoing having average maturities of not more than 18 months from the date of acquisition thereof; *provided* that either (A) the full faith and credit of the United States, the United Kingdom, Canada, a member state of the European Union or a political subdivision of the foregoing is pledged in support thereof or (B) such obligations are, at the time of acquisition thereof, rated "A-2" (or the equivalent thereof) or better by S&P, "P-2" (or the equivalent thereof) or better by Moody's or "F2" (or the equivalent thereof) by Fitch (or, if at any time none of Moody's, S&P or Fitch shall be rating such obligations, an equivalent rating from another nationally recognized statistical rating agency selected by the Issuer);

(c) deposits with, money market deposits with, time deposits with, or certificates of deposit or bankers' acceptances or similar instruments of, any commercial bank that (i) is a lender under the New First Lien Credit Facilities, (ii) is organized under, or authorized to operate as a bank under, the laws of the United States or any state thereof or the District of Columbia or any political subdivision of the foregoing or (iii) has combined capital and surplus of at least $150.0 million (or the dollar equivalent as of the date of determination) (any such bank meeting the requirements of clause (i), (ii) or (iii) above being an "Approved Bank"), in each case with average maturities of not more than 12 months from the date of acquisition thereof;

(d) commercial paper and variable or fixed rate notes issued by an Approved Bank (or by the parent company thereof) or any commercial paper or variable or fixed rate note issued by, or guaranteed by, a corporation rated "A-2" (or the equivalent thereof) or better by S&P, "P-2" (or the equivalent thereof) or better by Moody's or "F2" (or the equivalent thereof) or better by Fitch (or, if at any time none of Moody's, S&P or Fitch shall be rating such instruments, an equivalent rating from another nationally recognized statistical rating agency selected by the Issuer), in each case with average maturities of not more than 18 months from the date of acquisition thereof;

(e) repurchase agreements and reverse repurchase agreements entered into by any Person with (i) an Approved Bank or (ii) a bank or trust company (including any of the lenders) or recognized securities dealer, in each case of this clause (ii), having capital and surplus in excess of $150.0 million (or the dollar equivalent as of the date of determination), in each case, for obligations or instruments described in clauses (b), (c) or (d) above or (g) below;

(f) marketable short-term money market and similar highly liquid funds either (i) having assets in excess of (x) $250.0 million in the case of U.S. banks or other U.S. financial institutions and (y) $100.0 million (or the dollar equivalent as of the date of determination) in the case of non-U.S. banks or other non-U.S. financial institutions or (ii) having a rating of at least "A-2", "P-2", or "F2" from any of S&P, Moody's or Fitch, respectively (or, if at any time none of S&P, Moody's or Fitch shall be rating such obligations, an equivalent rating from another nationally recognized rating service);

(g) (i) securities with average maturities of 18 months or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, or by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government having an investment grade rating from any of S&P, Moody's or Fitch (or the equivalent thereof) and (ii) securities with maturities of 18 months or less from the date of acquisition backed by standby letters of credit issued by any commercial bank having capital and surplus of not less than $150.0 million;

(h) investments with average maturities of 12 months or less from the date of acquisition in mutual funds rated AAA (or the equivalent thereof) or better by S&P, Aaa3 (or the equivalent thereof) or better by Moody's or AAA (or the equivalent thereof) or better by Fitch (or, if at the time, none of S&P, Moody's or Fitch is issuing comparable ratings, then a comparable rating of another nationally recognized statistical rating agency);

(i) instruments equivalent to those referred to in clauses (a) through (h) above or clauses (j) through (o) below denominated in a currency referred to in clause (a) above or any other foreign currency comparable in credit quality and tenor to those referred to above or below and customarily used by corporations for cash management purposes in any jurisdiction outside the United States to the extent reasonably required in connection with any business conducted by the Issuer or any Restricted Subsidiary organized in such jurisdiction;

(j) any cash equivalents as determined in accordance with GAAP and other investments, classified in accordance with GAAP as current assets, in money market investment programs that are registered under the Investment Company Act of 1940 or that are administered by financial institutions having capital of at least $250.0 million, and, in either case, the portfolios of which are limited such that substantially all of such investments are of the character, quality and maturity described in clauses (a) through (i) of this definition;

(k) bills of exchange issued in the United States, the United Kingdom, Australia, Canada, Germany, France or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);

(l) demand deposit accounts holding cash;

(m) other short-term investments of a type analogous to the foregoing utilized by the Issuer and its Restricted Subsidiaries;

(n) interest bearing instruments with a maximum maturity of 180 days in respect of which the obligor is a G7 government or other G7 governmental agency or a G7 financial institution with credit ratings from S&P of at least "A-2" or the equivalent thereof, from Moody's of at least "P-2" or the equivalent thereof, or from Fitch of at least "F2" (or, if at the time, none of S&P, Moody's or Fitch is issuing comparable ratings, then a comparable rating of another nationally recognized statistical rating agency); and

(o) shares or interests of any investment company, money market mutual fund or other investment funds investing at least 90% of their assets in cash or securities of the types described in clauses (a) through (n) above.

In the case of Investments by the Issuer or any Foreign Subsidiary that is a Restricted Subsidiary or Investments made in a country outside the United States of America, Cash Equivalents shall also include (a) investments of the type and maturity described in clauses (a) through (g) and clauses (i) through (o) above of foreign obligors, which Investments or obligors (or the parents of such obligors) have, to the extent applicable, ratings described in such

clauses or equivalent ratings from comparable foreign rating agencies and (b) other short-term investments utilized by Foreign Subsidiaries that are Restricted Subsidiaries in accordance with normal investment practices for cash management in investments analogous to the foregoing investments in clauses (a) through (o) and in this paragraph.

Notwithstanding the foregoing, Cash Equivalents shall include amounts denominated in currencies other than those set forth in clause (a) above, *provided* that such amounts are converted into any currency listed in clause (a) as promptly as practicable and in any event within ten Business Days following the receipt of such amounts.

For the avoidance of doubt, any items identified as Cash Equivalents under this definition will be deemed to be Cash Equivalents for all purposes under the Indenture regardless of the treatment of such items under GAAP.

"Cash Management Services" means (a) treasury management services, overdraft services, other treasury, depository and cash pooling arrangements, cash management services or any automated payment services (including automated clearing house transfers of funds, depository, overdraft, controlled disbursement, return items and interstate depository network services), (b) netting services, employee credit, commercial credit card, debit card, stored value card or purchase card programs, (c) foreign exchange and currency management services and (d) any arrangements or services similar to the foregoing clauses (a) through (c) and/or otherwise in connection with cash management and deposit accounts.

"Cash Management Obligations" means obligations and liabilities in respect of any Cash Management Services.

"Casualty Event" means any event that gives rise to the receipt by the Issuer or any Restricted Subsidiary of any insurance proceeds or condemnation awards in respect of any equipment, fixed assets or real property (including any improvements thereon) to replace or repair such equipment, fixed assets or real property.

"CDK" means CDK Global, Inc., a Delaware corporation.

"CFC" means a "controlled foreign corporation" within the meaning of Section 957(a) of the Code.

"Change of Control" means the occurrence of any of the following after the Completion Date (and excluding, for the avoidance of doubt, the Transactions):

(1) the sale, lease, transfer, conveyance or other disposition in one or a series of related transactions (other than by merger, consolidation or amalgamation), of all or substantially all of the assets of the Issuer and its Subsidiaries, taken as a whole, to any Person other than any Permitted Holder, the Issuer, the Co-Issuer or any Subsidiary Guarantor; *provided* that such sale, lease, transfer, conveyance or other disposition shall not constitute a Change of Control unless any Person (other than any Permitted Holder or a Parent Entity) or Persons (other than any Permitted Holders or a Parent Entity) that are together a group, including any such group acting for the purpose of acquiring, holding or disposing of securities (within the meaning of Rule 13d-5(b)(1) under the Exchange Act), becomes the beneficial owner, directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the transferee Person in such sale, lease, transfer, conveyance or other disposition of assets, as the case may be; or

(2) the Issuer becomes aware of (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) the acquisition by (A) any Person (other than any Permitted Holder) or (B) Persons (other than any Permitted Holders or Parent Company) that are together a "group", including any such group acting for the purpose of acquiring, holding or disposing of securities (within the meaning of Rule 13d-5(b)(1) under the Exchange Act), in a single transaction or in a related series of transactions, by way of merger, consolidation or other business combination or purchase of beneficial ownership of more than the 50% of the total voting power of the outstanding Voting Stock of the Issuer directly or indirectly through any of its direct or indirect parent holding companies, in each case, other than in connection with any transaction or series of transactions in which the Issuer shall become the Subsidiary of a Parent Entity;

in each case unless the Permitted Holders, directly or indirectly through one or more holding company parent of the Issuer or a Parent Entity, have the right (pursuant to contract, proxy, ownership of Equity Interests or otherwise) to

designate or appoint (and do so designate or appoint) a majority of the Board of the Issuer or a majority of the Board of a Parent Entity.

For purposes of this definition, (i) "beneficial ownership" shall be as defined in Rules 13d-3 and 13d-5 under the Exchange Act, (ii) the phrase Person or "group" is within the meaning of Section 13(d) or 14(d) of the Exchange Act, but excluding (A) any employee benefit plan of such Person or "group" and its subsidiaries and any Person acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan, (B) one or more Permitted Holders and (C) any underwriter in connection with a Qualifying IPO, (iii) a Person or group shall not be deemed to beneficially own Voting Stock subject to an equity or asset purchase agreement, merger agreement, option agreement, warrant agreement or similar agreement (or voting or option or similar agreement related thereto) until the consummation of the acquisition of Voting Stock in connection with the transactions contemplated by such agreement, (iv) if any group includes one or more Permitted Holders, the issued and outstanding Voting Stock of the Issuer or the IPO Entity beneficially owned, directly or indirectly, by any Permitted Holders that are part of such group shall not be treated as being beneficially owned by such "group" or any other member of such group for purposes of determining whether a Change of Control has occurred and (v) a Person or group will not be deemed to beneficially own the Voting Stock of another Person as a result of its ownership of the Voting Stock or other securities of such other Person's parent entity (or related contractual rights) unless it owns 50% or more of the total voting power of the Voting Stock entitled to vote for the election of directors of such parent entity having a majority of the aggregate votes on the Board (or similar body) of such parent entity.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and any successor statute thereto.

"Company Person" means any future, current or former officer, director, manager, member, member of management, employee, consultant or independent contractor of the Issuer, any Subsidiary or any Parent Entity.

"Completion Date" means the Issue Date or, if the Escrow Release Conditions have not been satisfied on or prior to the Issue Date, the Escrow Release Date.

"Consolidated Depreciation and Amortization Expense" means with respect to any Person for any period, the total amount of depreciation and amortization expense and capitalized fees, including, without limitation, the amortization of capitalized fees or costs related to any Permitted Receivables Financing of such Person and the amortization of media development costs, intangible assets (including software), deferred financing fees or costs, debt issuance costs, commissions, fees and expenses of such Person and its Restricted Subsidiaries for such period on a consolidated basis and otherwise determined in accordance with GAAP.

"Consolidated Interest Expense" means, with respect to any Person for any period, without duplication, the sum of:

(1) consolidated interest expense of such Person and its Restricted Subsidiaries for such period, to the extent such expense was deducted (and not added back) in computing Consolidated Net Income (including (i) any non-cash interest expense and any capitalized interest, whether paid or accrued, (ii) the amortization of original issue discount resulting from the issuance of Indebtedness at less than par, (iii) amortization of deferred financing costs, debt issuance costs, commissions, fees and expenses (including agency costs, amendment, consent or other front end, one-off or similar non-recurring fees), (iv) any expenses resulting from discounting of Indebtedness in connection with the application of recapitalization accounting or purchase accounting, (v) penalties or interest related to taxes and any other amounts of non-cash interest resulting from the effects of acquisition method accounting or pushdown accounting, (vi) the accretion or accrual of, or accrued interest on, discounted liabilities (other than Indebtedness) during such period, (vii) non-cash interest expense attributable to the movement of the mark-to-market valuation of obligations under hedging agreements or other derivative instruments pursuant to FASB Accounting Standards Codification No. 815—Derivatives and Hedging or, to the extent applicable, the equivalent standard under IFRS, (viii) any one-time cash costs associated with breakage in respect of Hedging Obligations for interest rates, (ix) any payments with respect to make whole premiums, commissions or other breakage costs of any Indebtedness, (x) all non-recurring interest expense consisting of liquidated damages for failure to timely comply with registration rights obligations, all as calculated on a consolidated basis in accordance with GAAP, (xi) expensing of bridge,

arrangement, structuring, commitment, fronting or other financing fees, fees and expenses in respect of Hedging Obligations and commissions, discounts, yield and other fees and expenses related to any Permitted Receivables Financing, (xii) fees and expenses (including any penalties and interest relating to taxes but excluding any bona fide interest expense) associated with the consummation of the Transactions, (xiii) agency or trustee fees paid to the administrative agents and collateral agents or trustees under any credit facilities or other debt instruments or documents and (xiv) fees (including any ticking fees) and expenses (including any penalties and interest relating to Taxes) associated with any Investment not prohibited by the Indenture or the issuance of Equity Interests or Indebtedness (in each case excluding any bona fide interest expense); plus

(2) consolidated capitalized interest of such Person and its Restricted Subsidiaries for such period, whether paid or accrued; less

(3) interest income of such Person and its Restricted Subsidiaries for such period.

For purposes of this definition, interest on a Capital Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by such Person to be the rate of interest implicit in such Capital Lease Obligation in accordance with GAAP (or, if not implicit, as otherwise determined in accordance with GAAP).

"Consolidated Net Debt Ratio" means, as of any date of determination, the ratio of (1)(a) Consolidated Total Indebtedness as of such date of determination (but excluding any such Indebtedness to the extent contractually subordinated in right of payment to the Notes Obligations) minus the Netted Amounts, in each case with such pro forma adjustments as are appropriate and consistent with the pro forma adjustment provisions set forth in the definition of Fixed Charge Coverage Ratio and as determined in good faith by the Issuer *provided* that there shall also be subtracted, in the case of any Person that is not a Subsidiary or that is accounted for by the equity method of accounting, the amount of Cash Equivalents that would otherwise be subtracted pursuant to this clause (a), multiplied by the ownership percentage of the Issuer or Restricted Subsidiary therein (but solely to the extent a proportionate share of the net income (or loss) of such Person is included in the calculation of Consolidated Net Income and EBITDA) and (b) in connection with the incurrence of any Indebtedness pursuant to the first or second paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock," the Reserved Indebtedness Amount of the Issuer and its Restricted Subsidiaries as of such date of determination, in each case with such pro forma adjustments as are appropriate and consistent with the pro forma adjustment provisions set forth in the definition of Fixed Charge Coverage Ratio and as determined in good faith by the Issuer (*provided*, for the avoidance of doubt, that the Netted Amounts shall be netted (but without duplication of amounts netted from Consolidated Total Indebtedness as a component hereof) from the amount of such Consolidated Net Debt Ratio) to (2) LTM EBITDA.

"Consolidated Net Income" means, with respect to any Person for any period, the aggregate of the net income (or loss) of such Person and its Restricted Subsidiaries for such period determined on a consolidated basis in accordance with GAAP and before any reduction in respect of preferred stock dividends; *provided* that Consolidated Net Income shall exclude, without duplication:

(a) (i) extraordinary, unusual, special, exceptional or non-recurring gains or losses or expenses (as determined by the Issuer in good faith) (less all fees and expenses relating thereto) (including (x) any extraordinary, unusual, special, exceptional or non-recurring operating expenses directly attributable to the implementation of Cost Savings Initiatives and any accruals or reserves in respect of any extraordinary, unusual, special, exceptional or non-recurring items and (y) losses or expenses arising from or relating to any business interruption or other business downturn solely to the extent such interruption or downturn arises out of any natural disaster, epidemic or pandemic (including COVID-19 Measures) and any other similar business disruption that is outside the control of such Person and its Restricted Subsidiaries, or any government or other regulatory response thereto), severance, relocation costs, integration, separation and office or facility pre-opening, opening, closing, expansion and consolidation costs (including but not limited to termination costs, moving costs and legal costs), unused warehouse space costs, new contract costs, restructuring charges (including restructuring and integration costs related to acquisitions after the Completion Date and adjustments to existing reserves and any restructuring charge relating to any Permitted Reorganization, any IPO Reorganization Transactions or any Tax Restructuring), whether or not classified as restructuring expense on the consolidated financial

statements, charges attributable to the undertaking and/or implementation of new initiatives, business optimization activities, Cost Savings Initiatives, cost rationalization programs, operating expense reductions, synergies and/or similar initiatives or programs (including, without limitation, in connection with any inventory optimization program, integration, restructuring or transition, any reconstruction, decommissioning, recommissioning or reconfiguration of fixed assets for alternative uses, any implementation of operational and reporting systems and initiatives (including any expense relating to the implementation of enhanced accounting or IT functions or new system designs)), systems implementation or establishment charges, charges relating to entry into a new market or to exiting a market, one time charges (including compensation expense), consulting charges, software and other intellectual property development charges, charges associated with new systems design, project startup charges, charges in connection with new operations, corporate development charges, signing costs, retention, recruiting, relocation, signing or completion bonuses and expenses, human resources costs, transition costs and management transition costs, advertising costs, losses associated with temporary decreases in work volume and expenses related to maintaining underutilized personnel (including duplicative personnel), any transition charge, any employee ramp-up charges, costs relating to early termination of rights fee arrangements, costs or cost inefficiencies related to facility or property disruptions or shutdowns and curtailments or modifications to pension and post-retirement employee benefit plans (including any settlement of multi-employer plan or pension liabilities), for such period;

(b) the cumulative effect of a change in accounting principles during such period to the extent included in Consolidated Net Income;

(c) (i) Transaction Costs, (ii) any severance and the amount of any other success, change of control or similar bonuses or payments payable to any Permitted Payee and (iii) costs in connection with payments related to the rollover, acceleration or payout of Equity Interests and stock options held by any Permitted Payee, in each case of this clause (c) including the payment of any employer taxes related to the items in this clause (c);

(d) the net income (or loss) for such period of any Person if such Person is not a Restricted Subsidiary, except to the extent of the amount of dividends or distributions or other similar payments that are actually paid in cash or Cash Equivalents (or to the extent converted, or having the ability to be converted, into cash or Cash Equivalents) (or that could have been made in cash or Cash Equivalents) by such Person to the Issuer or any Restricted Subsidiary during such period;

(e) any fees (including in the form of discount), costs, accruals, commissions and expenses (including any transaction, relocation or retention bonus or similar payment, rationalization, legal, tax, rating agency, syndication, accounting, structuring and other costs and expenses, travel and out-of-pocket costs, litigation and arbitration costs) incurred during such period, or any amortization thereof for such period, in connection with any acquisition, Investment, New Project, merger, consolidation, amalgamation, asset disposition, issuance, exchange or repayment of debt or equity (including any IPO), becoming a standalone or public company, dividend, Restricted Payment, option buyout, recapitalization, refinancing transaction, early extinguishment, amendment, or other modification of any debt instrument, hedging agreement or other derivative instrument (in each case, including the Transaction Costs and any such transaction consummated prior to the Completion Date and any such transaction undertaken but not completed) and any charges or non-recurring merger costs incurred during such period as a result of any such transaction, in each case whether or not successful (including, for the avoidance of doubt, the effects of expensing all transaction-related expenses in accordance with FASB Accounting Standards Codification 805 and gains or losses associated with FASB Accounting Standards Codification 460 or, to the extent applicable, the equivalent standard under IFRS);

(f) any income (or loss) for such period attributable to the extinguishment, conversion, buy-back or cancellation of Indebtedness, hedging agreements or other derivative instruments (in each case, whether or not such transaction was successfully completed);

(g) accruals and reserves that are established or adjusted in accordance with GAAP (including the revaluation of inventory (including any impact of changes of inventory valuation policy methods including changes in capitalization of variances) or other inventory adjustments, any adjustment of

estimated payouts on existing earnouts, property and equipment, leases, rights fee arrangements, software, goodwill, intangible assets, in-process research and development, deferred revenue, advanced billings and debt line items thereof) resulting from the application of recapitalization accounting, the acquisition method of accounting or purchase accounting (including the effects of such adjustments pushed down to such Person and its Subsidiaries and including the effects of adjustments to (1) deferred rent, (2) Capital Lease Obligations or other obligations or deferrals attributable to capital spending funds with suppliers or (3) any deferrals of revenue), as the case may be, in relation to the Transactions or any consummated acquisition or other permitted Investment or the amortization, write-down or write-off of any amounts thereof or changes as a result of the adoption or modification of accounting policies during such period;

(h) all non-cash expenses, costs or other non-cash charges that result from the issuance of or any amendments to equity-based awards, partnership interest-based awards, management equity plans, stock option plans and similar incentive based compensation awards (including any profits interest or phantom stock) or arrangements or any stock subscription or shareholder agreement (including any repricing, amendment, modification, substitution or change of any such stock option, restricted stock, stock appreciation rights, profits interest, phantom stock or similar arrangement or the vesting of any warrant);

(i) (A) any income (or loss) attributable to deferred compensation plans or trusts, any employment benefit scheme or any similar equity plan or agreement and (B) any non-cash items in respect of pension or other post-retirement obligations;

(j) (A) the amount of any charge in connection with a single or one-time event (as determined by the Issuer in good faith), including, without limitation, in connection with the Acquisition and/or any other acquisition or Investment not prohibited under the Indenture consummated after the Completion Date (including, without limitation, legal, accounting, bank and other professional fees and expenses incurred in connection with acquisitions and other Investments made prior to the Completion Date), (B) the closing, consolidation or reconfiguration of any facility during such period, (C) one-time consulting costs or (D) charges or expenses incurred in connection with any Permitted Reorganization, IPO Reorganization Transactions or Tax Restructuring (in each case, whether or not consummated);

(k) any gain (or loss) on asset sales, disposals or abandonments (other than asset sales, disposals or abandonments in the ordinary course of business) or income (or loss) from closed or discontinued operations (but if such operations are classified as discontinued due to the fact that they are subject to an agreement to dispose of such operations, only when and to the extent such operations are actually disposed of);

(l) any non-cash gain (or loss) attributable to the mark to market movement in the valuation of hedging obligations or other derivative instruments pursuant to FASB Accounting Standards Codification 815-Derivatives and Hedging or mark to market movement of other financial instruments pursuant to FASB Accounting Standards Codification 825-Financial Instruments; *provided* that any cash payments or receipts relating to transactions realized in a given period shall be taken into account in such period or, to the extent applicable, the equivalent standard under IFRS;

(m) any gain (or loss) related to currency remeasurements of Indebtedness (including the net loss or gain resulting from hedging agreements for currency exchange risk and revaluations of intercompany balances or any other currency-related risk), unrealized or realized net foreign currency translation or transaction gains or losses impacting net income;

(n) any non-cash expenses, accruals or reserves related to adjustments to historical tax exposures (*provided*, in each case, that the cash payment in respect thereof in such future period shall be subtracted from Consolidated Net Income for the period in which such cash payment was made);

(o) any impairment charge or asset write-off or write-down related to intangible assets (including, without limitation, with respect to property and equipment, leases, software, goodwill, intangible assets, in-process research and development, deferred revenue, advanced billings and debt line items), long-lived assets, and investments in debt and equity securities, and any impairment charge in connection with the

write-up of inventory to its estimated fair value pursuant to SFAS 141 in excess of its manufacturing cost or, to the extent applicable, the equivalent standard under IFRS;

(p) the effects of purchase accounting, fair value accounting or recapitalization accounting adjustments (including the effects of such adjustments pushed down to the referent Person and its Restricted Subsidiaries and including the effects of adjustments to (A) deferred rent, (B) Capital Lease Obligations or other obligations or deferrals attributable to capital spending funds with suppliers or (C) any deferrals of revenue) resulting from the application of purchase accounting, fair value accounting or recapitalization accounting in relation to the Transactions or any acquisition consummated before or after the Completion Date, and the amortization, write-down or write-off of any amounts thereof, net of taxes;

(q) charges attributable to, and payments of, legal settlements, fines, judgments or orders;

(r) charges associated with, or in anticipation of, or preparation for, compliance with the requirements of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith (or other similar legislation) and charges relating to compliance with the provisions of the Securities Act and the Exchange Act (or other similar legislation), as applicable to companies with equity or debt securities held by the public, the rules of national securities exchange companies with listed equity or debt securities, directors' or managers' compensation, fees and expense reimbursement, charges relating to investor relations, shareholder meetings and reports to shareholders or debtholders, directors' and officers' insurance and other executive costs, legal and other professional fees and listing fees (collectively, "Public Company Costs");

(s) any gain, loss, income, expense or charge resulting from the application of any LIFO method;

(t) the non-cash portion of "straight-line" rent expense;

(u) non-cash charges for deferred tax asset valuation allowances; and

(v) Capitalized Software Expenditures and software development costs;

provided, further, that, to the extent not already included in Consolidated Net Income for such period, (i)(A) Consolidated Net Income for such period shall not include the net income (or loss) for such period of any Person that is not a Restricted Subsidiary, except to the extent of the amount of dividends or distributions or other similar payments that are actually paid in cash or Cash Equivalents (or to the extent converted, or having the ability to be converted, into cash or Cash Equivalents) (or that could have been made in cash or such Cash Equivalents) by such Person to the Issuer or a Restricted Subsidiary during such period and (B) the Consolidated Net Income for such period shall include any dividend, distribution or other payment in cash (or to the extent converted into cash) received by the Issuer or a Restricted Subsidiary thereof from any Person in excess of, but without duplication of, the amounts included in clause (A), (ii) the cash portion of "straight-line" rent expense which exceeds the amount expensed in respect of such rent expense shall be included and (iii)(x) without duplication of amounts included pursuant to clause (y) below, the amount of proceeds received from business interruption insurance or reimbursement of charges that are covered by indemnification, insurance and other reimbursement provisions in connection with any acquisition or other Investment or any disposition of any asset permitted hereunder and (y) so long as the Issuer in good faith expects to receive such proceeds, the amount of proceeds due from business interruption insurance or reimbursement of charges that are covered by indemnification, insurance and other reimbursement provisions in connection with any acquisition or other Investment or any disposition of any asset permitted hereunder (including any casualty event), in each case, within the next four fiscal quarters (it being understood that to the extent such proceeds are not actually received within such period, such proceeds shall no longer be included in calculating Consolidated Net Income for such period (and any future period containing all or a portion of such period)).

In addition, to the extent not already included in the Consolidated Net Income of such Person and its Restricted Subsidiaries, notwithstanding anything to the contrary in the foregoing, Consolidated Net Income shall include the amount of proceeds received or due from business interruption insurance and reimbursements of any expenses and

charges that are covered by indemnification or other reimbursement provisions in connection with any acquisition, Investment or any sale, conveyance, transfer or other disposition of assets permitted under the Indenture.

Notwithstanding the foregoing, for the purpose of the covenant described under "—Certain Covenants—Limitation on Restricted Payments" only (other than clause (2)(d) of the first paragraph thereof), there shall be excluded from Consolidated Net Income any income arising from any sale or other disposition of Restricted Investments made by the Issuer and its Restricted Subsidiaries, any repurchases and redemptions of Restricted Investments from the Issuer and its Restricted Subsidiaries, any repayments of loans and advances which constitute Restricted Investments by the Issuer or any of its Restricted Subsidiaries, any sale of the stock of an Unrestricted Subsidiary or any distribution or dividend from an Unrestricted Subsidiary, in each case only to the extent such amounts increase the amount of Restricted Payments permitted under such covenant pursuant to clause (2)(d) thereof.

"Consolidated Secured Debt Ratio" means, as of any date of determination, the ratio of (1)(a) Consolidated Total Indebtedness of the Issuer and its Restricted Subsidiaries that is not subordinated in right of payment to the Notes Obligations and that is secured by Liens on the Collateral (other than Liens junior in priority to the Liens securing the Notes) minus (i) the Netted Amounts and (ii) Capital Lease Obligations, in each case determined in accordance with GAAP (but without giving effect to any election to value any such Indebtedness at "fair value", as described in clause (a) of the definition of "GAAP", or any other accounting principle that results in any such Indebtedness (other than zero coupon Indebtedness) being reflected as an amount below the stated principal amount thereof and excluding, in any event, the effects of any discounting of Indebtedness resulting from the application of acquisition method accounting in connection with any permitted acquisition or other Investment), in each case with such pro forma adjustments as are appropriate and consistent with the pro forma adjustment provisions set forth in the definition of Fixed Charge Coverage Ratio and as determined in good faith by the Issuer *provided* that there shall also be subtracted, in the case of any Person that is not a Subsidiary or that is accounted for by the equity method of accounting, the amount of Cash Equivalents that would otherwise be subtracted pursuant to this clause (a), multiplied by the ownership percentage of the Issuer or Restricted Subsidiary therein (but solely to the extent a proportionate share of the net income (or loss) of such Person is included in the calculation of Consolidated Net Income and EBITDA) and (b) in connection with the incurrence of any Indebtedness pursuant to the first or second paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" or the creation or incurrence or any Lien pursuant to the definition of "Permitted Liens," the Reserved Indebtedness Amount of the Issuer and its Restricted Subsidiaries that is secured by Liens on the property of the Issuer and its Restricted Subsidiaries as of such date of determination, in each case with such pro forma adjustments as are appropriate and consistent with the pro forma adjustment provisions set forth in the definition of Fixed Charge Coverage Ratio and as determined in good faith by the Issuer (*provided*, for the avoidance of doubt, that the Netted Amounts shall be netted (but without duplication of amounts netted from Consolidated Total Indebtedness as a component hereof) from the amount of such Consolidated Secured Debt Ratio) to (2) LTM EBITDA.

"Consolidated Total Assets" means, at any date, all amounts that would, in conformity with GAAP, be set forth opposite the caption "total assets" (or any like caption) on a consolidated balance sheet of the Issuer and its Restricted Subsidiaries on such date.

"Consolidated Total Indebtedness" means, as of any date of determination, an amount equal to the sum of (1) the outstanding principal amount of all third-party Indebtedness for borrowed money and unreimbursed drawings under letters of credits to the extent not reimbursed within three Business Days following the drawing thereof, in each case as reflected on a balance sheet of the Issuer and its Restricted Subsidiaries on such date, on a consolidated basis and determined in accordance with GAAP (but without giving effect to any election to value any such Indebtedness at "fair value", as described in clause (ii) of the proviso in the definition of "GAAP", or any other accounting principle that results in any such Indebtedness (other than zero coupon Indebtedness) being reflected as an amount below the stated principal amount thereof and excluding, in any event, the effects of any discounting of Indebtedness resulting from the application of acquisition method accounting in connection with any permitted acquisition or other Investment); *provided* that (x) Borrowings under the RC Facility or any local working capital facility, in each case that is incurred for working capital purposes, (y) Permitted Receivables Financings, Hedging Obligations, Cash Management Obligations, Permitted Treasury Arrangements, Capital Lease Obligations, Non-Capital Lease Obligations and other purchase money Indebtedness and (z) earn-out obligations to the extent not then

due and payable or if not recognized as Indebtedness on the balance sheet in accordance with "GAAP", in each case, shall not constitute Indebtedness included in the definition of Consolidated Total Indebtedness, and (2) in connection with the incurrence of any Indebtedness pursuant to the first paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock," the aggregate amount of all outstanding Disqualified Stock of the Issuer and all Preferred Stock of its Restricted Subsidiaries (other than the Co-Issuer or any Guarantor) on a consolidated basis, with the amount of such Disqualified Stock and Preferred Stock equal to the greater of their respective voluntary or involuntary liquidation preferences and maximum fixed repurchase prices, in each case, determined on a consolidated basis in accordance with GAAP; *provided*, for the avoidance of doubt, that for purposes of calculating any net leverage ratio required to be satisfied as a condition to the incurrence of any Consolidated Total Indebtedness, the proceeds of any debt being incurred in reliance on such ratio shall not be netted (but the Issuer may give pro forma effect to the repayment of any Consolidated Total Indebtedness to be repaid with such proceeds). For purposes hereof, the "maximum fixed repurchase price" of any Disqualified Stock or Preferred Stock that does not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Stock or Preferred Stock as if such Disqualified Stock or Preferred Stock were purchased on any date on which Consolidated Total Indebtedness shall be required to be determined pursuant to the Indenture, and if such price is based upon, or measured by, the fair market value of such Disqualified Stock or Preferred Stock, such fair market value shall be determined reasonably and in good faith by the Issuer. The U.S. Dollar Equivalent principal amount of any Indebtedness denominated in a foreign currency will reflect the currency translation effects, determined in accordance with GAAP, of Hedging Obligations for currency exchange risks with respect to the applicable currency in effect on the date of determination of the U.S. Dollar Equivalent principal amount of such Indebtedness.

"Contingent Obligations" means, with respect to any Person, any obligation of such Person guaranteeing any leases, dividends or other obligations that do not constitute Indebtedness ("primary obligations") of any other Person (the "primary obligor") in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent,

(1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;

(2) to advance or supply funds,

  (a) for the purchase or payment of any such primary obligation; or

  (b) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"Converted Restricted Subsidiary" means an Unrestricted Subsidiary that is converted into a Restricted Subsidiary.

"Converted Unrestricted Subsidiary" means any Restricted Subsidiary that is converted into an Unrestricted Subsidiary during such period.

"Credit Facilities" means, with respect to the Issuer or any of its Restricted Subsidiaries, one or more debt facilities, including the New Credit Facilities, or other financing arrangements (including, without limitation, commercial paper facilities, agreements or indentures) providing for revolving credit loans, term loans, letters of credit or other long-term indebtedness, including any notes, mortgages, guarantees, collateral documents, instruments and agreements executed in connection therewith, and any amendments, supplements, modifications, extensions, renewals, restatements or refundings thereof, in whole or in part, and any indentures, agreements, credit facilities or commercial paper facilities that replace, refund, supplement, extend, amend, restate or refinance any part of the loans, notes, other credit facilities or commitments thereunder, including any such replacement, refunding, supplemental, extending, amended, restating or refinancing facility, arrangement, agreement or indenture that increases the amount permitted to be borrowed or issued thereunder or alters the maturity thereof (*provided* that such increase in borrowings or issuances is permitted under "—Certain Covenants—Limitation on Incurrence of

Indebtedness and Issuance of Disqualified Stock and Preferred Stock") or adds Restricted Subsidiaries as additional borrowers or guarantors thereunder and whether by the same or any other agent, trustee, lender or group of lenders or other holders or investors.

"Debtor Relief Laws" means the Bankruptcy Code and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization or similar debtor relief Requirements of Law of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"Default" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default; *provided* that any Default that results solely from the taking of an action that would have been permitted but for the continuation of a previous Default will be deemed to be cured if such previous Default is cured prior to becoming an Event of Default.

"Delaware Divided LLC" means any Delaware LLC formed upon the consummation of a Delaware LLC Division.

"Delaware LLC" means any limited liability company organized or formed under the laws of the State of Delaware.

"Delaware LLC Division" means the statutory division of any Delaware LLC into two or more Delaware LLCs pursuant to Section 18-217 of the Delaware Limited Liability Company Act.

"Designated First Lien Representative" means the Applicable Collateral Agent under the First Lien Intercreditor Agreement.

"Designated Guarantor" means a Subsidiary that becomes a guarantor of the Issuers' obligations under the New Credit Facilities pursuant to an election by the Issuers.

"Designated Non-cash Consideration" means the fair market value of non-cash consideration received by the Issuer or a Restricted Subsidiary in connection with an Asset Sale that is so designated as Designated Non-cash Consideration by an Officer of the Issuer less the amount of Cash Equivalents received in connection with a subsequent sale, redemption or repurchase of or collection or payment on such Designated Non-cash Consideration. A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise disposed of, converted into or exchanged for consideration in the form of Cash Equivalents.

"Designated Preferred Stock" means Preferred Stock of the Issuer or any Parent Entity thereof (in each case other than Disqualified Stock) that is issued for cash (other than to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Issuer or any of its Subsidiaries) and is so designated as Designated Preferred Stock, pursuant to an Officer's Certificate, on the issuance date thereof, the cash proceeds of which are excluded from the calculation set forth in clause (2) of the first paragraph of "—Certain Covenants—Limitation on Restricted Payments."

"Designated Second Lien Representative" means (a) initially, the Second Lien Credit Facility Administrative Agent, and (b) at any time when other Second Lien Obligations exist, the Second Lien Representative designated from time to time by all then extant Second Lien Representatives, in a written notice to the Designated First Lien Representative as the Designated Second Lien Representative.

"Discharge of First Lien Obligations" means the payment in full in cash of all outstanding First Lien Priority Obligations and the termination of all commitments in respect thereof (except for contingent obligations for which a claim has not yet been made) (and including the provision for, in the case of outstanding letters of credit issued under the First Lien Documents, (a) cash collateral or other credit support in the form and amounts required by the applicable First Lien Document or (b) other arrangements that are reasonably satisfactory to the First Lien Secured Party that issued such letter of credit); *provided* that the Discharge of First Lien Obligations shall not be deemed to have occurred in connection with a refinancing of such First Lien Obligations with any replacement or additional

facility secured by Collateral which have been designated in writing to the Designated Second Lien Representative as First Lien Obligations.

"Discharge of Second Lien Obligations" means the payment in full in cash of all outstanding Second Lien Priority Obligations and the termination of all commitments in respect thereof (except for contingent obligations for which a claim has not yet been made); *provided* that the Discharge of Second Lien Obligations shall not be deemed to have occurred in connection with a refinancing of such Second Lien Obligations with any replacement or additional facility secured by Collateral which have been designated in writing to the Designated First Lien Representative as Second Lien Obligations.

"Disposed EBITDA" means, with respect to any Sold Entity or Business or Converted Unrestricted Subsidiary for any period, the amount for such period of EBITDA of such Sold Entity or Business or Converted Unrestricted Subsidiary (determined as if references to the Issuer and the Restricted Subsidiaries in the definition of "EBITDA" (and in the component financial definitions used therein) were references to such Sold Entity or Business and its subsidiaries or to such Converted Unrestricted Subsidiary and its subsidiaries), all as determined on a consolidated basis for such Sold Entity or Business or Converted Unrestricted Subsidiary.

"Disqualified Stock" means, with respect to any Person, any Capital Stock of such Person that, by its terms (or by the terms of any security into which it is convertible or for which it is puttable or exchangeable, either mandatorily or at the option of the holder thereof), or upon the happening of any event or condition matures or is mandatorily redeemable (other than solely for Capital Stock of such Person or any direct or indirect parent entity thereof that would not otherwise constitute Disqualified Stock, and for cash in lieu of fractional shares of Capital Stock and other than solely as a result of a change of control, asset sale, casualty, condemnation or eminent domain) pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof (other than solely for Capital Stock of such Person or as a result of a change of control, asset sale, casualty, condemnation or eminent domain), in whole or in part, in each case prior to the date 91 days after the earlier of the maturity date of the Notes or the date the Notes are no longer outstanding; *provided* that if such Capital Stock is issued pursuant to any plan for the benefit of future, present or former employees, directors, officers, managers, members, partners, independent contractors or consultants of the Issuer or its Subsidiaries or by any such plan to such future, present or former employees, directors, officers, managers, members, partners, independent contractors or consultants, such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Issuer or its Subsidiaries or a Parent Entity in order to satisfy applicable statutory or regulatory obligations or as a result of such employee's termination, death or disability; *provided*, *further*, that any Capital Stock held by any Permitted Payee of the Issuer, any of its Subsidiaries, any Parent Entities or any other entity in which the Issuer or a Restricted Subsidiary has an Investment and is designated in good faith as an "affiliate" by the Board of the Issuer or any Parent Entity, in each case pursuant to any stock subscription or shareholders' agreement, management equity plan or stock option plan or any other management or employee benefit plan or agreement, shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Issuer or its Subsidiaries or any Parent Entity or in order to satisfy applicable statutory or regulatory obligations.

"Domestic Subsidiary" means any Subsidiary that is not a Foreign Subsidiary.

"EBITDA" means, with respect to any Person for any period, the Consolidated Net Income of such Person for such period, plus

(1) at the election of the Issuer, without duplication and, except in the case of clauses (vi),(ix), (xiii), (xvii), (xviii), (xix) or (xxiii) to the extent already deducted (and not added back) in arriving at such Consolidated Net Income, the sum of the following amounts for such period:

(i) (A) Consolidated Interest Expense and, to the extent not reflected therein, any losses on hedging obligations or other derivative instruments, net of interest income and gains on such hedging obligations or such derivative instruments, and bank and letters of credit fees and costs in connection with financing activities (whether amortized or immediately expensed), (B) amounts excluded from Consolidated Interest Expense as set forth in clauses (i) through (xiv) of the definition thereof, (C) cash dividends or other distributions paid (excluding items eliminated in consolidation) on any series of preferred stock during such period and (D) cash dividends or other

distributions paid (excluding items eliminated in consolidation) on any series of Disqualified Stock during such period;

(ii) (A) taxes paid and any provision for taxes, based on income, profits, revenue or capital, including federal, foreign, state, provincial or territorial income, franchise, and similar taxes based on income, profits, revenue or capital and foreign withholding taxes and foreign unreimbursed value added taxes paid or accrued during such period (including in respect of repatriated funds) including penalties and interest related to such taxes or arising from any tax examinations, and including pursuant to any tax sharing arrangement or as a result of any tax distribution) of such Person paid or accrued during the relevant period and (B) without duplication of any amounts added back pursuant to clause (A), any payments to a Parent Entity in respect of taxes permitted to be made under the Indenture,

(iii) Consolidated Depreciation and Amortization Expense and Capitalized Software Expenditures,

(iv) other non-cash charges (*provided*, in each case, that if any non-cash charges represent an accrual or reserve for potential cash items in any future period, (A) the Issuer may determine not to add back such non-cash charge in the current period or (B) to the extent the Issuer decides to add back such non-cash charge, the cash payment in respect thereof in such future period shall be subtracted from EBITDA in such future period to such extent), and excluding amortization of a prepaid cash item that was paid in a prior period,

(v) (i) losses or discounts in connection with any Permitted Receivables Financing or otherwise in connection with factoring arrangements or the sale of Permitted Receivables Financing Assets and (ii) amortization of (x) capitalized fees, (y) loan origination costs and (z) portfolio discounts, in each case in connection with any Permitted Receivables Financing,

(vi) cash receipts (or any netting arrangements resulting in reduced cash expenditures) not included in the calculation of EBITDA in any prior period to the extent non-cash gains relating to such receipts (or netting arrangement) were deducted in the calculation of EBITDA pursuant to clause (c) below for any previous period and not added back,

(vii) (A) any costs or expenses incurred or paid by the Issuer (or any Parent Entity) or any Restricted Subsidiary pursuant to any management equity plan, stock option plan, equity-based compensation plan or any other management or employee benefit plan or long term incentive plan or agreement, any severance agreement or any stock subscription or shareholder agreement, (B) payments made to option holders in connection with, or as a result of, any distribution made to shareholders and (C) any charge in connection with the rollover, acceleration or payout of equity interests held by management and members of the board of the Issuer (or any Parent Entity) or any Restricted Subsidiary,

(viii) any net pension or other post-employment benefit costs representing amortization of unrecognized prior service costs, actuarial losses, including amortization of such amounts arising in prior periods, amortization of the unrecognized net obligation (and loss or cost) existing at the date of initial application of FASB Accounting Standards Codification 715, and any other items of a similar nature or, to the extent applicable, the equivalent standard under IFRS,

(ix) unrealized net losses in the fair market value of any arrangements under any hedge agreements or other derivative instruments,

(x) earnout obligations, non-compete obligations, contingent obligation expense and other post-closing obligations (including, to the extent accounting for as bonuses) in each case of the foregoing, including adjustments thereof and purchase price adjustments), to sellers incurred in connection with the Acquisition and/or any acquisition or other Investment (including any acquisition or other Investment consummated prior to the Completion Date) which are paid or accrued during the applicable period,

(xi) the amount of any charge or deduction associated with the Issuer or any Restricted Subsidiary that is attributable to any non-controlling interest or minority interest of any third party,

(xii) non-operating expenses,

(xiii) add-backs and adjustments (A) contemplated by the Merger Agreement, (B) of the type identified or of the nature used in connection with the calculation of pro forma Adjusted EBITDA as set forth in footnote (3) to the table set forth under "Summary—Summary Historical and Pro Forma Consolidated Financial and Operating Data" in this offering memorandum to the extent such adjustments, without duplication, continue to be applicable in such period, and (C) identified or set forth in any quality of earnings analysis prepared by independent registered public accountants of recognized national standing or any other accounting or valuation firm in connection with any permitted acquisition or other Investment not prohibited by the Indenture,

(xiv) the amount of management, monitoring, consulting, transaction, advisory, termination and similar fees and related indemnities, costs and expenses (including reimbursements) paid or accrued, and payments made to the Sponsor (and/or its Affiliates or management companies) for any financial advisory, consulting, financing, underwriting or placement services or in respect of other investment banking activities and other transaction fees, and payments to directors of the Issuer or any Parent Entity actually paid or accrued; *provided* that such payment is permitted under the Indenture,

(xv) without duplication (A) charges relating to the sale of products and services in new locations or to new customers, or to the expansion of existing locations or the expansion of products and services to existing customers, in each case, including, without limitation, start-up costs, initial testing and registration costs in new markets, the cost of feasibility studies, training of employees, travel costs for employees engaged in activities relating to any or all of the foregoing and the allocation of general and administrative support in connection with any or all of the foregoing and (B) the amount of any charges (including facility operating losses) related to any de novo facility or any facility renovation (including any manufacturing facility), including any construction, pre-opening/re-opening and start-up period prior to opening (or re-opening, as applicable), until such facility has been open (or renovated) and operating for a period of 12 consecutive months,

(xvi) any charge on account of duplicative integration costs or similar duplicate or increased costs in respect of the transition services arrangements to be implemented in connection with the Transactions, in each case resulting from the transition of the Issuer and its Subsidiaries to a standalone company,

(xvii) for the first 12 months following the opening of a de novo facility and/or entry into new contracts or the renegotiation of contracts, an amount annualized over the applicable period based on the greater of (x) actual EBITDA attributable to such de novo facility and/or new or renegotiated contracts for each month such de novo facility and/or new or renegotiated contracts have been in operation and (y) the 12-month average EBITDA for all similar facilities and/or contracts that have been in operation for a period of at least 12 months (as determined by the Issuer in good faith),

(xviii) pro forma adjustments for the aggregate amount of Consolidated Net Income projected by the Issuer in good faith to result from binding contracts (with a contract period of no less than 12 months) entered into (or reasonably anticipated to be entered into (as determined by the Issuer in good faith)),

(xix) with respect to any Joint Venture that is not a Restricted Subsidiary and solely to the extent relating to any net income referred to in clause (d) of the definition of "Consolidated Net Income" and/or in clause (i) of the proviso at the end of the first paragraph of the definition of "Consolidated Net Income," an amount equal to the proportion of those items described in clauses (i), (ii) and (iii) above of this definition of EBITDA (without duplication) relating to such Joint Venture corresponding to the Issuer's and the Restricted Subsidiaries' proportionate share

of such Joint Venture's Consolidated Net Income (determined as if such Joint Venture were a Restricted Subsidiary),

(xx) accruals and reserves that are established or adjusted within 12 months after the Completion Date as a result of the Transactions or within 12 months after the closing of any permitted acquisition or other Investment not prohibited hereunder,

(xxi) costs associated with, or in anticipation of, or preparation for, compliance with the requirements of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith and costs relating to compliance with the provisions of the Securities Act and the Exchange Act or any other comparable body of laws, rules or regulations, as companies with listed equity, directors' compensation, fees and expense reimbursement, costs relating to enhanced accounting functions and investor relations, stockholder meetings and reports to stockholders, directors' and officers' insurance and other executive costs, legal and other professional fees, listing fees and other transaction costs, in each case to the extent arising solely by virtue of the listing of such Person's equity securities on a national securities exchange or issuance of public debt securities,

(xxii) net losses attributable to any contract within the first three (3) years following the date on which such contract (or any renewal thereof) becomes effective,

(xxiii) any increase in deferred revenue as of the last day of such period over the deferred revenue as of the day that is twelve (12) months prior to the last day of such period,

plus

(b) at the option of the Issuer, without duplication, the sum of the following amounts for such period:

(1) pro forma adjustments, including the amount of "run rate" cost savings, expense reductions, operational improvements, revenue enhancements, other operating changes, improvements (including, for the avoidance of doubt, "run rate" EBITDA attributable to projected increases in revenues or profits), optimizations, initiatives, synergies (including revenue synergies), increases in revenues and costs savings (collectively, "Expected Cost Savings") related to (X) any of the Transactions that are (i) reasonably identifiable and projected by Holdings or the Issuer in good faith to be realized as a result of actions that have been taken or initiated or with respect to which steps have been taken or initiated or are expected to be taken or initiated (in the good faith determination of Holdings or the Issuer) or (ii) have been identified prior to the Completion Date (including by inclusion in the Merger Agreement, any financial model, management presentation, confidential information memorandum, offering memorandum or of the type included in any quality of earnings or similar report of analysis) or (Y) any corporate or business restructuring initiatives, any Specified Transaction, any acquisition or combination, the commencement of activities constituting a business line, the termination or discontinuance of activities constituting a business line or related to any other initiative (including New Projects or new contracts or customers and the effect of increased pricing or volume and/or other revenue enhancements, the renegotiation or renewal of contracts or other arrangements or efficiencies from the shifting of production of one or more products from one manufacturing facility to another (or the provision of services from one location to another)) (any such operational changes, improvements, optimizations, actions, restructuring initiatives, Specified Transaction, acquisition or combination, cost savings initiative or other initiative, a "Cost Saving Initiative") that are reasonably identifiable and projected by Holdings or the Issuer in good faith to be realized as a result of actions that have been taken or initiated or with respect to which steps have been taken or initiated or are expected to be taken or initiated (in the good faith determination of Holdings or the Issuer); *provided* that (A) in each case of this clause (b)(1), Expected Cost Savings shall be added to EBITDA until fully realized and calculated on a pro forma basis as though such Expected Cost Savings had been realized on the first day of the relevant period, net of the amount of actual benefits realized from such actions (it being understood that "run rate" shall mean the full reasonably expected recurring benefit that is associated with the relevant action) and (B) no

Expected Cost Savings shall be added pursuant to this clause (b) to the extent duplicative of any charges relating to such Expected Cost Savings that are included in clause (a) above or are excluded from Consolidated Net Income pursuant to clause (a) of the definition thereof; and (2) other add-backs and adjustments that are consistent with Regulation S-X,

less

(c) without duplication and, except in the case of clause (iv) below, to the extent included in arriving at such Consolidated Net Income, the sum of the following amounts for such period:

(i) non-cash gains (excluding any non-cash gain to the extent it represents the reversal of an accrual or reserve for a potential cash item that reduced Consolidated Net Income or EBITDA in any prior period),

(ii) the amount of any loss attributable to non-controlling interests of third parties in the Issuer or any Restricted Subsidiary that is not a Wholly Owned Subsidiary of Holdings added to and not deducted in such period from Consolidated Net Income, and

(iii) cash expenditures (or any netting arrangements resulting in increased cash expenditures) not representing EBITDA in any period to the extent non-cash losses relating to such expenditures were added to the calculation of EBITDA for any previous periods and not subtracted back;

in each case, as determined on a consolidated basis for the Issuer and the Restricted Subsidiaries in accordance with GAAP; *provided* that:

(A) there shall be included in determining EBITDA for any period, without duplication, the Acquired EBITDA of any Acquired Entity or Business during such period, and the Acquired EBITDA of any Converted Restricted Subsidiary during such period, in each case based on the Acquired EBITDA of such Pro Forma Entity for such period (including the portion thereof occurring prior to such acquisition or conversion) determined on a historical pro forma basis,

(B) there shall be (A) excluded in determining EBITDA for any period the Disposed EBITDA of any Sold Entity or Business during such period (but if such operations are classified as discontinued due to the fact that they are subject to an agreement to dispose of such operations, only when and to the extent such operations are actually disposed of), and the Disposed EBITDA of any Restricted Subsidiary that is converted into a Converted Unrestricted Subsidiary, in each case based on the Disposed EBITDA of such Sold Entity or Business or Converted Unrestricted Subsidiary for such period (including the portion thereof occurring prior to such sale, transfer, disposition, closure, classification or conversion) determined on a historical pro forma basis and (B) included in determining EBITDA for any period in which a Sold Entity or Business is disposed, an adjustment equal to the Pro Forma Disposal Adjustment with respect to such Sold Entity or Business (including the portion thereof occurring prior to such disposal), and

(C) EBITDA shall be *increased* (with respect to losses) or *decreased* (with respect to gains) by, without duplication, any net realized gains and losses relating to (i) amounts denominated in foreign currencies resulting from the application of FASB ASC 830 (including net realized gains and losses from exchange rate fluctuations on intercompany balances and balance sheet items, net of realized gains or losses from related Hedging Obligations (entered into in the ordinary course of business)) or (ii) any other amounts denominated in or otherwise trued-up to provide similar accounting as if it were denominated in foreign currencies.

"Equity Interests" means Capital Stock and all warrants, options or other rights to acquire Capital Stock, but excluding any debt security that is convertible into, or exchangeable for, Capital Stock.

"Equity Offering" means any public or private sale or issuance of Qualified Stock of the Issuer or any Parent Entity (including an IPO) other than:

(1) public offerings with respect to the Issuer's or any Parent Entity's Qualified Stock registered on Form S-8;

(2) issuances to any Subsidiary of the Issuer; and

(3) any such public or private sale or issuance that constitutes an Excluded Contribution.

"euro" means the single currency of participating member states of the EMU.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder (and with respect to the definitions of "Change of Control" and "Permitted Holders" only, as in effect on the Issue Date).

"Excluded Accounts" means deposit accounts (a) used in connection with cash pooling, cash management and other treasury arrangements, (b) as to which the average daily end-of-day balance for any calendar month does not exceed $28.0 million in the aggregate for all such accounts excluded pursuant to this clause (b), (c) that are Trust Fund Accounts, (d) used exclusively for disbursements and payments (including payroll) in the ordinary course of business, (e) that are zero balance accounts, (f) that are located outside of the United States and contain only cash or proceeds from sales to foreign customers, (g) that hold proceeds of Permitted Receivables Financing Assets or (h) used solely as a pension fund, escrow (including, without limitation, any escrow accounts for the benefit of customers), trust, or similar account, in each case, for the benefit of third parties.

"Excluded Contribution" means Net Cash Proceeds, marketable securities or Qualified Proceeds received by the Issuer after the Completion Date from:

(1) contributions to its common equity capital;

(2) interest, returns, profits, dividends, distributions, fees and other payments from any Unrestricted Subsidiaries or joint ventures or Investments in entities that are not Restricted Subsidiaries;

(3) the sale (other than to a Subsidiary of the Issuer or to any management equity plan or stock option plan or any other management or employee benefit plan or agreement of the Issuer) of Capital Stock (other than Disqualified Stock and Designated Preferred Stock) of the Issuer or any direct or indirect parent entity to the extent contributed as common equity capital to the Issuer, in each case designated as Excluded Contributions pursuant to an Officer's Certificate, which are (or were) excluded from the calculation set forth in clause (2) of the first paragraph under "—Certain Covenants—Limitation on Restricted Payments"; and

(4) without duplication of the amounts set forth in clause (1), (2) or (3) above, an amount equal to the Net Proceeds from a disposition of property or assets acquired after the Completion Date, if the acquisition of such property or assets was financed with an Excluded Contribution.

"Excluded Foreign Intellectual Property" means any right, title or interest in or to any intellectual property to the extent that such right, title or interest is governed by or arises or exists under, pursuant to or by virtue of the laws of any jurisdiction other than the United States, a state thereof or the District of Columbia.

"Excluded Subsidiary" means any of the following, in each case, except for any Designated Guarantor: (a) any Subsidiary that is not a Wholly Owned Subsidiary of the Issuer, (b) each Unrestricted Subsidiary, (d) each Immaterial Subsidiary, (e) any Subsidiary that is prohibited or restricted by (i) applicable law or (ii) any contractual obligation, in each case from guaranteeing the Notes or which would require governmental (including regulatory) or third-party consent, approval, license or authorization in order to provide such Guarantee (including under any financial assistance, corporate benefit, thin capitalization, capital maintenance, liquidity maintenance or similar legal principles), unless such consent, approval, license or authorization has been obtained, it being understood that neither Holdings nor any of its Subsidiaries shall have any obligation to seek or obtain any such consent, approval, license or authorization, (f) any Foreign Subsidiary, (g) any FSHCO, and any Domestic Subsidiary that is a direct or

indirect subsidiary of a Foreign Subsidiary that is a CFC, (h) any other Subsidiary excused from becoming a Guarantor pursuant to certain agreed guarantee and security principles with respect to Credit Facilities, (i) any not-for-profit Subsidiaries, captive insurance companies, broker-dealer Subsidiaries, Receivables Subsidiary or other Special Purpose Entities (each, a "Limited Purpose Subsidiary"), (j) any Restricted Subsidiary acquired by the Issuer or any other Restricted Subsidiary that, at the time of the relevant permitted acquisition or Investment, is an obligor (including as a guarantor) in respect of assumed Indebtedness that is permitted under the Indenture (and not specifically incurred in contemplation of such permitted acquisition or Investment) to the extent (and for so long as) the documentation governing the applicable assumed Indebtedness prohibits such Restricted Subsidiary from providing a Guarantee and such prohibition was not implemented in contemplation of such permitted acquisition or investment, (k) any Subsidiary for which the provision of a guarantee could reasonably be expected to result in non-de minimis adverse tax consequences or non-de minimis adverse regulatory consequences to the Issuer or its Subsidiaries or Parent Entities (as determined by the Issuer in good faith) and (l) any Subsidiary that is (or, if it were a Guarantor, would be) an "investment company" under the Investment Company Act of 1940, as amended, and (m) any other Subsidiary with respect to which the cost or other consequences of providing a guarantee are likely to be excessive in relation to the value to be afforded thereby including, without limitation, where the limit on recoveries recorded in the relevant guarantee renders the realizable value of the guarantee such that there is no material commercial benefit to the proposed beneficiaries of such guarantee in the provision thereof (in each case, as determined by the Issuer in good faith); *provided* that such Subsidiary is not a guarantor under the First Lien Credit Facilities.

"Existing 2024 Notes" means CDK's existing 4.500% Senior Notes due 2024.

"Existing 2027 Notes" means CDK's existing 4.875% Senior Notes due 2027.

"Existing 2029 Notes" means CDK's existing 5.250% Senior Notes due 2029.

"Existing Notes" means the Existing 2024 Notes, Existing 2027 Notes and Existing 2029 Notes.

"Existing Cash Pooling Arrangements" means the treasury, depositary and cash pooling arrangements of Holdings and its Subsidiaries as of the Completion Date (and any replacement arrangement serving a similar or related function) and any transactions between or among Holdings and its Subsidiaries that are entered into in connection therewith.

"fair market value" means, with respect to any asset or liability, the fair market value of such asset or liability as determined by the Issuer in good faith.

"Fitch" means Fitch Ratings, Inc. and any successor to its rating agency business.

"First Lien Credit Facilities Administrative Agent" means the "Collateral Agent" and/or the "Administrative Agent," as the context may require, in respect of the New First Lien Credit Facilities.

"First Lien Cap" means an amount equal to (a) the sum of (i) 120% of the portion of the Permitted First Lien Facilities Debt (as defined in the New Second Lien Credit Facility) amount that, in accordance with the New Second Lien Credit Facility (as in effect on the Issue Date), is permitted under the New Second Lien Credit Facility to be secured by the Collateral (or a portion thereof) with the same priority with respect to the Collateral, as applicable, as the New First Lien Credit Facilities, plus (ii) the amount of any unpaid accrued interest, commitment fees, letter-of-credit fees, paid in kind amounts, reasonable and customary premiums or make-whole premiums, reasonable fees or reasonable expenses that from time to time may be added to principal in connection with any refinancing of any First Lien Document, minus (b) solely with respect to First Lien Obligations incurred and outstanding in reliance on the Incremental Fixed Dollar Basket Amount and Incremental Prepayments/Extensions Basket Amount (in each case, as defined in the New First Lien Credit Facilities) (or any similar term in any refinancing of any First Lien Document) components of the such Permitted First Lien Facilities Debt amount, the aggregate principal amount of mandatory repayments or prepayments of such First Lien Obligations made prior to the applicable date of determination (in each case, other than any such repayment or prepayment from a refinancing of a First Lien Document). For the avoidance of doubt, First Lien Secured Cash Management Obligations and First Lien Secured Swap Obligations shall not be subject to the First Lien Cap. The First Lien Cap is solely for the benefit of the

holders of the New Second Lien Credit Facility and may be waived or amended by such holders without any need for consent by the Holders of the Notes.

"First Lien Credit Facilities Obligations" means the "Secured Obligations" as defined in the New First Lien Credit Facilities.

"First Lien Documents" means the New First Lien Credit Facilities, the Note Documents and the definitive financing agreements with respect to any Series of Additional First Lien Obligations.

"First Lien Obligations" means the First Lien Credit Facilities Obligations, Notes Obligations and Additional First Lien Obligations.

"First Lien Priority Obligations" means the sum of all First Lien Obligations; *provided* that if the sum of (i) the aggregate principal amount of Indebtedness outstanding under the First Lien Documents plus (ii) the aggregate face amount of any outstanding letters of credit issued under the First Lien Documents is, in the aggregate for amounts described in clauses (i) and (ii), in excess of the First Lien Cap, then only that portion of the aggregate principal amount of the First Lien Obligations and aggregate face amount of outstanding letters of credit (excluding, for the avoidance of doubt, any obligations under First Lien Secured Swap Contracts and any First Lien Secured Cash Management Obligations) not in excess of the First Lien Cap shall be deemed to be "First Lien Priority Obligations", and interest, premium, make-whole and reimbursement obligations with respect to such Indebtedness and letters of credit shall only constitute First Lien Priority Obligations to the extent related to Indebtedness and outstanding letters of credit otherwise included in the First Lien Priority Obligations; *provided* that First Lien Priority Obligations shall include all First Lien Obligations consisting of (a) any enforcement expenses (regardless of whether such amounts are added to the principal balance of the loans pursuant to the First Lien Documents), (b) any First Lien Secured Swap Obligations or any First Lien Secured Cash Management Obligations and (c) costs and expenses required to be reimbursed pursuant to the First Lien Documents. If First Lien Obligations in excess of the First Lien Priority Obligations exist, the portion of such excess obligations shall be (x) determined as agreed in writing among the First Lien Secured Parties or (y) if no such agreement applies, the latest principal amounts advanced (it being agreed for such purposes that principal advanced pursuant to a revolving credit commitment or delayed draw commitment shall be deemed advanced on the date such commitment first became binding on the applicable creditors).

"First Lien Representative" means (a) with respect to the First Lien Credit Facilities Obligations, the First Lien Credit Facilities Administrative Agent, (b) with respect to the Notes Obligations, the Notes Collateral Agent for purposes of the description of the First Lien/Second Lien Intercreditor Agreement and the Trustee for purposes of the description of the First Lien/Second Lien Intercreditor Agreement and (c) with respect to any Series of Additional First Lien Obligations, the Additional First Lien Representatives therefor.

"First Lien Secured Cash Management Obligations" means the "Secured Cash Management Obligations" as such term is defined in the New First Lien Credit Facilities.

"First Lien Secured Parties" means the First Lien Credit Facilities Secured Parties, the Notes Secured Parties and the Additional First Lien Secured Parties.

"First Lien Secured Swap Contracts" means any First Lien Swap Contract the obligations under which constitute First Lien Secured Swap Obligations.

"First Lien Secured Swap Obligations" means "Secured Swap Obligations" as such term is defined in the New First Lien Credit Facilities.

"First Lien Swap Contract" means any "Swap Agreement" as such term is defined in the New First Lien Credit Facilities.

"Fixed Charge Coverage Ratio" means, with respect to any Person for any period, the ratio of EBITDA of such Person for such period to the Fixed Charges of such Person for such period. In the event that such Person or any Restricted Subsidiary incurs, assumes, guarantees, redeems, repays, retires or extinguishes any Indebtedness (other than Indebtedness incurred or repaid under any revolving credit facility unless such Indebtedness has been

permanently repaid and has not been replaced) or issues or redeems Disqualified Stock or Preferred Stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated but prior to or simultaneously with the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "Fixed Charge Coverage Ratio Calculation Date"), then the Fixed Charge Coverage Ratio shall be calculated giving pro forma effect to such incurrence, assumption, guarantee, redemption, repayment, retirement or extinguishment of Indebtedness, or such issuance or redemption of Disqualified Stock or Preferred Stock (in each case, including a pro forma application of the net proceeds therefrom), as if the same had occurred at the beginning of the applicable four-quarter period, subject, for the avoidance of doubt, to the paragraphs contained in "—Certain Covenants—Certain compliance calculations"; *provided, however*, that the pro forma calculation of Fixed Charges for purposes of the first paragraph under "—Certain Covenants— Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" (and for the purposes of other provisions of the Indenture that refer to such first paragraph) shall not give effect to any Indebtedness being incurred on such date (or on such other subsequent date which would otherwise require pro forma effect to be given to such incurrence) pursuant to the second paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" (other than Secured Indebtedness incurred pursuant to subclause (2) of the proviso to clause (14) thereof). For purposes of making the computation referred to above, Investments, acquisitions, dispositions, mergers, amalgamations, consolidations, discontinued operations (as determined in accordance with GAAP), operational changes and Business Expansions that have been made by the Issuer or any of its Restricted Subsidiaries during the four-quarter reference period or subsequent to such reference period and on or prior to or simultaneously with the Fixed Charge Coverage Ratio Calculation Date shall be calculated on a pro forma basis assuming that all such Investments, acquisitions, dispositions, mergers, amalgamations, consolidations, discontinued operations, operational changes and Business Expansions (and the change in any associated fixed charge obligations and the change in EBITDA resulting therefrom) had occurred on the first day of the four-quarter reference period. If since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged, amalgamated or consolidated with or into the Issuer or any of its Restricted Subsidiaries since the beginning of such period shall have made any Investment, acquisition, disposition, merger, amalgamation, consolidation, discontinued operation, operational change or Business Expansion that would have required adjustment pursuant to this definition, then the Fixed Charge Coverage Ratio shall be calculated giving pro forma effect thereto for such period as if such Investment, acquisition, disposition, merger, amalgamation, consolidation, discontinued operation, operational change or Business Expansion had occurred at the beginning of the applicable four-quarter period. For purposes of this definition, whenever pro forma effect is to be given to an Investment, acquisition, disposition, merger, amalgamation, consolidation, discontinued operation, operational change, Business Expansion or other transaction (including the Transactions), the pro forma calculations shall be made in good faith by a responsible financial or accounting officer of the Issuer or its Restricted Subsidiaries (and may include, for the avoidance of doubt, cost savings, operating expense reductions and synergies resulting from such Investment, acquisition, disposition, merger, amalgamation, consolidation, discontinued operation, operational change, Business Expansion or other transaction (including the Transactions) which is being given pro forma effect) calculated in accordance with and permitted by clause (b)(1) of the definition of "EBITDA." If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the Fixed Charge Coverage Ratio Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligations applicable to such Indebtedness). Interest on a Capital Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Issuer to be the rate of interest implicit in such Capital Lease Obligation in accordance with GAAP. For purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed on a pro forma basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period except as set forth in the first paragraph of this definition. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be deemed to have been based upon the rate actually chosen, or, if none, then based upon such optional rate chosen as the Issuer may designate.

"Fixed Charges" means, with respect to any Person for any period, the sum of, without duplication:

(1) Consolidated Interest Expense of such Person for such period;

(2) all cash dividend payments (excluding items eliminated in consolidation) on any series of Preferred Stock made during such period; and

(3) all cash dividend payments (excluding items eliminated in consolidation) on any series of Disqualified Stock made during such period.

"Foreign Subsidiary" means any Subsidiary that is organized or incorporated under the laws of a jurisdiction other than the United States, any state thereof or the District of Columbia.

"FSHCO Subsidiary" means any direct or indirect Domestic Subsidiary of Holdings (other than the Issuers) that has no material asset other than Equity Interests (or Equity Interests and debt, if any) in one or more direct or indirect Subsidiaries that are CFCs or FSHCO Subsidiaries.

"GAAP" means, at the election of the Issuer (a) international financial reporting standards as issued by the International Accounting Standards Board ("IFRS"), if the Issuer's financial statements are at such time prepared in accordance with IFRS or (b) generally accepted accounting principles in the United States of America as in effect from time to time ("GAAP"), if the Issuer's financial statements are at such time prepared in accordance with U.S. GAAP; *provided*, *however*, that (i) if the Issuer notifies the Trustee that the Issuer requests an amendment to any provision hereof to eliminate the effect of any change in accounting principles or change as a result of the adoption or modification of accounting policies occurring after the Issue Date in GAAP or IFRS, as applicable, or in the application thereof on the operation of such provision, regardless of whether any such notice is given before or after such change in GAAP or IFRS, as applicable, or in the application thereof, then such provision shall be interpreted on the basis of GAAP or IFRS, as applicable, as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance with this definition, (ii) GAAP shall be construed, and all computations of amounts and ratios referred to in the Indenture shall be made, without giving effect to any election under FASB Accounting Standards Codification 825—Financial Instruments, or any successor thereto (including pursuant to the FASB Accounting Standards Codification or, to the extent applicable, the equivalent standard under IFRS), to value any Indebtedness of the Issuer or any Subsidiary at "fair value," as defined therein, (iii) the amount of any Indebtedness under GAAP with respect to Capital Lease Obligations shall be determined in accordance with the definition of "Capital Lease Obligations", (iv) all references to codified accounting standards specifically named in the Indenture shall be deemed to include any successor, replacement, amendment or updated accounting standard under IFRS or U.S. GAAP, as applicable, or to any corresponding accounting standard under IFRS in the event of an election by the Issuer to prepare its financial statements in IFRS, (v) neither IFRS nor U.S. GAAP shall include the policies, rules and regulations of the SEC, the American Institute of Certified Public Accountants, the International Accounting Standards Board or any other applicable regulatory or governing body applicable only to public companies and (vi) any calculation or determination in the Indenture that requires the application of GAAP or IFRS across multiple quarters need not be calculated or determined using the same accounting standard for each constituent quarter. The Issuer will give notice of any such election made in accordance with this definition to the Trustee. For the avoidance of doubt, (i) solely making an election (without any other action) referred to in this definition will not (1) be treated as an incurrence of Indebtedness or (2) have the effect of rendering invalid any payment, Investment or other action made prior to the date of such election pursuant to the covenant described under "—Certain Covenants—Limitation on Restricted Payments" or any incurrence of Indebtedness incurred prior to the date of such election pursuant to the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" (or any other action conditioned on the Issuer and the Restricted Subsidiaries having been able to incur $1.00 of additional Indebtedness) if such payment, Investment, incurrence or other action was valid under the Indenture on the date made, incurred or taken, as the case may be, and (ii) the Issuer may not elect to change from GAAP to IFRS (or vice-versa) more than two times following the Issue Date.

"Governmental Authority" means the government of the United States of America, any other nation or any political subdivision thereof, whether state 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, without limitation, any supra-national bodies such as the European Union or the European Central Bank).

"Grantor" means Holdings, the Issuer, any Guarantor and any other Person signatory to any Security Document that grants (or purports to grant) a security interest in such Person's right, title and interest in, to and under any Collateral.

"guarantee" means a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, in any manner (including letters of credit and reimbursement agreements in respect thereof), of all or any part of any Indebtedness or other obligations.

"Guarantee" means the guarantee by any Guarantor of the Issuers' Obligations under the Indenture and the Notes.

"Guarantor" means Holdings and each Subsidiary Guarantor.

"Hedging Obligations" means, with respect to any Person, the obligations of such Person under (1) any rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar agreements or transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (2) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement, including any such obligations or liabilities under any Master Agreement.

"Holder" means the Person in whose name a Note is registered on the Registrar's books.

"Holdings Reorganization" means (a) the contribution by Holdings of 100% of the Equity Interests of the Issuer to a newly formed "shell" entity owned or controlled by the Permitted Holders or (b) the merger, amalgamation or consolidation of Holdings with or into any other Person; *provided* that, in the case of clause (a) or if the Person formed by or surviving any such merger, amalgamation or consolidation described in clause (b) (including any immediate and successive mergers, amalgamations or consolidations of entities) is not Holdings, (i) so long as the Successor Parent assumes all of the obligations of Holdings under the New First Lien Credit Facilities, the Successor Parent, expressly assumes all of the obligations of Holdings under the Indenture and the Notes pursuant to supplemental indentures and (ii) the Successor Parent shall, immediately following such merger, amalgamation or consolidation, directly or indirectly own all Subsidiaries owned by Holdings immediately prior to such transaction, unless such Subsidiary is the other party to such merger, amalgamation or consolidation.

"Immaterial Subsidiary" means, as of any date, any Restricted Subsidiary (a) that does not have assets in excess of 5.0% of Consolidated Total Assets of the Issuer and its Restricted Subsidiaries and (b) that does not contribute EBITDA in excess of 5.0% of the LTM EBITDA, in each case, as of the last day of the most recently ended four consecutive fiscal quarters for which internal financial statements are available; *provided* that the Consolidated Total Assets and EBITDA (as so determined) of all Immaterial Subsidiaries shall not exceed 10.0% of Consolidated Total Assets and 10.0% of LTM EBITDA, in each case, of the Issuer and its Restricted Subsidiaries as of the last day of such most recently ended four fiscal quarters.

"Indebtedness" means, with respect to any Person, without duplication:

(a) all obligations of such Person for borrowed money,

(b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments to the extent such obligations would appear as a liability on a balance sheet of such Person prepared in accordance with GAAP,

(c) [reserved],

(d) all obligations of such Person in respect of the deferred purchase price of property or services (excluding (i) accrued expenses, trade accounts payable, accruals for payroll and other liabilities accrued in the ordinary course of business or consistent with past practice or industry practice (including on an intercompany basis), (ii) any earnout obligation, purchase price adjustment or similar obligation until

such obligation becomes a liability on the balance sheet of such Person (excluding the footnotes thereto) in accordance with GAAP and is not paid within 60 days after becoming due and payable following expiration of any dispute resolution mechanics set forth in any agreement governing the applicable transaction and (iii) liabilities associated with customer prepayments and deposits),

(e) all Indebtedness (excluding prepaid interest thereon) of others secured by any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed,

(f) all Guarantees by such Person of Indebtedness of others,

(g) all Capital Lease Obligations of such Person, and

(h) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit, letters of guaranty, bank guarantees, bankers' acceptances and similar instruments;

provided that 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) contingent indemnity and similar obligations incurred in the ordinary course of business, (iv) Indebtedness of any Parent Entity (for which none of the Issuer or any Restricted Subsidiary is liable) appearing on the balance sheet of the Issuer solely by reason of push down accounting under GAAP and (v) obligations under any license, cross-license, sublicense, permit or other approval (or guarantees in respect of such obligations) incurred prior to the Completion Date or in the ordinary course of business.

The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner), to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor. The amount of Indebtedness of any Person for purposes of clause (e) above shall (unless such Indebtedness has been assumed by such Person) be deemed to be equal to the lesser of (A) the aggregate unpaid amount of such Indebtedness (not to exceed the maximum amount of such Indebtedness for which such Person could be liable) and (B) the fair market value of the property encumbered thereby as determined by such Person in good faith. For all purposes hereof, the Indebtedness of the Issuer and the Restricted Subsidiaries shall exclude (i) intercompany liabilities between and among the Issuer and/or its Restricted Subsidiaries arising solely from their cash management, tax and accounting operations in the ordinary course of business and (ii) intercompany loans, advances or Indebtedness between and among the Issuer and/or its Restricted Subsidiaries having a term not exceeding 364 days (inclusive of any rollover, conversion or extension terms) and made in the ordinary course of business..

"Independent Financial Advisor" means an accounting, appraisal, investment banking firm or consultant of nationally or internationally recognized standing that is, in the good faith judgment of the Issuer, qualified to perform the task for which it has been engaged.

"Initial Intercreditor Agreements" means each of (i) the First Lien Intercreditor Agreement and (ii) the First Lien/Second Lien Intercreditor Agreement, in each case as amended, modified, supplemented, substituted, replaced or restated, in whole or in part, from time to time in accordance with the terms thereof.

"Initial Purchasers" means the initial purchasers of the Notes on the Issue Date.

"Intercreditor Agreements" means any Acceptable Intercreditor Agreement and/or the Initial Intercreditor Agreements (or either of them), as the context may require.

"Investment Grade Rating" means a rating equal to or higher than Baa3 (or the equivalent) by Moody's, BBB- (or the equivalent) by S&P or BBB- (or the equivalent) by Fitch, or if the applicable securities are not then rated by Moody's, S&P or Fitch, an equivalent rating by any other Rating Agency.

"Investment Grade Securities" means:

(1) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality thereof (other than Cash Equivalents);

(2) debt securities or debt instruments with an Investment Grade Rating, but excluding any debt securities or instruments constituting loans or advances among the Issuer and its Subsidiaries;

(3) investments in any fund that invests at least 90% of its assets in investments of the type described in clauses (1) and (2) which fund may also hold immaterial amounts of cash pending investment or distribution; and

(4) corresponding instruments in countries other than the United States customarily utilized for high quality investments.

"Investments" means, as to any Person, any direct or indirect acquisition of or investment by such Person in another Person, whether by means of (a) the purchase or other acquisition of Equity Interests or Indebtedness or other securities of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of Indebtedness of, or purchase or other acquisition of any other Indebtedness or equity participation or interest in, another Person, including any partnership or Joint Venture interest in such other Person (excluding, in the case of the Issuer and the Restricted Subsidiaries, (i) intercompany advances between and among the Issuer and/or the Restricted Subsidiaries arising solely from their cash management, tax and accounting operations in the ordinary course of business and (ii) intercompany loans, advances or indebtedness between and among the Issuer and/or the Restricted Subsidiaries having a term not exceeding 364 days (inclusive of any rollover, conversion or extension terms) and made in the ordinary course of business) or (c) the purchase or other acquisition (in one transaction or a series of transactions) of all or substantially all of the property and assets or business of another Person or assets constituting a business unit, line of business or division of such Person. If an Investment involves the acquisition of more than one Person, the amount of such Investment shall be allocated among the acquired Persons in accordance with GAAP; *provided* that pending the final determination of the amounts to be so allocated in accordance with GAAP, such allocation shall be as reasonably determined by the Issuer. For purposes of the definition of "Unrestricted Subsidiary" and the covenant described under "—Certain Covenants—Limitation on Restricted Payments":

(1) "Investments" shall include the portion (proportionate to the Issuer's equity interest in such Subsidiary) of the fair market value of the net assets of a Subsidiary of the Issuer at the time that such Subsidiary is designated an Unrestricted Subsidiary;

(2) any property transferred to or from an Unrestricted Subsidiary shall be valued at its fair market value at the time of such transfer; and

(3) if the Issuer or any Restricted Subsidiary issues, sells or otherwise disposes of any Capital Stock of a Person that is a Restricted Subsidiary such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any investment by the Issuer or any Restricted Subsidiary in such Person remaining after giving effect thereto shall not be deemed to be an Investment at such time.

The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced by any dividend, distribution, interest payment, return of capital, repayment or other amount received in Cash Equivalents by the Issuer or a Restricted Subsidiary in respect of such Investment to the extent such amounts do not increase any other baskets under the Indenture.

"Investors" means (a) the Sponsor, (b) certain limited partners of the Sponsor, (c) the Management Investors and (d) other holders of Equity Interests in any Parent Entity on the Completion Date after giving effect to the Acquisition.

"IPO" means (a) a Qualifying IPO or (b) the acquisition, purchase, merger, amalgamation or combination of any Parent Entity, by, or with, a publicly traded special purpose acquisition company or targeted acquisition company or any entity similar to the foregoing (a "SPAC IPO Entity") that results in the equity of such Parent Entity (or its successor by merger, amalgamation or combination, including the SPAC IPO Entity) being traded on, or such

Parent Entity being wholly-owned by another entity whose equity is traded on, a national securities exchange (a "SPAC IPO").

"IPO Entity" means, at any time at and after an IPO, any Parent Entity, as the case may be, the Equity Interests in which were issued or otherwise sold pursuant to the IPO or, in the case of an IPO described in clause (b) of the definition thereof, the publicly traded entity immediately following such IPO, so long as such entity is a Parent Entity.

"IPO Listco" means a wholly-owned subsidiary of Holdings formed in contemplation of an IPO to become the IPO Entity.

"IPO Reorganization Transactions" means, collectively, the transactions taken in connection with and reasonably related to consummating an IPO, including (a) formation and ownership of IPO Shell Companies, (b) entry into, and performance of, (i) a reorganization agreement among any of Holdings, its Subsidiaries, Parent Entities and/or IPO Shell Companies implementing reorganization transactions in connection with an IPO so long as after giving effect to such agreement and the transactions contemplated thereby, the Guarantees of the Notes, taken as a whole, would not be materially impaired and (ii) customary underwriting agreements in connection with an IPO and any future follow-on primary or secondary underwritten public offerings of common Equity Interests in the IPO Entity, including the provision by IPO Entity and Holdings of customary representations, warranties, covenants and indemnification to the underwriters thereunder, (c) the merger of IPO Subsidiary with one or more direct or indirect holders of Equity Interests in Holdings with IPO Subsidiary surviving and holding Equity Interests in Holdings and no other material assets or the dividend or other distribution by Holdings of Equity Interests of IPO Shell Companies or other transfer of ownership to the holder of Equity Interests of Holdings, (d) the amendment or restatement of organization documents of Holdings and any IPO Subsidiaries, (e) the issuance of Equity Interests of IPO Shell Companies to holders of Equity Interests of Holdings in connection with any IPO Reorganization Transactions, (f) the making of Restricted Payments to (or Investments in) an IPO Shell Company or Holdings or any Subsidiaries to permit Holdings to make distributions or other transfers, directly or indirectly, to IPO Listco, in each case solely for the purpose of paying, and solely in the amounts necessary for IPO Listco to pay, IPO-related expenses and the making of such distributions by Holdings, (g) the repurchase by IPO Listco of its Equity Interests from the Issuer or any Subsidiary, (h) the entry into an exchange agreement, pursuant to which holders of Equity Interests in Holdings and certain non-economic/voting Equity Interests in IPO Listco will be permitted to exchange such interests for certain economic/voting Equity Interests in IPO Listco, (i) any issuance, dividend or distribution of the Equity Interests of the IPO Shell Companies or other disposition of ownership thereof to the IPO Shell Companies and/or the direct or indirect holders of Equity Interests of Holdings and (j) all other transactions reasonably incidental to, or reasonably necessary for the consummation of, the foregoing so long as after giving effect to such agreement and the transactions contemplated thereby, the security interests of the lenders in the Collateral and the Guarantees of the Notes, taken as a whole, would not be materially impaired (as determined in good faith by the Issuer).

"IPO Shell Company" means each of IPO Listco and IPO Subsidiary.

"IPO Subsidiary" means a wholly-owned Subsidiary of IPO Listco formed in contemplation of, and to facilitate, IPO Reorganization Transactions and an IPO.

"Issue Date" means , 2022.

"Joint Venture" means a joint venture, partnership or similar arrangement, whether in corporate, partnership or other legal form.

"Junior Obligations" means any Additional Secured Obligations secured by Liens junior to the Liens securing the Credit Facilities Obligations and/or the Notes Obligations.

"LC Instrument" means any letter of credit, letter of guarantee, bank guarantee, bankers' acceptance, performance bond, surety bond, financial undertakings, guarantees supporting regulated business activities or other similar document or instrument.

"Legal Holiday" means a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed. If a payment date is on a Legal Holiday, payment will be made on the next succeeding day that is not a Legal Holiday and no interest shall accrue for the intervening period.

"Lien" means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset and (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset; *provided* that in no event shall a Non-Capital Lease Obligation in and of itself constitute a Lien.

"Limited Condition Transaction" means (a) the entering into or consummation of any transaction (including in connection with any acquisition, consolidation, business combination or similar permitted Investment or the assumption or incurrence of Indebtedness or the obtaining of a commitment in respect thereof, any disposition or any other transaction relating to the foregoing), (b) a Change of Control, (c) the making of any Restricted Payment and/or (d) any prepayment, repurchase or redemption of Indebtedness requiring irrevocable notice in advance of such prepayment, repurchase or redemption.

"LTM EBITDA" means EBITDA of the Issuer measured for the period of the most recent four consecutive fiscal quarters ending prior to the date of such determination for which internal consolidated financial statements of the Issuer are available, with such pro forma adjustments giving effect to such Investments, acquisitions, dispositions, mergers, amalgamations, consolidations, discontinued operations, operational changes, Business Expansions or other transaction, as applicable, since the start of such four quarter period and as are consistent with the pro forma adjustments set forth in the definition of "Fixed Charge Coverage Ratio."

"Management Investors" means the Company Persons who are (directly or indirectly through one or more investment vehicles) holders of Equity Interests in any Parent Entity and their Permitted Transferees.

"Market Capitalization" means, on the date of the declaration of a Restricted Payment permitted pursuant to clause (9) of the second paragraph under "—Certain Covenants— Limitation on Restricted Payments," an amount equal to (i) the total number of issued and outstanding shares or other units of Equity Interests of the Issuer or any Parent Entity (that does not own any material assets other than (x) the Issuer and its Subsidiaries and (y) any intermediate holding company that does not own any material assets other than (1) the Issuer and its Subsidiaries and (2) another such intermediate holding company) on such date multiplied by (ii) the arithmetic mean of the closing prices per share or other unit of such Equity Interests on the New York Stock Exchange (or, if the primary listing of such Equity Interests is on another exchange, on such other exchange) for the 30 consecutive trading days immediately preceding the date of declaration of such Restricted Payment.

"Market Intercreditor Agreement" means an intercreditor or subordination agreement or arrangement (which may take the form of a "waterfall" or similar provision) the terms of which are either (a) consistent with market terms governing intercreditor arrangements for the sharing or subordination of Liens or arrangements relating to the distribution of payments in respect of Collateral, as applicable, at the time the applicable agreement or arrangement is proposed to be established in light of the type of Indebtedness subject thereto or (b) in the case of any Initial Intercreditor Agreement or in the event a "Market Intercreditor Agreement" has been entered into after the Completion Date meeting the requirement of the preceding clause (a), the terms of which are, taken as a whole, not materially less favorable to the holders of the Secured Notes than the terms of such Initial Intercreditor Agreement or Market Intercreditor Agreement, as applicable, to the extent such agreement governs similar priorities, in each case of clause (a) and (b) as determined by the Issuer in good faith.

"Merger Agreement" means that certain Agreement and Plan of Merger, dated as of April 7, 2022 (together with the exhibits and schedules thereto, as amended, modified, supplemented, substituted, replaced, restated or otherwise consented to or waived from time to time), by and among Central Parent LLC, a Delaware limited liability company, Central Merger Sub Inc., a Delaware corporation and CDK Global, Inc., a Delaware corporation.

"Moody's" means Moody's Investors Service, Inc. and any successor to its rating agency business.

"Net Cash Proceeds" means the aggregate Cash Equivalents proceeds received in respect of any Equity Offering, sale of Equity Interests or other applicable transaction, in each case net of underwriting fees or discounts in respect in such Equity Offering, sale or other transaction.

"Net Income" means, with respect to any Person, the net income (loss) of such Person, determined in accordance with GAAP and before any reduction in respect of Preferred Stock dividends.

"Net Proceeds" means, with respect to any event, (a) the proceeds received in respect of such event in cash or Cash Equivalents, including (i) any cash or Cash Equivalents received in respect of any Designated Non-Cash Consideration or other non-cash proceeds, including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment or earnout (but excluding any interest payments), but only as and when received, (ii) in the case of a Casualty Event, insurance proceeds that are actually received in cash and (iii) in the case of a condemnation or similar event, condemnation awards and similar payments that are actually received in cash, minus (b) all fees and out-of-pocket expenses paid by Holdings, the Issuer, its Restricted Subsidiaries and the respective Subsidiaries, Affiliates and direct or indirect equityholders of each of the foregoing in connection with such event (including attorney's fees, investment banking fees, survey costs, title insurance premiums, and related search and recording charges, transfer Taxes, deed or mortgage recording Taxes and similar Taxes, underwriting discounts and commissions, other customary expenses and brokerage, consultant, accountant and other customary fees), minus (c) the sum of (x) in the case of an Asset Sale or Casualty Event, the amount of all payments that are not prohibited hereunder and are made by Holdings, the Issuer and its Restricted Subsidiaries as a result of such event to repay Indebtedness (including principal, interest, premium, penalty and other amounts in respect thereof) not prohibited to be incurred and outstanding under the Indenture (other than (1) the Notes or (2) other *pari passu* or junior Indebtedness secured by a Lien on the Collateral and incurred or outstanding pursuant to clause (1) of the second paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock" and secured by such asset or otherwise subject to mandatory prepayment as a result of such event(or that would otherwise become due, would be in default or which is required to be paid in order to obtain a necessary consent to such disposition or by applicable law), (y) in the case of an Asset Sale or Casualty Event, the *pro rata* portion of net cash proceeds thereof (calculated without regard to this clause (y)) attributable to minority interests and not available for distribution to or for the account of the Issuer and the other wholly-owned Restricted Subsidiaries as a result thereof and (z) the amount of any liabilities directly associated with such asset and retained by the Issuer and its Restricted Subsidiaries, minus (d) the amount of all taxes paid (or estimated by the Issuer in good faith to be payable) including pursuant to tax sharing arrangements or that are or would be imposed on intercompany distributions with such proceeds, minus (e) the amount of any costs associated with unwinding any related swap, minus (f) the amount of any reserves established by the Issuer and its Restricted Subsidiaries to fund contingent liabilities estimated by the Issuer in good faith to be payable, that are directly attributable to such event; *provided* that any reduction at any time in the amount of any such reserves (other than as a result of payments made in respect thereof) shall be deemed to constitute the receipt at such time of Net Proceeds in the amount of such reduction.

"Netted Amounts" means, as of any date of determination, collectively (a) Cash Equivalents that would be stated on the balance sheet of the Issuer and its Restricted Subsidiaries as of such date of determination and (b) any obligation, liability or indebtedness if, upon or prior to the maturity thereof, the applicable Person has irrevocably deposited with the proper Person in trust or escrow the necessary funds (or evidences of indebtedness) for the payment, redemption or satisfaction of such obligation, liability or indebtedness, and from and after such date such funds and evidences of such obligation, liability or indebtedness or other security so deposited are not included in the calculation of the amount set forth in clause (a).

"New Credit Facilities" means the New First Lien Credit Facilities and the New Second Lien Credit Facility.

"New First Lien Credit Facilities" means the First Lien Syndicated Facility Agreement, to be dated on or about the Completion Date, among, *inter alia*, the Issuers, as co-borrowers, the guarantors named therein and Credit Suisse AG, New York Branch (or an affiliate thereof), as administrative agent and collateral agent, including any guarantees, collateral documents, instruments and agreements executed in connection therewith, and any amendments, supplements, modifications, extensions, renewals, restatements, refundings, refinancings or replacements thereof and any one or more indentures, agreements, credit facilities or commercial paper facilities with banks or other institutional lenders or investors that replace, refund, supplement or refinance any part of the loans, notes, other credit facilities or commitments thereunder, including any such replacement, refunding or

refinancing facility or indenture or agreement that increases the amount borrowable thereunder or alters the maturity thereof (*provided* that such increase in borrowings is permitted under the caption "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock") or adds Holdings or any Restricted Subsidiaries as additional borrowers or guarantors thereunder and whether by the same or any other agent, trustee, lender or group of lenders or holders.

"New Project" means (x) each plant, facility, branch, office or business unit which is either a new plant, facility, branch, office or business unit or an expansion, relocation, remodeling, refurbishment or substantial modernization of an existing plant, facility, branch, office or business unit owned by the Issuer or the Restricted Subsidiaries which in fact commences operations and (y) each creation (in one or a series of related transactions) of a business unit or product line to the extent such business unit commences operations or such product line is offered or each expansion (in one or a series of related transactions) of business into a new market or through a new distribution method or channel; *provided* that, in each case for clauses (x) and (y), such plant, facility, branch, office, business unit or product line, as the case may be, shall cease to be a "New Project" on the second anniversary of the commencement of such operations or completed expansion, relocation, remodeling, refurbishment or substantial modernization, as applicable.

"New Second Lien Credit Facility" means the Second Lien Syndicated Facility Agreement, to be dated on or about the Completion Date, among, inter alia, the Issuers, the guarantors named therein and Goldman Sachs Specialty Lending Group, L.P. (or an affiliate thereof), as administrative agent and collateral agent, including any guarantees, collateral documents, instruments and agreements executed in connection therewith, and any amendments, supplements, modifications, extensions, renewals, restatements, refundings, refinancings or replacements thereof and any one or more indentures, agreements, credit facilities or commercial paper facilities with banks or other institutional lenders or investors that replace, refund, supplement or refinance any part of the loans, notes, other credit facilities or commitments thereunder, including any such replacement, refunding or refinancing facility or indenture or agreement that increases the amount borrowable thereunder or alters the maturity thereof (*provided* that such increase in borrowings is permitted under the caption "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock") or adds Holdings or any Restricted Subsidiaries as additional borrowers or guarantors thereunder and whether by the same or any other agent, trustee, lender or group of lenders or holders.

"Non-Automotive DMS Business Line" means any product line or business line that is not the automotive dealer management system product or automotive layered applications business line.

"Non-Automotive DMS Business Line Cash Proceeds" means any Cash Equivalents proceeds received in respect of any sale of Non-Automotive DMS Business Line.

"Non-Capital Lease Obligation" of any Person means a lease obligation of such Person that is not required to be accounted for as a capital lease on both the balance sheet and the income statement of such Person for financial reporting purposes in accordance with GAAP. A straight-line or operating lease (defined consistent with the limitation set forth in Capital Lease Obligations) shall be considered a Non-Capital Lease Obligation.

"Notes Documents" means the Notes (including Additional Notes), the Guarantees, the Indenture and the Notes Security Documents.

"Notes Obligations" means the Obligations in respect of the Notes, Indenture and Notes Security Documents (limited, in the case of any Security Document that also creates Liens to secure Second Lien Obligations and/or other First Lien Obligations, to the extent that such Security Document relates to the Notes).

"Notes Secured Parties" means the secured parties in respect of the Notes Obligations.

"Notes Security Documents" means the Security Documents that create Liens securing obligations in respect of the Notes (limited, in the case of any Security Document that also creates Liens to secure Second Lien Obligations and/or other First Lien Obligations, to the extent that such Security Document relates to the Notes).

"Obligations" means any principal, interest (including any interest, fees or expenses accruing on or subsequent to the filing of a petition in bankruptcy, reorganization or similar proceeding at the rate provided for in the

documentation with respect thereto, whether or not such interest, fees or expenses are an allowed claim under applicable bankruptcy, state, federal or foreign law), premium, penalties, fees, indemnifications, reimbursements (including reimbursement obligations with respect to letters of credit and banker's acceptances), damages and other liabilities, and guarantees of payment of such principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities, payable under the documentation governing any Indebtedness.

"Officer" means the Chairman of the Board, any member of the Board, the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, the President, any Executive Vice President, Senior Vice President, Vice President or Assistant Vice President, the Treasurer, any Assistant Treasurer, the Controller, the Secretary or any Assistant Secretary of a Person or any other officer of such Person designated by any such individuals. Unless otherwise specified, reference to an "Officer" means an Officer of the Issuer.

"Officer's Certificate" means a certificate signed on behalf of a Person by an Officer of such Person. Unless otherwise specified, reference to an "Officer's Certificate" means a certificate signed on behalf of the Issuer by an Officer thereof.

"Opinion of Counsel" means a written opinion (which opinion may be subject to customary assumptions and exclusions) from legal counsel who is reasonably acceptable to the Trustee. The counsel may be an employee of, or outside counsel to, the Issuer, the Co-Issuer or a Guarantor.

"Parent Entity" means Holdings and any Person that is the direct or indirect parent of the Issuer and of which the Issuer is a direct or indirect Subsidiary.

"Permitted Asset Swap" means the substantially concurrent purchase and sale or exchange, including as a deposit for future purchases, of Related Business Assets or a combination of Related Business Assets and Cash Equivalents between the Issuer or any of its Restricted Subsidiaries and another Person; *provided* that any Cash Equivalents received must be applied in accordance with the covenant described under "—Repurchase at the Option of Holders—Asset Sales."

"Permitted Holder" means (a) the Investors, (b) any Person with which one or more Investors form a "group" (within the meaning of Section 14(d) of the Exchange Act as in effect on the date of the Indenture) so long as, in the case of this clause (b), such one or more Investors directly or indirectly collectively beneficially own more than 50% of the aggregate voting Equity Interests beneficially owned by the group or (c) any other holder of a direct or indirect Equity Interest in the Issuer (or any direct or indirect parent thereof) that becomes a holder of such Equity Interest prior to the ninetieth day after the Completion Date.

"Permitted Intercompany Activities" means any transactions between or among the Issuer and its Restricted Subsidiaries that are entered into in the ordinary course of business of the Issuer and its Restricted Subsidiaries and, in the good faith judgment of the Issuer are necessary or advisable in connection with the ownership or operation of the business of the Issuer and its Restricted Subsidiaries, including, but not limited to, (i) payroll, cash management, purchasing, insurance and hedging arrangements; (ii) management, technology and licensing arrangements; and (iii) customer loyalty and rewards programs.

"Permitted Investments" means:

(1) any Investment in Holdings, the Issuer or any of its Restricted Subsidiaries;

(2) any Investment in Cash Equivalents or Investment Grade Securities;

(3) any Investment by the Issuer or any of its Restricted Subsidiaries in a Person (including, to the extent constituting an Investment, in assets of a Person that represent substantially all of its assets or a division, business unit or product line, including research and development and related assets in respect of any product) if as a result of such Investment:

    (a) such Person becomes a Restricted Subsidiary; or

(b) such Person, in one transaction or a series of related transactions, is amalgamated, merged or consolidated with or into, or transfers or conveys substantially all of its assets (or such division, business unit or product line) to, or is liquidated into, the Issuer or a Restricted Subsidiary,

and, in each case, any Investment held by such Person; *provided* that such Investment was not acquired by such Person in contemplation of such acquisition, merger, amalgamation, consolidation or transfer;

(4) (i) any Investment in securities or other assets, including earnouts, not constituting Cash Equivalents or Investment Grade Securities and received in connection with an Asset Sale made pursuant to the first paragraph under "—Repurchase at the Option of Holders—Asset Sales" and (ii) promissory notes and other Investments (including non-cash consideration) received in connection with an Asset Sale (or any other disposition of assets not constituting an Asset Sale);

(5) any Investment existing on the Completion Date or made pursuant to binding commitments in effect on the Completion Date or an Investment consisting of any extension, modification, replacement, reinvestment or renewal of any such Investment or binding commitment existing on the Completion Date; *provided* that the amount of any such Investment may be increased in such extension, modification, replacement, reinvestment or renewal only (a) as required by the terms of such Investment or binding commitment as in existence on the Completion Date (including as a result of the accrual or accretion of interest or original issue discount or the issuance of pay-in-kind securities) or (b) as otherwise permitted under the Indenture;

(6) any Investment acquired by the Issuer or any of its Restricted Subsidiaries:

(a) 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 or consistent with past or industry practice;

(b) in exchange for any other Investment or accounts receivable, endorsements for collection or deposit held by the Issuer or any such Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization or recapitalization of the issuer of such other Investment or accounts receivable (including any trade creditor, supplier or customer); or

(c) in satisfaction of judgments against other Persons; or

(d) as a result of a foreclosure or other security enforcement by the Issuer or any of its Restricted Subsidiaries with respect to any secured Investment or other transfer of title with respect to any secured Investment in default;

(7) Hedging Obligations permitted under clause (10) of the second paragraph of the covenant described in "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock";

(8) Investments in Joint Ventures or in a Restricted Subsidiary to enable such Restricted Subsidiary to make substantially concurrent Investments in Joint Ventures, in each case having an aggregate fair market value taken together with all other Investments made pursuant to this clause (8) that are at that time outstanding not to exceed the greater of (a) $608.3 million and (b) 75.0% of LTM EBITDA (in each case, determined on the date such Investment is made, with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value), plus the amount of any returns (including dividends, payments, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) in respect of such investments; *provided*, *however*, that if any Investment pursuant to this clause (8) is made in any Person that is not a Restricted Subsidiary of the Issuer at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) above and shall cease to have been made pursuant to this clause (8);

(9) Investments the payment for which consists of Equity Interests (other than Disqualified Stock, except to the extent issued by the Issuer to one of its Restricted Subsidiaries) of the Issuer or any Parent Entity, or redemptions in whole or in part of any of the Issuer's Equity Interests (other than Disqualified Stock, except to the extent issued by the Issuer to one of its Restricted Subsidiaries) or with the proceeds from substantially concurrent equity contributions or new Equity Interests (and in no event shall such contribution or issuance so utilized increase the amount available for Restricted Payments under clause (2) of the first paragraph under the covenant described in "—Certain Covenants—Limitation on Restricted Payments") (other than Disqualified Stock, except to the extent issued by the Issuer to one of its Restricted Subsidiaries);

(10) guarantees of Indebtedness permitted under the covenant described in "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock," performance guarantees and Contingent Obligations and the creation of Liens on the assets of the Issuer or any Restricted Subsidiary in compliance with the covenant described under "—Certain Covenants—Liens";

(11) any transaction to the extent it constitutes an Investment that is permitted by and made in accordance with the provisions of the second paragraph of the covenant described under "—Certain Covenants—Transactions with Affiliates" (except transactions described in clauses (2), (5), (10) and (23) of such paragraph);

(12) Investments consisting of (i) purchases or other acquisitions of inventory, supplies, material or equipment, (ii) the licensing, sub-licensing, cross-licensing or contribution of intellectual property (including software and technology) (A) made or entered into in the ordinary course of business or consistent with industry or past practice, (B) which does not materially interfere with the business of the Issuer or its Restricted Subsidiaries, taken as a whole, or (C) pursuant to joint marketing, research and development, joint venture, co-development, collaborations or other similar agreements or arrangements with other Persons or (iii) the contribution, assignment, licensing, sub-licensing or other Investment of intellectual property (including software and technology) or other general intangibles and any other Investments made in connection therewith;

(13) Investments having an aggregate fair market value, taken together with all other Investments made pursuant to this clause (13) that are at that time outstanding not to exceed the sum of (x) the greater of (a) $811.0 million and (b) 100.0% of LTM EBITDA (in each case, determined on the date such Investment is made, with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value), plus the amount of any returns (including dividends, payments, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) in respect of such investments, plus (y) 150% of the portion, if any, of the amount of Restricted Payments that may be made at the time of determination pursuant to (11)(i) of the second paragraph under the covenant described in "—Certain Covenants—Limitation on Restricted Payments" that the Issuer elects to apply pursuant to this clause (y); *provided, however*, that if any Investment pursuant to this clause (13) is made in any Person that is not a Restricted Subsidiary of the Issuer at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) above and shall cease to have been made pursuant to this clause (13);

(14) Investments in or relating to a Receivables Subsidiary that, in the good faith determination of Issuer are necessary or advisable to effect any Permitted Receivables Financing (including any contribution of replacement or substitute assets to such subsidiary) or any repurchase obligation in connection therewith;

(15) loans, advances and other credit extensions to Permitted Payees (i) for reasonable and customary business-related travel, entertainment, relocation (including moving expenses and costs of replacement homes), business machines or supplies, automobiles and analogous ordinary business purposes, (ii) in connection with such Person's purchase of Equity Interests in any Parent Entity and (iii) for purposes not described in the foregoing clauses (i) and (ii); *provided* that in the case of this clause (iii) that either (x) no cash or Cash Equivalents are advanced in connection with such loan, advance or credit extension or (y) after giving pro forma effect thereto, the aggregate principal amount of loans, advances and other

credit extensions in cash or Cash Equivalents outstanding in reliance on clause (y) of this proviso shall not exceed the greater of $40.5 million and 5.0% of LTM EBITDA;

(16) advances, loans or extensions of trade credit in the ordinary course of business or consistent with past or industry practice by the Issuer or any of its Restricted Subsidiaries;

(17) any Investment in connection with Cash Management Services, Permitted Treasury Arrangements or related activities arising in the ordinary course of business or consistent with past or industry practice;

(18) (a) Investments made as part of, or in connection with, the Transactions and (b) Investments consisting of purchases and acquisitions of assets or services in the ordinary course of business or consistent with past or industry practice;

(19) Investments (i) consisting of deposits, prepayments, rebates, extensions of credit in the nature of accounts receivable or notes receivable and/or other credits to suppliers or other trade counterparties, (ii) made in connection with obtaining, maintaining or renewing client and customer contracts and/or (iii) in the form of advances made to distributors, suppliers, licensors, licensees, sub-licensors or sub-licensees, in each case, (A) made or entered into in the ordinary course of business or consistent with past or industry practice or (B) which do not materially interfere with the business of the Issuer and its Restricted Subsidiaries, taken as whole, or, in the case of clause (iii), to the extent necessary to maintain the ordinary course of supplies to the Issuer or any Restricted Subsidiary;

(20) (i) obligations with respect to Guarantees provided by the Issuer or any Restricted Subsidiary in respect of leases and/or subleases (other than Non-Capital Lease Obligations) or of other obligations that do not constitute Indebtedness, (ii) obligations with respect to Guarantees of the lease obligations of suppliers, customers, franchisees, licensees and sub-licensees of the Issuer and/or any Restricted Subsidiary, in each case, entered into in the ordinary course of business or consistent with past or industry practice or which would not materially interfere with the business of the Issuer and its Restricted Subsidiaries, taken as a whole, and (iii) Investments consisting of Guarantees of any supplier's obligations in respect of commodity contracts, including Hedging Obligations, solely to the extent such commodities relate to the materials or products to be purchased by the Issuer or any Restricted Subsidiary and (iv) Investments in prepaid expenses, negotiable instruments held for collection and lease, utility and workers compensation, performance and similar deposits entered into as a result of the operations of the business in the ordinary course of business or consistent with past or industry practice;

(21) repurchases of the Notes;

(22) Investments in the ordinary course of business or consistent with past or industry practice consisting of endorsements for collection or deposit and customary trade arrangements with customers, vendors, suppliers, licensors, sublicensors, licensees and sublicensees in the ordinary course of business or consistent with past or industry practice;

(23) Investments consisting of promissory notes issued by the Issuer, the Co-Issuer or any Guarantor to future, present or former employees, directors, officers, managers, members, partners, independent contractors or consultants of the Issuer or any of its Subsidiaries or their respective estates, spouses or former spouses to finance the purchase or redemption of Equity Interests of the Issuer or any Parent Entity thereof, to the extent the applicable Restricted Payment is permitted by the covenant described under "—Certain Covenants—Limitation on Restricted Payments";

(24) Investments (including debt obligations and Equity Interests) (i) received in connection with the bankruptcy, work-out, recapitalization or reorganization of any Person, (ii) in satisfaction of judgments against other Persons, (iii) as a result of a foreclosure or other security enforcement with respect to any secured Investment or other transfer of title with respect to any secured Investment and (iv) as a result of or in connection with settlement, compromise or resolution of (a) litigation, arbitration or other disputes or (b) obligations of trade creditors, suppliers, licensors, customers and other account debtors that were incurred in the ordinary course of business or consistent with past or industry practice of the Issuer or

any Restricted Subsidiary, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor, supplier, licensor, customer or other account debtor;

(25) loans and advances of payroll payments or other advances of salaries or compensation to Company Persons in the ordinary course of business or consistent with past or industry practice and Investments in connection with any deferred compensation plan or arrangement for any Company Person;

(26) Investments made in connection with Permitted Intercompany Activities and related transactions;

(27) Investments made from casualty insurance proceeds in connection with the replacement, substitution, restoration or repair of assets on account of a Casualty Event;

(28) [reserved];

(29) earnest money deposits required in connection with any acquisition permitted under the Indenture (or similar Investments);

(30) contributions in connection with compensation arrangements or to a "rabbi" trust for the benefit of Company Persons or other service providers of the Issuer (or any Parent Entity), the Issuer or any Restricted Subsidiary or to any other grantor trust subject to claims of creditors in the case of a bankruptcy or other insolvency proceeding of Holdings, the Issuer or any Restricted Subsidiary;

(31) Investments (including in Joint Ventures, but excluding in any Unrestricted Subsidiaries or Holdings (in each case unless permitted pursuant to another clause of this Permitted Investments definition or the covenant described under "—Certain Covenants—Restricted Payments")) in connection with any Permitted Reorganization, IPO Reorganization Transaction or any Tax Restructuring and, in each case, transactions relating thereto or contemplated thereby;

(32) Investments and other acquisitions to the extent that payment for such Investments or other acquisitions is made with Equity Interests of any Parent Entity or Capital Stock (other than Disqualified Stock) of the Issuer or any Restricted Subsidiary;

(33) (i) Investments of the Issuer or any Restricted Subsidiary acquired after the Completion Date or of a Person merged, amalgamated or consolidated with the Issuer or any Restricted Subsidiary in accordance with the Indenture after the Completion Date and (ii) Investments of an Unrestricted Subsidiary prior to the date on which such Unrestricted Subsidiary is designated a "Restricted Subsidiary", in each case, (x) to the extent that such Investments were not made in contemplation of or in connection with such acquisition, merger, amalgamation or consolidation or such designation and were in existence on the date of such acquisition, merger, amalgamation or consolidation or such designation and (y) including any modification, replacement, renewal, reinvestment or extension thereof so long as the amount of the original Investment permitted under this clause (33) is not increased except by the terms of such Investment existing on the date of such acquisition, merger, amalgamation or consolidation or such designation or as otherwise not prohibited by the Indenture;

(34) to the extent that they constitute Investments, purchases and acquisitions of inventory, supplies, materials or equipment or purchases, acquisitions, licenses, sublicenses, subleases or leases of other assets, intellectual property (including software and technology), or other rights, in each case (i) made or entered into in the ordinary course of business or consistent with industry or past practices, or (ii) which do not materially interfere with the business of the Issuer and its Restricted Subsidiaries, taken as a whole;

(35) Investments in connection with any Permitted Receivables Financing permitted under the Indenture, the contribution, sale or other transfer of Permitted Receivables Financing Assets, cash or Cash Equivalents made in connection with a Permitted Receivables Financing permitted under the Indenture or repurchases in connection with the foregoing (including the contribution or lending of cash and Cash Equivalents to Subsidiaries to finance the purchase of receivables or related assets from the Issuer or any Restricted Subsidiary or to otherwise fund required reserves, the contribution of replacement or

substitute assets to a Receivables Subsidiary and Investments of funds held in accounts permitted or required by the arrangements governing such Permitted Receivables Financing or any related Indebtedness);

(36) (i) Investments made in connection with or to effect the Transactions and (ii) any Investments held by or committed to by CDK or any of its subsidiaries on the Completion Date and permitted to remain (or not prohibited from remaining) outstanding after the Completion Date pursuant to the terms of the Merger Agreement;

(37) Investments made in Joint Ventures as required by, or made pursuant to, buy/sell and/or put/call arrangements between the Joint Venture parties set forth in Joint Venture agreements and similar binding arrangements in effect on the Completion Date or entered into after the Completion Date in the ordinary course of business;

(38) unfunded pension fund and other employee benefit plan obligations and liabilities to the extent that such obligations and/or liabilities, as applicable, are permitted to remain unfunded under applicable law;

(39) Investments in connection with Cash Management Services, Permitted Treasury Arrangements and any related activities in the ordinary course of business or consistent with past or industry practice;

(40) Investments consisting of (i) the licensing, sublicensing or contribution of intellectual property or other intellectual property rights pursuant to joint marketing, collaborations or other similar agreements or arrangements with other Persons and/or (ii) minority equity interests in customers received as part of fee arrangements, in each case, entered into in the ordinary course of business or consistent with past or industry practice;

(41) the conversion to Capital Stock (other than Disqualified Stock) of any Indebtedness owed by the Issuer or any Restricted Subsidiaries and permitted by the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock";

(42) Investments consisting of earnest money deposits required in connection with purchase agreements or other acquisitions or Investments otherwise permitted under the Indenture and any other pledges or deposits permitted by the Indenture;

(43) Investments in (i) Unrestricted Subsidiaries or (ii) any Restricted Subsidiary to enable such Restricted Subsidiary to make substantially concurrent Investments in Unrestricted Subsidiaries; *provided* that the aggregate amount of such Investments made in reliance on this clause (43) without duplication shall not exceed the greater of (x) $608.3 million and (y) 75.0% of LTM EBITDA; and

(44) additional unlimited Investments; *provided* that after giving pro forma effect to such Investment, either (I) the Consolidated Secured Debt Ratio shall not exceed the greater of (x) 5.25 to 1.00 and (y) the Consolidated Secured Debt Ratio immediately prior to such Investment or (II) the Fixed Charge Coverage Ratio on a consolidated basis of the Issuer and its Restricted Subsidiaries would have been equal or greater than the lesser of (x) 1.75 to 1.00 and (y) the Fixed Charge Coverage Ratio immediately prior to such Investment.

For purposes of determining compliance with this definition, in the event that a proposed Investment (or a portion thereof) meets the criteria of clauses (1) through (44) above, the Issuer will be entitled to divide or classify or later divide or reclassify (based on circumstances existing on the date of such reclassification) such Investment (or a portion thereof) between such clauses (1) through (44) in any manner that otherwise complies with this definition.

"Permitted Liens" means, with respect to any Person:

(1) pledges, deposits or security by such Person under workmen's compensation laws, unemployment insurance, employers' health tax, and other social security laws or similar legislation or other insurance related obligations (including, but not limited to, in respect of deductibles, self-insured retention amounts

and premiums and adjustments thereto) or indemnification obligations of (including obligations in respect of letters of credit or bank guarantees for the benefit of) insurance carriers providing property, casualty or liability insurance, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness) or leases to which such Person is a party, or deposits to secure public or statutory obligations of such Person or deposits of cash or U.S. government bonds to secure surety or appeal bonds to which such Person is a party, or deposits as security for contested taxes or import duties or for the payment of rent, in each case incurred in the ordinary course of business or consistent with past or industry practice, or liens, pledges or security securing obligations with respect to letters of credit issued in connection with any of the items referred to in this clause (1);

(2) Liens (and rights of set-off) imposed by statutory or common law, such as banks' landlords', carriers', warehousemen's, mechanics', materialmen's, repairmen's, workmen's or construction contractors' Liens and other similar Liens that secure amounts not overdue for a period of more than 60 days, or, in each such case, if more than 60 days overdue, such Liens (and rights of set-off) (i) are unfiled and no other action has been taken to enforce such Liens or (ii) are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with GAAP;

(3) Liens for taxes, assessments or other governmental charges (including any Lien imposed by any pension authority or similar Liens) not yet overdue for a period of more than 60 days or not yet payable or subject to penalties for nonpayment or, if more than 60 days overdue, that are being contested in good faith and by appropriate actions diligently conducted, if adequate reserves with respect thereto are maintained on the books of such Person in accordance with GAAP;

(4) Liens in favor of issuers of performance, surety, bid, indemnity, warranty, release, appeal or similar bonds or with respect to other regulatory requirements or letters of credit or bankers acceptances issued, and completion guarantees provided for, in each case, issued pursuant to the request of and for the account of such Person in the ordinary course of its business or consistent with past or industry practice;

(5) (i) easements, entitlements, rights-of-way, reservations, restrictions, covenants, servitudes for railways, sewers, drains, gas and oil and other pipelines, gas and water mains, electric light and power and telecommunications, telephone or telegraph or cable conduits, poles, wires and similar protrusions, rights waivers, restrictions, covenants, site plan agreements, development agreements, operating agreements, cross-easement agreements, conditions, encroachments, protrusions, zoning restrictions, applicable laws, municipal ordinances, building and land use laws and other conditions imposed by any Governmental Authority, trackage rights and other similar encumbrances, Liens or matters (whether or not recorded) that are or would be disclosed (whether or not subsequently deleted or endorsed over) in a title commitment or title insurance policy for any real property, or reflected on a survey (or by inspection) of any real property, (ii) irregularities of title, (iii) title defects affecting real property that, in the aggregate, do not materially interfere with the ordinary conduct of the business of the Issuer and the Restricted Subsidiaries, taken as a whole and (iv) any other Lien on real property (including ground leases in respect of real property on which facilities owned or leased by the Issuer or any Restricted Subsidiary are located);

(6) Liens securing Obligations relating to any Indebtedness, Disqualified Stock or Preferred Stock permitted to be incurred pursuant to clause (4), (12)(a), (13), (14), (23), (25),(29) or (31) of the second paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock"; *provided* that (a) Liens securing Obligations relating to any Indebtedness, Disqualified Stock or Preferred Stock to be incurred pursuant to clause (4) of the second paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" extend only to the assets so purchased, leased, expanded, constructed, installed, replaced, repaired or improved (plus improvements, accessions, proceeds or dividends or distributions in respect thereof, or replacements of any thereof); *provided, further*, that individual financings of assets provided by one lender or group of lenders may be cross-collateralized to other financings of assets by such lender or group of lenders; (b) Liens securing Obligations relating to any Indebtedness permitted to be incurred pursuant to clause (13) thereof relate only to Obligations relating to Refinancing Indebtedness that (x) is secured by Liens on all or a portion of the same assets or the same categories or

types of assets as the assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof, or replacements of any thereof) that secured the Indebtedness being refinanced or (y) extends, replaces, refunds, refinances, renews or defeases Indebtedness incurred or Disqualified Stock or Preferred Stock issued under clauses (3) (solely to the extent such Indebtedness was secured by a Lien prior to such refinancing), (4), (12)(a) or (29) of the second paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock"; (c) Liens securing Indebtedness permitted to be incurred pursuant to clause (14)(b) thereof shall only be permitted if such Liens are limited to all or a part of the same property or assets, including Capital Stock acquired (plus improvements, accessions, proceeds or dividends or distributions in respect thereof, or replacements or any thereof), or of a Person acquired or merged, amalgamated or consolidated with or into the Issuer or any Restricted Subsidiary, in any transaction to which such Indebtedness relates; (d) Liens securing Indebtedness permitted to be incurred pursuant to clauses (23) and (25) thereof shall only be permitted if such Liens extend only to the assets of non-guarantor Restricted Subsidiaries or of non-U.S. Guarantors (plus improvements, accessions, proceeds or dividends or distributions in respect thereof, or replacements of any thereof); (e) with respect to Liens on Collateral securing Indebtedness permitted to be incurred pursuant to clause (29) thereof, such Liens shall be secured on a junior lien basis to the Liens securing the Notes Obligations and shall be subject to an Acceptable Intercreditor Agreement and (f) with respect to Liens incurred on Collateral securing Indebtedness permitted to be incurred pursuant to clause (31) thereof, such Liens shall be subject to an Acceptable Intercreditor Agreement;

(7) Liens existing on the Completion Date (excluding Liens securing the New Credit Facilities), including Liens securing any Refinancing Indebtedness of any Indebtedness secured by such Liens;

(8) Liens on property or shares of stock or other assets of a Person at the time such Person becomes a Restricted Subsidiary; *provided* that such Liens are not created or incurred in connection with, or in contemplation of, such other Person becoming such a Restricted Subsidiary; *provided, further*, that such Liens may not extend to any other property or other assets owned by the Issuer or any of its Restricted Subsidiaries;

(9) Liens on property or other assets at the time the Issuer or a Restricted Subsidiary acquired the property or such other assets, including any acquisition by means of a merger, amalgamation or consolidation with or into the Issuer or any of its Restricted Subsidiaries; *provided*, that such Liens are not created or incurred in connection with or in contemplation of such acquisition, amalgamation, merger or consolidation; *provided, further*, that the Liens may not extend to any other property owned by the Issuer or any of its Restricted Subsidiaries;

(10) Liens securing Obligations relating to any Indebtedness or other obligations of the Issuer or a Restricted Subsidiary owing to the Issuer or another Restricted Subsidiary permitted to be incurred in accordance with the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock";

(11) Liens securing (x) Hedging Obligations and (y) obligations in respect of Cash Management Services;

(12) Liens on inventory or goods, the purchase price of which is financed by, or securing obligations in respect of, commercial letters of credit or bankers' acceptances issued for the account of the Issuer or any Restricted Subsidiary or to facilitate the purchase, shipment or storage of such inventory or goods

(13) leases, sub-leases, licenses or sub-licenses granted to others in the ordinary course of business or consistent with past or industry practice which do not materially interfere with the ordinary conduct of the business of the Issuer or any of its Restricted Subsidiaries, taken as a whole;

(14) Liens arising from Uniform Commercial Code (or equivalent statute) financing statement filings regarding operating leases or consignments entered into by the Issuer and its Restricted Subsidiaries in the ordinary course of business or consistent with industry practice or purported Liens evidenced by the filing of precautionary Uniform Commercial Code (or equivalent statute) financing statements or similar public filings;

(15) Liens in favor of the Issuer, the Co-Issuer or any Guarantor;

(16) Liens on Vehicles or equipment of the Issuer or any of its Restricted Subsidiaries granted in the ordinary course of business or consistent with past or industry practice;

(17) Liens on accounts receivable, royalty or other revenue streams and other rights to payment and any other assets incurred in connection with a Permitted Receivables Financing;

(18) Liens to secure any modification, refinancing, refunding, restatement, exchange, extension, renewal or replacement (or successive refinancing, refunding, restatements, exchange, extensions, renewals or replacements) as a whole, or in part, of any Indebtedness secured by any Lien referred to in the foregoing clauses (6), (7), (8), (9), this clause (18) and clauses (39) and (43) hereof; *provided* that (a) such new Lien shall be limited to all or a part of the same assets or the same categories or types of assets as the assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof, or replacements of any thereof) that secured the original Lien, and (b) the Indebtedness secured by such Lien at such time is not increased to any amount greater than the sum of (i) the outstanding principal amount or, if greater, committed amount of the Indebtedness described under clauses (6), (7), (8), (9), this clause (18) and clauses (39) and (43) hereof at the time the original Lien became a Permitted Lien under the Indenture, and (ii) an amount necessary to pay any fees and expenses (including original issue discount, upfront fees or similar fees) and premiums (including tender premiums) and accrued and unpaid interest, related to such modification, refinancing, refunding, extension, renewal or replacement;

(19) deposits made or other security provided in the ordinary course of business or consistent with past or industry practice to secure liability to insurance carriers;

(20) Liens securing obligations in an aggregate principal amount outstanding which does not exceed the greater of (a) $811.0 million and (b) 100.0% of LTM EBITDA (in each case, determined as of the date of such incurrence);

(21) security given to a public utility or any municipality or Governmental Authority when required by such utility or authority in connection with the operations of that Person in the ordinary course of business or consistent with past or industry practice;

(22) (i) Liens securing, or otherwise arising from, judgments, awards, attachments and/or decrees and notices of lis pendens and associated rights relating to litigation being contested in good faith and (ii) any pledge and/or deposit securing any settlement of litigation;

(23) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(24) Liens (including rights of set-off or netting) (a) of a collection bank arising under Section 4-208 or Section 4-210 of the Uniform Commercial Code or any comparable or successor provision on items in the course of collection (or similar liens arising under the local Requirements of Law of any applicable jurisdiction), (b) attaching to commodity trading accounts or other commodity brokerage accounts incurred in the ordinary course of business or consistent with past or industry practice, and (c) in favor of banking or other financial institutions arising as a matter of law or under general terms and conditions encumbering deposits or other funds maintained with a financial institution (including the right of set-off) and which are within the general parameters customary in the banking industry or arising pursuant to such financial institution's general terms and conditions;

(25) Liens deemed to exist in connection with Investments in repurchase agreements permitted under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock";

(26) Liens (including rights of set-off or netting) encumbering reasonable and customary deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts incurred

in the ordinary course of business or consistent with past or industry practice and not for speculative purposes;

(27) Liens that are contractual rights of set-off or rights of pledge (a) relating to the establishment of depository relations with banks not given in connection with the issuance of Indebtedness, (b) relating to pooled deposit or sweep accounts of the Issuer or any of its Restricted Subsidiaries to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Issuer and its Restricted Subsidiaries or consistent with past or industry practice or (c) relating to purchase orders and other agreements entered into with customers of the Issuer or any of its Restricted Subsidiaries in the ordinary course of business or consistent with past or industry practice;

(28) Liens securing obligations owed by the Issuer or any Restricted Subsidiary to any lender or arranger under the New Credit Facilities or any Affiliate of such a lender or arranger in respect of any overdraft and related liabilities arising from treasury, depository and cash management services or any automated clearing house transfers of funds;

(29) any encumbrance or restriction (including put and call arrangements) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(30) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale or purchase of goods entered into by the Issuer or any Restricted Subsidiary in the ordinary course of business or consistent with past or industry practice;

(31) Liens solely on any cash earnest money deposits made by the Issuer or any of its Restricted Subsidiaries in connection with any letter of intent or purchase or other agreement permitted by the Indenture;

(32) ground leases or subleases in respect of real property on which facilities owned or leased by the Issuer or any Restricted Subsidiary are located and any zoning, building or similar law or right reserved to or vested in any Governmental Authority to control or regulate the use of any real property or any structure thereon (including Liens in connection with any condemnation or eminent domain proceeding or compulsory purchase order) that does not materially interfere with the business of the Issuer or the Restricted Subsidiaries, taken as a whole;

(33) Liens on insurance policies, unearned insurance premiums and the proceeds thereof, in each case securing the financing of the premiums with respect thereto;

(34) Liens on Capital Stock of an Unrestricted Subsidiary that secure Indebtedness or other obligations of such Unrestricted Subsidiary;

(35) Liens on the assets of non-guarantor Restricted Subsidiaries or Foreign Subsidiaries that are Guarantors securing Indebtedness of such Subsidiaries that were permitted by the terms of the Indenture to be incurred;

(36) Liens (i) on cash or Cash Equivalents or escrow deposits (A) in connection with any letter of intent or purchase agreement with respect to any Investment or other acquisition not prohibited hereunder (or to secure LC Instruments posted in respect thereof), (B) in favor of any seller of property pursuant to a transaction not prohibited hereunder, to be applied against the purchase price for such transaction or (C) otherwise in connection with any escrow arrangements (or similar arrangements) with respect to any Investment or other acquisition of assets, Asset Sale or incurrence of Indebtedness, in each case not prohibited under the Indenture (including any letter of intent or purchase or other agreement with respect to any such Investment or other acquisition of assets, Asset Sale or incurrence of Indebtedness) or (ii) consisting of an agreement to dispose of any property in an Asset Sale;

(37) (i) any interest or title of a lessor, sub-lessor, franchisor, licensor or sub-licensor or secured by a lessor's, sub-lessor's, franchisor's, licensor's or sub-licensor's interest (A) under leases or licenses entered into by the Issuer or any of the Restricted Subsidiaries in the ordinary course of business or consistent with past or industry practice or (B) with respect to intellectual property, software and other technology

licenses, sublicenses or cross-licenses that are made or entered into in the ordinary course of business, or that are not material to the conduct of the business of the Issuer or its Restricted Subsidiaries, taken as a whole, or (ii) Liens granted pursuant to a security agreement between Holdings, the Issuer or any Restricted Subsidiary and a licensee of intellectual property to secure the damages, if any, incurred by such licensee resulting from the rejection of the license of such licensee in a bankruptcy, reorganization or similar proceeding with respect to the Issuer or such Restricted Subsidiary;

(38) deposits of cash with the owner or lessor of premises leased and operated by the Issuer or any of its Subsidiaries in the ordinary course of business of the Issuer and such Subsidiary or consistent with past or industry practice to secure the performance of the Issuer's or such Subsidiary's obligations under the terms of the lease for such premises;

(39) Liens securing Indebtedness (including Liens securing any Obligations in respect thereof) permitted to be incurred pursuant to the covenant under the caption "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" (including, without limitation, Indebtedness incurred under one or more Credit Facilities) so long as after giving pro forma effect to such incurrence and such Liens the Consolidated Secured Debt Ratio of the Issuer and its Restricted Subsidiaries shall be equal to or less than the greater of (x) 5.50 to 1.00 and (y) the Consolidated Secured Debt Ratio of the Issuer and its Restricted Subsidiaries immediately preceding the date on which such Lien is incurred;

(40) Liens securing (x) Indebtedness and other Obligations permitted to be incurred under one or more Credit Facilities, including any letter of credit facility relating thereto, that was permitted by the terms of the Indenture to be incurred pursuant to clause (1) of the second paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock"; *provided* that such Liens securing Indebtedness incurred pursuant to subclauses (1)(a)(x)(II) and (1)(b)(ii) of the second paragraph under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" shall only be permitted pursuant to this clause (40) to the extent the Liens securing such Indebtedness are secured on a junior lien basis to the Liens on the Collateral securing the First Lien Obligations and (y) obligations of the Issuer or any Subsidiary in respect of any Cash Management Services or Hedging Obligations provided by any lender party to any Credit Facility or any Affiliate of such lender (or any Person that was a lender or an Affiliate of a lender at the time the applicable agreements pursuant to which such Cash Management Services are provided were entered into);

(41) Liens on assets deemed to arise in connection with and solely as a result of the execution, delivery or performance of contracts to sell such assets if such sale is otherwise permitted under the Indenture;

(42) Liens on any funds or securities held in escrow accounts or similar arrangements established for the purpose of holding proceeds from issuances of debt securities or incurrences of other Indebtedness by the Issuer or any of its Restricted Subsidiaries issued after the Completion Date, together with any additional funds required in order to fund any payment of interest or premium or discount on such Indebtedness (or any costs related to the issuance or incurrence of such Indebtedness), mandatory redemption or sinking fund payment on such debt securities or other Indebtedness;

(43) Liens securing the Notes (other than any Additional Notes) and the related Guarantees;

(44) (i) Liens incurred or pledges or deposits made in the ordinary course of business in connection with workers' compensation, payroll taxes, unemployment insurance (including premiums related thereto), health, disability or employee benefits and other social security laws and regulations or otherwise securing obligations under clause (22)(ii) of the second paragraph of "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock," pension or retirement obligations, vacation pay, property, casualty or liability insurance or self-insurance or other reimbursement-type obligations regarding workers compensation claims and obligations in respect of letters of credit posted to support any of the foregoing and (ii) pledges or deposits made in the ordinary course of business securing (x) liability for reimbursement (including in respect of deductibles, self-insurance retention amounts and premiums and adjustments related thereto) premium or indemnification obligations of

(including obligations in respect of LC Instruments for the benefit of) insurance brokers or carriers providing property, casualty, liability or other insurance or self-insurance to Holdings, the Issuer or any Subsidiary (including in respect of deductibles, self-insurance, co-payment, co-insurance and retentions) or otherwise supporting the payment of items of the type set forth in the foregoing clause (i) or (y) leases, subleases, licenses or sublicenses of property not otherwise prohibited by this Agreement;

(45) Liens incurred or deposits made to secure the performance of leases, tenders, statutory obligations (including those to secure health, safety and environmental obligations and Liens required by applicable law to be granted in favor of creditors in relation to a merger or other reorganization), warranties, bids, government or trade contracts (including customer contracts, but other than for the payment of Indebtedness for borrowed money), indemnities, governmental contracts, performance, bid, appeal, indemnity, stay, customs, judgment, completion, return-of-money and/or surety bonds, bankers' acceptance facilities, completion guarantees and other obligations of a like nature and obligations in respect of letters of credit posted to support any of the foregoing, in each case incurred in the ordinary course of business;

(46) rights of setoff, banker's liens, netting agreements and other Liens arising by operation of law or by the terms of documents of banks or other financial institutions in relation to the maintenance or administration of deposit accounts, securities accounts or similar accounts or cash management arrangements or in connection with the issuance of letters of credit;

(47) Liens arising from precautionary UCC financing statements, PPSA financing statements or any similar registrations or filings with a Governmental Authority or otherwise made in respect of (i) operating leases or consignment or bailee arrangements entered into by the Issuer or any Restricted Subsidiary, (ii) the sale of accounts receivable and/or (iii) the sale of Permitted Receivables Financing Assets and related assets in connection with any Permitted Receivables Financing;

(48) Liens given to a utility or any municipality or Governmental Authority when requested or required by such utility, municipality or Governmental Authority in connection with the ordinary conduct of the business of Holdings, the Issuer or any Restricted Subsidiary and obligations in respect of letters of credit posted to support any of the foregoing;

(49) reservations, limitations, provisos and conditions expressed in any original grant from any Governmental Authority or other grant of real or immovable property or interests therein;

(50) (i) any interest or title (and all encumbrances and other matters affecting such interest or title) of, or Liens attributable to, an owner, lessor, sublessor, licensor, sublicensor or grantor under any lease, license, sublease, license, sublicense, easement, occupancy or similar arrangement with respect to real estate or other property permitted by the Indenture, (ii) any Lien, restriction or encumbrance to which the interest or title of such owner, lessor, sublessor, licensor, sublicensor or grantor may be subject, (iii) subordination of the interest of the lessee, sublessee, licensee, sublicensee, grantee or occupier under such lease, sublease, license, sublicense, occupancy or similar arrangement to any Lien referred to in the preceding clause (ii), (iv) any landlord Lien arising by applicable law or permitted by the terms of any lease, sublease, license, sublicense, easement, occupancy or similar arrangement, (v) any deposit of cash with the owner or lessor of premises leased and operated by Holdings, the Issuer or any Restricted Subsidiary in the ordinary course of business to secure the performance of obligations under the terms of the lease for such premises and (vi) any other Lien on real property (including ground leases in respect of real property on which facilities owned or leased by the Issuer or any Restricted Subsidiary are located;

(51) (i) leases, licenses, subleases, sublicenses, occupancies or cross-licenses granted to others, (ii) assignments of intellectual property granted to a customer of Holdings, Issuer or any Restricted Subsidiary in the ordinary course of business or which do not materially interfere with the business of Holdings, the Issuer and its Restricted Subsidiaries and which do not secure any Indebtedness for borrowed money or (iii) the rights reserved or vested in any Person (including any Governmental Authority) by the terms of any lease, license, franchise, grant or permit held by the Issuer or any

Restricted Subsidiary or required by applicable law, to terminate any such lease, license, franchise, grant or permit, or to require annual or periodic payments as a condition to the continuance thereof;

(52) rights of recapture of unused real property in favor of the seller of such property set forth in customary purchase agreements and related arrangements with any Governmental Authority;

(53) undetermined or inchoate Liens, rights of distress and charges incidental to current operations that have not at such time been filed or exercised, or which relate to obligations not overdue for a period of more than 60 days, or, in each such case, if more than 60 days overdue, such Liens and other rights (i) are unfiled and no other action has been taken to enforce such Liens and other rights, or (ii) are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with GAAP;

(54) Liens arising pursuant to Section 107(l) of the Comprehensive Environmental Response, Compensation and Liability Act or similar provision of any applicable law;

(55) Liens arising solely in connection with rights of dissenting equity holders pursuant to applicable law in respect of the Transactions, any acquisition permitted under the Indenture or any other Investment;

(56) Liens on property, Equity Interests or other assets of the Issuer or any Restricted Subsidiary that is not the Co-Issuer or a Guarantor, which Liens secure Indebtedness or other obligations of Restricted Subsidiaries that are not the Co-Issuer or Guarantors (in each case, to the extent such Indebtedness or other obligations are not prohibited under the Indenture);

(57) Liens granted by a Restricted Subsidiary that is not the Co-Issuer or a Guarantor in favor of the Issuer, the Co-Issuer or any Guarantor, Liens granted by a Restricted Subsidiary that is not the Co-Issuer or a Guarantor in favor of any Restricted Subsidiary that is not the Co-Issuer or a Guarantor and Liens granted by the Issuer, the Co-Issuer or a Guarantor in favor of any other Guarantor;

(58) Liens arising (i) out of conditional sale, title retention (including extended retention of title), consignment or similar arrangements for sale or purchase of goods and bailee arrangements, in each case in the ordinary course of business or consistent with past or industry practice or (ii) by operation of law under Article 2 of the UCC (or any similar law of any jurisdiction);

(59) Liens on securities or other assets that are the subject of repurchase agreements constituting Investments permitted under the Indenture arising out of such repurchase transaction;

(60) Liens that are rights of set-off or netting (i) relating to the establishment of depository relations with banks or other financial institutions not given in connection with the incurrence of Indebtedness, (ii) relating to pooled deposit or sweep accounts to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business or consistent with past or industry practice or (iii) relating to purchase orders and other agreements entered into with customers or contractual counterparties in the ordinary course of business or consistent with past or industry practice;

(61) Liens on cash and Cash Equivalents in connection with the defeasance, redemption, satisfaction and/or discharge of Indebtedness;

(62) Liens (i) in connection with bankers' acceptances, discounted bills of exchange or the discounting or factoring of receivables for credit management purposes, in each case incurred or undertaken in the ordinary course of business or consistent with past or industry practice, (ii) on Permitted Receivables Financing Assets or Liens on other assets granted pursuant to Standard Securitization Undertakings, in each case, incurred in connection with Permitted Receivables Financings permitted under the Indenture and (iii) securing Refinancing Indebtedness of the foregoing;

(63) receipt of progress payments and advances from customers in the ordinary course of business or consistent with past or industry practice to the extent such receipt or advance, as applicable, creates a Lien on the related inventory and proceeds thereof;

(64) (i) Liens on Equity Interests of Joint Ventures securing capital contributions to, or obligations of, such Persons and (ii) customary rights of first refusal and tag, drag and similar rights in Joint Venture agreements and agreements with respect to non-wholly-owned Subsidiaries;

(65) Liens in respect of Sale Leasebacks on the assets or property sold and leased back in such Sale Leaseback and Liens securing Refinancing Indebtedness thereof;

(66) Liens not securing Indebtedness for borrowed money that are customary in the operation of the business of the Issuer and/or any Restricted Subsidiary (as determined by the Issuer in good faith);

(67) with respect to any Foreign Subsidiary, other Liens and privileges arising mandatorily required by applicable law, including but not limited to any Lien required to be granted under mandatory law in favor of creditors as a consequence of a merger or a conversion permitted under the Indenture;

(68) Liens on assets not constituting Collateral;

(69) Liens on the Equity Interests and assets of Joint Venture arrangements securing financing arrangements for the benefit of the applicable Joint Venture arrangement that are not prohibited under the Indenture and Liens on Equity Interests of (or loans to) Unrestricted Subsidiaries;

(70) deposits by the Issuer and the Restricted Subsidiaries made in the ordinary course of business or or consistent with past or industry practice and held by (or for the benefit of) (i) regulatory authorities in connection with state insurance licensing requirements, (ii) customers and contract counterparties including landlords and lessors or (iii) issuers of LC Instruments issued to Persons described in clauses (i) and (ii) above in the ordinary course of business or consistent with past or industry practice for so long as such LC Instruments remain outstanding;

(71) prior to the Escrow Release Date, Liens on escrow property securing the Notes; and

(72) Liens on cash collateral granted in favor of any lender and/or issuing bank created as a result of any requirement or option to cash collateralize pursuant to any Credit Facilities.

For purposes of this definition, the term "Indebtedness" shall be deemed to include interest on such Indebtedness. In the event that a Permitted Lien meets the criteria of more than one of the types of Permitted Liens (at the time of incurrence or at a later date), the Issuer in its sole discretion may divide, classify or from time to time reclassify all or any portion of such Permitted Lien in any manner that complies with the Indenture and such Permitted Lien shall be treated as having been made pursuant only to the clause or clauses of the definition of Permitted Lien to which such Permitted Lien has been classified or reclassified.

"Permitted Payee" means any Company Person (or any Affiliate, Permitted Transferee or other transferee of any of the foregoing).

"Permitted Receivables Financing" means any securitization or other similar financing (including any factoring program) of Permitted Receivables Financing Assets that is non-recourse to Holdings, the Issuer and its Restricted Subsidiaries (except for (a) recourse to any Subsidiaries that own the assets underlying such financing (or have sold such assets in connection with such financing), (b) any customary limited recourse pursuant to the Standard Securitization Undertakings or, to the extent applicable only to Foreign Subsidiaries, recourse that is customary in the relevant local market, (c) any performance undertaking or Guarantee, to the extent applicable only to Foreign Subsidiaries, that is customary in the relevant local market and (d) an unsecured parent Guarantee by Holdings, the Issuer or any of its Restricted Subsidiaries that is a parent company of a Subsidiary of obligations of such Subsidiaries), and in each case, reasonable extensions thereof.

"Permitted Receivables Financing Assets" means (a) any accounts receivable, loan receivables, mortgage receivables, receivables or loans relating to the financing of insurance premiums, royalty, patent or other revenue streams and other rights to payment or related assets and the proceeds thereof and (b) all Related Security in connection with a securitization, factoring or receivables financing or sale transaction.

"Permitted Reorganization" means, to the extent not otherwise permitted under the Indenture, any corporate reorganization (or similar transaction or event) undertaken (each, a "Reorganization"), and each step reasonably undertaken to effect such Reorganization; *provided* that, in connection therewith, no Event of Default is continuing immediately prior to such Reorganization and immediately after giving effect thereto.

"Permitted Sponsor Debt" means unsecured Indebtedness provided by the Sponsor and issued or incurred by the Issuer or any Restricted Subsidiary *provided* that (i) such Indebtedness is subordinated to the payment of all obligations incurred under the Indenture on customary terms (as determined by the Issuer in good faith), (ii) such Indebtedness is not incurred or guaranteed by any Restricted Subsidiary that is not also (or also made) a Guarantor, (iii) no principal amount of such Indebtedness shall be required to be paid earlier than 91 days following the maturity date of the Notes outstanding at the time of such issuance or incurrence except to the extent such payment is treated as a Restricted Payment (and constitutes utilization of the applicable Restricted Payment capacity), (iv) no interest in respect of such Indebtedness shall be due and payable in cash prior to the maturity date of the Notes outstanding at the time of such issuance or incurrence except to the extent such payment is treated as a Restricted Payment (and constitutes utilization of the applicable Restricted Payment capacity), (v) the terms of such Indebtedness shall not require the maintenance or achievement of any financial performance standards (other than as a condition to the taking of actions that would otherwise be prohibited by the terms of such Indebtedness) and (vi) such Indebtedness shall not be convertible into any Indebtedness that would not otherwise comply with the requirements of this definition or any Equity Interests that are or would be Disqualified Stock.

"Permitted Transferees" means, with respect to any Person that is a natural Person (and any Permitted Transferee of such Person), (a) such Person's immediate family, including his or her spouse, ex-spouse, children, step-children, grandchildren and their respective lineal descendants, parent, step-parent, grandparent, domestic partner, former domestic partner, sibling or step-sibling (and any lineal descendant thereof), mother-in-law, father-in-law, son-in-law and daughter-in-law (including adoptive relationships), (b) any trust, partnership, estate planning vehicle or other legal entity the beneficiaries of which are persons referred to in the preceding clause (a) and (c) such Person's estate, heirs, legatees, distributees, executors and/or administrators upon the death of such Person, or any private foundation or fund that is controlled thereby, and any other Person who was an Affiliate of such Person upon the death of such Person and who, upon such death, directly or indirectly owned Equity Interests in Holdings or any other IPO Entity.

"Permitted Treasury Arrangements" means Cash Management Services entered into in the ordinary course of business (including the Existing Cash Pooling Arrangements) and any transactions between or among Holdings, the Issuer and its Subsidiaries that are entered into in the ordinary course of business in connection with such Cash Management Services.

"Person" means any individual, corporation, limited liability company, partnership (including a limited partnership), joint venture, association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"Pledgors" means collectively the Issuers and the Guarantors.

"Preferred Stock" means any Equity Interest with preferential rights of payment of dividends or upon liquidation, dissolution, or winding up.

"Pro Forma Disposal Adjustment" means with respect to any Sold Entity or Business, the pro forma increase or decrease in EBITDA projected by the Issuer in good faith as a result of contractual arrangements between Holdings, the Issuer or any other Restricted Subsidiary entered into with such Sold Entity or Business at the time of its disposal or thereafter and which represent an increase or decrease in EBITDA which is incremental to the Disposed EBITDA of such Sold Entity or Business for the most recent four-quarter period prior to its disposal, in each case with such pro forma adjustments as are appropriate and consistent with the pro forma adjustment provisions set forth in the definition of Fixed Charge Coverage Ratio and as determined in good faith by the Issuer.

"Pro Forma Entity" means any Acquired Entity or Business or any Converted Restricted Subsidiary.

"Purchase Money Obligations" means any Indebtedness incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets, and whether acquired through the

direct acquisition of such property or assets, or otherwise (including through the purchase of Capital Stock of any Person owning such property or assets).

"Qualified Stock" means any Capital Stock other than Disqualified Stock.

"Qualified Proceeds" means the fair market value of assets that are used or useful in, or Capital Stock of any Person engaged in, a Similar Business.

"Qualifying IPO" means any transaction or series of related transactions occurring after the Completion Date that results in any of the Equity Interests of any Parent Entity or the Issuer being publicly traded on any U.S. national securities exchange or over-the-counter market or any analogous exchange or market, or any recognized securities exchange, in Canada, Ireland, the United Kingdom or any country in the European Union (including any acquisition by, or combination or other similar transaction with, a special purpose acquisition company that (i) is an entity organized or existing under the laws of the U.S., any state thereof or the District of Columbia, (ii) prior to the Qualifying IPO engaged in no material business or activity other than those related to becoming and acting as a special purpose acquisition company and consummating the Qualifying IPO and (iii) immediately prior to the Qualifying IPO had no material assets other than cash and Cash Equivalents).

"Rating Agencies" means Moody's, S&P and Fitch or, if Moody's, S&P or Fitch or any combination thereof shall not make a rating on the Notes publicly available, a nationally recognized statistical rating agency or agencies, as the case may be, selected by the Issuer which shall be substituted for Moody's, S&P or Fitch (or any combination thereof), as the case may be.

"Receivables Subsidiary" means any Special Purpose Entity established in connection with a Permitted Receivables Financing and any other subsidiary involved in a Permitted Receivables Financing which is not permitted by the terms of such Permitted Receivables Financing to guarantee the Notes or provide collateral.

"Related Business Assets" means assets (other than Cash Equivalents) used or useful in a Similar Business or any securities of a Person received by Issuer or a Restricted Subsidiary in exchange for assets transferred by Issuer or a Restricted Subsidiary; *provided* that any such securities shall not be deemed to be Related Business Assets, unless upon receipt of the securities of such Person, such Person would become a Restricted Subsidiary.

"Related Security" means with respect to any accounts receivable, revenue stream or other right of payment, (a) all of the interest in the inventory and goods (including returned or repossessed inventory or goods), if any, the financing or lease of which gave rise to such accounts receivable, revenue stream or other right of payment and all insurance contracts with respect thereto, (b) all other security interests or liens and property subject thereto from time to time, if any, purporting to secure payment of such accounts receivable, revenue stream or other right of payment, whether pursuant to the contract related thereto or otherwise, together with all financing statements and security agreements describing any collateral securing such accounts receivable, revenue stream or other right of payment, (c) all guaranties, letters of credit, letter-of-credit rights, supporting obligations, insurance and other agreements or arrangements of whatever character from time to time supporting or securing payment of such accounts receivable, revenue stream or other right of payment, whether pursuant to the contract related thereto or otherwise, (d) all service contracts and other contracts and agreements associated with such accounts receivable, revenue stream or other right of payment, (e) all records related thereto, and all of the applicable Receivables Subsidiary's right, title and interest in, to and under the applicable documentation.

"Representative" means any First Lien Representative or Second Lien Representative.

"Requirements of Law" means, with respect to any Person, any statutes, laws, treaties, rules, ordinances, regulations, judgments, orders, directives, decrees, writs, injunctions, licenses, permits, determinations or binding agreements, entered into with, or promulgated by, any Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Reserved Indebtedness Amount" has the meaning set forth in the covenant described under the caption "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock."

"Restricted Debt Payment Amount" means the greater of (a) $1,013.8 million and (b) 125.0% of LTM EBITDA.

"Restricted Investment" means an Investment other than a Permitted Investment.

"Restricted Subsidiary" means, with respect to any Person, at any time, any direct or indirect Subsidiary of such Person (including any Foreign Subsidiary) that is not then an Unrestricted Subsidiary; *provided* that upon an Unrestricted Subsidiary ceasing to be an Unrestricted Subsidiary, such Subsidiary shall be included in the definition of "Restricted Subsidiary." Unless the context otherwise requires, any references to Restricted Subsidiary refer to a Restricted Subsidiary of the Issuer.

"Retained Asset Sale Proceeds" means, at any date of determination, an amount determined on a cumulative basis of all Net Proceeds received by the Issuer or any of its Restricted Subsidiaries that, pursuant to application of the Asset Sale Prepayment Percentage, are or were not required to be applied pursuant to the covenant described under "Repurchase at the Option of Holders—Asset Sales."

"Rollover Notes" means any Existing Notes that remain outstanding on the Completion Date.

"S&P" means Standard & Poor's Financial Services LLC and any successor to its rating agency business.

"Sale Leaseback" means any transaction or series of related transactions pursuant to which the Issuer or any of its Restricted Subsidiaries (a) sells, transfers or otherwise disposes of any property, real or personal, whether now owned or hereafter acquired and (b) as part of such transaction, thereafter rents or leases such property or other property that it intends to use for substantially the same purpose or purposes as the property being sold, transferred or disposed of.

"SEC" means the U.S. Securities and Exchange Commission, or any successor thereto.

"Second Lien Cap" means an amount equal to (a) the sum of (i) 120% of the portion of the Permitted Second Lien Debt (as defined in the New First Lien Credit Facilities (as in effect on the date hereof)) amount that, in accordance with the New First Lien Credit Facilities (as in effect the date hereof), is permitted under the New First Lien Credit Facilities to be secured by the Collateral (or a portion thereof) with the same priority with respect to the Collateral as the New First Lien Credit Facilities, plus (ii) without duplication, such additional amounts that may be incurred by the Borrower under Section 6.01(a)(xxiii)(B) (to the extent permitted thereunder to be secured by the Collateral (or a portion thereof) with the same priority with respect to the Collateral as the New Second Lien Credit Facility) and Section 6.01(a)(xxiii)(C) (solely with respect to Section 6.01(xxiii)(B) (to the extent permitted thereunder to be secured by the Collateral (or a portion thereof) with the same priority with respect to the Collateral as the New Second Lien Credit Facility)), and Section 6.01(a)(xxviii) of the New Second Lien Credit Facility (as such Sections are in effect on the date hereof) or pursuant to any similar sections of any applicable Second Lien Document in respect of any Additional Second Lien Obligations and any similar or corresponding provisions in any refinancing of the foregoing to the extent such similar or corresponding provisions do not permit an aggregate principal amount of Indebtedness in excess of the amount permitted under such provisions in the New Second Lien Credit Facility (as in effect on the date hereof), plus (iii) the amount of any unpaid accrued interest, commitment fees, letter-of-credit fees, paid in kind amounts, reasonable and customary premiums or make-whole premiums, reasonable fees or reasonable expenses that from time to time may be added to principal in connection with any refinancing of any Second Lien Document, minus (b) solely with respect to Second Lien Obligations incurred and outstanding in reliance on the Incremental Fixed Dollar Basket Amount and Incremental Prepayments Basket Amount (in each case, as defined in the New Second Lien Credit Facility) (or any similar term in any refinancing of the New Second Lien Credit Facility) components of such Permitted Second Lien Facility Debt amount and the additional amounts contemplated under subclause (a)(ii) above, the aggregate principal amount of mandatory repayments or prepayments of such Second Lien Obligations made prior to the applicable date of determination (in each case, other than any such repayment or prepayment from a refinancing of any Second Lien Document or such other Indebtedness contemplated under subclause (a)(ii) above). For the avoidance of doubt, the Indenture permits any Indebtedness that is permitted under the Indenture to be secured on a second lien basis and this Second Lien Cap is not for the benefit of the Holders and may be waived without their consent.

"Second Lien Credit Facility Administrative Agent" means the "Administrative Agent" in respect of the New Second Lien Credit Facility.

"Second Lien Documents" means the New Second Lien Credit Facility and the definitive financing agreements with respect to any Additional Second Lien Obligations.

"Second Lien Obligations" means Second Lien Credit Facility Obligations and Additional Second Lien Obligations.

"Second Lien Priority Obligations" means the sum of all Second Lien Obligations; *provided* that if the aggregate principal amount of Indebtedness outstanding under the Second Lien Documents is in excess of the Second Lien Cap, then only that portion of the aggregate principal amount of Second Lien Obligations not in excess of the Second Lien Cap shall be deemed to be "Second Lien Priority Obligations", and interest, premium, make-whole and reimbursement obligations with respect to such Indebtedness shall only constitute Second Lien Priority Obligations to the extent related to Indebtedness otherwise included in the Second Lien Priority Obligations; *provided* that Second Lien Priority Obligations shall include all Second Lien Obligations consisting of (a) any enforcement expenses (regardless of whether such amounts are added to the principal balance of the loans pursuant to the Second Lien Documents) and (b) costs and expenses required to be reimbursed pursuant to the Second Lien Documents. If Second Lien Obligations in excess of the Second Lien Priority Obligations exist, the portion of such excess obligations shall be (x) determined as agreed in writing among the Second Lien Secured Parties or (y) if no such agreement applies, the latest principal amounts advanced (it being agreed for such purposes that principal advanced pursuant to a revolving credit commitment or delayed draw commitment shall be deemed advanced on the date such commitment first became binding on the applicable creditors).

"Second Lien Representative" means (a) with respect to the Second Lien Credit Facilities Obligations, the Second Lien Credit Facilities Administrative Agent and (b) with respect to any Series of Additional Second Lien Obligations, the Additional Second Lien Representatives therefor.

"Second Lien Secured Parties" means the Second Lien Credit Facility Secured Parties and the Additional Second Lien Secured Parties.

"Secured Indebtedness" means any Indebtedness of the Issuer or any of its Restricted Subsidiaries secured by a Lien.

"Secured Parties" means the First Lien Secured Parties, the Second Lien Secured Parties, the Notes Secured Parties and any Additional First Lien Secured Parties.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

"Security Documents" means, collectively, the security agreements relating to the Collateral and instruments filed and recorded in appropriate jurisdictions to preserve and protect the Liens on the Collateral (including, without limitation, financing statements under the UCC of the relevant states applicable to the Collateral), each for the benefit of the Secured Parties (whether or not through the agency of any agent or other representative), as amended, amended and restated, modified, renewed or replaced from time to time.

"Security Jurisdiction" means the United States, any state thereof and the District of Columbia.

"Senior Indebtedness" means:

(1) all Indebtedness of the Issuer, the Co-Issuer or any Guarantor outstanding under the New Credit Facilities, the Notes and related guarantees (including interest, fees or expenses accruing on or after the filing of any petition in bankruptcy or similar proceeding or for reorganization of the Issuer, the Co-Issuer or any Guarantor (at the rate provided for in the documentation with respect thereto, regardless of whether or not a claim for post-filing interest, fees or expenses is allowed in such proceedings)), and any and all other fees, expense reimbursement obligations, indemnification amounts, penalties, and other amounts (whether existing on the Completion Date or thereafter created or incurred) and all obligations

of the Issuer, the Co-Issuer or any Guarantor to reimburse any bank or other Person in respect of amounts paid under letters of credit, acceptances or other similar instruments;

(2) all (x) Hedging Obligations (and guarantees thereof) and (y) obligations in respect of Cash Management Services (and guarantees thereof) owing to a lender under the New Credit Facilities or any Affiliate of such lender (or any Person that was a lender or an Affiliate of such lender at the time the applicable agreement giving rise to such Hedging Obligation was entered into); *provided* that such Hedging Obligations and obligations in respect of Cash Management Services, as the case may be, are permitted to be incurred under the terms of the Indenture;

(3) any other Indebtedness of the Issuer, the Co-Issuer or any Guarantor permitted to be incurred under the terms of the Indenture, unless the instrument under which such Indebtedness is incurred expressly provides that it is subordinated in right of payment to the Notes or any related Guarantee; and

(4) all Obligations with respect to the items listed in the preceding clauses (1), (2) and (3);

provided that Senior Indebtedness shall not include:

(a) any obligation of such Person to the Issuer, the Co-Issuer or any of its Subsidiaries;

(b) any liability for federal, state, local or other taxes owed or owing by such Person;

(c) any accounts payable or other liability to trade creditors arising in the ordinary course of business;

(d) any Indebtedness or other Obligation of such Person which is subordinate or junior in right of payment to any other Indebtedness or other Obligation of such Person; or

(e) that portion of any Indebtedness which at the time of incurrence is incurred in violation of the Indenture.

"Series" means (a) with respect to the First Lien Secured Parties, each of (i) the First Lien Secured Parties under any First Lien Obligations designated as such as of the Completion Date and represented by a common representative (in their capacities as such) and (ii) the Additional First Lien Secured Parties that become subject to the First Lien Intercreditor Agreement after the Completion Date that are represented by a common representative (in its capacity as such for such Additional First Lien Secured Parties) and (b) with respect to any First Lien Obligations, each of (i) the First Lien Obligations designated as such as of the Completion Date and represented by a common representative and (ii) the Additional First Lien Obligations incurred pursuant to any applicable agreement, which, pursuant to any joinder agreement, are to be represented under the First Lien Intercreditor Agreement by a common representative (in its capacity as such for such Additional First Lien Obligations).

"Shared Collateral" means, at any time, Collateral in which the holders of two or more Series of First Lien Obligations (or their respective collateral agents) hold a valid and perfected security interest at such time. If more than two Series of First Lien Obligations are outstanding at any time and the holders of less than all Series of First Lien Obligations hold a valid and perfected security interest in any Collateral at such time, then such Collateral shall constitute Shared Collateral for those Series of First Lien Obligations that hold a valid and perfected security interest in such Collateral at such time and shall not constitute Shared Collateral for any Series which does not have a valid and perfected security interest in such Collateral at such time.

"Significant Subsidiary" means any Restricted Subsidiary that, or any group of Restricted Subsidiaries that, taken together, as of the last day of the fiscal quarter of the Issuer most recently ended for which financial statements are available, had revenues or total assets (determined on a consolidated basis for such Restricted Subsidiary and its Restricted Subsidiaries or such group of Restricted Subsidiaries and their respective Restricted Subsidiaries, as applicable) for such quarter in excess of 10.0% of the consolidated revenues or total assets, as applicable, of the Issuer and its Restricted Subsidiaries for such quarter.

"Similar Business" means (1) any business conducted or proposed to be conducted by the Issuer or any of its Restricted Subsidiaries on the Completion Date or (2) any business or other activities that are reasonably similar, ancillary, incidental, corollary, complementary, synergistic or related to, and/or a reasonable extension, development

or expansion of, the businesses that the Issuer and its Restricted Subsidiaries conduct or propose to conduct on the Completion Date.

"Sold Entity or Business" means any Person, property, business or asset (other than any Unrestricted Subsidiary) sold, transferred or otherwise disposed of, closed or classified as discontinued operations by the Issuer or any Restricted Subsidiary.

"Special Purpose Entity" means a direct or indirect Subsidiary of any Restricted Subsidiary, whose organizational documents contain restrictions on its purpose and activities intended to preserve its separateness from such Restricted Subsidiary and/or one or more Subsidiaries of such Restricted Subsidiary.

"Specified Event of Default" means an Event of Default occurring under clause (1) or (2) or, solely with respect to the Issuer, clause (6) under the "—Events of Default and Remedies."

"Specified Transaction" means, with respect to any period, any Investment, disposition, incurrence or repayment of Indebtedness, Restricted Payment, subsidiary designation, operating improvements, restructurings, cost saving initiatives or other initiatives or any other event that by the terms of the Indenture requires "pro forma compliance" without a test or covenant hereunder or requires such test or covenant to be calculated on a "pro forma basis" or after giving "pro forma effect" to such event.

"Sponsor" means, collectively, (i) Brookfield Capital Partners LLC and its Affiliates and (ii) the funds, partnerships or other co-investment vehicles managed, advised or controlled by any Person referred to in the foregoing clause (i).

"Standard Securitization Undertakings" means all representations, warranties, covenants, pledges, transfers, purchases, dispositions, guaranties and indemnities (including repurchase obligations (and/or any guarantees thereof) in the event of a breach of representation or warranty, covenant or otherwise (including, without limitation, as a result of a receivable or a portion thereof becoming subject to any asserted defense, dispute, offset or counterclaim of any kind as a result of any action taken by, any failure to take any action by or other event relating to the applicable person)) and other undertakings made or provided, and servicing obligations undertaken, by any Restricted Subsidiary or Subsidiary thereof that the Issuer has determined in good faith to be customary in connection with a Permitted Receivables Financing.

"Subordinated Indebtedness" means, with respect to the Notes,

(1) any Indebtedness of the Issuers which is by its terms subordinated in right of payment to the Notes, and

(2) any Indebtedness of any Guarantor which is by its terms subordinated in right of payment to the Guarantee of such entity of the Notes.

"Subsidiary" means, with respect to any Person (the "parent") at any date, any corporation, limited liability company, partnership, association, joint venture or other entity the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP, as well as any other corporation, limited liability company, partnership, association or other entity of which Equity Interests representing more than 50.0% of the equity or more than 50.0% of the ordinary voting power or, in the case of a partnership, more than 50.0% of the general partnership interests are, as of such date, owned, controlled or held. For the avoidance of doubt, unless otherwise specified, any entity that is owned at a 50% or less level (as described above) shall not be a "Subsidiary" for any purpose under the Indenture, regardless of whether such entity is consolidated on the Issuer's or any Restricted Subsidiary's financial statements. Unless the context otherwise requires, any references to Subsidiary refer to a Subsidiary of the Issuer.

"Subsidiary Guarantor" means each Restricted Subsidiary of the Issuer, if any, that Guarantees the Notes in accordance with the terms of the Indenture; *provided* that upon release or discharge of such Restricted Subsidiary from its Guarantee in accordance with the Indenture, such Restricted Subsidiary ceases to be a Subsidiary Guarantor.

"Tax Restructuring" means any reorganizations and other activities related to tax planning and tax reorganization (as determined by the Issuer in good faith) entered into after the Issue Date so long as such Tax Restructuring does not materially impair the Guarantee or the security interests of the Notes Collateral Agent on behalf of the Holders taken as a whole.

"Taxes" means any and all present or future taxes, levies, imposts, duties, value added taxes, deductions, charges, fees, assessments or withholdings (including backup withholdings) imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Transaction Costs" means any fees, costs, accruals, expenses and other transaction costs incurred or paid by Holdings, the Issuer, any of its Subsidiaries or any Parent Entity in connection with the Transactions, the Indenture and the other financing-related documents and the transactions contemplated thereby.

"Transactions" means, collectively, the borrowings under the New Credit Facilities on or prior to the Completion Date, the issuance of the Notes and the Guarantees thereof on the Issue Date, the consummation of the other transactions contemplated by the foregoing to occur on the Completion Date, the Acquisition and any transactions directly or indirectly related to the consummation of the Acquisition and the other related transactions contemplated by the Merger Agreement, the consummation of any other transactions in connection with the foregoing and the payment of the fees and expenses incurred in connection with any of the foregoing (including the Transaction Costs).

"Trust Fund Account" means any deposit account or securities account, to the extent the funds on deposit therein (a) are used or are to be used for payroll and payroll taxes, healthcare and other employee benefit payments to or for the benefit of any employees, (b) are used or are to be used to pay Taxes required to be collected, remitted or withheld (including U.S. federal and state withholding Taxes (including the employer's share thereof) and sales Taxes) or (c) are held as an escrow, defeasance or redemption account or as a fiduciary or trustee for the benefit of another Person.

"Uniform Commercial Code" or "UCC" means the Uniform Commercial Code as in effect from time to time in any applicable jurisdiction.

"Unrestricted Subsidiary" means:

(1) any Subsidiary of the Issuer (other than the Co-Issuer) which at the time of determination is an Unrestricted Subsidiary (as designated by the Issuer, as provided below); and

(2) any Subsidiary of a Unrestricted Subsidiary.

The Issuer may designate any Subsidiary of the Issuer (including any existing Subsidiary and any newly acquired or newly formed Subsidiary), other than the Co-Issuer, to be an Unrestricted Subsidiary unless such Subsidiary or any of its Subsidiaries owns any Equity Interests or Indebtedness of, or owns or holds any Lien on, any property of, the Issuer or any Restricted Subsidiary of the Issuer (other than solely any Subsidiary of the Subsidiary to be so designated); *provided* that either (a) the Subsidiary to be so designated has total consolidated assets of $1,000 or less or (b) if the Subsidiary to be so designated has total consolidated assets in excess of $1,000, such designation complies with the covenant described under "—Certain Covenants—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 Indenture and any Indebtedness of such Subsidiary will be deemed to be incurred by a Restricted Subsidiary of the Issuer 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 "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock," the Issuer will be in Default of such covenant.

The Issuer may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that, immediately after giving effect to such designation, (i) no Default shall have occurred and be continuing and (ii) (x) any outstanding Indebtedness of such Unrestricted Subsidiary would be permitted to be incurred by a Restricted Subsidiary under the covenant described under "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock" (including pursuant to clause (14) of the second paragraph

thereof treating such redesignation as an acquisition for the purpose of such clause) and shall be deemed to be incurred thereunder and (y) all Liens encumbering the assets of such Unrestricted Subsidiary would be permitted to be incurred by a Restricted Subsidiary under the covenant "—Certain Covenants—Liens" and shall be deemed to be incurred thereunder, in each case calculated on a pro forma basis as if such designation had occurred at the beginning of the applicable reference period.

Any such designation by the Issuer shall be notified by the Issuer to the Trustee by promptly filing with the Trustee a copy of the resolution of the Board of the Issuer or any Parent Entity giving effect to such designation and an Officer's Certificate certifying that such designation complied with the foregoing provisions.

"U.S. Dollar Equivalent" means with respect to any monetary amount in a currency other than U.S. dollars, at any time for determination thereof, the amount of U.S. dollars obtained by converting such foreign currency involved in such computation into U.S. dollars at the spot rate for the purchase of U.S. dollars with the applicable foreign currency as published in The Wall Street Journal in the "Exchange Rates" column under the heading "Currency Trading" on the date two business days prior to such determination.

"U.S. Government Securities" means securities that are:

(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 Issuer thereof, and shall also include a depository receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act), as custodian with respect to any such U.S. Government Securities or a specific payment of principal of or interest on any such U.S. Government Securities held by such custodian for the account of the holder of such depository receipt; *provided* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Securities or the specific payment of principal of or interest on the U.S. Government Securities evidenced by such depository receipt.

"Vehicles" means all (i) railcars, cars, trucks, trailers, construction and earth moving equipment and other vehicles covered by a certificate of title law of any state and all tires and other appurtenances to any of the foregoing and (ii) aircraft.

"Voting Stock" means, with respect to any Person, such Person's Equity Interests having the right to vote for the election of the Board of such Person under ordinary circumstances.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness, Disqualified Stock or Preferred Stock, as the case may be, at any date, the quotient obtained by dividing:

(1) the sum of the products of the number of years from the date of determination to the date of each successive scheduled principal payment of such Indebtedness or redemption or similar payment with respect to such Disqualified Stock or Preferred Stock multiplied by the amount of such payment; by

(2) the sum of all such payments;

provided that for purposes of determining the Weighted Average Life to Maturity of any Indebtedness that is being extended, replaced, refunded, refinanced, renewed or defeased (the "Applicable Indebtedness"), (x) the effects of any prepayments made on such Applicable Indebtedness prior to the date of the applicable extension, replacement, refunding, refinancing, renewal or defeasance shall be disregarded in making such calculation and (y) any "AHYDO catch-up" payment that may be required to be made in respect of such Indebtedness shall be disregarded in making such calculation.

"Wholly Owned Subsidiary" means, with respect to any Person at any date, a Subsidiary of such Person of which securities or other ownership interests representing 100% of the Equity Interests (other than (a) directors' qualifying shares and (b) nominal shares issued to foreign nationals to the extent required by applicable law) are, as of such date, owned, controlled or held by such Person or one or more wholly-owned Subsidiaries of such Person or by such Person and one or more wholly-owned Subsidiaries of such Person.

BOOK ENTRY, DELIVERY AND FORM

The Notes offered and sold to qualified institutional buyers in reliance on Rule 144A ("Rule 144A Notes") will be represented by one or more global notes in registered form without interest coupons attached (the "144A Global Notes"). The 144A Global Notes will be deposited with a custodian for DTC, and registered in the name of Cede & Co., as nominee of DTC.

The Notes sold in offshore transactions in reliance on Regulation S (the "Regulation S Notes") will be represented by one or more global notes in registered form without interest coupons attached (the "Regulation S Global Notes"). The Regulation S Global Notes will be registered in the name of Cede & Co., as nominee of DTC and deposited with a custodian for DTC, for credit to Euroclear and Clearstream. The Regulation S Global Notes will initially be represented by temporary global notes in form without interest coupons (the "Temporary Regulation S Global Notes"). After the 40th day following the later of the commencement of this offering and the closing of this offering (such period through and including such 40th day, the "Distribution Compliance Period"), the Temporary Regulation S Global Notes may be exchanged for permanent Regulation S Global Notes.

The Rule 144A Global Notes and the Regulation S Global Notes are collectively referred to herein as the "Global Notes."

The Global Notes

General

The Global Notes will be deposited upon issuance with the Trustee as custodian for DTC, and registered in the name of DTC or its nominee, in each case for credit to an account of a Participant (as defined below) or Indirect Participant (as defined below) in DTC as described below. The Notes will be issued at the closing of this offering only against payment in immediately available funds. Except as set forth below, the Notes will be issued in registered, global form in minimum denominations of $2,000 and any integral multiple of $1,000 in excess thereof.

Until the end of the Distribution Compliance Period, beneficial interests in the Regulation S Global Notes may be held only through Euroclear and 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 among Global Notes."

Depository Procedures

The following description of the operations and procedures of DTC is 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 it is a limited-purpose trust company organized under the laws of the State of New York, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participating organizations (collectively, the "Participants") and to facilitate the clearance and settlement of transactions in those securities between 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 other entities 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 the Participants or the

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 the 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 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 interests in the Global Notes).

Investors in the Rule 144A Global Notes who are Participants in DTC's system 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) that are Participants in DTC. All interests in the Global Note may be subject to the procedures and requirements of DTC. Investors in the Regulation S Global Notes must initially hold their interests therein through Euroclear or Clearstream, if they are participants in those systems, or indirectly through organizations that are participants. After the expiration of the Distribution Compliance Period (but not earlier), investors may also hold interests in Regulation S Global Notes through Participants in the DTC system other than Euroclear and Clearstream. Euroclear and Clearstream will hold interests in 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 SA/NV, as operator of Euroclear, and Citibank N.A., as operator of Clearstream which in turn hold such interests in customers' securities accounts in the depositaries' names on the books of DTC. Interests in a Global Note held through Euroclear or Clearstream may be subject to the procedures and requirements of those systems (as well as 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 and the ability to transfer beneficial interests in a Global Note to Persons that are subject to those requirements will be limited to that extent. Because DTC can act only on behalf of Participants, which in turn act on behalf of Indirect Participants, the ability of a person having beneficial interests in a Global Note to pledge those interests to Persons that do not participate in the DTC system, or otherwise take actions in respect of those interests, may be affected by the lack of a physical certificate evidencing those interests.

Except as described below, beneficial owners of an interest in the Global Notes will not have notes registered in their names, will not receive physical delivery of notes in registered certificated form ("Certificated Notes") and will not be considered the registered owners or "Holders" thereof under the indenture that will govern the Notes for any purpose.

Payments in respect of the principal of and premium and interest 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 that will govern the Notes. Under the terms of the indenture that will govern the Notes, the Issuers and the Trustee will treat the Persons in whose names notes, including the Global Notes, are registered as the owners of such notes for the purpose of receiving payments and for all other purposes. Consequently, none of the Issuers, the Trustee or any agent of the Issuers or the Trustee 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 interests 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 it will not receive payment on that 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 the 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 the Issuers. None of the Issuers nor the Trustee will be liable for any delay by DTC or any of its Participants in identifying the beneficial owners of any the Notes, and the Issuers and the Trustee may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes.

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 of the Global Notes and only in respect of such portion of the aggregate principal amount of the Note 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.

Subject to the transfer restrictions set forth under "Transfer Restrictions," transfers between Participants in DTC 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 its respective depositary; 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 from 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 the portion of the aggregate principal amount of the Notes as to which that Participant or those Participants has or have given the relevant 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 those Notes to its Participants. Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures in order to facilitate transfers of interests in Global Notes among Participants, they are under no obligation to perform those procedures, and may discontinue or change those procedures at any time.

None of the Issuers nor the Trustee nor any of their respective agents will have any responsibility for the performance by DTC, Euroclear, 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 a Certificated Note if:

- DTC (a) notifies us that it is unwilling or unable to continue as depositary for the applicable Global Notes or (b) has ceased to be a clearing agency registered under the Exchange Act and, in each case, a successor depositary is not appointed;
- we at our option, notify, the Trustee in writing that we elect to cause the issuance of Certificated Notes; or
- there has occurred and is continuing a Default or event of default with respect to the Global Notes.

In addition, beneficial interests in a Global Note may be exchanged for Certificated Notes upon prior written notice given to the Issuers and the Registrar by or on behalf of DTC in accordance with the indenture that will

govern the Notes. In all cases, Certificated Notes delivered in exchange for any Global Note or beneficial interests in a Global Note 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) and will bear the applicable restrictive legend referred to in "Transfer Restrictions," unless that legend is not required by applicable law.

Exchange of Certificated Notes for Global Notes

If Certificated Notes are issued in the future, they will not be exchangeable for beneficial interests in any Global Note unless the transferor first delivers to the Issuers and the Registrar a written certificate (in the form provided in the indenture that will govern the Notes) to the effect that the transfer will comply with the appropriate transfer restrictions applicable to the Notes being transferred. See "Transfer Restrictions."

Exchanges Among Global Notes

Prior to the expiration of the Distribution Compliance Period, beneficial interests in a Regulation S Global Note may be transferred only to non-U.S. persons under Regulation S, qualified institutional buyers under Rule 144A or institutional accredited investors. Beneficial interests in a Regulation S Global Note may be exchanged for beneficial interests in a Rule 144A Global Note only if:

- the exchange occurs in connection with a transfer of the relevant Notes pursuant to Rule 144A; and
- the transferor first delivers to the Issuers and the Registrar a written certificate (in the form provided in the indenture that will govern the Notes) to the effect that the Notes are being transferred:
    - to a Person who (i) the transferor reasonably believes to be a qualified institutional buyer within the meaning of Rule 144A and (ii) is purchasing for its own account or the account of a qualified institutional buyer in a transaction meeting the requirements of Rule 144A; and
    - 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 Distribution Compliance Period, only if the transferor first delivers to the Issuers and the Registrar a written certificate (in the form provided in the indenture that will govern the Notes) to the effect that the transfer is being made in accordance with Rule 903 or Rule 904 of Regulation S or Rule 144 (if available) and that, if such transfer occurs prior to the expiration of the Distribution Compliance Period, the interest transferred will be held immediately thereafter through Euroclear or Clearstream.

Transfers involving exchanges of beneficial interests between a Regulation S Global Note and a Rule 144A Global Note will be effected in DTC by means of an instruction originated by the DTC Participant through the DTC Deposit/Withdraw at Custodian system. Accordingly, in connection with any such transfer, appropriate adjustments will be made to reflect the changes in the principal amounts of the Regulation S Global Note and the Rule 144A Global Note, 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 another Global Note will, upon transfer, cease to be an interest in such Global Note and will become an interest in such other Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interest 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 Distribution Compliance Period.

Same Day Settlement and Payment

The Issuers will make payments in respect of the Notes represented by the Global Notes, including payments of principal, premium, if any, and interest by wire transfer of immediately available funds to the accounts specified by the Global Note Holder. The Issuers will make all payments of principal of and premium, if any, with respect to the Certificated Notes by wire transfer of immediately available funds to the accounts specified by the Holders of the Certificated Notes or, if no account is specified, by mailing a check to each 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 represented will, therefore, be required by DTC to be settled in immediately available funds. We expect that secondary trading in any Certified 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.

U.S. FEDERAL INCOME TAX CONSEQUENCES

The following is a summary of certain U.S. federal income tax consequences of owning and disposing of Notes purchased in this offering at the "issue price," which we assume will be the price indicated on the cover of this offering memorandum, and held as capital assets for U.S. federal income tax purposes.

This discussion does not describe all of the tax consequences that may be relevant to you in light of your particular circumstances, including alternative minimum tax and Medicare contribution tax consequences, the application of Section 451(b) of the Code (as defined below) with respect to conforming the timing of income accruals to financial statements, as well as differing tax consequences that may apply if you are, for instance:

- a financial institution;
- a regulated investment company;
- a real estate investment trust;
- a dealer or trader in securities that uses a mark-to-market method of tax accounting;
- a person holding Notes as part of a "straddle" or integrated transaction;
- a U.S. Holder (as defined below) whose functional currency is not the U.S. dollar;
- a U.S. expatriate;
- a nonresident alien individual present in the United States for more than 182 days in a taxable year;
- a tax-exempt entity; or
- a partnership for U.S. federal income tax purposes.

If you are a partnership for U.S. federal income tax purposes, the U.S. federal income tax treatment of your partners will generally depend on the status of the partners and your activities.

This summary is based on the Internal Revenue Code of 1986, as amended to the date hereof (the "Code"), administrative pronouncements, judicial decisions and final, temporary and proposed Treasury Regulations, changes to any of which subsequent to the date of this offering memorandum may affect the tax consequences described herein, possibly on a retroactive basis. This summary does not address any aspect of state, local or non-U.S. taxation, or any taxes other than income taxes. You should consult your tax adviser with regard to the application of the U.S. federal tax laws to your particular situation, as well as any tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction.

Tax Consequences to U.S. Holders

This section applies to you if you are a U.S. Holder. You are a U.S. Holder if you are a beneficial owner of a Note that is, for U.S. federal income tax purposes:

- a citizen or individual resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia; or
- an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

Certain Additional Payments

Under certain circumstances, such as those described under "Description of Notes—Repurchase at the Option of Holders—Change of Control," we might be required to make payments on the Notes that would increase the yield

of the Notes. In addition, if the Acquisition is not consummated by the Escrow End Date or upon the occurrence of certain other events, we would generally be required to redeem the Notes prior to their stated maturity, as described under "Description of Notes—Escrow of Gross Proceeds; Special Mandatory Redemption." We intend to take the position that the possibility that any such payments will be made does not cause the Notes to be treated as contingent payment debt instruments under the applicable Treasury Regulations. Our position is binding on you unless you disclose a contrary position in the manner required by the applicable Treasury regulations. Our position is not binding, however, on the IRS. If the IRS were to take a contrary position, a holder of Notes may be required to accrue interest income on the Notes based upon a "comparable yield," as defined in the Treasury Regulations, determined at the time of issuance of the Notes (which yield is not expected to differ significantly from the actual yield on the Notes), with adjustments to such accruals when any contingent payments are made that differ from the payments based on the comparable yield. In addition, any income on the sale, exchange, retirement or other taxable disposition of the Notes would be treated as interest income rather than as capital gain. You should consult your tax adviser regarding the tax consequences if the Notes are treated as contingent payment debt instruments. The remainder of this discussion assumes that the Notes will not be treated as contingent payment debt instruments.

Payments of Interest

Stated interest on a Note will be taxable to you as ordinary interest income at the time it accrues or is received, in accordance with your method of accounting for U.S. federal income tax purposes. It is expected, and this discussion assumes, that the Notes will be issued without original issue discount for U.S. federal income tax purposes ("OID"). In general, however, if the Notes are issued with OID at or above a *de minimis* threshold, you would be required to include OID in gross income as ordinary income, as it accrues, in accordance with a constant-yield method based on a compounding of interest before the receipt of cash payments attributable to this income.

Sale or Other Taxable Disposition of the Notes

Upon the sale or other taxable disposition of a Note, you will recognize taxable gain or loss in an amount equal to the difference between the amount realized on the sale or other taxable disposition and your adjusted tax basis in the Note. Your adjusted tax basis in a Note will be equal to the cost of your Note. For these purposes, the amount realized does not include any amount attributable to accrued interest, which is treated as described under "Payments of Interest" above.

Gain or loss recognized on the sale or other taxable disposition of a Note will generally be capital gain or loss and will be long-term capital gain or loss if at the time of the sale or other taxable disposition the Note has been held for more than one year. Long-term capital gains recognized by non-corporate taxpayers are subject to reduced tax rates. The deductibility of capital losses may be subject to limitations.

Tax Consequences to Non-U.S. Holders

This section applies to you if you are a Non-U.S. Holder. You are a Non-U.S. Holder if you are a beneficial owner of a Note that is, for U.S. federal income tax purposes, an individual, corporation, estate or trust that is a not a U.S. Holder.

Payments on the Notes

Subject to the discussions below under "Backup Withholding and Information Reporting" and "FATCA Legislation," payments of principal and interest on the Notes by the Issuers or any paying agent to you generally will not be subject to U.S. federal income or withholding tax, provided that, in the case of interest,

- you do not own, actually or constructively, stock possessing 10% or more of the total combined voting power of all classes of the stock of the Issuer, the Co-Issuer or the Company entitled to vote;
- you are not a controlled foreign corporation that is related to the Issuer, the Co-Issuer or the Company directly or constructively through equity ownership;
- you certify on a properly executed IRS Form W-8BEN or W-8BEN-E (or other applicable form), under penalties of perjury, that you are not a United States person; and

- the interest is not effectively connected with your conduct of a trade or business in the United States, as described below.

If you cannot satisfy one of the first three requirements described above, and interest on the Notes is not exempt from withholding because it is effectively connected with your conduct of a trade or business in the United States, as described below, payments of interest on the Notes will be subject to withholding tax at a rate of 30%, or a lower rate specified by an applicable income tax treaty.

Sale or Other Taxable Disposition of the Notes

Subject to the discussion below under "Backup Withholding and Information Reporting" and "FATCA Legislation," you generally will not be subject to U.S. federal income or withholding tax on gain recognized on a sale, redemption or other taxable disposition of Notes, unless the gain is effectively connected with your conduct of a trade or business in the United States as described below, although any amounts attributable to accrued interest will be treated as described above under "Payments on the Notes."

Effectively Connected Income

If interest or gain on a Note is effectively connected with your conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment or fixed base maintained by you), you will generally be taxed in the same manner as a U.S. Holder on these amounts (see "Tax consequences to U.S. Holders" above). In that case, you will be exempt from the withholding tax on interest discussed above, although you will be required to provide a properly executed IRS Form W-8ECI in order to claim an exemption from withholding. You should consult your tax adviser with respect to other U.S. tax consequences of owning and disposing of Notes, including the possible imposition of a branch profits tax at a rate of 30% (or a lower treaty rate) if you are a corporation.

Backup Withholding and Information Reporting

Information returns will be filed with the IRS in connection with payments on the Notes made to, and the proceeds of dispositions of Notes effected by, certain U.S. Holders. Information returns will be filed with the IRS in connection with payments of interest on the Notes made to Non-U.S. Holders, and information returns may also be filed with the IRS in connection with the proceeds from a disposition of a Note unless the Non-U.S. Holder complies with certification procedures to establish that it is not a United States person. In addition, certain U.S. Holders may be subject to backup withholding in respect of such amounts if they do not provide their taxpayer identification numbers to the person from whom they receive payments and otherwise comply with applicable requirements of the backup withholding rules or you provide proof of an applicable exemption. Non-U.S. Holders may be required to comply with applicable certification procedures to establish that they are not U.S. Holders in order to avoid the application of such information reporting requirements and backup withholding. The amount of any backup withholding from a payment to a U.S. or Non-U.S. Holder will be allowed as a credit against the holder's U.S. federal income tax liability and may entitle the holder to a refund, provided that the required information is timely furnished to the IRS.

FATCA Legislation

Legislation commonly referred to as "FATCA" imposes a withholding tax of 30% on certain payments to "foreign financial institutions" (which term is broadly defined for this purpose and in general includes investment vehicles) and certain other non-U.S. entities unless various U.S. information reporting and due diligence requirements (generally relating to ownership by U.S. persons of interests in or accounts with those entities) have been satisfied, or an exemption applies. Withholding under FATCA will apply to the applicable payments regardless of whether the recipient is a beneficial owner or acts as an intermediary with respect to such payments. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States with respect to FATCA may be subject to different rules. FATCA withholding (if applicable) applies to payments of interest on the Notes. While existing Treasury Regulations would also require withholding on payments of gross proceeds of the sale or other disposition of the Notes, the U.S. Treasury Department has indicated in subsequent proposed regulations its intent to eliminate this requirement (other than with regard to amounts treated as interest). The U.S. Treasury Department has indicated that taxpayers may rely on these proposed regulations pending their

finalization. If FATCA withholding is imposed, a beneficial owner that is not a foreign financial institution generally will be entitled to a refund of any amounts withheld by filing a U.S. federal income tax return (which may entail significant administrative burden). Prospective investors should consult their tax advisers regarding the effects of FATCA on their investment in the Notes.

CERTAIN ERISA CONSIDERATIONS

General Fiduciary and Prohibited Transaction Issues

The U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), imposes certain requirements on "employee benefit plans" (as defined in Section 3(3) of ERISA) subject to Title I of ERISA and on entities that are deemed to hold "plan assets" of such employee benefit plans (collectively, "ERISA Plans"), and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including, but not limited to, the requirement of investment prudence and diversification and the requirement that an ERISA Plan's investments be made in accordance with the documents governing the ERISA Plan.

Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of such an ERISA Plan or the management or disposition of assets of such an ERISA 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 ERISA Plan.

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of an ERISA Plan (as well as those plans, accounts or arrangements that are not subject to ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts and entities that are deemed to hold the assets of such plans, accounts or arrangements (together with ERISA Plans, "Plans")) with certain persons (referred to as "parties in interest" under ERISA or "disqualified persons" under the Code) having certain relationships to such Plans, unless a statutory or administrative exemption is applicable to the transaction. 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 a Plan that engages in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and the Code.

Any Plan fiduciary which proposes to cause a Plan to purchase or hold the Notes (or any interest therein) should consider the applicability of the fiduciary responsibility provisions of ERISA and the prohibited transaction provisions of ERISA and Section 4975 of the Code to such purchase or holding, and confirm that such purchase and holding will not constitute or result in a non-exempt prohibited transaction or any other violation of an applicable requirement of ERISA or the Code.

Non-U.S. plans, governmental plans and certain church plans (collectively, "Non-ERISA Arrangements"), while not subject to the fiduciary responsibility provisions of ERISA or the prohibited transaction provisions of ERISA and Section 4975 of the Code, may nevertheless be subject to non-U.S., state, local or other federal laws or regulations that are similar to the foregoing provisions of ERISA or the Code (collectively, "Similar Laws"). Fiduciaries of any Non-ERISA Arrangements subject to Similar Laws should consult with their counsel before purchasing or holding the Notes (or any interest therein) regarding the potential consequences of an investment in the Notes under any applicable Similar Laws and the need for, and the availability, if necessary, of any exemptive relief under any such Similar Laws.

Each Plan and Non-ERISA Arrangement should consider the fact that none of the Issuers, the Guarantors, the initial purchasers or any of their respective affiliates (collectively, the "Transaction Parties") is acting, or will act, as a fiduciary to any Plan or Non-ERISA Arrangement with respect to the decision to purchase or hold the Notes. The Transaction Parties are not undertaking to provide impartial investment advice or advice based on any particular investment need, or to give advice in a fiduciary capacity, with respect to the decision to purchase or hold the Notes (or any interest therein). All communications, correspondence and materials from the Transaction Parties with respect to the Notes are intended to be general in nature and are not directed at any specific purchaser of the Notes, and do not constitute advice regarding the advisability of investment in the Notes (or any interest therein) for any specific purchaser. The decision to purchase and hold the Notes (or any interest therein) must be made solely by each prospective Plan or Non-ERISA Arrangement purchaser on an arm's length basis.

Prohibited Transaction Exemptions

The fiduciary of a Plan that proposes to purchase or hold any Notes (or interest therein) should consider, among other things, whether such purchase and holding may involve (i) the direct or indirect extension of credit to a party

in interest or a disqualified person, (ii) the sale or exchange of any property between a Plan and a party in interest or a disqualified person, or (iii) the transfer to, or use by or for the benefit of, a party in interest or disqualified person, of any Plan assets. Such parties in interest or disqualified persons could include, without limitation, the Transaction Parties. Depending on the satisfaction of certain conditions which may include the identity of the Plan fiduciary making the decision to acquire or hold the Notes (or any interest therein) on behalf of a Plan, Section 408(b)(17) of ERISA or Section 4975(d)(20) of the Code (for certain transactions involving non-fiduciary service providers or their affiliates) or the Prohibited Transaction Class Exemptions ("PTCE") issued by the United States Department of Labor, including but not limited to PTCE 84-14 (relating to transactions effected by a "qualified professional asset manager"), PTCE 90-1 (relating to investments by insurance company pooled separate accounts), PTCE 91-38 (relating to investments by bank collective investment funds), PTCE 95-60 (relating to investments by insurance company general accounts) or PTCE 96-23 (relating to transactions directed by an in-house asset manager) could provide an exemption from the prohibited transaction provisions of ERISA and Section 4975 of the Code. However, there can be no assurance that any of these statutory exemptions, PTCEs or any other exemption will be available with respect to any particular transaction involving the Notes (or any interest therein).

Because of the foregoing, the Notes should not be purchased or held by any person investing the assets of any Plan, unless such purchase and holding would not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or any violation of applicable Similar Laws.

Representations

By its acquisition of any Note (or any interest therein), the purchaser or transferee thereof will be deemed to have represented and warranted that either: (i) no portion of the assets used by the purchaser or transferee to acquire or hold the Notes (or any interest therein) constitutes the assets of any Plan or Non-ERISA Arrangement; or (ii) (x) the acquisition, holding and disposition of such Notes (or any interest therein) by such purchaser or transferee will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or violation under any applicable Similar Law and (y) none of the Transaction Parties is acting as a fiduciary of such purchaser or transferee with respect to the decision to purchase or hold the Notes (or any interest therein) or is undertaking to provide impartial investment advice or give advice in a fiduciary capacity with respect to the decision to purchase or hold the Notes (or any interest therein).

The foregoing discussion is general in nature and is not intended to be all-inclusive, nor should it be construed as legal advice. Each fiduciary of a Plan or Non-ERISA Arrangement should consult with its legal advisor concerning the potential consequences to the Plan or Non-ERISA Arrangement under ERISA, Section 4975 of the Code or Similar Laws of an investment in the Notes (or any interest therein). The sale of a Note (or any interest therein) to a Plan or Non-ERISA Arrangement is in no respect a representation by any Transaction Party or any of their respective representatives that such an investment meets all relevant legal requirements with respect to investments by any such Plan or Non-ERISA Arrangement or that such investment is appropriate for any such Plan or Non-ERISA Arrangement. Additionally, neither the forgoing discussion nor anything in this offering memorandum is or is intended to be investment advice directed at any purchaser or holder that is using assets of a Plan or Non-ERISA Arrangement, or at such purchasers or holders generally. Purchasers of the Notes have the exclusive responsibility for ensuring that their purchase and holding of the Notes complies with the fiduciary responsibility rules of ERISA and does not violate the prohibited transaction rules of ERISA, the Code or applicable Similar Laws.

TRANSFER RESTRICTIONS

The Notes have not been and will not be registered under the Securities Act or any other applicable securities law and may not be offered or sold within the United States 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 (a) to persons reasonably believed to be qualified institutional buyers (as defined in Rule 144A) in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A and (b) outside the United States to persons other than U.S. persons in reliance upon Regulation S under the Securities Act.

Each purchaser of the Notes, by its acceptance thereof, will be deemed to have acknowledged, represented to, and agreed with us and the initial purchasers as follows:

(1) It understands and acknowledges that the Notes have not been registered under the Securities Act or any other applicable securities law, the Notes are being offered for resale in transactions not requiring registration under the Securities Act or any other securities laws, including sales pursuant to Rule 144A, and none of the Notes may be offered, sold or otherwise transferred except in compliance with the registration requirements of the Securities Act or any other applicable securities law, pursuant to an exemption therefrom or in a transaction not subject thereto and in each case in compliance with the conditions for transfer set forth in paragraph (4) below.

(2) It is either:

(A) a qualified institutional buyer and is aware that any sale of the Notes to it will be made in reliance on Rule 144A. Such acquisition will be for its own account or for the account of another qualified institutional buyer, or

(B) an institution that, at the time the buy order for the Notes was originated, was outside the United States and was not a U.S. person (and was not purchasing for the account or benefit of a U.S. person) within the meaning of Regulation S (an "Initial Foreign Purchaser").

(3) It acknowledges that none of the Issuers, the Guarantors or the initial purchasers or any person representing the Issuers or the Guarantors or the initial purchasers has made any representation to it with respect to the Issuers, the Guarantors or the offering or sale of any Notes, other than the information included in this offering memorandum, which offering memorandum has been delivered to it. Accordingly, it acknowledges that no representation or warranty is made by the initial purchasers as to the accuracy or completeness of such materials. It has had access to such financial and other information as it has deemed necessary in connection with its decision to purchase any of the Notes, including an opportunity to ask questions of and request information from the Issuers, the Guarantors and the initial purchasers, and it has received and reviewed all information that it requested.

(4) It is purchasing the Notes for its own account, or for one or more investor accounts for which it is acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act, subject to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and subject to its or their ability to resell such Notes pursuant to Rule 144A, Regulation S or any exemption from registration available under the Securities Act. It agrees on its own behalf and on behalf of any investor account for which it is purchasing the Notes and each subsequent holder of the Notes by its acceptance thereof will agree, to offer, sell or otherwise transfer such Notes prior to the date which is one year after the later of the date of the original issue of the Notes, the original issue date of any additional Notes and the last date on which we or any of our affiliates was the owner of such Notes (the "Resale Restriction Termination Date") only (a) to us or any of our subsidiaries, (b) pursuant to a registration statement which has been declared effective under the Securities Act, (c) for so long as the Notes are eligible for resale pursuant to Rule 144A, to a person it reasonably believes is a qualified institutional buyer 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) pursuant to an exemption from registration provided by Rule 144 under the Securities Act (if available) or (f) pursuant to any other available exemption from the registration requirements of the Securities Act, subject in each of the foregoing cases to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and to compliance with any applicable state securities laws. The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date. Each purchaser acknowledges that we and the Registrar reserve the right prior to any offer, sale or other transfer pursuant to clause (d) prior to the end of the 40-day distribution compliance period within the meaning of Regulation S under the Securities Act or pursuant to clauses (e) or (f) prior to the Resale Restriction Termination Date of the Notes to require the delivery of an opinion of counsel, certifications and/or other information satisfactory to us.

Each certificate representing a Note will include a legend substantially to the following effect:

THE NOTES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. NEITHER THIS NOTE 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, REGISTRATION AS SET FORTH BELOW. BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("RULE 144A")), OR (B) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS NOTE IN AN OFFSHORE TRANSACTION, (2) AGREES TO OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER SUCH NOTE PRIOR TO THE EXPIRATION OF THE HOLDING PERIOD THEN IMPOSED BY RULE 144 UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION) ONLY (A) TO AN ISSUER, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE NOTES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A TO A PERSON IT REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER 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) OUTSIDE THE UNITED STATES PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS IN AN OFFSHORE TRANSACTION PURSUANT TO REGULATION S UNDER THE SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 904 UNDER THE SECURITIES ACT OR (E) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE ISSUERS' AND REGISTRAR'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO THE ISSUERS.

(5) If it is (1) a purchaser in a sale that occurs outside the United States within the meaning of Regulation S, or (2) a "distributor," "dealer" or person "receiving a selling concession, fee or other remuneration" in respect of Notes sold, prior to the expiration of the 40-day distribution compliance period within the meaning of Rule 903 of Regulation S, it acknowledges that until the expiration of such distribution compliance period any offer or sale of the Notes shall not be made by it to a U.S. person or for the account or benefit of a U.S. person within the meaning of Rule 902(k) of the Securities Act.

(6) If it is an Initial Foreign Purchaser, it acknowledges that, until the expiration of the distribution compliance period described above, it may not, directly or indirectly, refer, resell, pledge or otherwise transfer a Note or any interest therein except to a person who certifies in writing to the applicable transfer agent that such transfer satisfies, as applicable, the requirements of the legends described above and that the Notes will not be accepted for registration of any transfer prior to the end of the applicable distribution compliance period unless the transferee has first complied with the certification requirements described in this paragraph.

(7) Either (i) it is not acquiring or holding such Notes or any interest therein with the assets of (A) an "employee benefit plan" (as defined in Section 3(3) of ERISA) that is subject to Title I of ERISA, (B) a "plan" as defined in and subject to Section 4975 of the Code, (C) any entity deemed to hold "plan assets" within the meaning of 29 C.F.R. Section 2510.3-101 (as modified by Section 3(42) of ERISA) of any of the

foregoing, or (D) a governmental plan, church plan or non-U.S. plan subject to any Similar Law; or (ii) (x) the acquisition, holding and disposition of such Notes or any interest therein by it will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation under any applicable Similar Law and (y) none of the Transaction Parties is acting as its fiduciary with respect to the decision to purchase or hold the Notes or is undertaking to provide impartial investment advice or give advice in a fiduciary capacity with respect to the decision to purchase or hold the Notes.

(8) It acknowledges that the Notes have not been and will not be qualified for distribution by prospectus under the securities laws of any province or territory of Canada and may only be offered, sold or subsequently transferred to a purchaser in Canada, pursuant to an exemption from the prospectus requirements of Canadian securities laws.

(9) It acknowledges that we, the initial purchasers and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations, warranties and agreements and agrees that if any of the acknowledgments, representations, warranties and agreements deemed to have been made by its purchase of the Notes are no longer accurate, it shall promptly notify us and the initial purchasers. If it is acquiring any Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such investor account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such investor account.

PLAN OF DISTRIBUTION

Subject to the terms and conditions set forth in the purchase agreement (the "Purchase Agreement") among the Issuers and Credit Suisse Securities (USA) LLC, as representative of the several initial purchasers, we have agreed to sell to the initial purchasers, and the initial purchasers have agreed to purchase from us, severally and not jointly, all of the Notes.

The Purchase Agreement provides that the obligations of the initial purchasers to pay for and accept delivery of the Notes are subject to, among other conditions, the delivery of certain legal opinions by counsel.

The initial purchasers have agreed to resell the Notes (a) in the United States to persons who they reasonably believe are QIBs in reliance on Rule 144A and (b) outside the United States to non-U.S. persons in offshore transactions in compliance with Regulation S, in each case, under the Securities Act. See "Transfer Restrictions." The Notes will initially be offered at the price indicated on the cover page hereof. After the initial offering of the Notes, the offering price and other selling terms of the Notes may from time to time be varied by the initial purchasers. The initial purchasers reserve the right to reject an order of Notes in whole or in part.

The Purchase Agreement provides that we will indemnify the initial purchasers against certain liabilities, including liabilities under the Securities Act, and will contribute to payments that the initial purchasers may be required to make in respect thereof.

We have agreed that, for a period of 30 days after the date of this offering memorandum, we will not, directly or indirectly, take any of the following actions with respect to any United States dollar-denominated debt securities issued or guaranteed by the Issuers, the Company, the Guarantors or any of their respective subsidiaries and having a maturity of more than one year from the date of issue or any securities convertible into or exchangeable or exercisable for any of its securities ("Lock-Up Securities"): (i) offer, sell, issue, contract to sell, pledge or otherwise dispose of Lock-Up Securities, (ii) offer, sell, issue, contract to sell, contract to purchase or grant any option, right or warrant to purchase Lock-Up Securities, (iii) enter into any swap, hedge or any other agreement that transfers, in whole or in part, the economic consequences of ownership of Lock-Up Securities, (iv) establish or increase a put equivalent position or liquidate or decrease a call equivalent position in Lock-Up Securities within the meaning of Section 16 of the Exchange Act or (v) file with the SEC a registration statement under the Securities Act relating to Lock-Up Securities or publicly disclose the intention to take any such action, without the prior written consent of the representative.

The offer and sale of Notes have not been and will not be registered under the Securities Act and the Notes may not be offered or sold except as set forth above. Prior to the offering, there has been no active market for the Notes. As a result, we cannot assure you that the initial 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 completion of this offering. We do not intend to apply for listing of the Notes on any national securities exchange or for inclusion of the Notes on any automated dealer quotation system. The initial purchasers have advised us that they presently intend to make a market in the Notes as permitted by applicable laws and regulations. The initial purchasers are not obligated, however, to make a market in the Notes and any such market making may be discontinued at any time at the sole discretion of the initial purchasers. In addition, market-making activities will be subject to the limits imposed by the Exchange Act, and may be limited. Accordingly, no assurance can be given as to the liquidity of, or trading markets for, the Notes.

We expect that delivery of the Notes will be made to investors on or about , 2022, which will be the business day following the date of this offering memorandum (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 hereunder more than two business days prior to the scheduled closing date for this offering 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 hereunder during such period should consult their advisors.

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, United States persons (1) as part of their distribution at any

time or (2) otherwise prior to 40 days after the closing of the offering. The initial purchasers will send to any dealer to whom they sell Notes during such 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, United States persons.

If any of the initial purchasers or their affiliates has a lending relationship with us, certain of those initial purchasers or their affiliates routinely hedge, and certain other of those initial purchasers or their affiliates may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, these 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.

Notice to Prospective Investors in Canada

The notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering memorandum (including any amendment thereto) contain 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.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the initial purchasers are not required to comply with the disclosure requirements of NI 33-105 regarding initial purchaser conflicts of interest in connection with this offering.

Prohibition of Sales to EEA Retail Investors

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) 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 or superseded, "MiFID II"); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded, 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 or superseded, the "Prospectus Regulation") and (b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes. 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 memorandum has been prepared on the basis that any offer of Notes in any Member State of the EEA will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of Notes. This offering memorandum is not a prospectus for the purposes of the Prospectus Regulation.

Prohibition of Sales to United Kingdom Retail Investors

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 (the "UK"). For these purposes, (a) a retail investor in the UK 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 by virtue of the European Union (Withdrawal) Act

2018 (as amended, the "EUWA"); (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 the Insurance Distribution Directive, 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 by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA and (b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes. Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law 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 UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation. This offering memorandum has been prepared on the basis that any offer of the Notes in the UK will be made pursuant to an exemption under Section 86 of the FSMA from the requirement to publish a prospectus for offers of Notes. This offering memorandum is not a prospectus for the purposes of the FSMA.

Notice to Prospective Investors in the United Kingdom

The communication of this offering memorandum is for distribution only to, and is directed only at persons who:

(1) have professional experience in matters relating to investments and who qualify as investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order");

(2) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order;

(3) are outside the UK; or

(4) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, as amended ("FSMA")) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons").

This offering is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons.

Notice to Prospective Investors in Switzerland

This offering memorandum is not intended to constitute an offer or solicitation to purchase or invest in the Notes. The Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("FinSA") and no application has or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this offering memorandum nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to the FinSA, and neither this offering memorandum nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Notice to Prospective Investors in the Dubai International Financial Centre

This offering memorandum relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ("DFSA"). This offering memorandum 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 memorandum nor taken steps to verify the information set forth herein and has no responsibility for the offering memorandum. The Notes to which this offering memorandum 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 memorandum you should consult an authorized financial advisor.

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 (Act No. 25 of 1948, as amended), or the FIEA. The Notes may not be offered or sold, directly or indirectly, in Japan or to or for the benefit of any resident of Japan (including any person resident in Japan or any corporation or other entity organized under the laws of Japan) or to others for reoffering or resale, directly or indirectly, in Japan or to or for the benefit of any resident of Japan, except pursuant to an exemption from the registration requirements of the FIEA and otherwise in compliance with any relevant laws and regulations of Japan.

Notice to Prospective Investors in Hong Kong

This offering memorandum 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 Notes may not be offered or sold in Hong Kong 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 thereunder; or (b) in other circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) 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 (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), and no advertisement, invitation or document relating to the Notes 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 thereunder.

Notice to Prospective Investors in Singapore

This offering memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this offering memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes have not 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, in each case subject to compliance with conditions set forth in the SFA.

Where the Notes 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 Notes 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 such transfer arises from an offer that is made on terms that such rights or interest are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction (whether such amount is to be paid for in cash or by exchange of securities or other assets), (iii) where no consideration is given for the transfer; (iv) where the transfer is by operation of law; (v) as specified in Section 276(7) of the SFA or (vi) as specified in Regulation 32.

Singapore Securities and Futures Act Product Classification—Solely for the purposes of their obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the SFA, the Issuers have determined, and hereby notify all relevant persons (as defined in Section 309A of the SFA) that the Notes are "prescribed capital markets products"

(as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA N16: Notice on Recommendations on Investment Products).

Stabilization

In connection with the offering, certain persons participating in the offering may engage in transactions that stabilize, maintain or otherwise affect the price of the Notes. Specifically, the initial purchasers may bid for and purchase Notes in the open markets to stabilize the price of the Notes. The initial purchasers may also overallot the offering, creating a syndicate short position, and may bid for and purchase Notes in the open market to cover the syndicate short position. In addition, the initial purchasers may bid for and purchase Notes in market making transactions and impose penalty bids. These activities may stabilize or maintain the respective market price of the Notes above market levels that may otherwise prevail. The initial purchasers are not required to engage in these activities, and may end these activities at any time.

Other Relationships

The initial purchasers or any of their respective affiliates from time to time has provided in the past and may provide in the future investment banking, commercial lending and financial advisory services to us and our affiliates in the ordinary course of business for which they have received, or may in the future receive, customary fees, expenses and commissions. In the ordinary course of its various business activities, the initial purchasers or one of 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 (including bank loans) for its own account and for the accounts of its customers, and such investment and securities activities may involve securities and/or instruments of the Issuers and/or the Company. The initial purchasers and/or their respective affiliates may also make investment recommendations and/ or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

The initial purchasers, or their affiliates, have committed to provide financing under a first lien term loan credit facility to finance a portion of the Acquisition consideration, which commitments will be reduced by the amount of the Notes offered hereby. In addition, it is expected that affiliates of each of the initial purchasers will act as agents, joint lead arrangers and joint bookrunners and/or lenders under our New First Lien Credit Facilities and will receive customary fees for performing those services. Furthermore, certain of the initial purchasers and/or their respective affiliates may be lenders under the Company's Existing Credit Facility, therefore, such initial purchasers and/or their affiliates may receive a portion of the net proceeds of this offering used to finance the Acquisition and the related refinancing transactions. In addition, Credit Suisse Securities (USA) LLC is acting as sole dealer manager and solicitation agent with respect to the Debt Tender Offers and will receive customary expense reimbursement in connection therewith. Certain of the initial purchasers and/or their respective affiliates may be holders of the Existing Notes and, as a result of the contemplated use of proceeds from the offering of the Notes to fund the Debt Tender Offer such initial purchasers and/or such affiliates may receive a portion of the proceeds from this offering. See "Use of Proceeds."

U.S. Bank Trust Company, National Association, an affiliate of one of the initial purchasers, is acting as escrow agent and trustee and collateral agent for the Notes offered hereby.

LEGAL MATTERS

The validity of the Notes offered hereby will be passed upon for us by Davis Polk & Wardwell LLP, New York, New York, our counsel. Certain legal matters in connection with the offering of the Notes will be passed upon for the initial purchasers by Cahill Gordon & Reindel LLP, New York, New York, their counsel.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The consolidated financial statements of CDK Global, Inc. as of June 30, 2021 and 2020, and for the years ended June 30, 2021, 2020, and 2019, included in this Offering Memorandum, have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report appearing herein.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

CDK Global, Inc.
Consolidated Statements of Operations
(In millions, except per share amounts)
(Unaudited)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2022	2021	2022	2021
	(in millions)			
Revenue	$ 459.7	$ 433.1	$ 1,336.4	$ 1,253.1
Expenses:				
Cost of revenue	241.2	221.3	697.8	653.7
Selling, general and administrative expenses	98.6	90.2	295.3	263.8
Litigation provision	—	—	—	12.0
Total expenses	339.8	311.5	993.1	929.5
Operating earnings	119.9	121.6	343.3	323.6
Interest expense	(22.3)	(32.2)	(66.0)	(101.2)
Loss on extinguishment of debt	—	(2.2)	2.1	(2.2)
Loss from equity method investment	(3.0)	(19.6)	(5.6)	(24.8)
Other income, net	1.4	3.6	8.4	32.3
Earnings before income taxes	96.0	71.2	282.2	227.7
Provision for income taxes	(25.9)	(24.1)	(75.1)	(73.8)
Net earnings from continuing operations	70.1	47.1	207.1	153.9
Net earnings (loss) from discontinued operations	(2.4)	815.8	(0.3)	837.1
Net earnings	67.7	862.9	206.8	991.0
Less: net earnings attributable to noncontrolling interest	1.6	2.0	5.3	6.1
Net earnings attributable to CDK	$ 66.1	$ 860.9	$ 201.5	$ 984.9
Net earnings (loss) attributable to CDK per share - basic:				
Continuing operations	$ 0.58	$ 0.37	$ 1.70	$ 1.21
Discontinued operations	(0.02)	6.69	—	6.87
Total net earnings attributable to CDK per share - basic	$0.56	$7.06	$1.70	$8.08
Net earnings (loss) attributable to CDK per share - diluted:				
Continuing operations	$ 0.58	$ 0.36	$ 1.68	$ 1.21
Discontinued operations	(0.02)	6.64	—	6.83
Total net earnings attributable to CDK per share - diluted	$ 0.56	$ 7.00	$ 1.68	$ 8.04
Weighted average common shares outstanding:				
Basic	117.1	122.0	118.8	121.9
Diluted	118.1	122.9	119.7	122.5

See notes to the consolidated financial statements.

CDK Global, Inc.
Consolidated Statements of Comprehensive Income
(In millions)
(Unaudited)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2022	2021	2022	2021
Net earnings	$ 67.7	$ 862.9	$ 206.8	$ 991.0
Total other comprehensive income (loss):				
Currency translation adjustments	0.5	37.6	(1.5)	98.0
Unrealized gain on available-for-sale security	—	—	0.2	—
Total other comprehensive income (loss)	0.5	37.6	(1.3)	98.0
Comprehensive income	68.2	900.5	205.5	1,089.0
Less: comprehensive income attributable to noncontrolling interest	1.6	2.0	5.3	6.1
Comprehensive income attributable to CDK	$ 66.6	$ 898.5	$ 200.2	$ 1,082.9

See notes to the consolidated financial statements.

CDK Global, Inc.
Consolidated Balance Sheets
(In millions, except par values)
(Unaudited)

	March 31, 2022	June 30, 2021
Assets		
Current assets:		
Cash and cash equivalents	$ 120.3	$ 157.0
Accounts receivable, net	241.6	236.4
Other current assets	145.6	168.9
Total current assets	507.5	562.3
Property, plant and equipment, net of accumulated depreciation of $244.6 and $236.4, respectively	73.4	71.8
Other assets	479.8	448.7
Goodwill	1,438.2	1,297.1
Intangible assets, net	383.7	332.7
Total assets	$ 2,882.6	$ 2,712.6
Liabilities and Stockholders' Equity		
Current liabilities:		
Current maturities of long-term debt and finance lease liabilities	$ 10.2	$ 7.1
Accounts payable	25.9	29.0
Accrued expenses and other current liabilities	226.8	188.1
Litigation liability	34.0	34.0
Accrued payroll and payroll-related expenses	79.5	81.5
Deferred revenue	28.2	28.6
Total current liabilities	404.6	368.3
Long-term liabilities:		
Debt and finance lease liabilities	1,777.6	1,586.5
Deferred income taxes	117.2	111.4
Deferred revenue	37.0	40.4
Other liabilities	99.4	111.1
Total liabilities	2,435.8	2,217.7
Stockholders' Equity:		
Preferred stock, $0.01 par value: 50.0 shares authorized; none issued and outstanding	—	—
Common stock, $0.01 par value: 650.0 shares authorized; 160.3 and 160.3 shares issued, respectively; 116.7 and 121.5 shares outstanding, respectively	1.6	1.6
Additional paid-in capital	733.3	715.1
Retained earnings	2,144.4	1,997.4
Treasury stock, at cost: 43.6 and 38.8 shares, respectively	(2,517.9)	(2,306.0)
Accumulated other comprehensive income	71.4	72.7
Total CDK stockholders' equity	432.8	480.8
Noncontrolling interest	14.0	14.1
Total stockholders' equity	446.8	494.9
Total liabilities and stockholders' equity	$ 2,882.6	$ 2,712.6

See notes to the consolidated financial statements.

CDK Global, Inc.
Consolidated Statements of Cash Flows
(In millions)
(Unaudited)

	Nine Months Ended March 31,	
	2022	**2021**
Cash Flows from Operating Activities		
Net earnings	$ 206.8	$ 991.0
Less: net (loss) earnings from discontinued operations	(0.3)	837.1
Net earnings from continuing operations	207.1	153.9
Adjustments to reconcile net earnings from continuing operations to cash flows provided by operating activities, continuing operations:		
Depreciation and amortization	91.7	71.1
(Gain) loss on extinguishment of debt	(2.1)	2.2
Loss from equity method investment	5.6	24.8
Deferred income taxes	1.3	0.7
Stock-based compensation expense	45.6	31.7
Other	5.5	7.0
Changes in assets and liabilities, net of effect from acquisitions of businesses:		
Accounts receivable	(3.3)	(5.1)
Other assets	(7.4)	(43.8)
Accounts payable	(10.6)	(4.8)
Accrued expenses and other liabilities	(8.9)	16.2
Net cash flows provided by operating activities, continuing operations	324.5	253.9
Net cash flows provided by (used in) operating activities, discontinued operations	(2.1)	6.9
Net cash flows provided by operating activities	322.4	260.8
Cash Flows from Investing Activities		
Capital expenditures	(10.8)	(15.2)
Capitalized software	(83.7)	(51.0)
Acquisitions of businesses, net of cash acquired	(154.2)	(18.1)
Net cash flows used in investing activities, continuing operations	(248.7)	(84.3)
Net cash flows provided by investing activities, discontinued operations	1.9	1,380.9
Net cash flows provided by (used in) investing activities	(246.8)	1,296.6
Cash Flows from Financing Activities		
Net proceeds (repayments) from revolving credit facilities	190.0	(15.0)
Repayments of long-term debt and lease liabilities	(5.7)	(578.0)
Dividends paid to stockholders	(53.3)	(54.8)
Repurchases of common stock	(229.1)	—
Proceeds from exercises of stock options	—	2.1
Withholding tax payments for stock-based compensation awards	(8.9)	(4.5)
Dividend payments to noncontrolling owners	(5.4)	(6.2)
Net cash flows used in financing activities, continuing operations	(112.4)	(656.4)
Net cash flows used in financing activities, discontinued operations	—	—
Net cash flows used in financing activities	(112.4)	(656.4)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash, including cash classified as current assets held for sale	(0.7)	21.1
Net change in cash, cash equivalents, and restricted cash, including cash classified as current assets held for sale	(37.5)	922.1
Net change in cash classified in current assets held for sale	—	134.9

	Nine Months Ended March 31,	
	2022	2021
Net change in cash, cash equivalents, and restricted cash	(37.5)	1,057.0
Cash, cash equivalents, and restricted cash, beginning of period	177.2	97.3
Cash, cash equivalents, and restricted cash, end of period	$ 139.7	$ 1,154.3

	Nine Months Ended March 31,	
	2022	2021
Reconciliation of cash, cash equivalents, and restricted cash to the Consolidated Balance Sheets		
Cash and cash equivalents	$ 120.3	$ 1,131.8
Restricted cash in funds held for clients included in other current assets	19.4	22.5
Total cash, cash equivalents, and restricted cash	$ 139.7	$ 1,154.3
Supplemental Disclosures		
Cash paid for:		
Income taxes and foreign withholding taxes, net of refunds, continuing operations	$ 52.9	$ 62.7
Interest	56.1	81.7
Non-cash investing and financing activities, continuing operations:		
Capitalized property and equipment obtained under lease	11.3	12.7
Lease liabilities incurred	(11.3)	(12.7)
Capital expenditures and capitalized software, accrued not paid	7.3	0.3

See notes to the consolidated financial statements.

CDK Global, Inc.
Consolidated Statements of Stockholders' Equity
(In millions)
(Unaudited)

Three Months Ended March 31, 2022

	Common Stock								
	Shares Issued	Amount	Additional Paid-in Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income	Total CDK Stockholders' Equity	Non-controlling Interest	Total Stockholders' Equity
Balance as of December 31, 2021	160.3	$ 1.6	$ 719.8	$ 2,096.1	$ (2,486.0)	$ 70.9	$ 402.4	$ 14.0	$ 416.4
Net earnings	—	—	—	66.1	—	—	66.1	1.6	67.7
Foreign currency translation adjustments	—	—	—	—	—	0.5	0.5	—	0.5
Stock-based compensation expense and related dividend equivalents	—	—	15.9	(0.3)	—	—	15.6	—	15.6
Common stock issued for the exercise and vesting of stock-based compensation awards, net	—	—	(2.4)	—	1.6	—	(0.8)	—	(0.8)
Dividends paid to stockholders ($0.15 per share)	—	—	—	(17.5)	—	—	(17.5)	—	(17.5)
Repurchases of common stock	—	—	—	—	(33.5)	—	(33.5)	—	(33.5)
Dividend payments to noncontrolling owners	—	—	—	—	—	—	—	(1.6)	(1.6)
Balance as of March 31, 2022	160.3	$ 1.6	$ 733.3	$ 2,144.4	$ (2,517.9)	$ 71.4	$ 432.8	$ 14.0	$ 446.8

Three Months Ended March 31, 2021

	Common Stock								
	Shares Issued	Amount	Additional Paid-in Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income	Total CDK Stockholders' Equity	Non-controlling Interest	Total Stockholders' Equity
Balance as of December 31, 2020	160.3	$ 1.6	$ 696.3	$ 1,124.4	$ (2,295.3)	$ 34.5	$ (438.5)	$ 13.3	$ (425.2)
Net earnings	—	—	—	860.9	—	—	860.9	2.0	862.9
Foreign currency translation adjustments	—	—	—	—	—	37.6	37.6	—	37.6
Stock-based compensation expense and related dividend equivalents	—	—	9.3	(0.4)	—	—	8.9	—	8.9
Common stock issued for the exercise and vesting of stock-based compensation awards, net	—	—	(0.6)	—	0.4	—	(0.2)	—	(0.2)
Dividends paid to stockholders ($0.15 per share)	—	—	—	(18.3)	—	—	(18.3)	—	(18.3)
Balance as of March 31, 2021	160.3	$ 1.6	$ 705.0	$ 1,966.6	$ (2,294.9)	$ 72.1	$ 450.4	$ 15.3	$ 465.7

See notes to the consolidated financial statements.

CDK Global, Inc.
Consolidated Statements of Stockholders' Equity (Deficit)
(In millions)
(Unaudited)

Nine Months Ended March 31, 2022

	Common Stock								
	Shares Issued	Amount	Additional Paid-in Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income	Total CDK Stockholders' Equity	Non-controlling Interest	Total Stockholders' Equity
Balance as of June 30, 2021	160.3	$ 1.6	$ 715.1	$ 1,997.4	$ (2,306.0)	$ 72.7	$ 480.8	$ 14.1	$ 494.9
Net earnings	—	—	—	201.5	—	—	201.5	5.3	206.8
Foreign currency translation adjustments	—	—	—	—	—	(1.5)	(1.5)	—	(1.5)
Unrealized gain on available-for-sale security	—	—	—	—	—	0.2	0.2	—	0.2
Stock-based compensation expense and related dividend equivalents	—	—	44.3	(1.2)	—	—	43.1	—	43.1
Common stock issued for the exercise and vesting of stock-based compensation awards, net	—	—	(26.1)	—	17.2	—	(8.9)	—	(8.9)
Dividends paid to stockholders ($0.45 per share)	—	—	—	(53.3)	—	—	(53.3)	—	(53.3)
Repurchases of common stock	—	—	—	—	(229.1)	—	(229.1)	—	(229.1)
Dividend payments to noncontrolling owners	—	—	—	—	—	—	—	(5.4)	(5.4)
Balance as of March 31, 2022	160.3	$ 1.6	$ 733.3	$ 2,144.4	$ (2,517.9)	$ 71.4	$ 432.8	$ 14.0	$ 446.8

Nine Months Ended March 31, 2021

	Common Stock								
	Shares Issued	Amount	Additional Paid-in Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income	Total CDK Stockholders' Equity	Non-controlling Interest	Total Stockholders' Equity
Balance as of June 30, 2020	160.3	$ 1.6	$ 687.9	$ 1,045.5	$ (2,305.20)	$ (25.9)	$ (596.1)	$ 15.4	$ (580.7)
Cumulative impact of ASC 326 - current expected credit losses, net of tax	—	—	—	(8.2)	—	—	(8.2)	—	(8.2)
Net earnings	—	—	—	984.9	—	—	984.9	6.1	991.0
Foreign currency translation adjustments	—	—	—	—	—	98.0	98.0	—	98.0
Stock-based compensation expense and related dividend equivalents	—	—	29.8	(0.8)	—	—	29.0	—	29.0
Common stock issued for the exercise and vesting of stock-based compensation awards, net	—	—	(12.7)	—	10.3	—	(2.4)	—	(2.4)
Dividends paid to stockholders ($0.45 per share)	—	—	—	(54.8)	—	—	(54.8)	—	(54.8)
Dividend payments to noncontrolling owners	—	—	—	—	—	—	—	(6.2)	(6.2)
Balance as of March 31, 2021	160.3	$ 1.6	$ 705.5	$ 1,966.6	$ (2,294.9)	$ 72.1	$ 450.4	$ 15.3	$ 465.7

See notes to the consolidated financial statements.

CDK Global, Inc.
Notes to the Consolidated Financial Statements
(Tabular amounts in millions, except per share amounts)
(Unaudited)

Note 1. Basis of Presentation

Description of Business. CDK Global, Inc. (the "Company" or "CDK") is a leading provider of retail technology and software as a service ("SaaS") solutions that help dealers and auto manufacturers run their businesses more efficiently, drive improved profitability and create frictionless purchasing and ownership experiences for consumers. Today, CDK serves over 15,000 retail locations in North America.

Basis of Preparation. The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and the rules and regulations of the U.S. Securities and Exchange Commission ("SEC"). The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect assets, liabilities, revenue, and expenses that are reported in the accompanying financial statements and footnotes thereto. Actual results may differ from those estimates and assumptions.

The accompanying consolidated financial statements reflect all adjustments which, in the opinion of management, are necessary for a fair presentation of the results for the interim periods. Interim financial results are not necessarily indicative of financial results for a full year. The financial statements in this Quarterly Report on Form 10-Q should be read in conjunction with the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2021 (the "Annual Report").

Note 2. Summary of Significant Accounting Policies

The Company's significant accounting policies are described in the aforementioned Annual Report. Included below are certain updates to those policies.

Funds Receivable and Funds Held for Clients and Client Fund Obligations. Funds receivable and funds held for clients represent amounts received or expected to be received from clients in advance of performing titling and registration services on behalf of those clients. These amounts are classified in other current assets on the Consolidated Balance Sheets. The total amount due to remit for titling and registration obligations with the department of motor vehicles is recorded to client fund obligations which is classified as accrued expenses and other current liabilities on the Consolidated Balance Sheets. Funds receivable was $42.0 million and $42.7 million, and funds held for clients was $19.4 million and $20.2 million as of March 31, 2022 and June 30, 2021, respectively. Client fund obligations were $61.4 million and $62.9 million as of March 31, 2022 and June 30, 2021, respectively.

Internal Use Software and Computer Software to be Sold, Leased, or Otherwise Marketed. The Company incurred expenses to research, develop, and deploy new and enhanced solutions of $23.6 million and $19.4 million for the three months ended March 31, 2022 and 2021, respectively, and $59.7 million and $55.7 million for the nine months ended March 31, 2022 and 2021, respectively. These expenses were classified in cost of revenue on the Consolidated Statements of Operations. Additionally, the Company had cash flows used for qualifying capitalized software development cost of $83.7 million and $51.0 million for the nine months ended March 31, 2022 and 2021, respectively.

Fair Value of Financial Instruments. Cash and cash equivalents, accounts receivable, other current assets, accounts payable, and other current liabilities are reflected on the Consolidated Balance Sheets at cost, which approximates fair value due to the short-term nature of these instruments. The carrying value of the Company's revolving credit facility (as described in Note 10 - Debt), including accrued interest, approximates fair value based on the Company's current estimated incremental borrowing rate for similar types of arrangements.

Investments. The carrying amount of equity investments, included in other assets on the Consolidated Balance Sheets include $21.0 million and $20.0 million as of March 31, 2022 and June 30, 2021, respectively, related to equity investments that are accounted for under the cost method as they do not have a readily determinable fair

value. The remaining investments, which are accounted for under the equity method, totaled $25.3 million and $30.4 million as of March 31, 2022 and June 30, 2021, respectively.

Note 3. New Accounting Pronouncements

Recently Adopted Accounting Pronouncements. In December 2019, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2019-12, "Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes," ("ASU 2019-12"), which simplifies the accounting for income taxes in various areas. ASU 2019-12 is effective for public business entities for fiscal years beginning after December 15, 2020, including interim periods therein. The Company adopted ASU 2019-12 on July 1, 2021. The adoption of the new standard did not have a material impact on the Company's consolidated financial statements.

In October 2021, the FASB issued ASU No. 2021-08 "Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts With Customers" ("ASU 2021-08"). ASU 2021-08 requires companies to apply "Revenue from Contracts with Customers (Topic 606)" ("ASC 606") when recognizing and measuring contract assets and contract liabilities acquired in a business combination. ASU 2021-08 is effective for fiscal years beginning after December 15, 2022 and interim periods within those fiscal years. Early adoption is permitted. The Company elected to adopt ASU 2021-08 effective October 1, 2021. ASU 2021-08 will apply to all business combinations that occur during fiscal year ended June 30, 2022. The adoption of the new standard did not have a material impact on the Company's consolidated financial statements.

Recently Issued Accounting Pronouncements. In July 2021, the FASB issued ASU No. 2021-05 "Leases (Topic 842): Lessors — Certain Leases with Variable Lease Payments," ("ASU 2021-05"). ASU 2021-05 requires lessors to classify leases as operating leases if they have variable lease payments that do not depend on an index or rate and would have selling losses if they were classified as sales-type or direct financing leases. ASU 2021-05 is effective for fiscal years beginning after December 15, 2021, and interim periods within those fiscal years. The Company does not expect the adoption to have a material impact on its consolidated financial statements.

Note 4. Discontinued Operations

International Business. On March 1, 2021, the Company completed its sale of the CDK International business ("International Business") to Francisco Partners. The Company provided limited services to Francisco Partners to assist in the integration of the International Business through February 2022. The financial results are presented in net earnings from discontinued operations in the Consolidated Statements of Operations for all periods presented.

Digital Marketing Business. On April 21, 2020, the Company completed its sale of the Digital Marketing Business to Sincro LLC, a newly formed company owned by Ansira Partners, Inc., which is a subsidiary of Advent International.

The following table summarizes the comparative financial results of discontinued operations which are presented in net earnings from discontinued operations in the Consolidated Statements of Operations:

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2022	2021	2022	2021
Revenue	$ —	$ 62.9	$ —	$ 223.5
Cost of revenue	—	25.4	—	100.8
Selling, general and administrative expenses	0.2	37.3	0.9	83.6
Restructuring expenses	—	—	—	11.2
Operating earnings (loss)	(0.2)	0.2	(0.9)	27.9
Interest expense	—	—	—	(0.1)
Other income, net	—	2.2	—	2.5
Earnings (loss) before income taxes	(0.2)	2.4	(0.9)	30.3
Gain on sale of the International Business	—	965.6	1.9	965.6
Provision for income taxes	(2.2)	(157.2)	(1.3)	(164.6)
Net earnings (loss) from discontinued operations - International Business	$ (2.4)	$ 810.8	$ (0.3)	$ 831.3

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2022	2021	2022	2021
Net earnings from discontinued operations - Digital Marketing Business	$ —	$ 5.0	$ —	$ 5.8
Net earnings (loss) from discontinued operations	$ (2.4)	$ 815.8	$ (0.3)	$ 837.1

Note 5. Acquisition

Salty Dot, Inc. On October 1, 2021, the Company acquired all of the outstanding equity of Salty Dot, Inc.("Salty"), a privately held automobile insurance technology solution provider. The acquisition is being recorded using the acquisition method of accounting, which requires, among other things, the assets acquired and liabilities assumed to be recognized at their respective fair values as of the acquisition date. Under the acquisition method, total consideration was determined to be $181.6 million, subject to customary adjustments. Total consideration includes the fair value of contingent payments. The fair value of contingent payments, determined using an option pricing model, was estimated at $23.7 million as of the acquisition date. The range of contingent payments is zero to $147.0 million with the final amount dependent on the achievement of certain revenue and gross margin milestones over the 3-year period following acquisition.

The following table summarizes the amounts recognized for assets acquired and liabilities assumed as of the acquisition date, subject to the finalized purchase price allocation:

Cash and cash equivalents	$ 6.2
Intangible assets	38.1
Other assets	0.9
Other liabilities	(4.7)
Total identifiable net assets	$ 40.5
Goodwill	141.1
Total consideration	$ 181.6

The intangible assets acquired primarily relate to software that is being amortized over a useful life of 8 years. The goodwill resulting from this acquisition reflects expected synergies resulting from adding Salty products and processes to the Company's portfolio. The acquired goodwill is not deductible for tax purposes.

The results of operations for Salty has been included in the Consolidated Statements of Operations from the date of acquisition.

Note 6. Revenue

Contract Balances

Accounts Receivable

A receivable is recorded when an unconditional right to invoice and receive payment exists, such that only the passage of time is required before payment of consideration is due. The Company receives payments from customers based upon contractual billing schedules. Payment terms can vary by contract, but the period between invoicing and when payments are due is not significant. The timing of revenue recognition may differ from the timing of invoicing to customers. Included in accounts receivable on the Consolidated Balance Sheets are unbilled receivable balances which have not yet been invoiced. As of March 31, 2022, the balance of accounts receivable, net of allowances for doubtful accounts, was $241.6 million, inclusive of unbilled receivables of $1.5 million. As of June 30, 2021, the balance of accounts receivable, net of allowances for doubtful accounts, was $236.4 million, inclusive of unbilled receivables of $1.8 million.

Contract Assets

A contract asset is recognized when a conditional right to consideration exists and transfer of control has occurred. Contract assets are typically related to subscription contracts where the transaction price allocated to the satisfied performance obligation exceeds the value of billings to-date. Contract assets are reported in a net position on a contract-by-contract basis and are included in other current assets for the current portion and other assets for the long-term portion on the Consolidated Balance Sheets. The Company regularly reviews contract asset balances for impairment, considering factors such as historical experience, credit-worthiness, age of the balance, and other economic or business factors. Refer to Note 8 – Allowance for Credit Losses for more information about credit losses. Contract asset impairments were not significant in the nine months ended March 31, 2022 and 2021. Contract assets were $60.0 million and $64.3 million as of March 31, 2022 and June 30, 2021, respectively.

Deferred Revenue

The Company's deferred revenue primarily consists of payments received from customers, or such consideration that is contractually due, in advance of providing the product or performing services. Deferred revenue is reported in a net position on a contract-by-contract basis at the end of each reporting period. As of March 31, 2022 and June 30, 2021, the deferred revenue balance was $65.2 million and $69.0 million, respectively. For the nine months ended March 31, 2022 and 2021, the Company recognized revenue of $61.8 million and $75.0 million, respectively, related to its deferred revenue.

Remaining Performance Obligations. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The following information represents the total transaction price for the remaining performance obligations as of March 31, 2022 related to non-cancelable contracts, including contracts less than one year in duration, that is expected to be recognized over future periods. In each case the fiscal period represents the year ended June 30.

As of March 31, 2022, the Company had $2.6 billion of remaining performance obligations which represent contracted revenue that has not yet been recognized. The Company expects to recognize approximately $310.0 million of the remaining performance obligations as revenue during the remainder of the fiscal year ending June 30, 2022 ("fiscal 2022"), $880.0 million for fiscal 2023, $650.0 million for fiscal 2024, $410.0 million for fiscal 2025, $250.0 million for fiscal 2026, and $70.0 million thereafter. The remaining performance obligations exclude future transaction revenue where revenue is recognized as the services are rendered and in the amount to which the Company has the right to invoice.

Costs to Obtain and Fulfill a Contract. The Company capitalizes certain contract acquisition costs consisting primarily of commissions incurred when contracts are signed. The Company does not capitalize commissions related to contracts with a duration of less than one year; such commissions are expensed in selling, general and administrative expenses when incurred. Costs to fulfill contracts are capitalized when such costs are direct and related to transition or installation activities for hosted software solutions. Capitalized costs to fulfill contracts primarily include travel and employee compensation and benefit related costs for the Company's implementation and training teams. Capitalized costs to obtain a contract and most costs to fulfill a contract are amortized over a period of five years which represents the expected period of benefit of these costs. In instances where the contract term is significantly less than five years, costs to fulfill are amortized over the contract term which the Company believes best reflects the period of benefit of these costs.

As of March 31, 2022 and June 30, 2021, the Company capitalized contract acquisition and fulfillment costs of $217.7 million and $195.7 million, respectively. The Company expects that incremental commission fees incurred as a result of obtaining contracts and fulfillment costs are recoverable. During the nine months ended March 31, 2022 and 2020, the Company recognized cost amortization of $59.8 million and $54.9 million, respectively, and there were no significant impairment losses.

Revenue Disaggregation. The following table presents revenue by category for the three and nine months ended March 31, 2022 and 2021:

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2022	2021	2022	2021
Subscription	$ 356.6	$ 332.1	$ 1,051.0	$ 984.3
Transaction	40.8	43.3	121.9	126.3
Other	62.3	57.7	163.5	142.5
Total Revenue	$ 459.7	$ 433.1	$ 1,336.4	$ 1,253.1

The Company recognizes subscription revenue over time and substantially all transaction and other revenue at a point in time.

Note 7. Earnings per Share

The numerator for basic and diluted earnings per share is net earnings attributable to CDK. The denominator for basic and diluted earnings per share is based on the weighted average number of shares of the Company's common stock outstanding during the applicable reporting periods. Diluted earnings per share also reflects the dilutive effect of unexercised in-the-money stock options and unvested restricted stock.

The following table summarizes the components of earnings per share:

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2022	2021	2022	2021
Net earnings from continuing operations attributable to CDK	$ 68.5	$ 45.1	$ 201.8	$ 147.8
Net (loss) earnings from discontinued operations	(2.4)	815.8	(0.3)	837.1
Net earnings attributable to CDK	$ 66.1	$ 860.9	$ 201.5	$ 984.9
Weighted average shares outstanding:				
Basic	117.1	122.0	118.8	121.9
Effect of dilutive securities (1)	1.0	0.9	0.9	0.6
Diluted	118.1	122.9	119.7	122.5
Net earnings (loss) attributable to CDK per share - basic:				
Continuing operations	$ 0.58	$ 0.37	$ 1.70	$ 1.21
Discontinued operations	(0.02)	6.69	—	6.87
Total net earnings attributable to CDK per share - basic	$ 0.56	$ 7.06	$ 1.70	$ 8.08
Net earnings (loss) attributable to CDK per share - diluted:				
Continuing operations	$ 0.58	$ 0.36	$ 1.68	$ 1.21
Discontinued operations	(0.02)	6.64	—	6.83
Total net earnings attributable to CDK per share - diluted	$ 0.56	$ 7.00	$ 1.68	$ 8.04

(1) The dilutive effect of outstanding stock options, restricted stock units, restricted stock, and performance share units is reflected in the diluted weighted average shares outstanding using the treasury stock method.

The weighted average number of shares outstanding used in the calculation of diluted earnings per share does not include the effect of anti-dilutive securities. The potential common shares excluded were 1.5 million and 0.7

million for the three months ended March 31, 2022 and 2021, respectively, and 1.4 million and 1.0 million for the nine months ended March 31, 2022 and 2021, respectively.

Note 8. Allowance for Credit Losses

Credit loss expense is included in selling, general and administrative expenses in the Consolidated Statements of Operations. The following tables provide a rollforward of the allowance for credit losses that is deducted from the amortized cost basis to present the net amount expected to be collected as of March 31, 2022 and 2021.

	Accounts receivable, net	Other current assets	Other assets	Total
Balance as of June 30, 2021	$ 6.3	$ 0.7	$ 9.2	$ 16.2
Provision (release of provision) for expected credit losses	0.9	(0.1)	1.5	2.3
Write-offs	(4.6)	—	—	(4.6)
Other	0.8	—	—	0.8
Balance as of March 31, 2022	$ 3.4	$ 0.6	$ 10.7	$ 14.7

	Accounts receivable, net	Other current assets	Other assets	Total
Balance as of June 30, 2020	$ 10.6	$ —	$ —	$ 10.6
Cumulative-effect adjustment upon adoption	0.7	0.5	8.2	9.4
Provision (release of provision) for expected credit losses	(2.6)	0.6	1.2	(0.8)
Write-offs	(1.8)	—	—	(1.8)
Other	0.2	—	—	0.2
Balance as of March 31, 2021	$ 7.1	$ 1.1	$ 9.4	$ 17.6

Note 9. Leases

CDK as a Lessor. The Company's hardware-as-a-service arrangements, in which the Company provides customers continuous access to CDK owned hardware, such as networking and telephony equipment and laser printers, are accounted for as sales-type leases under ASU N0. 2016-02 "Leases (Topic 842)" ("ASC 842"), primarily because they do not contain substantive substitution rights. Since the Company elected to not reassess prior conclusions related to arrangements containing leases, the lease classification, and the initial direct costs, only hardware leases that commenced or are modified on or subsequent to July 1, 2019, are accounted for under ASC 842. Historically, the Company has accounted for these arrangements as a distinct performance obligation under the revenue recognition guidance and recognized revenue over the term of the arrangement. Sales-type lease arrangements follow the Company's customary contracting practices and, generally, include a fixed monthly fee for the lease and non-lease components for the duration of the contract term. The Company does not typically provide renewal, termination or purchase options to its customers.

The Company recognizes net investment in sales-type leases based on the present value of the lease receivable when collectability is probable. The Company accounts for lease and non-lease components such as maintenance costs, separately. Consideration is allocated between lease and non-lease components based on stand-alone selling price.

The following summarizes components of net lease income reported in the Consolidated Statements of Operations:

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2022	2021	2022	2021
Revenue (1)	$14.8	$12.4	$48.5	$30.7
Cost of revenue	(9.2)	(10.5)	(29.0)	(28.2)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2022	2021	2022	2021
Interest income	1.1	0.6	2.5	1.6
Total lease income	$6.7	$2.5	$22.0	$4.1

(1) Revenue from lease components are included in the Other category in the revenue disaggregation table in Note 6 - Revenue.

Note 10. Debt

Long-term debt and finance lease liabilities consisted of:

		March 31, 2022		June 30, 2021	
	Maturity Date	Interest Rate	Amount	Interest Rate	Amount
Credit Facilities					
Revolving credit facility	May 2026	1.957%	$ 190.0		$ —
Total credit facilities			$ 190.0		$ —
Unsecured Senior Notes					
Senior notes, due 2024	October 2024	5.000%	500.0	5.000%	500.0
Senior notes, due 2027	May 2027	4.875%	600.0	4.875%	600.0
Senior notes, due 2029	May 2029	5.250%	500.0	5.250%	500.0
Total unsecured senior notes			1,600.0		1600.0
Finance lease liabilities			12.8		8.7
Other			—		2.2
Unamortized debt financing costs			(15.0)		(17.3)
Total debt and finance lease liabilities			$ 1,787.8		$ 1,593.6
Less: current maturities of long-term debt and finance lease liabilities			10.2		7.1
Total long-term debt and finance lease liabilities			$ 1,777.6		$ 1,586.5

Credit Facility. The Company has a five-year senior unsecured revolving credit facility (the "revolving credit facility"). The revolving credit facility provides up to $750.0 million of borrowing capacity and includes a sub-limit of up to $100.0 million for loans in euro, pound sterling, and, if approved by the revolving lenders, other currencies. The average outstanding balances of the revolving credit facility were $212.7 million and zero for the three months ended March 31, 2022 and 2021, respectively, and $141.3 million and $58.1 million for the nine months ended March 31, 2022 and 2021, respectively.

Unamortized Debt Financing Costs. Debt financing costs are amortized over the terms of the related debt instruments and recorded to interest expense on the Consolidated Statements of Operations.

Finance Lease Liabilities. The Company has lease agreements for equipment, which are classified as finance lease liabilities. Refer to Note 9 - Leases for scheduled maturities and additional information relating to finance lease liabilities.

Fair Value. The Company's senior notes are considered Level 2 fair value measurements in the fair value hierarchy and the approximate aggregate fair value is based on quoted market prices for similar instruments. The fair value of the revolving credit facility is equal to its carrying value as the Company has the ability to repay the outstanding principal at par value at any time. The approximate fair values and related carrying values of the long-term debt, including current maturities and excluding unamortized debt financing costs, are as follows:

	March 31, 2022	June 30, 2021
Fair value	$ 1,646.4	$ 1,746.8
Carrying value	1,612.8	1,610.9

Note 11. Income Taxes

Provision for Income Taxes. Income tax expense was $25.9 million and $24.1 million for the three months ended March 31, 2022 and 2021, respectively. The effective tax rate, expressed by calculating the provision for income taxes as a percentage of earnings before income taxes, was 27.0% and 33.8% for the three months ended March 31, 2022 and 2021, respectively. The effective tax rate for the three months ended March 31, 2022 differed from the U.S. federal statutory rate of 21.0% primarily due to state and local income taxes and non-deductible officers' compensation. The effective tax rate for the three months ended March 31, 2021 differed from the U.S. federal statutory rate of 21.0% primarily due to $7.0 million of tax expense for a valuation allowance on a deferred tax asset for the future capital loss on an equity method investment that was not expected to be realized and $1.3 million tax expense for non-deductible officers' compensation, offset by a $2.4 million tax benefit related to a prior year.

Income tax expense was $75.1 million and $73.8 million for the nine months ended March 31, 2022 and 2021, respectively. The effective tax rate, expressed by calculating the provision for income taxes as a percentage of earnings before income taxes, was 26.6% and 32.4%, for the nine months ended March 31, 2022 and 2021, respectively. The effective tax rate for the nine months ended March 31, 2022 differed from the U.S. federal statutory rate of 21.0% primarily due to state and local income taxes and non-deductible officers' compensation, partially offset by a $2.0 million benefit due to the expiration of the statute of limitations related to certain transfer pricing exposures. The effective tax rate for the nine months ended March 31, 2021 differed from the U.S. federal statutory rate of 21.0% primarily due to $7.0 million of tax expense for a valuation allowance on a deferred tax asset for the future capital loss on an equity method investment that was not expected to be realized, $4.8 million of tax expense from non-deductible officers' compensation, $1.7 million of tax expense related to a prior year, and $1.4 million of tax expense from recording valuation allowances on U.S. foreign tax credits.

Valuation Allowances. The Company had valuation allowances of $14.8 million and $13.6 million as of March 31, 2022 and June 30, 2021, respectively, because the Company has concluded it is more likely than not that it will be unable to utilize certain net operating carryforwards, capital loss carryforwards, and U.S. tax credits. As of each reporting date, the Company's management considers new evidence, both positive and negative, which could impact management's view with regard to future realization of deferred tax assets.

Unrecognized Income Tax Benefits. As of March 31, 2022 and June 30, 2021, the Company had unrecognized income tax benefits of $15.7 million and $23.0 million, respectively. These amounts, when netted against offsetting receivables, would have a net impact on tax expense of $(0.3) million and $3.9 million, respectively, if recognized. During the nine months ended March 31, 2022, the Company primarily decreased its unrecognized income tax benefits due to expiration of the statute of limitations. It is reasonably possible that the unrecognized income tax benefits will provide a tax benefit of $1.0 million within the next twelve months.

Note 12. Commitments and Contingencies

Legal Proceedings. From time to time, the Company is subject to various claims and is involved in various legal, regulatory, and arbitration proceedings concerning matters arising in connection with the conduct of its business activities, including those noted in this section. Although management at present has no basis to conclude that the ultimate outcome of these proceedings, individually and in the aggregate, will materially harm the Company's financial position, results of operations, cash flows, or overall trends, legal proceedings and related government investigations are subject to inherent uncertainties, and unfavorable rulings or other events could occur. Unfavorable resolutions could include substantial monetary damages. In addition, in matters for which injunctive relief or other conduct remedies are sought, unfavorable resolutions could include an injunction or other order prohibiting the Company from selling one or more products at all or in particular ways, precluding particular business practices, or requiring other remedies. An unfavorable outcome may result in a material adverse impact on the Company's business, results of operations, financial position, and overall trends. The Company might also

conclude that settling one or more such matters is in the best interests of its stockholders, employees, and customers, and any such settlement could include substantial payments.

Competition Matters. The Company is currently involved in the following antitrust lawsuits that set forth allegations of anti-competitive agreements between the Company and The Reynolds and Reynolds Company ("Reynolds") relating to the manner in which the defendants control access to, and allow integration with, their respective Dealer Management System ("DMS"), and that seek, among other things, treble damages and injunctive relief. These lawsuits have been transferred to, or filed in, the U.S. District Court for the Northern District of Illinois for consolidated and coordinated pretrial proceedings as part of a multi-district litigation proceeding ("MDL").

- Teterboro Automall, Inc. d/b/a Teterboro Chrysler Dodge Jeep Ram ("Teterboro") brought a putative class action suit on behalf of itself and all similarly situated automobile dealerships against CDK Global, LLC and Reynolds. Teterboro's suit was originally filed on October 19, 2017, in the U.S. District Court for the District of New Jersey. Since that time, several more putative class actions were filed in a number of federal district courts, with substantively similar allegations; all of them have been consolidated with the MDL proceeding. On June 4, 2018, a consolidated class action complaint was filed on behalf of a putative class made up of all dealerships in the United States that directly purchased DMS and/or allegedly indirectly purchased DMS or data integration services from CDK Global, LLC or Reynolds ("Putative Dealership Class Plaintiffs"). CDK Global, LLC moved to dismiss the complaint, or in the alternative, compel arbitration of certain of the cases while staying the remainder pending the outcome of those arbitration proceedings; its motion to dismiss was granted in part and denied in part, while its motion to compel arbitration was denied. On February 22, 2019, CDK Global, LLC filed an answer to the remaining claims in Putative Dealership Class Plaintiffs' complaint and asserted counterclaims against the Putative Dealership Class Plaintiffs. The Putative Dealership Class Plaintiffs filed a motion to dismiss CDK Global, LLC's counterclaims; that motion was granted in part and denied in part on September 3, 2019. On October 23, 2018, the Putative Dealership Class Plaintiffs and Reynolds filed a motion for preliminary approval of settlement and for conditional certification of the proposed settlement class. The court finally approved that settlement on January 22, 2019. The parties' cross-motions for summary judgment and Daubert motions were fully briefed as of September 28, 2020. On January 21, 2022 the court issued a memorandum opinion and order with respect to the Daubert motions, granting the motions in part and denying in part. The parties' cross-motions for summary judgment remain pending.

- Loop LLC d/b/a AutoLoop ("AutoLoop") brought suit against CDK Global, LLC on April 9, 2018, in the U.S. District Court for the Northern District of Illinois, but reserved its rights with respect to remand to the U.S. District Court for the Western District of Wisconsin at the conclusion of the MDL proceedings. On June 5, 2018, AutoLoop amended its complaint to sue on behalf of itself and a putative class of all other automotive software vendors in the United States that purchased data integration services from CDK Global, LLC or Reynolds. CDK Global, LLC moved to compel arbitration of AutoLoop's claims, or in the alternative, to dismiss those claims; that motion was denied on January 25, 2019. CDK Global, LLC filed an answer to AutoLoop's complaint and asserted counterclaims against AutoLoop on February 15, 2019. AutoLoop filed an answer to CDK Global, LLC's counterclaims on March 8, 2019. The parties' cross-motions for summary judgment and Daubert motions were fully briefed as of September 28, 2020. On January 21, 2022 the court issued a memorandum opinion and order with respect to the Daubert motions, granting the motions in part and denying in part. The parties' cross-motions for summary judgment remain pending.

The Company believes that the remaining unsettled cases are without merit and will continue to vigorously contest all asserted claims. Nonetheless, in light of the Company's settlements with Authenticom, i3 Brands, MVSC, and Cox and its continued expenditure of legal costs to contest the remaining claims, the Company has determined that a loss of some measure is probable and can be reasonably estimated. As of March 31, 2022 and June 30, 2021, the litigation liability for the remaining unsettled cases was $34.0 million and $34.0 million, respectively. This estimated loss is based upon currently available information and represents the Company's best estimate of such loss. Estimating the value of this estimated loss involved significant judgment given the uncertainty that still exists with respect to the remaining unsettled cases due to a variety of factors typical of complex, large scale litigation, including, among others: (i) formative issues, including: (a) the causes of action the plaintiffs can pursue; (b) the definition of the class(es) of plaintiffs; (c) the types of damages that can be recovered; and (d) whether plaintiffs can

establish loss causation as a matter of law, all of which have yet to be determined pending the outcome of dispositive motions (e.g., motions for class certification and motions for summary judgment); (ii) significant factual issues remain to be resolved; (iii) expert perspectives with respect to, among other things, alleged antitrust injury and damages is widely divergent and remains subject to dispositive motions; (iv) the absence of productive settlement discussions to date with the remaining plaintiffs; and (v) the novel or uncertain nature of the legal issues presented. For these same reasons, the Company cannot reasonably estimate a maximum potential loss exposure at this time. In addition, the Company's estimate does not incorporate or reflect the potential value of the Company's counterclaims against certain of the plaintiffs in the ongoing cases. The legal proceedings underlying the estimated litigation liability will change from time to time and actual results may vary significantly from the estimate. As noted above, an adverse result in any of the remaining cases could have a material adverse effect on the Company's business, results of operations, financial condition, or liquidity.

On June 22, 2017, the Company received from the Federal Trade Commission ("FTC") a Civil Investigative Demand consisting of specifications calling for the production of documents relating to any agreements between the Company and Reynolds. Parallel document requests have been received from certain states' Attorneys General. Since 2017, the Company has engaged in continuing communication with and received subsequent requests from the FTC related to its investigation. The Company has responded to the requests and no proceedings have been instituted. The Company believes there has not been any conduct by the Company or its current or former employees that would be actionable under the antitrust laws in connection with the agreements between the Company and Reynolds or otherwise. At this time, the Company does not have sufficient information to predict the outcome of, or the cost of responding to or resolving, these investigations.

Other Commitments and Contingencies. In the normal course of business, the Company may enter into contracts in which the Company makes representations and warranties that relate to the performance of the Company's services and products. The Company does not expect any material losses related to such representations and warranties.

The Company has provided approximately $28.1 million of guarantees as of March 31, 2022 in the form of surety bonds issued to support certain licenses and contracts which require a surety bond as a guarantee of performance of contractual obligations. In general, the Company would only be liable for the amount of these guarantees in the event the Company defaulted in performing the obligations under each contract, of which, the probability is remote.

The Company had a total of $1.8 million in letters of credit outstanding as of March 31, 2022 primarily in connection with insurance programs.

Note 13. Subsequent Events

On April 7, 2022, the Company entered into a merger agreement to be acquired by Brookfield Business Partners, together with institutional partners (collectively "Brookfield"). Pursuant to the terms of the merger agreement, on April 22, 2022, an affiliate of Brookfield commenced a tender offer (the "Offer") to acquire all of the outstanding shares of common stock of the Company at a per share price of $54.87 in cash. The merger agreement includes customary representations, warranties, and covenants of the parties, including termination provisions for both the Company and Brookfield and a mutual termination right if the Offer has not been consummated on or before October 7, 2022. The closing of the Offer will be subject to certain conditions, including the tender of shares representing at least a majority of the total number of the CDK's outstanding shares and other customary conditions. Under the merger agreement, the Company may be required to pay Brookfield a termination fee of $181.5 million if the agreement is terminated under specified circumstances. The merger agreement additionally provides that Brookfield may be required to pay the Company a termination fee of $594.0 million under specified circumstances. Following the consummation of the Offer, the remaining shares of common stock of the Company (other than as set forth in the merger agreement) will be acquired through a second-step merger. The transaction is expected to close in the third quarter of calendar year 2022.

On April 20, 2022, the Company commenced tender offers to purchase for cash any and all of its issued and outstanding senior notes and related solicitations of consents to the adoption of certain proposed amendments. The consummation of these tender offers for the senior notes and related consent solicitations is not a condition to the consummation of the acquisition of all of the outstanding shares of common stock of the Company.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of
CDK Global, Inc.
Hoffman Estates, Illinois

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of CDK Global, Inc. and subsidiaries (the "Company") as of June 30, 2021 and 2020, the related consolidated statements of operations, comprehensive income, stockholders' (deficit) equity, and cash flows, for each of the three years in the period ended June 30, 2021, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of June 30, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended June 30, 2021, in conformity with accounting principles generally accepted in the United States of America.

Changes in Accounting Principle

As discussed in Note 2 to the financial statements, effective July 1, 2019, the Company adopted the Financial Accounting Standards Board Accounting Standards Codification 842, Leases, using the modified retrospective approach.

Basis for Opinion

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

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

Critical Audit Matter

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

Revenue — Refer to Notes 2 and 6 to the financial statements

Critical Audit Matter Description

The Company generates revenue from the following four categories: subscription, on-site licenses and installation, transaction, and other. The majority of the Company's revenue is generated from contracts with multiple performance obligations, and the Company's products and services are rarely licensed or sold on a standalone basis. Due to the multiple element nature of the Company's contracts, appropriate revenue recognition requires the Company to exercise significant judgment in the following areas:

- Determination of whether products and services are considered distinct performance obligations that should be accounted for separately versus together, such as software licenses and related services that are sold in hosted service arrangements.

- Determination of stand-alone selling prices for products and services.

- Estimation of contract transaction price and allocation of the transaction price to identified performance obligations.

- The pattern of delivery (i.e., timing of when revenue is recognized) for each distinct performance obligation.

In addition, the Company's subscription and on-site license and installation revenue consists of a significant volume of transactions, sourced from multiple systems, databases, and other tools across different business entities. The processing and recording of revenue involves a combination of manual-intensive data input and automation, including migrating, formatting, and combining significant volumes of data across multiple systems and interfaces, partially facilitated by custom-built algorithms.

Given the complexity of certain of the Company's contracts and judgments necessary to evaluate the revenue recognition considerations as noted above, the volume of contracts, and the complex manual and automated processes to record revenue, performing procedures to audit revenue required a high degree of auditor judgment and extensive audit effort, including involvement of professionals with expertise in information technology (IT).

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the Company's accounting for contracts with customers included the following, among others:

- We tested the effectiveness of controls over the review of customer contracts, including, among others the identification of performance obligations, determination of stand-alone selling prices, estimating transaction price, and determination of pattern of delivery of performance obligations.

- With the assistance of our IT specialists, we:

    - Identified the significant systems used to process revenue transactions and tested the general IT controls over each of these systems, including testing of user access controls, change management controls, and IT operations controls.

    - Performed testing of system interface controls and automated controls within the relevant revenue streams, as well as the controls designed to determine the accuracy and completeness of revenue.

- We selected a sample of customer contracts and performed the following, among others:

    - Obtained contract documents for each selection, including master agreements, and other documents that were part of the agreement.

    - Analyzed the contract to determine if arrangement terms that may have an impact on revenue recognition were identified and properly considered in the evaluation of the accounting for the contract.

    - Confirmed the contract terms with the counterparty and performed alternative procedures in the event of nonreplies.

    - Tested management's identification of distinct performance obligations by evaluating whether the underlying goods, services, or both were highly interdependent and interrelated.

- Evaluated the total transaction price determined by management based on the terms of the contract, including any variable consideration, and recalculated the allocation of the total transaction price to each distinct performance obligation based on respective standalone selling prices.

- Evaluated the appropriateness of the selected pattern of revenue recognition for each performance obligation and tested delivery/installation of the goods and services.

- For a sample of revenue transactions, we performed detail transaction testing by agreeing the amounts recognized to source documents and testing the mathematical accuracy of the recorded revenue.

- We analyzed trends in revenue at the customer and product/service levels to identify unusual trends, patterns, or anomalies.

- We evaluated the reasonableness of the Company's methodology for estimating standalone selling prices.

/s/ DELOITTE & TOUCHE LLP
Chicago, Illinois
August 17, 2021

We have served as the Company's auditor since 2014.

CDK Global, Inc.
Consolidated Statements of Operations
(In millions, except share and per share amounts)

	Year Ended June 30,		
	2021	**2020**	**2019**
Revenue	$ 1,673.2	$ 1,639.0	$ 1,593.0
Expenses:			
Cost of revenue	875.0	800.6	734.4
Selling, general and administrative expenses	360.9	338.7	357.0
Restructuring expenses	—	—	16.6
Litigation provision	12.0	—	90.0
Total expenses	$ 1,247.9	$ 1,139.3	$ 1,198.0
Operating earnings	425.3	499.7	395.0
Interest expense	(124.6)	(144.1)	(138.9)
Loss on extinguishment of debt	(25.6)	—	—
Loss from equity method investment	(27.3)	(2.7)	(17.0)
Other income, net	36.9	21.1	4.6
Earnings before income taxes	284.7	374.0	243.7
Provision for income taxes	(94.5)	(108.8)	(48.6)
Net earnings from continuing operations	190.2	265.2	195.1
Net earnings (loss) from discontinued operations	852.8	(50.7)	(63.2)
Net earnings	1,043.0	214.5	131.9
Less: net earnings attributable to noncontrolling interest	8.7	7.0	7.9
Net earnings attributable to CDK	$ 1,034.3	$ 207.5	$ 124.0
Net earnings (loss) attributable to CDK per share - basic:			
Continuing operations	$ 1.48	$ 2.13	$ 1.49
Discontinued operations	$ 7.00	$ (0.42)	$ (0.50)
Total net earnings attributable to CDK per share – basic	$ 8.48	$ 1.71	$ 0.99
Net earnings (loss) attributable to CDK per share - diluted:			
Continuing operations	$ 1.48	$ 2.12	$ 1.48
Discontinued operations	$ 6.96	$ (0.42)	$ (0.50)
Total net earnings attributable to CDK per share – diluted	$ 8.44	$ 1.70	$ 0.98
Weighted average common shares outstanding:			
Basic	121.9	121.6	125.5
Diluted	122.6	122.1	126.4

See notes to the consolidated financial statements.

CDK Global, Inc.
Consolidated Statements of Comprehensive Income
(In millions)

	Year Ended June 30,		
	2021	2020	2019
Net earnings	$ 1,043.0	$ 214.5	$ 131.9
Other comprehensive income (loss):			
Currency translation adjustments	60.7	(19.2)	(17.8)
Reclassification of foreign currency loss to net income	37.9	—	—
Total other comprehensive income (loss)	98.6	(19.2)	(17.8)
Comprehensive income	1,141.6	195.3	114.1
Less: comprehensive income attributable to noncontrolling interest	8.7	7.0	7.9
Comprehensive income attributable to CDK	$ 1,132.9	$ 188.3	$ 106.2

See notes to the consolidated financial statements.

CDK Global, Inc.
Consolidated Balance Sheets
(In millions, except per share par value)

	June 30	
	2021	**2020**
Assets		
Current assets:		
Cash and cash equivalents	$157.0	$80.8
Accounts receivable, net	236.4	242.0
Other current assets	168.9	148.4
Assets held for sale	—	214.4
Total current assets	562.3	685.6
Property, plant and equipment, net	71.8	96.7
Other assets	448.7	418.3
Goodwill	1,297.1	999.5
Intangible assets, net	332.7	229.5
Long-term assets held for sale	—	424.5
Total assets	$ 2,712.6	$ 2,854.1
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities:		
Current maturities of long-term debt and finance lease liabilities	$ 7.1	$ 20.7
Accounts payable	29.0	34.3
Accrued expenses and other current liabilities	188.1	188.3
Litigation liabilities	34.0	57.0
Accrued payroll and payroll-related expenses	81.5	52.5
Deferred revenue	28.6	44.6
Liabilities held for sale	—	129.4
Total current liabilities	368.3	526.8
Long-term liabilities:		
Debt and finance lease liabilities	1,586.5	2,655.1
Deferred income taxes	111.4	76.4
Deferred revenue	40.4	39.4
Liabilities held for sale	—	40.6
Other liabilities	111.1	96.5
Total liabilities	2,217.7	3,434.8
Stockholders' Equity (Deficit):		
Preferred stock, $0.01 par value: 50.0 shares authorized; none issued and outstanding	—	—
Common stock, $0.01 par value: 650.0 shares authorized; 160.3 and 160.3 shares issued, respectively; 121.5 and 121.5 shares outstanding, respectively	1.6	1.6
Paid-in capital	715.1	687.9
Retained earnings	1,997.4	1,045.5
Treasury stock, at cost: 38.8 and 38.8 shares, respectively	(2,306.0)	(2,305.2)
Accumulated other comprehensive income (loss)	72.7	(25.9)
Total CDK stockholders' equity (deficit)	480.8	(596.1)
Noncontrolling interest	14.1	15.4
Total stockholder's equity (deficit)	494.9	(580.7)
Total liabilities and stockholders' equity (deficit)	$ 2,712.6	$ 2,854.1

See notes to the consolidated financial statements.

CDK Global, Inc.
Consolidated Statements of Cash Flows
(In millions)

	Year Ended June 30,		
	2021	**2020**	**2019**
Cash Flows from Operating Activities:			
Net earnings	$ 1,043.0	$ 214.5	$ 131.9
Less: net earnings (loss) from discontinued operations	852.8	(50.7)	(63.2)
Net earnings from continuing operations	190.2	265.2	195.1
Adjustments to reconcile net earnings from continuing operations to cash flows provided by operating activities, continuing operations:			
Depreciation and amortization	98.7	91.7	80.4
Asset impairment	4.1	—	19.3
Loss on extinguishment of debt	25.6	—	—
Loss from equity method investment	27.3	2.7	17.0
Deferred income taxes	30.8	4.9	(5.3)
Stock-based compensation expense	43.0	19.2	29.0
Other	6.9	23.1	9.8
Changes in assets and liabilities, net of effect from acquisitions of businesses:			
Accounts receivable	13.8	(27.0)	(9.8)
Other assets	(65.2)	(47.3)	(44.5)
Accounts payable	(6.3)	(3.9)	(2.9)
Accrued expenses and other liabilities	(27.4)	(1.0)	92.9
Net cash flows provided by operating activities, continuing operations	341.5	327.6	381.0
Net cash flows provided by (used in) operating activities, discontinued operations	(124.8)	47.5	102.1
Net cash flows provided by operating activities	216.7	375.1	483.1
Cash Flows from Investing Activities:			
Capital expenditures	(20.6)	(17.1)	(49.2)
Capitalized software	(74.8)	(57.0)	(36.9)
Proceeds from sale of property, plant and equipment	—	—	6.7
Acquisitions of businesses, net of cash acquired	(359.5)	—	(513.0)
Investment in certificates of deposit	—	(12.0)	—
Proceeds from maturities of certificates of deposit	—	12.0	—
Purchases of investments	(5.0)	(20.0)	(17.0)
Proceeds from investments	—	—	0.4
Net cash flows used in investing activities, continuing operations	(459.9)	(94.1)	(609.0)
Net cash flows provided by (used in) investing activities, discontinued operations	1,380.9	(14.2)	(14.2)
Net cash flows provided by (used in) investing activities	921.0	(108.3)	(623.2)
Cash Flows from Financing Activities:			
Net (repayments of) proceeds from revolving credit facilities	(15.0)	15.0	1,100.0
Repayments of long-term debt and finance lease liabilities	(1,098.5)	(271.2)	(806.5)
Dividends paid to stockholders	(73.0)	(72.9)	(74.8)
Repurchases of common stock	(12.1)	—	(524.1)
Proceeds from exercise of stock options	2.5	6.2	5.0
Withholding tax payments for stock-based compensation awards	(5.0)	(6.2)	(15.8)
Dividend payments to noncontrolling owners	(10.0)	(6.7)	(10.3)
Payments of debt financing costs	(2.7)	(3.7)	(11.7)
Acquisition-related payments	—	(5.3)	(10.8)
Net cash flows used in financing activities, continuing operations	(1,213.8)	(344.8)	(349.0)
Net cash flows used in financing activities, discontinued operations	—	(1.1)	—
Net cash flows used in financing activities	(1,213.8)	(345.9)	(349.0)

	Year Ended June 30,		
	2021	2020	2019
Effect of exchange rate changes on cash, cash equivalents, and restricted cash, including cash classified in current assets held for sale	21.1	(9.8)	(6.9)
Net change in cash, cash equivalents, and restricted cash, including cash classified in current assets held for sale	(55.0)	(88.9)	(496.0)
Net change in cash classified in current assets held for sale	134.9	42.1	34.2
Net change in cash, cash equivalents, and restricted cash	79.9	(46.8)	(461.8)
Cash, cash equivalents, and restricted cash, beginning of period	97.3	144.1	605.9
Cash, cash equivalents, and restricted cash end of period	$ 177.2	$ 97.3	$ 144.1

	Year Ended June 30,		
	2021	2020	2019
Reconciliation of cash, cash equivalents, and restricted cash to the Consolidated Balance Sheets:			
Cash and cash equivalents	$ 157.0	$ 80.8	$ 134.4
Restricted cash in funds held for clients included in other current assets	20.2	16.5	9.7
Total cash, cash equivalents, and restricted cash	$ 177.2	$ 97.3	$ 144.1

	Year Ended June 30,		
	2021	2020	2019
Supplemental Disclosure:			
Cash paid for:			
Income taxes and foreign withholding taxes, net of refunds, continuing operations	$ 74.9	$ 51.6	$ 105.9
Income taxes and foreign withholding taxes, net of refunds, discontinued operations	174.0	2.5	18.3
Interest	119.8	135.9	130.0
Non-cash investing and financing activities:			
Capitalized property and equipment obtained under lease	11.9	14.4	15.9
Lease liabilities incurred	(11.9)	(14.4)	(15.9)
Capital expenditures and capitalized software, accrued not paid	0.3	3.2	11.1
Consideration received - equity method investment	—	39.9	—
Consideration received - note receivable	—	24.4	—
Cash consideration not yet transferred	16.8	—	—

See notes to the consolidated financial statements.

CDK Global, Inc.
Consolidated Statements of Stockholders' Equity (Deficit)
(In millions)

	Common Stock								
	Shares Issued	Amount	Paid-in Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income	Total CDK Stockholders Equity (Deficit)	Non-controlling Interest	Total Stockholders Equity (Deficit)
Balance as of June 30, 2018	160.3	$ 1.6	$ 679.8	$ 753.0	$ (1,810.7)	$ 11.5	$ (364.8)	$ 17.5	$ (347.3)
Net earnings	—	—	—	124.0	—	—	124.0	7.9	131.9
Foreign currency translation adjustments	—	—	—	—	—	(17.8)	(17.8)	—	(17.8)
Stock-based compensation expense and related dividend equivalents	—	—	29.7	(0.3)	—	—	29.4	—	29.4
Common stock issued for the exercise and vesting of stock-based compensation awards, net	—	—	(34.0)	—	23.2	—	(10.8)	—	(10.8)
Dividends paid to stockholders ($0.60 per share)	—	—	—	(74.8)	—	—	(74.8)	—	(74.8)
Repurchases of common stock	—	—	13.0	—	(537.1)	—	(524.1)	—	(524.1)
Dividend payments to noncontrolling owners	—	—	—	—	—	—	—	(10.3)	(10.3)
Impact of adoption of ASC 606	—	—	—	109.7	—	(0.4)	109.3	—	109.3
Balance as of June 30, 2019	160.3	1.6	688.5	911.6	(2,324.6)	(6.7)	(729.6)	15.1	(714.5)
Net earnings	—	—	—	207.5	—	—	207.5	7.0	214.5
Foreign currency translation adjustments	—	—	—	—	—	(19.2)	(19.2)	—	(19.2)
Stock-based compensation expense and related dividend equivalents	—	—	18.8	(0.7)	—	—	18.1	—	18.1
Common stock issued for the exercise and vesting of stock-based compensation awards, net	—	—	(19.4)	—	19.4	—	—	—	—
Dividends paid to stockholders ($0.60 per share)	—	—	—	(72.9)	—	—	(72.9)	—	(72.9)
Dividend payments to noncontrolling owners	—	—	—	—	—	—	—	(6.7)	(6.7)
Balance as of June 30, 2020	160.3	1.6	687.9	1,045.5	(2,305.2)	(25.9)	(596.1)	15.4	(580.7)
Net earnings	—	—	—	1,034.3	—	—	1,034.3	8.7	1,043.0
Impact of Adoption of ASC 326 - current expected credit losses, net of tax	—	—	—	(8.2)	—	—	(8.2)	—	(8.2)
Foreign currency translation adjustments	—	—	—	—	—	60.7	60.7	—	60.7
Reclassification of foreign currency loss to net income	—	—	—	—	—	37.9	37.9	—	37.9
Stock-based compensation expense and related dividend equivalents	—	—	41.0	(1.2)	—	—	39.8	—	39.8
Common stock issued for the exercise and vesting of stock-based compensation awards, net	—	—	(13.8)	—	11.3	—	(2.5)	—	(2.5)
Dividends paid to stockholders ($0.60 per share)	—	—	—	(73.0)	—	—	(73.0)	—	(73.0)
Repurchases of common stock	—	—	—	—	(12.1)	—	(12.1)	—	(12.1)
Dividend payments to noncontrolling owners	—	—	—	—	—	—	—	(10.0)	(10.0)
Balance as of June 30, 2021	160.3	$ 1.6	$ 715.1	$ 1,997.4	$ (2,306.0)	$ 72.7	$ 480.8	$ 14.1	$ 494.9

See notes to the consolidated financial statements

CDK Global, Inc.
Notes to the Consolidated Financial Statements
(Tabular amounts in millions, except share and per share amounts)

Note 1. Basis of Presentation

Description of Business. CDK Global, Inc. (the "Company" or "CDK") is a leading provider of integrated data and technology solutions to the automotive, heavy truck, recreation and heavy equipment industries. Focused on enabling end-to-end, omnichannel retail commerce through open, agnostic technology, the Company provides solutions to dealers and original equipment manufacturers ("OEMs"), serving approximately 15,000 retail locations in North America. The Company's solutions connect people with technology by automating and integrating all parts of the dealership and buying process, including the acquisition, sale, financing, insuring, parts supply, repair and maintenance of vehicles.

Basis of Preparation. The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and the rules and regulations of the U.S. Securities and Exchange Commission ("SEC"). The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect assets, liabilities, revenue, and expenses that are reported in the accompanying financial statements and footnotes thereto. Actual results may differ from those estimates and assumptions.

On March 1, 2021, the Company completed the sale of the CDK International business ("International Business") to Francisco Partners. Following the sale of the International Business, the Company is organized as a single operating segment. The assets and liabilities of the International Business were classified as held for sale on the Consolidated Balance Sheets as of June 30, 2020. The financial results of the International Business are presented in net earnings (loss) from discontinued operations in the Consolidated Statements of Operations for all periods presented. Certain prior year amounts have been reclassified to conform to the current year presentation. Unless otherwise noted, discussion in these Notes to the Consolidated Financial Statements refers to continuing operations. For additional information, refer to Note 4 - Discontinued Operations.

Effective July 1, 2020, the Company adopted the Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2016-13, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" ("ASU 2016-13"). The comparative information has not been restated and continues to be reported under the accounting standards in effect for the periods presented. For additional information, refer to Note 11 - Allowance for Credit Losses.

Note 2. Summary of Significant Accounting Policies

Consolidation. The financial statements include the accounts of the Company and its wholly owned subsidiaries. In addition, the financial statements include the accounts of Computerized Vehicle Registration ("CVR") in which CDK holds a controlling financial interest. Intercompany transactions and balances between consolidated CDK businesses have been eliminated.

Business Combinations. The Company accounts for business combinations using the acquisition method of accounting, which allocates the fair value of the purchase consideration to the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values. The excess of the purchase consideration over the fair values of these identifiable assets and liabilities is recorded as goodwill. When determining the fair values of assets acquired and liabilities assumed, management makes significant estimates and assumptions. The Company may utilize third-party valuation specialists to assist the Company in the purchase price allocation. Initial purchase price allocations are subject to revision within the measurement period, not to exceed one year from the date of acquisition. Acquisition-related transaction and other costs associated with business combinations are expensed as incurred.

Restructuring. Restructuring expenses include employee-related costs, including severance and other termination benefits calculated based on long-standing benefit practices and local statutory requirements. Restructuring liabilities are recognized at fair value in the period the liability is incurred. In some jurisdictions, the

Company has ongoing benefit arrangements under which the Company records estimated severance and other termination benefits when such costs are deemed probable and estimable, approved by the appropriate corporate management, and if actions required to complete the termination plan indicate that it is unlikely that significant changes to the plan will be made or the plan will be withdrawn. In jurisdictions where there is not an ongoing benefit arrangement, the Company records estimated severance and other termination benefits when appropriate corporate management has committed to the plan and the benefit arrangement is communicated to the affected employees. Restructuring expenses may also include contract termination costs. A liability for costs to terminate a contract before the end of its term is recognized at fair value when the Company terminates the contract in accordance with its terms. Estimates are evaluated periodically to determine whether an adjustment is required.

Revenue Recognition. The Company determines the amount of revenue to be recognized through the following steps:

- Identification of the contract, or contracts, with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when, or as, the Company satisfies the performance obligations.

The majority of the Company's revenue is generated from contracts with multiple performance obligations. A performance obligation is a promise to transfer a distinct good or service to the customer, and is the unit of account in Accounting Standards Codification ("ASC") 606. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The Company is required to estimate the total consideration expected to be received from contracts with customers. In limited circumstances, the consideration expected to be received may be variable based on the specific terms of the contract.

The Company rarely licenses or sells products or services on a standalone basis. As such, the Company is required to develop its best estimate of standalone selling price of each distinct good or service as the basis for allocating the total transaction price. The primary method used to estimate standalone selling price is the adjusted market assessment approach, with some product categories using the expected cost plus a margin approach. When establishing standalone selling price, the Company considers various factors which may include geographic region, current market trends, customer class, its market share and position, its general pricing practices for bundled products and services, and recent contract sales data.

The Company applies significant judgment in order to identify and determine the number of performance obligations, estimate the total transaction price, determine the allocation of the transaction price to each identified performance obligation, and determine the appropriate method and timing of revenue recognition.

Taxes collected from customers and remitted to governmental authorities are presented on a net basis; that is, such taxes are excluded from revenue.

The Company generates revenue from the following four categories: subscription, on-site licenses and installation, transaction, and other. The Company does not evaluate a contract for a significant financing component if payment is expected within one year from the transfer of the promised items to the customer.

Subscription. CDK provides software and technology solutions for automotive retailers and OEMs, which includes:

- Dealer Management Systems ("DMSs") and layered applications, which may be installed on-site at the customer's location, or hosted and provided on a software-as-a-service ("SaaS") basis, including ongoing maintenance and support;

- Interrelated services such as installation, initial training, and data updates;

- Prior to adoption of ASC 842 "Leases" ("ASC 842"), subscription revenue included technology solutions in which hardware was provided on a service basis. This revenue was previously classified as subscription revenue because, under lease accounting guidance in effect prior to ASC 842, substitution rights were considered substantive.

SaaS and other hosted service arrangements, which allow the customer continuous access to the software over the contract period without taking control of the software, are provided on a subscription basis. The Company has concluded that under its SaaS and hosted service arrangements, the customer obtains access to the Company's software which resides and is maintained on its managed servers. The customer does not obtain the right to take possession of the software. As such, the Company has concluded that its SaaS and hosted services arrangements do not include a software license. Furthermore, the Company has concluded that while the support and maintenance and hosting services are capable of being distinct performance obligations, the obligations are not distinct within the context of the contract. In addition, as the support and maintenance and hosting services are provided over the same period and have the same pattern of transfer of control, the support and maintenance and hosting services are combined and recognized as a single performance obligation. The Company may provide new customers with interrelated setup activities such as installation, initial training and data updates that the Company must undertake to fulfill the contract. These are considered fulfillment activities that do not transfer service to the customer. In addition to the core DMS software application, the customer may also contract for layered applications, which are each considered a distinct performance obligation.

Revenue for SaaS and other hosted service arrangements, are recognized ratably over the duration of the contract. The Company has determined its obligation under these arrangements is to stand ready to perform the underlying services as required by the customer. The customer receives the benefit of the services, and the Company has the right to payment as the services are performed. A time-elapsed output method is used to measure progress as the Company transfers control evenly over the duration of the contract.

On-site licenses and installation. On-site software arrangements include a license of intellectual property as the customer has the contractual right to take possession of the software and the customer can either run the software on its own hardware or contract with another party unrelated to the Company to host the software. The customer receives the right to use the software license upon its installation for the term of the arrangement. As such, the Company has concluded that the software license is a distinct performance obligation and recognizes the transaction price allocated to on-site software upon installation. The Company also provides maintenance and support of the software applications. Such maintenance and support services may include server and desktop support, bug fixes, and support resolving other issues a customer may encounter in utilizing the software. Revenue allocated to maintenance and support is generally recognized ratably over the contract period as customers simultaneously consume and receive benefits, given the support and maintenance comprise distinct performance obligations that are satisfied ratably over time. A time-elapsed output method is used to measure progress as the Company transfers control evenly over the duration of the contract. Accordingly, maintenance and support revenue for on-site licenses is included in subscription revenue.

Transaction. The Company receives fees per transaction for providing auto retailers interfaces with third parties to process credit reports, vehicle registrations, and automotive equity mining. Transaction revenue varies based on the volume of transactions processed. For transaction revenue, the Company has a right to payment as the transactions are performed in an amount that corresponds directly with the value to the customer. As such, the Company recognizes transaction revenue as the services are rendered and in the amount to which it has the right to invoice. Transaction revenue for credit report processing and automotive equity mining is recorded in revenue on a gross basis, incurred when the Company is substantively and contractually responsible for providing the service, software, and/or connectivity to the customer, and controls the specified good or service before it is transferred to the customer. The Company recognizes vehicle registration revenue net of the state registration fee since it is acting as an agent and does not control the related goods and services before they are transferred to the customer.

Other. The Company provides consulting and professional services, including marketing campaign solutions, and sells hardware such as laser printers, networking and telephony equipment, and related items. Consulting and professional services are either billed on a time and materials basis or on a fixed monthly, quarterly or semi-annual basis based on the amount of services contracted. Revenue from these services is recorded when the Company's

obligation is satisfied. Where the Company's obligation is to provide continuous services throughout the contract period and the customer receives the benefit of those services as they are performed, the Company recognizes services revenue over time using a time-elapsed output method as the Company believes the passage of time faithfully depicts the transfer of services to its customers. Where the professional service represents a single performance obligation, the customer receives the benefit of the services only upon their completion, and the Company does not have the right to payment as the services are performed, such services revenue is recognized upon completion.

The Company often sells hardware bundled with maintenance services and has concluded that these bundles include two distinct performance obligations. The first performance obligation is to transfer the hardware product and the second performance obligation is to provide maintenance on the hardware and its embedded software. As such, the transaction price allocated to the sold hardware is recognized upon delivery at which point the customer is able to direct the use of, and obtain substantially all of the remaining benefits of the hardware. Upon delivery of the hardware, the Company generally has the right to payment, the customer has legal title, physical possession of, and control of the hardware. The transaction price allocated to the maintenance of hardware and its embedded software is recognized ratably over the duration of the contract as the customer simultaneously consumes and receives the benefit of this maintenance. The Company has determined its obligation under these arrangements is to stand ready to perform the underlying services as required by the customer. A time-elapsed output method is used to measure progress as the Company transfers control evenly over the duration of the contract. Hardware maintenance is included in subscription revenue.

After the adoption of ASC 842, Other revenue also includes leasing revenue from hardware where the customer has a right of use during the contract term under ASC 842, as hardware substitution rights are not considered substantive.

Income Taxes. Income tax expense is recognized for the amount of taxes payable or refundable for the current year. Deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities, and for operating losses and tax credit carryforwards. Management must make assumptions, judgments, and estimates to determine the provision for income taxes, taxes payable or refundable, and deferred tax assets and liabilities. The Company's assumptions, judgments, and estimates take into consideration the realization of deferred tax assets and changes in tax laws or interpretations thereof. The Company's income tax returns are subject to examination by various tax authorities. A change in the assessment of the outcomes of such matters could materially impact the Company's consolidated financial statements.

The Company records a valuation allowance to reduce deferred tax assets to the amount that is more likely than not to be realized. In determining the need for a valuation allowance, the Company considers future market growth, forecasted earnings, future taxable income, and prudent and feasible tax planning strategies. In the event the Company determines that it is more likely than not that an entity will be unable to realize all or a portion of its deferred tax assets in the future, the Company would increase the valuation allowance and recognize a corresponding charge to earnings in the period in which such a determination is made. Likewise, if the Company later determines that it is more likely than not that the deferred tax assets will be realized, the Company would reverse the applicable portion of the previously recognized valuation allowance. In order to realize deferred tax assets, the Company must be able to generate sufficient taxable income of the appropriate character in the jurisdictions in which the deferred tax assets are located.

The Company recognizes tax benefits for tax positions that are more likely than not to be sustained upon examination by tax authorities. The amount recognized is measured as the largest amount of benefit that is greater than 50 percent likely to be realized upon ultimate settlement. Unrecognized tax benefits are tax benefits claimed in the Company's income tax returns that do not meet these recognition and measurement standards. Assumptions, judgments, and the use of estimates are required in determining whether the "more likely than not" standard has been met when developing the provision for income taxes.

If certain pending tax matters settle within one year, the total amount of unrecognized tax benefits may increase or decrease for all open tax years and jurisdictions. Audit outcomes and the timing of audit settlements are subject to significant uncertainty. The Company continually assesses the likelihood and amount of potential adjustments and

adjusts the income tax provision, the current taxes payable and deferred taxes in the period in which the facts that give rise to a revision become known.

The Company accounts for the Global Intangible Low Taxed Income ("GILTI") tax as a period expense when incurred. The GILTI provision is effective beginning in fiscal 2019.

Beginning in fiscal 2019, accounting policy of the Company is to allocate goodwill impairment first to any permanent portion of goodwill (when there is an excess of book goodwill over tax goodwill) and to record a period cost when the impairment occurs.

Stock-Based Compensation. Certain of the Company's employees have been granted (a) stock options to purchase shares of the Company's common stock and/or (b) restricted stock or restricted stock units under which shares of the Company's common stock vest based on the passage of time or achievement of performance and market conditions. The Company recognizes stock-based compensation expense in net earnings based on the fair value of the award on the date of the grant. The Company records the impact of forfeitures on stock compensation expense in the period the forfeitures occur. The Company determines the fair value of stock options issued using a binomial option-pricing model. The binomial option-pricing model considers a range of assumptions related to volatility, dividend yield, risk-free interest rate, and employee exercise behavior. Expected volatility utilized in the binomial option pricing model is based on a combination of implied market volatility and historical volatility of peer companies. Similarly, the dividend yield is based on historical experience and expected future dividend payments. The risk-free rate is derived from the U.S. Treasury yield curve in effect at the time of grant. The binomial option pricing model also incorporates exercises based on an analysis of historical data. The expected life of a stock option grant is derived from the output of the binomial model and represents the period of time that options granted are expected to be outstanding.

The grant date fair value of restricted stock and restricted stock units that vest upon achievement of service conditions is based on the closing price of the Company's common stock on the date of grant. The Company also grants performance-based awards that vest over a performance period. Certain performance-based awards are further subject to adjustment (increase or decrease) based on a market condition defined as total stockholder return of the Company's common stock compared to a peer group of companies. The fair value of performance-based awards subject to a market condition is determined using a Monte Carlo simulation model. The principal variable assumptions utilized in determining the grant date fair value of performance-based awards subject to a market condition include the risk-free rate, stock volatility, dividend yield, and correlations between the Company's stock price and the stock prices of the peer group of companies. The probability associated with the achievement of performance conditions affects the vesting of the Company's performance-based awards. Expense is only recognized for those shares expected to vest. The Company adjusts stock-based compensation expense (increase or decrease) when it becomes probable that actual performance will differ from the estimate.

Cash and Cash Equivalents. Investment securities with an original maturity of three months or less at the time of purchase are considered cash equivalents.

Accounts Receivable, Net. Accounts receivable, net is primarily comprised of trade receivables and lease receivables, net of allowances. Trade receivables consist of amounts due to the Company in the normal course of business, which are not collateralized and do not bear interest. Lease receivables primarily relate to sales-type leases arising from the sale of hardware elements in bundled DMS or other integrated solutions. Lease receivables represent the current portion of the present value of the minimum lease payments at the beginning of the lease term. The long-term portion of the present value of the minimum lease payments is included in other assets on the Consolidated Balance Sheets.

Allowance for Credit Losses. The Company is exposed to credit losses primarily through the sales of its products and services. The majority of the Company's receivables are trade receivables due in less than one year. The Company's receivables also include the short and long-term portions of contract assets, lease receivables and other accrued and unbilled receivables. Refer to Note 6 - Revenue for more information about contract assets.

After the adoption of ASU 2016-13, which requires the application of a current expected credit loss impairment model ("CECL"), the Company identified the following risk characteristics of its customers and the related receivables and financial assets: geographic region, major line of business (e.g. Automotive, OEM, etc.), size or a

combination of these characteristics. Receivables with similar risk characteristics have been grouped into pools. For each pool, the Company considers the historical credit loss experience, current economic conditions, adjusted for external data and macroeconomic factors such as unemployment rates in certain operating regions or automobile sales. Due to the short-term nature of trade receivables, the estimated amount of accounts receivable that may not be collected is based on the aging of the receivable balances, the financial condition of customers and the Company's historical loss rates. For certain other financial assets, the expected credit losses are also evaluated based on the credit rating of the counterparty, or reasonable and supportable forecasts of future economic conditions. Additionally, specific reserves are established for certain financial assets on an individual basis when they no longer meet the criteria to be classified in a particular pool. Should a particular asset's risk characteristics change, the Company will assess whether the asset should be moved to another pool. This analysis and the review of credit quality indicators are performed at each quarter-end, or more often as deemed necessary based on specific facts and circumstances.

The Company also carries financial assets that are attributable to the sale of the Digital Marketing Business and the International Business. These assets primarily consist of a 10-year note receivable, receivables related to transition services agreements in connection with the sale of the businesses, and the fair value of contingent consideration. Specific reserves are established for these assets if it is determined that there is a higher probability of default, which considers the aging of the receivable balances and the financial condition of the counterparties.

The Company's monitoring activities include timely account reconciliation, reviews of credit and collection performance, consideration of customers' financial conditions and macroeconomic conditions. For trade receivables and unbilled accounts receivable, credit quality indicators relate to collection history and the delinquency status of amounts due, which is determined based on the aging of such receivables. For certain other financial assets including contract assets, lease receivables, other accrued and unbilled receivables, and financial assets attributable to the sale of the Digital Marketing Business and the International Business, credit quality indicators are generally based on rating agency data, publicly available information and information provided by customers which may affect their ability to pay. Financial assets are written off when they are determined to be uncollectible.

Prior to the adoption of CECL, the accounts receivable allowances for both trade receivables and lease receivables were estimated based on historical collection experience, an analysis of the age of outstanding accounts receivable, and credit issuance experience. Receivables were considered past due if payment was not received by the date agreed upon with the customers. Write-offs were made when management believed it was probable a receivable would not be recovered.

Funds Receivable and Funds Held for Clients and Client Fund Obligations. Funds receivable and funds held for clients represent amounts received or expected to be received from clients in advance of performing titling and registration services on behalf of those clients. These funds are restricted and classified in other current assets on the Consolidated Balance Sheets. The total amount due to remit for titling and registration obligations with the Department of Motor Vehicles is recorded to client fund obligations which is classified as accrued expenses and other current liabilities on the Consolidated Balance Sheets. Funds receivable was $42.7 million and $40.7 million, and funds held for clients was $20.2 million and $16.5 million as of June 30, 2021 and 2020, respectively. Client fund obligation was $62.9 million and $57.2 million as of June 30, 2021 and 2020, respectively.

Property, Plant and Equipment, Net. Property, plant and equipment, net is stated at cost and depreciated over the estimated useful lives of the assets using the straight-line method. Leasehold improvements are amortized over the shorter of the term of the lease or the estimated useful lives of the improvements. The estimated useful lives of assets are primarily as follows:

Buildings	20 to 40 years
Furniture and fixtures	4 to 7 years
Data processing equipment	2 to 5 years

Goodwill. The Company performs an evaluation of goodwill, utilizing either a qualitative or quantitative impairment test. A qualitative assessment is performed at least annually to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value. The Company performs a quantitative impairment test for each reporting unit every three years, or more frequently if circumstances indicate a potential impairment. The annual test for impairment is conducted as of April 1. A reporting unit is an operating segment or a

component of an operating segment. Goodwill is not amortized but is subject to periodic testing for impairment at the reporting unit level.

Under a qualitative assessment, the most recent quantitative assessment is used to determine if it is more likely than not that the reporting unit's goodwill is impaired. As part of this qualitative assessment, the Company assesses relevant events and circumstances including macroeconomic conditions, industry and market conditions, cost factors, overall financial performance, changes in share price and entity-specific events to determine if there is an indication of impairment.

Under a quantitative assessment, goodwill impairment is identified by comparing the fair value of a reporting unit to its carrying amount, including goodwill. If the carrying amount of a reporting unit exceeds its fair value, goodwill is considered impaired and an impairment charge is recognized in an amount equal to that excess, not to exceed the carrying amount of goodwill. The fair value of a reporting unit is generally determined by using a weighted combination of an income approach and a market approach, as this combination is considered the most indicative of the Company's fair value in an orderly transaction between market participants. The Company currently applies a 100% income approach weighting to one of its reporting units due to the limited publicly available information for guideline companies.

Under the income approach, the Company determines fair value based on estimated future cash flows of a reporting unit, discounted by an estimated weighted average cost of capital, which reflects the overall level of inherent risk of a reporting unit and the rate of return an outside investor would expect to earn. The estimated future cash flows of each reporting unit are based on internally generated forecasts for the remainder of the respective reporting period and the next five to ten years.

Under the market approach, the Company utilizes valuation multiples derived from publicly available information for guideline companies to provide an indication of how much a knowledgeable investor in the marketplace would be willing to pay for a company. The valuation multiples are applied to the reporting units.

Determining the fair value of a reporting unit is judgmental in nature and requires the use of significant estimates and assumptions, including revenue growth rates, operating margins, discount rates and future market conditions, among others. Any changes in the judgments, estimates or assumptions used could produce significantly different results.

Impairment of Long-Lived Assets. Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset group to estimated undiscounted future cash flows expected to be generated by the asset group. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount exceeds the fair value.

Internal Use Software and Computer Software to be Sold, Leased, or Otherwise Marketed. The Company's policy provides for the capitalization of external direct costs of materials and services associated with developing or obtaining internal use computer software. In addition, the Company's policy also provides for the capitalization of certain payroll and payroll-related costs for employees who are directly associated with internal use computer software projects. The amount of capitalizable payroll costs with respect to these employees is limited to the time directly spent on such projects. Costs associated with preliminary project stage activities, training, maintenance, and all other post-implementation stage activities are expensed as incurred. The Company also expenses internal costs related to minor upgrades and enhancements, as it is impracticable to separate these costs from normal maintenance activities. The Company typically amortizes internal use software over a 3 to 8 years life.

The Company's policy provides for the capitalization of certain costs of computer software to be sold, leased, or otherwise marketed. The Company capitalizes software production costs upon reaching technological feasibility for a specific product. Technological feasibility is attained when software products have a completed working model whose consistency with the overall product design has been confirmed by testing. Costs incurred prior to the establishment of technological feasibility are expensed as incurred. The establishment of technological feasibility requires judgment by management and in many instances is only attained a short time prior to the general release of the software. Maintenance-related costs are expensed as incurred.

Pursuant to these policies, the Company incurred expenses to research, develop, and deploy new and enhanced solutions of $79.3 million, $49.6 million, and $57.6 million for fiscal 2021, 2020, and 2019, respectively. These expenses were classified in cost of revenue on the Consolidated Statements of Operations.

Assets Held for Sale. The Company considers assets to be held for sale when management, with appropriate authority, approves and commits to a formal plan to actively market the assets for sale at a price reasonable in relation to their estimated fair value, the assets are available for immediate sale in their present condition, an active program to locate a buyer has been initiated, the sale of the assets is probable and expected to be completed in one year and it is unlikely that significant changes will be made to the plan. Upon designation as held for sale, the Company records the assets at the lower of their carrying value or their estimated fair value, reduced for the cost to dispose the assets, and ceases to record depreciation and amortization expenses on the assets.

Assets and liabilities of a discontinued operation are reclassified for all comparative periods presented on the Consolidated Balance Sheets. For assets and liabilities that meet the held for sale criteria but do not meet the definition of a discontinued operation, the Company reclassifies the assets and liabilities in the period in which the held for sale criteria are met, but does not reclassify prior period amounts. Refer to Note 4 - Discontinued Operations for further information regarding Company's assets and liabilities held for sale.

Discontinued Operations. The Company reports financial results for discontinued operations separately from continuing operations to distinguish the financial impact of disposal transactions from ongoing operations. Discontinued operations reporting occurs only when the disposal of a component or a group of components of the Company (i) meets the held-for-sale classification criteria, is disposed of by sale, or other than by sale, and (ii) represents a strategic shift that will have a major effect on the Company's operations and financial results. The results of operations and cash flows of a discontinued operation are restated for all comparative periods presented. Unless otherwise noted, discussion in the Notes to Consolidated Financial Statements refers to the Company's continuing operations. Refer to Note 4 - Discontinued Operations for further information.

Fair Value Measurements. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. A fair value hierarchy has been established based on three levels of inputs, of which the first two are considered observable and the last unobservable.

- Level 1: Inputs that are based upon quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs, other than quoted prices included in Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs where there is little or no market activity for the asset or liability. These inputs reflect management's best estimate of what market participants would use to price the assets or liabilities at the measurement date.

The Company determines the fair value of financial instruments in accordance with ASC 820, "Fair Value Measurements." This standard defines fair value and establishes a framework for measuring fair value in accordance with GAAP. Cash and cash equivalents, accounts receivable, other current assets, accounts payable, and other current liabilities are reflected on the Consolidated Balance Sheets at cost, which approximates fair value due to the short-term nature of these instruments. The carrying value of the Company's term loan facilities (as described in Note 16 - Debt), including accrued interest, approximated fair value based on the Company's current estimated incremental borrowing rate for similar types of arrangements.

The Company has derivatives not designated as hedges which consisted of foreign currency forward contracts to offset the risks associated with the effects of certain foreign currency exposure on intercompany loans. The Company recognized changes in fair value of the derivative instruments in other income, net in the Consolidated Statements of Operations.

Foreign Currency. For foreign subsidiaries where the local currency is the functional currency, net assets are translated into U.S. dollars based on exchange rates in effect for each period, and revenue and expenses are translated at average exchange rates in the periods. Gains or losses from balance sheet translation of such entities are included in accumulated other comprehensive income on the Consolidated Balance Sheets. Currency transaction gains or losses relate to intercompany loans denominated in a currency other than that of the loan counterparty, which do not eliminate upon consolidation. Currency transaction gains or losses are included in other income, net on the Consolidated Statements of Operations.

Leases. The Company has lease arrangements where the Company acts as either a lessee or a lessor. The Company applies judgment in order to determine if an arrangement contains a lease, to assess which party retains a material amount of economic benefit from the underlying asset, and to determine which party holds control over the direction and use of the asset. The Company also applies judgment to determine whether the Company will exercise renewal options, to identify substantive substitution rights over the asset, to determine the incremental borrowing rate, and to estimate the fair value of the leased asset.

CDK as a Lessee. The Company has obligations under lease arrangements mainly for facilities, equipment, data centers, and vehicles. These leases have original lease periods expiring between fiscal 2022 and 2027. The Company classifies leases as finance leases when there is either a transfer of ownership of the underlying asset by the end of the lease term, the lease contains an option to purchase the asset that the Company is reasonably certain will be exercised, the lease term is for the major part of the remaining economic life of the asset, the present value of the lease payments and any residual value guarantee equals or substantially exceeds all the fair value of the asset, or the asset is of such a specialized nature that it will have no alternative use to the lessor at the end of the lease term. When none of these criteria are met, the Company classifies leases as operating leases.

Several of the Company's leases include one or more options to renew. The Company does not assume renewal periods in its determination of lease term unless it is reasonably certain that the Company will exercise the renewal option. The Company considers leases with an initial term of 12 months or less as short-term in nature and does not record such leases on the balance sheets. The Company records all other leases on the balance sheets with right-of-use ("ROU") assets representing the right to use the underlying asset for the lease term and lease liabilities representing the obligation to make lease payments arising from the lease.

The Company recognizes ROU assets and lease liabilities based on the present value of lease payments over the lease term. The ROU asset is adjusted for prepaid or deferred rent, lease incentives and impairments. The Company uses the incremental borrowing rate at the lease commencement date to determine the present value of the lease payments as the implicit rate in the leases is generally not readily determinable. The incremental borrowing rate is generally determined using factors such as treasury yields, the Company's credit rating and lease term, and may differ for individual leases.

In addition to fixed lease payments, several lease arrangements contain provisions for variable lease payments relating to utilities and maintenance costs or rental increases not scheduled in the lease. Variable lease payments are expensed in the period in which the obligation for those payments is incurred. The Company has elected to combine lease and non-lease components, such as fixed maintenance costs, as a single lease component in calculating ROU assets and lease liabilities.

CDK as a Lessor. The Company's hardware-as-a-service arrangements, in which the Company provides customers continuous access to CDK owned hardware, such as networking and telephony equipment and laser printers, are accounted for as sales-type leases under ASC 842, primarily because they do not contain substantive substitution rights. Since the Company elected to not reassess prior conclusions related to arrangements containing leases, the lease classification, and the initial direct costs, only hardware leases that commenced or are modified on or subsequent to July 1, 2019, are accounted for under ASC 842. Historically, the Company has accounted for these arrangements as a distinct performance obligation under the revenue recognition guidance and recognized revenue over the term of the arrangement. Sales-type lease arrangements follow the Company's customary contracting practices and, generally, include a fixed monthly fee for the lease and non-lease components for the duration of the contract term. The Company does not typically provide renewal, termination or purchase options to its customers.

The Company recognizes net investment in sales-type leases based on the present value of the lease receivable when collectability is probable. The Company accounts for lease and non-lease components such as maintenance

costs, separately. Consideration is allocated between lease and non-lease components based on stand-alone selling price in accordance with ASC 606, Revenue from Contracts with Customers.

Note 3. New Accounting Pronouncements

Recently Adopted Accounting Pronouncements. The Company adopted ASU 2016-13 on July 1, 2020. Refer to Note 11 - Allowance for Credit Losses, for the required disclosures related to the adoption of this standard.

In March 2020, the FASB issued ASU No. 2020-04, "Reference Rate Reform (Topic 848), Facilitation of the Effects of Reference Rate Reform on Financial Reporting" ("ASU 2020-04"). This ASU provides optional guidance for a limited period of time to ease the burden in accounting for (or recognizing the effects of) reference rate reform on financial reporting. In January 2021, the FASB issued ASU No. 2021-01, "Reference Rate Reform (Topic 848), Scope" ("ASU 2021-01"), which expands the scope of Topic 848 to include derivative instruments impacted by discounting transition. These ASUs would apply to companies meeting certain criteria that have contracts, derivatives, hedging relationships and other transactions that reference LIBOR or another reference rate expected to be discontinued because of the reference rate reform. These standards are effective upon issuance and may be applied retrospectively as of any date from the beginning interim period that includes March 12, 2020 or prospectively. The Company adopted ASU 2020-04 and ASU 2021-01 with no material impact on the consolidated financial statements.

Recently Issued Accounting Pronouncements. In December 2019, the FASB issued ASU No. 2019-12, "Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes," ("ASU 2019-12"), which simplifies the accounting for income taxes in various areas. ASU 2019-12 is effective for public business entities for fiscal years beginning after December 15, 2020, including interim periods therein. Early adoption of the standard is permitted, including adoption in interim or annual periods for which financial statements have not yet been issued. The Company adopted ASU 2019-12 on July 1, 2021. The adoption of the new standard will not have a material impact on the Company's consolidated financial statements.

In July 2021, the FASB issued ASU No. 2021-05 "Leases (Topic 842): Lessors — Certain Leases with Variable Lease Payments," ("ASU 2021-05"), which modifies ASC 842 to require lessors to classify leases as operating leases if they have variable lease payments that do not depend on an index or rate and would have selling losses if they were classified as sales-type or direct financing leases. The amendments in ASU 2021-05 are effective for fiscal years beginning after December 15, 2021, and interim periods within those fiscal years. Early adoption is permitted. The Company is evaluating the impact of adoption on its consolidated financial statements.

Note 4. Discontinued Operations

International Business. On March 1, 2021, the Company completed its sale of the International Business to Francisco Partners for $1.5 billion in cash. The Company recorded a pre-tax gain on sale of $967.7 million in fiscal 2021. The gain on sale remains subject to post-closing adjustments. The pre-tax gain on sale includes a $37.9 million reclassification of net currency losses from accumulated other comprehensive income. The pre-tax gain on sale excludes transaction costs of $32.4 million, which were recorded as selling, general and administrative expenses in the table below. The assets and liabilities of the International Business were classified as held for sale on the Consolidated Balance Sheets as of June 30, 2020. The financial results are presented in net earnings (loss) from discontinued operations in the Consolidated Statements of Operations for all periods presented. The Company expects to provide limited services to Francisco Partners to assist in the integration of the International Business through early fiscal 2022.

	Year Ended June 30,		
	2021	2020	2019
Revenue	$ 223.5	$ 321.1	$ 321.8
Cost of revenue	101.4	165.9	165.4
Selling, general and administrative expenses	83.2	91.2	87.7
Restructuring expenses	11.2	14.2	11.4
Operating earnings	27.7	49.8	57.3

	Year Ended June 30,		
	2021	2020	2019
Interest expense	(0.1)	(0.2)	(0.2)
Other income, net	2.5	0.6	3.1
Earnings before income taxes	30.1	50.2	60.2
Gain on sale	967.7	—	—
Provision for income taxes	(153.3)	(11.6)	(13.6)
Net earnings from discontinued operations - International Business	$ 844.5	$ 38.6	$ 46.6

The total assets and liabilities held for sale related to discontinued operations for the International Business as of June 30, 2020 are stated separately on the Consolidated Balance Sheets and comprised the following items:

	June 30, 2020
Assets:	
Current assets:	
Cash and cash equivalents	$ 134.9
Accounts receivable	58.0
Prepaid and other current assets	21.5
Total current assets	214.4
Property, plant and equipment, net	12.4
Goodwill	349.0
Intangible assets, net	5.7
Other assets	57.4
Total assets held for sale	$ 638.9
Liabilities:	
Current liabilities:	
Accounts payable	$5.1
Deferred revenue	63.3
Accrued expenses and other current liabilities	35.5
Accrued payroll and payroll-related expenses	25.5
Total current liabilities	129.4
Long-term deferred revenue	13.4
Deferred income taxes	2.0
Other liabilities	25.2
Total liabilities held for sale	$ 170.0

Digital Marketing Business. On April 21, 2020, the Company completed its sale of the Digital Marketing Business to Sincro LLC, a newly formed company owned by Ansira Partners, Inc., ("Ansira"), which is a subsidiary of Advent International. Total consideration for the transaction was $71.2 million, consisting of a $24.4 million 10-year note receivable, a 15% equity interest in Ansira, and the fair value of other contingent consideration. The Company recorded a total loss on sale of $94.4 million, of which $96.3 million was recorded in fiscal 2020. Pursuant to the transaction, the Company continued to provide limited services through the third quarter of fiscal 2021.

During fiscal 2019, as a result of the Company's decision to sell the Digital Marketing business, the Company evaluated the reporting unit's goodwill for impairment, which indicated that the carrying value was higher than its fair value. The decline in fair value was driven by a decrease in estimated future earnings and an unfavorable change in the discount rate representing management's assessment of increased risk with respect to the business forecasts primarily due to business uncertainty after the public announcement of the planned sale of business and management's shift in focus to customer retention instead of growth. As a result, the Company recorded a goodwill impairment charge of $168.7 million which is included as a component of discontinued operations for the year ended June 30, 2019.

The following table summarizes the comparative financial results of discontinued operations which are presented in net earnings (loss) from discontinued operations in the Consolidated Statements of Operations:

	Years Ended June 30,		
	2021	2020	2019
Revenue	$ (0.4)	$ 235.0	$ 418.1
Expenses:			
Cost of revenue	0.6	209.1	307.4
Selling, general and administrative expenses	0.2	36.5	30.5
(Gain) loss on sale	(1.9)	96.3	—
Goodwill impairment	—	—	168.7
Restructuring expenses	—	—	1.5
Total expenses	$ (1.1)	$ 341.9	$ 508.1
Earnings (loss) before income taxes	0.7	(106.9)	(90.0)
Benefit from (provision for) income taxes	7.6	17.6	(19.8)
Net earnings (loss) from discontinued operations - Digital Marketing Business	$ 8.3	$ (89.3)	$ (109.8)

Note 5. Acquisitions

Fiscal 2021 Acquisitions

Roadster. On June 2, 2021, the Company acquired Roadster, Inc., ("Roadster"), a Palo Alto, California-based digital sales platform. Roadster's customer relationship management ("CRM") solution enables dealers and OEMs to sell vehicles completely online, and to enhance the consumer retail experience. The Company acquired all of the outstanding equity of Roadster. The acquisition is being recorded using the acquisition method of accounting, which requires, among other things, the assets acquired and liabilities assumed to be recognized at their respective fair values as of the acquisition date. Under the acquisition method, total consideration was determined to be $364.4 million, subject to customary adjustments. Total consideration includes the fair value of contingent payments up to $14.5 million, for which the amount payable will vary depending on the occurrence of certain events over an 18-month period after the closing.

The following table summarizes the amounts recognized for assets acquired and liabilities assumed as of the acquisition date, subject to the finalized purchase price allocation:

Cash and cash equivalents	$ 8.5
Intangible assets	74.8
Other assets	8.2
Other liabilities	(10.3)
Total identifiable net assets	$ 81.2
Goodwill	283.2
Total consideration	$ 364.4

The intangible assets acquired primarily relate to customer relationships, software, and trademarks, which are being amortized over a useful life of 10, 8 and 4 years, respectively. The weighted average useful life of the acquired intangible assets is 8 years. The goodwill resulting from this acquisition reflects expected synergies resulting from adding Roadster products and processes to the Company's products and processes. The acquired goodwill is not deductible for tax purposes.

Square Root. On February 1, 2021, the Company acquired Square Root, Inc. ("Square Root"), an Austin-based developer of data curation software for OEMs. The Company acquired all of the outstanding equity of Square Root for a purchase price of up to $25.0 million. The purchase price includes a contingent purchase price payment of up

to $5.0 million, which becomes payable if certain performance conditions are met by Square Root over a two-year period after the closing. The fair value of the contingent payments was $2.3 million as of June 30, 2021.

The results of operations for Roadster and Square Root have been included in the Consolidated Statements of Operations from the date of acquisition. The pro forma effects of this acquisition are not significant to the Company's reported results for any period presented. Accordingly, no pro forma financial statements have been presented herein.

Fiscal 2019 Acquisition

ELEAD1ONE. On September 14, 2018, the Company acquired the equity interests of ELEAD1ONE ("ELEAD"). ELEAD's automotive CRM software and call center solutions enable interaction between sales, service and marketing operations to provide dealers with an integrated customer acquisition and retention platform. The acquisition of ELEAD was accounted for using the acquisition method of accounting, which required, among other things, the assets acquired and liabilities assumed be recognized at their respective fair values as of the acquisition date. The acquisition was made pursuant to an equity purchase agreement, which contained customary representations, warranties, covenants, and indemnities by the sellers and the Company. The Company acquired all of the outstanding equity of ELEAD for a purchase price of $513.0 million, net of cash acquired of $7.0 million.

The following table summarizes the amounts recognized for assets acquired and liabilities assumed as of the acquisition date:

Cash and cash equivalents	$	7.0
Intangible assets		132.0
Other assets		37.1
Other liabilities		(35.5)
Total identifiable net assets	$	140.6
Goodwill		379.4
Total consideration	$	520.0

The amounts in the table above are reflective of measurement period adjustments made during fiscal year 2019, which did not have a significant impact on the Consolidated Statements of Operations, balance sheet or cash flows.

The intangible assets acquired primarily relate to customer lists, software, and trademarks, which are being amortized over a weighted average useful life of 12 years. The goodwill resulting from this acquisition reflects expected synergies resulting from adding ELEAD products and processes to the Company's products and processes. The acquired goodwill is deductible for tax purposes.

In December 2018, the Company sold the airplane acquired as part of the ELEAD acquisition for cash less costs to sell of $6.7 million. Given the short time between the ELEAD acquisition and the sale of the acquired airplane, the final purchase price allocated to the airplane was adjusted to equal the cash less costs to sell in accordance with ASC 805, "Business Combinations" and ASC 360, "Property, Plant and Equipment." As such, there was no gain or loss recognized on the sale of the airplane.

The results of operations for ELEAD have been included in the Consolidated Statements of Operations from the date of acquisition. The pro forma effects of this acquisition are not significant to the Company's reported results for any period presented. Accordingly, no pro forma financial statements have been presented herein.

In addition to the acquisition, the Company entered into a joint venture agreement with the sellers. Under the terms of the joint venture agreement, the Company contributed $10.0 million to the venture at the ELEAD acquisition closing, committed to an additional $10.0 million in contributions over time, and acquired 50% ownership in the joint venture. The Company's contributions were expected to fund the initial operations of the joint venture. Under ASC 810, "Consolidation," the joint venture was determined to be a variable interest entity; however, the Company was not considered the primary beneficiary. As such, the joint venture was accounted for as an equity method investment and the initial $10.0 million contribution was recorded as an investment on the Consolidated Balance Sheets. During the fourth quarter of fiscal 2019, the Company entered into a joint venture termination agreement with the former owners of ELEAD in exchange for a termination payment of $7.0 million.

The initial $10.0 million contribution and the $7.0 million termination payment were recorded as a loss from equity method investment in the Consolidated Statements of Operations.

Note 6. Revenue

Contract Balances

Accounts Receivable

A receivable is recorded when an unconditional right to invoice and receive payment exists, such that only the passage of time is required before payment of consideration is due. The Company receives payments from customers based upon contractual billing schedules. Payment terms can vary by contract but the period between invoicing and when payments are due is not significant. The timing of revenue recognition may differ from the timing of invoicing to customers. Included in accounts receivable on the Consolidated Balance Sheets are unbilled receivable balances which have not yet been invoiced. As of June 30, 2021, the balance of accounts receivable, net of allowances for doubtful accounts, was $236.4 million, inclusive of unbilled receivables of $1.8 million. As of June 30, 2020, the balance of accounts receivable, net of allowances for doubtful accounts, was $242.0 million, inclusive of unbilled receivables of $1.3 million.

Contract Assets

A contract asset is recognized when a conditional right to consideration exists and transfer of control has occurred. Contract assets are typically related to subscription contracts where the transaction price allocated to the satisfied performance obligation exceeds the value of billings to-date. Contract assets are reported in a net position on a contract-by-contract basis and are included in other current assets for the current portion and other assets for the long-term portion on the Consolidated Balance Sheets. The Company regularly reviews contract asset balances for impairment, considering factors such as historical experience, credit-worthiness, age of the balance, and other economic or business factors. Refer to Note 11 – Allowance for Credit Losses for more information about contract assets exposure to credit losses. Contract asset impairments were not significant in the twelve months ended June 30, 2021. Contract assets were $64.3 million and $77.2 million as of June 30, 2021 and 2020, respectively.

Deferred Revenue

The Company's deferred revenue primarily consists of payments received from customers, or such consideration that is contractually due, in advance of providing the product or performing services. Deferred revenue is reported in a net position on a contract-by-contract basis at the end of each reporting period. As of June 30, 2021 and June 30, 2020, the deferred revenue balance was $69.0 million and $84.0 million, respectively. For the years ended June 30, 2021, 2020 and 2019, the Company recognized revenue of $76.5 million, $99.8 million, and $112.5 million, respectively, related to its deferred revenue.

Remaining Performance Obligations. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The following information represents the total transaction price for the remaining performance obligations as of June 30, 2021 related to non-cancelable contracts, including contracts less than one year in duration, that is expected to be recognized over future periods. In each case the fiscal period represents the year ended June 30.

As of June 30, 2021, the Company had $2.6 billion of remaining performance obligations which represent contracted revenue that has not yet been recognized, including contracted revenue where the contract's original expected duration is one year or less. The Company expects to recognize approximately $950.0 million of the remaining performance obligations as revenue for fiscal 2022, $700.0 million for fiscal 2023, $490.0 million for fiscal year 2024, $290.0 million for fiscal 2025, $150.0 million for fiscal 2026, and $20.0 million thereafter. The remaining performance obligations exclude future transaction revenue where revenue is recognized as the services are rendered and in the amount to which the Company has the right to invoice.

Costs to Obtain and Fulfill a Contract. The Company capitalizes certain contract acquisition costs consisting primarily of commissions incurred when contracts are signed. The Company does not capitalize commissions related to contracts with a duration of less than one year; such commissions are expensed in selling, general and

administrative expenses when incurred. Costs to fulfill contracts are capitalized when such costs are direct and related to transition or installation activities for hosted software solutions. Capitalized costs to fulfill contracts primarily include travel and employee compensation and benefit related costs for the Company's implementation and training teams. Capitalized costs to obtain a contract and most costs to fulfill a contract are amortized over a period of five years which represents the expected period of benefit of these costs. In instances where the contract term is significantly less than five years, costs to fulfill are amortized over the contract term which the Company believes best reflects the period of benefit of these costs.

As of June 30, 2021 and 2020, the Company capitalized contract acquisition and fulfillment costs of $195.7 million and $178.7 million, respectively. The Company expects that incremental commission fees incurred as a result of obtaining contracts and fulfillment costs are recoverable. During fiscal 2021, 2020, and 2019, the Company recognized cost amortization of $73.9 million, $72.4 million, and $71.7 million, respectively, and there were no significant impairment losses.

Revenue Disaggregation. The following table presents revenue by category for twelve months ended June 30, 2021, 2020 and 2019:

	Year Ended June 30,		
	2021	2020	2019
Subscription	$ 1,313.9	$ 1,306.0	$ 1,283.3
On-site licenses and installation	9.2	10.8	7.9
Transaction	174.9	155.0	162.5
Other	175.2	167.2	139.3
Total Revenue	$ 1,673.2	$ 1,639.0	$ 1,593.0

Note 7. Restructuring

Business Transformation Plan. During fiscal year ended June 30, 2015, the Company initiated a three-year business transformation plan designed to increase operating efficiency and improve the Company's cost structure in its operations. As the Company executed the business transformation plan, the Company continually monitored, evaluated and refined its structure, including its design, goals, term and estimate and allocation of total restructuring expenses. As part of this ongoing review process, during fiscal 2017, the Company extended the business transformation plan by one year through fiscal 2019. The Company incurred $156.6 million of accumulative other business transformation expense to execute the plan through its completion at the end of fiscal 2019. In addition, the Company has recognized cumulative restructuring expenses of $59.5 million since the inception of the business transformation plan in fiscal 2015 through its completion at the end of fiscal 2019.

Restructuring expenses associated with the business transformation plan included employee-related costs, which represent severance and other termination-related benefits calculated based on long-standing benefit practices and local statutory requirements, and contract termination costs, which include costs to terminate facility leases. The business transformation plan was completed at the end of fiscal year 2019.

There were no outstanding restructuring liabilities as of June 30, 2021 and 2020.

Note 8. Stock-Based Compensation

Incentive Equity Awards Granted by the Company. The Company's 2014 Omnibus Award Plan ("2014 Plan") provides for the granting of incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock, restricted stock units, other stock-based awards, and performance compensation awards to employees, directors, officers, consultants, advisors, and those of the Company's affiliates. The 2014 Plan provides for an aggregate of 12.0 million shares of the Company's common stock to be reserved for issuance and is effective for a period of ten years. As of June 30, 2021, there were 2.7 million shares available for issuance under the 2014 Plan. The Company reissues treasury stock to satisfy issuances of common stock upon option exercise, equity vesting, or grants of restricted stock.

The Company recognizes stock-based compensation expense associated with employee equity awards in net earnings based on the fair value of the awards on the date of grant. The Company accounts for forfeitures as they occur. Stock-based compensation primarily consisted of the following:

Time-Based Stock Options and Performance-Based Stock Options. Time-based stock options and performance-based stock options have a term of ten years. Upon termination of employment, unvested stock options are evaluated for forfeiture or modification, subject to the terms of the awards and Company policies.

Time-based stock options are granted to employees at an exercise price equal to the fair market value of the Company's common stock on the date of grant and are generally issued under a three or four-year graded vesting schedule.

Performance-based stock options are granted to the CEO at an exercise price equal to the fair market value of the Company's stock on the date of grant. These awards vest, subject to the Company's stock price performance and the CEO's continued employment with the Company, over a three-year performance period.

Time-Based Restricted Stock and Time-Based Restricted Stock Units. Time-based restricted stock and restricted stock units generally vest over a two to five-year period. Upon termination of employment, unvested time-based awards are evaluated for forfeiture or modification, subject to the terms of the awards and Company policies.

Time-based restricted stock cannot be transferred during the vesting period. Compensation expense related to the issuance of time-based restricted stock is measured based on the fair value of the award on the grant date and recognized on a straight-line basis over the vesting period. Employees are eligible to receive cash dividends on the CDK shares awarded under the time-based restricted stock program during the restricted period.

Time-based restricted stock units are primarily settled in cash for non-U.S. recipients and may be settled in stock or cash for U.S. recipients at the discretion of the Company and cannot be transferred during the restriction period. Compensation expense related to the issuance of time-based restricted stock units is recorded over the vesting period and is initially based on the fair value of the award on the grant date. Cash-settled, time-based restricted stock units are subsequently remeasured at each reporting date during the vesting period to the current stock value. For grants made prior to September 6, 2018, no dividend equivalents are paid on units awarded during the restricted period. For grants made on or subsequent to September 6, 2018, U.S. recipients are credited with dividend equivalents on units awarded during the restricted period, and no dividend equivalents are paid or credited on units awarded to non-U.S. recipients during the restricted period.

Performance-Based Restricted Stock Units. Performance-based restricted stock units generally vest over a three-year performance period. Under these programs, the Company communicates "target awards" at the beginning of the performance period with possible payouts at the end of the performance period ranging from 0% to 260% of the "target awards". Certain performance-based awards are further subject to adjustment based on a market condition, defined as total stockholder return of the Company's common stock compared to a peer group of companies. The probability associated with the achievement of performance conditions affects the vesting of the Company's performance-based awards. Expense is only recognized for those shares expected to vest. Upon termination of employment, unvested awards are evaluated for forfeiture or modification, subject to the terms of the awards and Company policies.

Performance-based restricted stock units are settled in either cash or stock for employees whose home country is the U.S. at the discretion of the Company, and are settled in cash for all other employees and cannot be transferred during the vesting period. Compensation expense related to the issuance of performance-based restricted stock units settled in cash is recorded over the vesting period, is initially based on the fair value of the award on the grant date and is subsequently remeasured at each reporting date to the current stock value during the performance period, based upon the probability that the performance target will be met. Compensation expense related to the issuance of performance-based restricted stock units settled in stock is recorded over the vesting period based on the fair value of the award on the grant date. Prior to settlement, dividend equivalents are earned on "target awards" under the performance-based restricted stock unit program.

The following table represents stock-based compensation expense and the related income tax benefits for fiscal 2021, 2020, and 2019, respectively:

	Year Ended June 30,		
	2021	2020	2019
Cost of revenue	$ 14.1	$ 6.1	$ 2.9
Selling, general and administrative expenses	28.9	13.1	26.1
Total stock-based compensation expense	$ 43.0	$ 19.20	$ 29.0
Income tax benefit(1)	6.2	3.1	5.9
Stock-based compensation expense, net of tax	$ 36.8	$ 16.1	$ 23.1

(1) Represents stock-based compensation expense exclusive of non-deductible executive compensation at the statutory tax rates. Excess tax benefits or shortfalls associated with stock awards are excluded from this disclosure and presented separately in Note 17 - Income Taxes.

Stock-based compensation expense for fiscal 2021 consisted of $40.8 million of expense related to equity-classified awards and $2.2 million of expense related to liability-classified awards. Total stock-based compensation expense for fiscal 2021 includes $3.9 million of cumulative adjustments related to the achievement of financial performance metrics based on the outcome of fiscal 2021 associated with performance-based restricted stock units.

Stock-based compensation expense for fiscal 2020 consisted of $18.4 million of expense related to equity-classified awards and $0.8 million of expense related to liability-classified awards. Total stock-based compensation expense for fiscal 2020 includes $6.9 million of cumulative adjustments related to the achievement of financial performance metrics based on the outcome of fiscal 2020 associated with performance-based restricted stock units.

Stock-based compensation expense for fiscal 2019 consisted of $28.1 million of expense related to equity-classified awards and $0.9 million of expense related to liability-classified awards. Total stock-based compensation expense for fiscal 2019 includes $11.2 million of additional expense for a cumulative adjustment in the fourth quarter related to the achievement of financial performance metrics for performance based restricted stock.

As of June 30, 2021, the total unrecognized compensation cost related to non-vested stock options and restricted stock units was $2.9 million and $73.5 million, respectively, which will be amortized over the weighted average remaining requisite service periods of 1.8 years and 2.0 years, respectively. There was no unrecognized compensation cost related to non-vested restricted stock awards as of June 30, 2021.

The activity related to the Company's incentive equity awards for fiscal 2021, including amounts attributable to the Company's discontinued operations, consisted of the following:

Time-Based Stock Options

	Number of Options (in thousands)	Weighted Average Exercise Price (in dollars)	Weighted Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value (in millions)
Options outstanding as of June 30, 2020	822	$ 47.85		
Options granted	319	43.45		
Options exercised	(70)	35.12		
Options canceled	(42)	59.40		
Options outstanding as of June 30, 2021	1,029	$ 46.88	7.4	$ 4.1
Exercisable as of June 30, 2021	412	$ 48.22	5.7	$ 1.6

The Company received proceeds from the exercise of stock options of $2.5 million, $6.2 million, and $5.0 million during fiscal 2021, 2020, and 2019, respectively. The aggregate intrinsic value of stock options exercised during fiscal 2021, 2020, and 2019 was approximately $1.0 million, $3.3 million, and $5.0 million, respectively.

The Binomial model used to determine the grant date fair value of the time-based stock options granted in the first quarter of fiscal 2021 used an expected volatility based on the average of implied volatility and historical stock

price volatility for the Company, the average of which was 33.0%, a risk-free interest rate of 0.4%, an expected dividend yield of 1.4%, and weighted average expected life of 6 years.

Performance-Based Stock Options. There were no grants of performance-based stock options during the fiscal 2021.

	Number of Options (in thousands)	Weighted Average Exercise Price (in dollars)
Options outstanding as of June 30, 2020	152	$ 50.77
Options granted	—	—
Options outstanding as of June 30, 2021	152	$ 50.77

The following table presents the assumptions used to determine the fair value of the stock options granted by the Company:

	Fiscal 2021	Fiscal 2020	Fiscal 2019
Risk-free interest rate	0.4%	1.7%	3.1%
Dividend yield	1.4%	1.3%	1.2%
Weighted average volatility factor	33.0%	25.9%	23.2%
Weighted average expected life (in years)	6.0	6.0	6.0
Weighted average fair value (in dollars)	$ 11.73	$ 11.24	$ 12.72

Time-Based Restricted Stock and Time-Based Restricted Stock Units.

	Restricted Stock		Restricted Stock Units	
	Number of Shares (in thousands)	Weighted Average Grant Date Fair Value (in dollars)	Number of Units (in thousands)	Weighted Average Grant Date Fair Value (in dollars
Non-vested as of June 30, 2020	18	$ 62.08	726	$ 50.92
Granted	—	—	1,379	47.30
Vested	(18)	62.08	(315)	55.54
Forfeited	—	—	(265)	46.22
Non-vested as of June 30, 2021	—	$ —	1,525	$ 47.60

Performance-Based Restricted Stock Units.

	Restricted Stock Units	
	Number of Units (in thousands)	Weighted Average Grant Date Fair Value (in dollars)
Non-vested as of June 30, 2020	663	$ 50.71
Granted	449	44.11
Vested	(269)	53.53
Forfeited	(58)	50.45
Non-vested as of June 30, 2021	785	$ 45.99

The Monte Carlo simulation model used to determine the grant date fair value of the total three-year performance-based restricted stock units granted during fiscal 2021 used an expected volatility based on historical stock price volatility for the Company and the peer companies, the average of which was 31.7% and a risk-free

interest rate of 0.2%. Because these awards earn dividend equivalents, the model did not assume an expected dividend yield.

Note 9. Employee Benefit Plans

The Company offers a defined contribution savings plan. This plan covers all eligible full-time domestic employees and provides company-matching contributions on a portion of employee contributions. The costs recorded by the Company for this plan were $17.2 million, $16.5 million, and $15.4 million for fiscal 2021, 2020, and 2019, respectively.

Note 10. Earnings per Share

The numerator for both basic and diluted earnings per share is net earnings attributable to CDK. The denominator for basic and diluted earnings per share is based on the number of weighted average shares of the Company's common stock outstanding during the applicable reporting periods. Diluted earnings per share also reflects the dilutive effect of unexercised in-the-money stock options and unvested restricted stock.

Holders of certain stock-based compensation awards are eligible to receive dividends as described in Note 8 - Stock-Based Compensation.

The following table summarizes the components of basic and diluted earnings per share.

	June 30,		
	2021	2020	2019
Net earnings from continuing operations attributable to CDK	$181.5	$258.2	$187.2
Net earnings (loss) from discontinued operations	852.8	(50.7)	(63.2)
Net earnings attributable to CDK	$1,034.3	$207.5	$124.0
Weighted average shares outstanding:			
Basic	121.9	121.6	125.5
Effect of dilutive securities (1)	0.7	0.5	0.9
Diluted	122.6	122.1	126.4
Net earnings (loss) attributable to CDK per share - basic:			
Continuing operations	$1.48	$2.13	$1.49
Discontinued operations	7.00	(0.42)	(0.50)
Total net earnings attributable to CDK per share – basic	$8.48	$1.71	$0.99
Net earnings (loss) attributable to CDK per share - diluted:			
Continuing operations	$1.48	$2.12	$1.48
Discontinued operations	6.96	(0.42)	(0.50)
Total net earnings attributable to CDK per share – diluted	$8.44	$1.70	$0.98

(1) The dilutive effect of outstanding stock options, restricted stock units, restricted stock, and performance share units is reflected in the diluted weighted average shares outstanding using the treasury stock method.

The weighted average number of shares outstanding used in the calculation of diluted earnings per share does not include the effect of anti-dilutive securities. The potential common shares excluded were 1.1 million, 1.0 million, and 0.5 million for fiscal 2021, 2020, and 2019, respectively.

Note 11. Allowance for Credit Losses

In June 2016, the FASB issued ASU 2016-13, which requires the application of a current expected credit loss impairment model ("CECL") to financial assets measured at amortized cost (including trade accounts receivable), net investments in leases, and certain off-balance-sheet credit exposures. Under CECL, lifetime expected credit losses on such financial assets are measured and recognized at each reporting date based on historical, current, and

forecasted information. Furthermore, CECL requires financial assets with similar risk characteristics to be analyzed on a collective basis.

On July 1, 2020, the Company adopted CECL using a modified retrospective approach. The noncash cumulative effect of adopting CECL resulted in a decrease of $8.2 million, net of tax impacts, to retained earnings, with corresponding increases to the allowance for expected credit losses impacting accounts receivable, net, other current assets and other assets on the Consolidated Balance Sheets. The cumulative-effect adjustment in retained earnings includes amounts related to the International Business, which represented an impact upon adoption of $1.2 million, net of tax. At adoption, there was no impact on the Company's Consolidated Statements of Operations and Cash Flows. The impacts related to prior comparative periods have not been restated and continue to be reported under the accounting standards in effect for the prior periods.

Credit loss expense is included in selling, general and administrative expenses in the Consolidated Statements of Operations. The following table provides a rollforward of the allowance for credit losses that is deducted from the amortized cost basis to present the net amount expected to be collected as of June 30, 2021.

	Accounts receivable, net	Other current assets	Other assets	Total
Balance as of June 30, 2020	$ 10.6	$ —	$ —	$ 10.6
Cumulative-effect adjustment upon adoption	0.7	0.5	8.2	9.4
Provision (release of provision) for expected credit losses	(2.3)	0.2	1.2	(0.9)
Write-offs	(3.0)	—	(0.2)	(3.2)
Other	0.3	—	—	0.3
Balance as of June 30, 2021	$ 6.3	$ 0.7	$ 9.2	$ 16.2

Note 12. Property, Plant and Equipment, Net

Depreciation expense for property, plant and equipment was $40.0 million, $49.0 million, and $49.2 million for fiscal 2021, 2020, and 2019, respectively. Property, plant and equipment at cost and accumulated depreciation consisted of the following:

	June 30,	
	2021	2020
Land and buildings	$ 32.4	$ 32.4
Data processing equipment	221.9	232.4
Furniture and fixtures, leasehold improvements and other	53.9	53.6
Total property, plant and equipment	308.2	318.4
Less: accumulated depreciation	236.4	221.7
Property, plant and equipment, net	$ 71.8	$ 96.7

Note 13. Leases

CDK as a Lessee. For fiscal 2021, the Company recorded leases expense of $26.7 million in cost of revenue, $3.1 million in selling, general and administrative expenses, and $0.5 million in interest expense, in the Consolidated Statements of Operations. For fiscal 2020, the Company recorded lease expense of $24.6 million in cost of revenue, $2.7 million in selling, general and administrative expenses, and $0.9 million in interest expense, in the Consolidated Statements of Operations.

The following table summarizes the components of net lease expense for the year ended June 30, 2021 and 2020:

	June 30,	
	2021	2020
Finance Leases:		
Amortization expense of ROU assets	$ 5.5	$ 6.2
Interest expense on lease liabilities	0.5	0.9
Operating Leases:		
Lease expense	14.3	9.7
Sublease income	(1.9)	(0.6)
Short-term lease expense	3.3	3.4
Variable lease expense	8.6	8.7
Total net lease expense	$ 30.3	$ 28.3

For fiscal 2019, operating leases expense under previous accounting guidance was $19.6 million. The following table presents supplemental information related to leases:

	June 30,	
	2021	2020
Cash paid for amounts included in measurement of lease liabilities		
Operating cash flows paid for operating leases	$ 16.3	$ 8.9
Operating cash flows paid for interest portion of finance leases	0.5	0.8
Finance cash flows paid for principal portion of finance leases	5.7	6.2

	June 30,	
	2021	2020
Operating leases		
Weighted average remaining lease term	4.2 years	5.4 years
Weighted average discount rate	3.9%	4.2%
Finance leases		
Weighted average remaining lease term	1.8 years	2.6 years
Weighted average discount rate	4.4%	4.6%

The following table presents supplemental balance sheet information related to leases as of June 30, 2021 and 2020:

	June 30,	
	2021	2020
Operating Leases:		
ROU assets net (1)	$ 31.4	$ 35.3
Lease liabilities, current(2)	13.4	2.1
Lease liabilities, non-current(3)	31.1	38.5
Total lease liabilities	$ 44.5	$ 40.6
Finance Leases:		
ROU assets, net(1)	$ 8.3	$ 13.5
Lease liabilities, current(2)	4.9	5.7
Lease liabilities, non-current(3)	3.8	8.4
Total lease liabilities	$ 8.7	$ 14.1

(1) Included in other assets for operating leases and property, plant and equipment, net for finance leases on the Consolidated Balance Sheets.

(2) Included in accrued expenses and other current liabilities for operating leases and current maturities of long-term debt and finance lease liabilities for finance leases on the Consolidated Balance Sheets.

(3) Included in other liabilities for operating leases and long-term debt and finance lease liabilities for finance leases on the Consolidated Balance Sheets.

The following table presents maturity analysis of lease liabilities as of June 30, 2021:

	Operating Leases	Finance Leases
Twelve months ending June 30:		
2022	$ 14.8	$ 5.2
2023	11.3	3.6
2024	7.0	0.2
2025	6.2	0.1
2026	5.2	—
Thereafter	4.0	—
Total lease payments	48.5	9.1
Less: interest	(4.0)	(0.4)
Present value of lease liabilities	$ 44.5	$ 8.7

The Company did not have any material minimum lease payments for executed leases that have not yet commenced as of June 30, 2021.

CDK as a Lessor. The following summarizes components of net lease income reported on the Consolidated Statements of Operations as of June 30, 2021 and 2020:

	June 30,	
	2021	2020
Revenue(1)	$ 45.1	$ 30.9
Cost of revenue	(37.6)	(30.1)
Interest income	2.4	0.7
Total lease income	$ 9.9	$ 1.5

(1) Revenue from lease components are included in the Other category in revenue disaggregation table in Note 6 - Revenue.

As of June 30, 2021, the carrying value of the Company's lease receivable reported in accounts receivable, net and other assets on the Consolidated Balance Sheets was $19.5 million and $40.9 million, respectively. As of June 30, 2020, the carrying value of the Company's lease receivable reported in accounts receivable, net and other assets on the Consolidated Balance Sheets was $7.8 million and $18.7 million, respectively. The following table presents maturity analysis of the lease payments the Company expects to receive as of June 30, 2021:

	Amount
Twelve months ending June 30:	
2022	$ 21.1
2023	18.5
2024	14.2
2025	8.8
2026	3.4
Thereafter	0.1
Total cash flows to be received	66.1
Less: interest	5.7

	Amount
Present value of lease receivable	$ 60.4

Note 14. Goodwill and Intangible Assets, Net

Changes in goodwill were as follows:

	Amount
Balance as of June 30, 2019	$ 1,000.3
Currency translation	(0.8)
Balance as of June 30, 2020	999.5
Acquisition	295.5
Currency translation	2.1
Balance as of June 30, 2021	$ 1,297.1

Intangible assets, net from continuing operations consisted of:

		June 30,					
		2021			2020		
	Useful lives (in years)	Gross Carrying Amount	Accumulated Amortization	Intangible Assets, net	Gross Carrying Amount	Accumulated Amortization	Intangible Assets, net
Customer lists	5 - 15	$ 187.9	$ (81.2)	$ 106.7	$ 156.6	$ (71.2)	$ 85.4
Software	3 - 8	412.5	(192.3)	220.2	289.3	(148.9)	140.4
Trademarks	2 - 15	10.4	(4.6)	5.8	7.3	(3.6)	3.7
		$ 611.7	$ (279.0)	$ 332.7	$ 454.1	$ (224.6)	$ 229.5

Other intangibles consist primarily of purchased rights, covenants, and patents (acquired directly or through acquisitions). All of the intangible assets have finite lives and, as such, are subject to amortization. Amortization of intangible assets from continuing operations was $58.7 million, $42.7 million, and $31.2 million for fiscal 2021, 2020, and 2019, respectively.

April 1, 2021, 2020 and 2019 Impairment Analysis. The Company completed its annual impairment analysis as of April 1, 2021 and 2020. For all reporting units, the Company performed a quantitative analysis. Based on the results of the quantitative analysis, the Company determined that the fair values of all reporting units exceeded their carrying values and no impairment existed.

During fiscal 2019, the Company recorded impairment charges of $13.2 million for software and $1.7 million for customer lists. Of the total $14.9 million impairment charge, the Company recorded $12.0 million in cost of revenue and $2.9 million in selling, general and administrative expenses in the Consolidated Statements of Operations.

Estimated future amortization expense related to existing intangible assets is as follows:

	Amount
Year ending June 30,	
2022	$ 72.7
2023	71.2
2024	51.0
2025	34.5
2026	23.5
Thereafter	79.5
Total future amortization expense	$ 332.7

Note 15. Investments

As of June 30, 2021, the Company's equity investments principally comprised a 15% ownership interest in Ansira and a 50% ownership interest in Open Dealer Exchange ("ODE"). ODE processes certain credit bureau and other credit related transactions on behalf of the Company. The operations of ODE are integral to the Company's business due to the access ODE has to credit bureaus, which provides an extension of the business over a critical functional area. As a result, the Company records earnings related to the investment in costs of revenues in the Consolidated Statements of Operations. For the years ended June 30, 2021, 2020, and 2019, the Company incurred expenses from ODE of $17.6 million, $13.7 million, and $12.3 million, respectively, in cost of revenues in the Consolidated Statements of Operations. During fiscal 2021, 2020 and 2019, the Company made payments to ODE of $14.9 million, $14.6 million, and $13.4 million, respectively.

	June 30,	
	2021	2020
Equity method investments	$ 30.4	$ 56.1
Other investments	20.0	20.0
Total	$ 50.4	$ 76.1
Opening balance	$ 76.1	$ 77.2
Losses recognized in loss from equity method investment (1)	(27.3)	(2.7)
Amounts recognized in cost of revenue	13.3	11.0
Dividends received	(11.7)	(9.4)
Closing balance	$ 50.4	$ 76.1

(1) Fiscal 2021 includes a $14.5 million impairment charge with respect to one of the Company's equity investments.

In addition, the Company has a 10-year note receivable due 2030, with respect to one of its equity investments. As of June 30, 2021 and 2020, the note receivable was $27.3 million and $24.4 million, respectively, recorded in other assets on the Consolidated Balance Sheets.

Other investments include entities where the Company does not have significant influence over the operating or financial policy and their fair values are not readily determinable. Therefore, the Company has elected to measure these investments at cost with adjustments for observable changes in price or impairment.

Note 16. Debt

Long-term debt and finance lease liabilities consisted of:

		As of June 30, 2021		As of June 30, 2020	
	Maturity Date	Interest Rate	Amount	Interest Rate	Amount
Credit Facilities					
Revolving credit facility	May 2026		$ —	2.875%	$ 15.0
Total credit facilities					
Term Loans Facilities					
Unsecured three-year term loan facility	August 2021		—	2.750%	300.0
Unsecured five-year term loan facility	August 2023		—	2.875%	273.8
Total term loans			—		573.8
Unsecured Senior Notes					
Senior notes, due 2024	October 2024	5.000%	500.0	5.000%	500.0
Senior notes, due 2026	June 2026		—	5.875%	500.0

		As of June 30, 2021		As of June 30, 2020	
	Maturity Date	Interest Rate	Amount	Interest Rate	Amount
Senior notes, due 2027	May 2027	4.875%	600.0	4.875%	600.0
Senior notes, due 2029	May 2029	5.250%	500.0	5.250%	500.0
Total unsecured senior notes			1,600.0		2,100.0
Finance lease liabilities			8.7		14.1
Other			2.2		—
Unamortized debt financing costs			(17.3)		(27.1)
Total debt and finance lease liabilities			1,593.6		2,675.8
Less: current maturities of long-term debt			7.1		20.7
Total long-term debt and finance lease liabilities			$ 1,586.5		$ 2,655.1

Credit Facility. The Company has a variable rate senior unsecured revolving credit facility (the "revolving credit facility"). The revolving credit facility provides up to $750.0 million of borrowing capacity and includes a sub-limit of up to $100.0 million for loans denominated in euro, pound sterling, and, if approved by the revolving lenders, other currencies. The average outstanding balances of the revolving credit facility were $42.7 million and $122.7 million for the fiscal year ended June 30, 2021 and 2020, respectively.

The revolving credit facility contains various covenants and restrictive provisions that limit the Company's subsidiaries' ability to incur additional indebtedness, the Company's ability to consolidate or merge with other entities, and the Company's subsidiaries' ability to incur liens, enter into sale and leaseback transactions, and enter into agreements restricting the ability of the Company's subsidiaries to pay dividends. If the Company fails to perform the obligations under these and other covenants, the revolving credit facility could be terminated and any outstanding borrowings, together with accrued interest, could be declared immediately due and payable. In addition to customary events of default on the revolving credit facility, an event of default may also be triggered by the acceleration of the maturity of any other indebtedness the Company may have in an aggregate principal amount in excess of $75.0 million.

On May 24, 2021, the Company entered into an amendment of its revolving credit facility which includes an extension of its maturity from August 2023 to May 2026, and amendments to its financial covenants. The amended financial covenants provide that (i) the ratio of the Company's total consolidated indebtedness to consolidated EBITDA (the "Leverage Ratio") may not exceed 3.75 to 1.00. Upon the occurrence of certain acquisitions for each of the four consecutive fiscal quarters of the Company immediately following such certain acquisitions (including the fiscal quarter in which such certain acquisition was consummated), the ratio set forth above will be increased to 4.25 to 1.00, and (ii) the ratio of the Company's consolidated EBITDA to consolidated interest expense may not be less than 3.00 to 1.00. The related debt financing costs were not material to the consolidated financial statements.

Term Loan Facilities. On March 1, 2021, the Company repaid in full the three-year and five-year term loan facilities. As a result, the Company recorded a loss on extinguishment of debt for the write-off of unamortized debt financing costs of $2.2 million in the Consolidated Statements of Operations.

Unsecured Senior Notes. The senior notes have fixed interest rates, for which interest is paid semi-annually. The notes are redeemable at certain dates in whole or in part at the Company's option. The redemption price would be equal to, or in excess of, 100% of the aggregate principal amount thereof plus accrued and unpaid interest, if any, plus the applicable "make-whole" premium.

On April 23, 2021, the Company repaid all indebtedness under the 2026 notes. As a result, the Company recorded expenses of $18.5 million for the call premium and $4.8 million for the write-off of unamortized debt financing costs in the Consolidated Statements of Operations.

The senior notes are general unsecured obligations of the Company and are not guaranteed by any of the Company's subsidiaries. The senior notes rank equally in right of payment with the Company's existing and future unsecured unsubordinated obligations, including the credit facilities. The senior notes contain covenants restricting the Company's ability to incur additional indebtedness secured by liens, engage in sale/leaseback transactions, and merge, consolidate, or transfer all or substantially all of the Company's assets. The senior notes are also subject to a change of control provision whereby each holder of the senior notes has the right to require the Company to purchase all or a portion of such holder's senior notes at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest upon the occurrence of both a change of control and a decline in the rating of the senior notes.

Finance Lease Liabilities. The Company has lease agreements for equipment, which are classified as finance lease liabilities. Refer to Note 13 - Leases for scheduled maturities and additional information relating to finance lease liabilities.

Fair Value. The fair values of the senior notes were estimated using quoted market prices for identical liabilities that are traded in over-the-counter secondary markets that are not considered active. The carrying value of the term loans, including accrued interest, approximates fair value based on the Company's current estimated incremental borrowing rate for similar types of arrangements. The senior notes and term loans are classified as Level 2 (direct or indirect observable inputs other than quoted prices in active markets) in the fair value hierarchy. The carrying value of the revolving credit facility and finance lease liabilities approximates fair value.

The approximate fair values and related carrying values of the Company's long-term debt, including current maturities and excluding unamortized debt financing costs, are as follows:

	June 30,	
	2021	2020
Fair value	$ 1,746.8	$ 2,790.5
Carrying value	1,610.9	2,702.9

The Company's aggregate scheduled maturities of the long-term debt as of June 30, 2021 were as follows:

	Amount
Fiscal year ending 2022	$ —
Fiscal year ending 2023	—
Fiscal year ending 2024	—
Fiscal year ending 2025	500.0
Fiscal year ending 2026	—
Thereafter	1,100.0
Total debt	1,600.0
Unamortized deferred financing costs	(17.3)
Total debt, net of unamortized deferred financing costs	$ 1,582.7

Note 17. Income Taxes

Provision for Income Taxes. Earnings before income taxes presented below is based on the geographic location to which such earnings were attributable.

	June 30,		
	2021	2020	2019
Earnings before income taxes:			
U.S.	$ 260.7	$ 346.8	$ 205.7
Foreign	24.0	27.2	38.0
	$ 284.7	$ 374.0	$ 243.7

The provision for income taxes consisted of the following components:

	June 30,		
	2021	2020	2019
Current:			
Federal	$ 42.6	$ 83.0	$ 25.0
State	12.7	18.3	10.5
Foreign	8.4	2.6	18.4
Total current	63.7	103.9	53.9
Deferred:			
Federal	23.3	6.3	(1.3)
State	7.4	1.0	(2.0)
Foreign	0.1	(2.4)	(2.0)
Total deferred	30.8	4.9	(5.3)
Total provision for income taxes	$ 94.5	$ 108.8	$ 48.6

A reconciliation between the Company's effective tax rate from continuing operations and the U.S. federal statutory rate is as follows. Certain prior year amounts have been reclassified to conform to current year presentation.

	June 30,					
	2021	%	2020	%	2019	%
Provision for taxes at U.S. statutory rate	$ 59.8	21.0%	$ 78.5	21.0%	$ 51.2	21.0%
Increase (decrease) in provision from:						
State income taxes, net of federal benefit	16.2	5.6%	12.4	3.3%	7.4	3.0%
U.S. tax on foreign earnings	(0.2)	(0.1)%	1.8	0.5%	2.0	0.8%
Foreign tax rate differential	1.4	0.5%	5.2	1.4%	3.2	1.3%
Foreign tax credits	(2.7)	(0.9)%	(7.7)	(2.1)%	(8.0)	(3.3)%
Foreign withholding taxes	1.9	0.7%	1.6	0.4%	—	—%
Valuation allowances	7.5	2.6%	15.0	4.0%	(10.6)	(4.3)%
Uncertain tax positions	(0.1)	—%	17.6	4.7%	1.8	0.7%
Mutual agreement procedure receivable	0.9	0.3%	(16.2)	(4.3)%	—	—%
Tax shortfalls / (excess tax benefits) on stock-based compensation	3.1	1.1%	0.6	0.2%	2.1	0.9%
Nondeductible officer compensation	5.6	2.0%	1.6	0.4%	2.7	1.1%
Noncontrolling interest	(1.5)	(0.5)%	(1.1)	(0.3)%	(1.9)	(0.8)%
Other	2.6	0.9%	(0.5)	(0.1)%	(1.3)	(0.5)%
Provision for income taxes	$ 94.5	33.2%	$ 108.8	29.1%	$ 48.6	19.9%

The balance sheet classification and significant components of deferred income tax assets and liabilities are as follows:

	June 30,	
	2021	2020
Classification:		
Long term deferred tax assets (included in other non-current assets)	$ 1.3	$ 1.5
Long term deferred tax assets (included in long-term assets held for sale)	—	7.0
Long term deferred tax liabilities (included in deferred income taxes)	(111.4)	(76.4)

	June 30,	
	2021	2020
Long term deferred tax liabilities (included in long-term liabilities held for sale)	—	(2.0)
Net deferred tax liabilities	$ (110.1)	$ (69.9)
Components:		
Deferred tax assets:		
Accrued expenses	$ 15.0	$ 20.4
Compensation and benefits	17.6	17.7
Deferred revenue	1.7	11.1
Net operating losses	15.8	3.4
Capital losses	3.4	4.3
Lease liabilities	12.3	14.9
Tax credits	2.3	2.9
Other	10.1	5.5
	78.2	80.2
Less: valuation allowances	(13.6)	(5.7)
Deferred tax assets	64.6	74.5
Deferred tax liabilities:		
Deferred expenses	51.2	54.1
Property, plant and equipment and intangible assets	115.7	79.1
ROU assets	6.9	10.0
Prepaid expenses	0.9	1.2
Deferred tax liabilities	174.7	144.4
Net deferred tax liabilities	$ (110.1)	$ (69.9)

As discussed in Note 13 - Leases, CDK adopted ASC 842 on July 1, 2019. Therefore, in fiscal 2020 CDK recognized deferred tax assets for lease liabilities and deferred tax liabilities for ROU assets as shown in the table above.

Deferred Taxes on Unremitted Foreign Earnings.

During the three months ended March 31, 2020, the Company began assessing the impact of the global emergence of COVID-19 on its business. In response to the economic uncertainty engendered by the ongoing COVID-19 pandemic, the Company took steps to preserve cash and improve its liquidity position. The Company reviewed its plans for foreign cash balances and, based on the increase in uncertainty and higher expected U.S. cash needs associated with the pandemic, the Company removed its assertion that foreign earnings were indefinitely reinvested, making these earnings available for repatriation as necessary. The Company has accrued $1.4 million and $3.0 million of withholding tax liabilities on unremitted foreign earnings on the Consolidated Balance Sheets as of June 30, 2021 and 2020, respectively.

Carryforward Attributes. As of June 30, 2021, the Company had federal capital losses of $13.4 million which expire in 2024 and pre-apportioned state capital losses of $13.4 million which expire in 2024 through 2034. The Company has $63.2 million of federal net operating losses, a portion of which begin to expire in 2033, and $42.8 million of post-apportioned state net operating losses, a portion of which begin to expire in 2023, both the federal and state net operating losses were derived from fiscal 2021 acquisitions. The Company had no foreign net operating loss carryforwards as of June 30, 2021.

The Company had U.S. federal foreign tax credits of $1.8 million which expire in 2031, U.S. federal research and development credits of $0.3 million which begin to expire in 2037, and state tax credits of $0.2 million which expire in 2023.

Valuation Allowances. The Company has recorded valuation allowances of $13.6 million and $5.7 million as of June 30, 2021 and 2020, respectively, because the Company has concluded it is more likely than not that it will be unable to utilize certain net operating loss carryforwards, capital loss carryforwards and certain U.S. tax credits. As of each reporting date, the Company's management considers new evidence, both positive and negative, which could impact management's determination with regard to future realization of deferred tax assets.

During fiscal 2021, the valuation allowance balance increased $7.9 million, primarily related to $7.7 million valuation allowance recorded on a deferred tax asset for the tax basis difference of an equity method investment that is not expected to be realized.

During fiscal 2020, the valuation allowance balance decreased $4.6 million, which included a decrease of $18.4 million due to the expiration of a U.S. capital loss carryforward on June 30, 2020 and an increase of $14.8 million related to a reversal of the fiscal year 2019 capital gain the Company previously expected to recognize in conjunction with the sale of the assets of the Digital Marketing Business.

Unrecognized Income Tax Benefits. As of June 30, 2021, 2020, and 2019, the Company had unrecognized income tax benefits of $23.0 million, $24.8 million, and $8.2 million, respectively of which $3.9 million, $8.1 million, and $7.0 million, respectively, would impact the effective tax rate, if recognized. The remainder, if recognized, would principally affect deferred taxes.

A roll-forward of unrecognized tax benefits is as follows:

	June 30,		
	2021	2020	2019
Beginning balance	$ 22.6	$ 7.8	$ 6.2
Increase related to current year tax positions	0.5	1.1	1.6
Increase related to prior year tax positions	0.9	15.8	0.8
Decrease related to prior year tax positions	(0.2)	(1.0)	—
Decrease related to settlements with tax authorities	(0.3)	—	(0.1)
Decrease related to lapse of the statute of limitations	(1.4)	(1.0)	(0.7)
Increase related to business combinations	0.2	—	—
Decrease related to divestiture	(1.9)	(0.1)	—
Ending balance	$ 20.4	$ 22.6	$ 7.8

The Company's net unrecognized income tax benefits were impacted by a decrease of $2.2 million, an increase of $14.8 million, and an increase of $1.6 million during fiscal 2021, 2020, and 2019, respectively. Additionally, fiscal years 2021 and 2020 were impacted by the sale of International Business. For all fiscal years, changes were based on information which indicated the extent to which certain tax positions were more likely than not to be sustained. Penalties and interest expense associated with uncertain income tax positions have been recorded in the provision for income taxes on the Consolidated Statements of Operations. Penalties and interest accrued during fiscal 2021 were $0.8 million primarily related to changes in methodology related to transfer pricing. Penalties and interest incurred in fiscal 2020, and 2019 were not significant. As of June 30, 2021, June 30, 2020, June 30, 2019, respectively, the Company had $2.6 million, $2.2 million, and $0.4 million of penalties and interest associated with uncertain tax positions, which was included in other liabilities on the Consolidated Balance Sheets.

In addition, an offsetting long-term receivable of $17.7 million of tax and interest has been recorded as of June 30, 2021 as a result of the Company filing to obtain mutual agreement procedure consideration under applicable U.S. and Canadian treaties for an update to transfer pricing policies. This long-term receivable is offset by $18.2 million of tax and interest recorded as uncertain tax positions as of June 30, 2021.

The Company files income tax returns in the U.S. federal jurisdiction and various state, local, and foreign jurisdictions. In the normal course of business, the Company is subject to examination by taxing authorities. The tax years currently under examination vary by jurisdiction. The Company regularly considers the likelihood of assessments in each of the jurisdictions resulting from examinations. The Company has established a liability for unrecognized income tax benefits, which it believes to be adequate in relation to the potential assessments. Once established, the liability for unrecognized tax benefits is adjusted when there is more information available, when an

event occurs necessitating a change, or the statute of limitations for the relevant taxing authority to examine the tax position has expired.

Income tax-related examinations currently in progress in which the Company has significant business operations are as follows:

Tax Jurisdictions	Fiscal Years Ended
Illinois	6/30/2017 thru 6/30/2018
Massachusetts	6/30/2018 thru 6/30/2020
New York	6/30/2017 thru 6/30/2019
India	3/31/2015 thru 3/31/2018
Canada	6/30/2012 and 6/30/2014

Based on the possible outcomes of the Company's tax audits and expiration of the statute of limitations, it is reasonably possible that the liability for uncertain tax positions will decrease in the next twelve months in the potential amount of $19.1 million.

Although the final resolution of the Company's tax disputes is uncertain, based on current information, the resolution of tax matters is not expected to have a material effect on the Company's consolidated financial condition, liquidity, or results of operations. However, an unfavorable resolution could have a material impact on the Company's consolidated financial condition, liquidity, or results of operations in the periods in which the matters are ultimately resolved.

Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"). On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") was enacted into law. The primary impact to the Company's financial statements as a result of the CARES Act was the deferral of U.S. corporate income tax payments from the fourth quarter of fiscal 2020 to the first quarter of fiscal 2021, as well as the deferral of employer-related payroll tax payments from the fourth quarter of fiscal 2020, and first and second quarters of fiscal 2021, with 50% to be paid in the second quarter of fiscal 2022 and the remaining 50% to be paid in the second quarter of fiscal 2023.

Note 18. Commitments and Contingencies

Legal Proceedings. From time to time, the Company is subject to various claims and is involved in various legal, regulatory, and arbitration proceedings concerning matters arising in connection with the conduct of its business activities, including those noted in this section. Although management at present has no basis to conclude that the ultimate outcome of these proceedings, individually and in the aggregate, will materially harm the Company's financial position, results of operations, cash flows, or overall trends, legal proceedings and related government investigations are subject to inherent uncertainties, and unfavorable rulings or other events could occur. Unfavorable resolutions could include substantial monetary damages. In addition, in matters for which injunctive relief or other conduct remedies are sought, unfavorable resolutions could include an injunction or other order prohibiting the Company from selling one or more products at all or in particular ways, precluding particular business practices, or requiring other remedies. An unfavorable outcome may result in a material adverse impact on the Company's business, results of operations, financial position, and overall trends. The Company might also conclude that settling one or more such matters is in the best interests of its stockholders, employees, and customers, and any such settlement could include substantial payments.

Competition Matters. The Company is currently involved in, or where indicated, has settled, the following antitrust lawsuits that set forth allegations of anti-competitive agreements between the Company and The Reynolds and Reynolds Company ("Reynolds") relating to the manner in which the defendants control access to, and allow integration with, their respective Dealer Management System ("DMS"), and that seek, among other things, treble damages and injunctive relief. These lawsuits have been transferred to, or filed in, the U.S. District Court for the Northern District of Illinois for consolidated and coordinated pretrial proceedings as part of a multi-district litigation proceeding ("MDL").

Active MDL Lawsuits

- Teterboro Automall, Inc. d/b/a Teterboro Chrysler Dodge Jeep Ram ("Teterboro") brought a putative class action suit on behalf of itself and all similarly situated automobile dealerships against CDK Global, LLC and Reynolds. Teterboro's suit was originally filed on October 19, 2017, in the U.S. District Court for the District of New Jersey. Since that time, several more putative class actions were filed in a number of federal district courts, with substantively similar allegations; all of them have been consolidated with the MDL proceeding. On June 4, 2018, a consolidated class action complaint was filed on behalf of a putative class made up of all dealerships in the United States that directly purchased DMS and/or allegedly indirectly purchased DMS or data integration services from CDK Global, LLC or Reynolds ("Putative Dealership Class Plaintiffs"). CDK Global, LLC moved to dismiss the complaint, or in the alternative, compel arbitration of certain of the cases while staying the remainder pending the outcome of those arbitration proceedings; its motion to dismiss was granted in part and denied in part, while its motion to compel arbitration was denied. On February 22, 2019, CDK Global, LLC filed an answer to the remaining claims in Putative Dealership Class Plaintiffs' complaint and asserted counterclaims against the Putative Dealership Class Plaintiffs. The Putative Dealership Class Plaintiffs filed a motion to dismiss CDK Global, LLC's counterclaims; that motion was granted in part and denied in part on September 3, 2019. On October 23, 2018, the Putative Dealership Class Plaintiffs and Reynolds filed a motion for preliminary approval of settlement and for conditional certification of the proposed settlement class. The court finally approved that settlement on January 22, 2019. The parties' cross-motions for summary judgment and Daubert motions were fully briefed as of September 28, 2020 and remain pending.

- Loop LLC d/b/a AutoLoop ("AutoLoop") brought suit against CDK Global, LLC on April 9, 2018, in the U.S. District Court for the Northern District of Illinois, but reserved its rights with respect to remand to the U.S. District Court for the Western District of Wisconsin at the conclusion of the MDL proceedings. On June 5, 2018, AutoLoop amended its complaint to sue on behalf of itself and a putative class of all other automotive software vendors in the United States that purchased data integration services from CDK Global, LLC or Reynolds. CDK Global, LLC moved to compel arbitration of AutoLoop's claims, or in the alternative, to dismiss those claims; that motion was denied on January 25, 2019. CDK Global, LLC filed an answer to AutoLoop's complaint and asserted counterclaims against AutoLoop on February 15, 2019. AutoLoop filed an answer to CDK Global, LLC's counterclaims on March 8, 2019. The parties' cross-motions for summary judgment and Daubert motions were fully briefed as of September 28, 2020 and remain pending.

Settled MDL Lawsuits

- Authenticom, Inc. ("Authenticom") brought a suit against CDK Global, LLC and Reynolds. Authenticom's suit was originally filed on May 1, 2017, in the U.S. District Court for the Western District of Wisconsin. On October 20, 2020, CDK Global, LLC and Authenticom entered into a settlement agreement that resulted in a dismissal of all claims brought by Authenticom in the MDL, and CDK Global, LLC making a one-time cash payment to Authenticom.

- i3 Brands, Inc. and PartProtection LLC ("i3 Brands") brought suit against CDK Global, LLC and Reynolds. i3 Brands' suit was originally filed on February 4, 2019, in the U.S. District Court for the Southern District of California; it was subsequently transferred to the U.S. District Court for the Northern District of Illinois and consolidated as part of the MDL. On March 4, 2020, CDK Global, LLC and i3 Brands entered into a settlement agreement that resulted in a dismissal of all claims brought by i3 Brands against CDK in the MDL, and CDK Global, LLC agreeing to a release of i3 Brands and an agreement to abandon all claims against i3 Brands.

- Motor Vehicle Software Corporation ("MVSC") brought a suit against CDK Global, LLC (after initially naming the Company), Reynolds, and CVR, a majority owned joint venture of the Company. MVSC's suit was originally filed on February 3, 2017, in the U.S. District Court for the Central District of California. On October 10, 2019, CDK Global, LLC and MVSC entered into a settlement agreement that resulted in a dismissal of all claims brought by MVSC in the MDL as against CDK Global, LLC and CVR, and CDK Global, LLC making a one-time cash payment to MVSC.

- Cox Automotive, along with multiple subsidiaries ("Cox"), brought suit against CDK Global, LLC. Cox's suit was originally filed on December 11, 2017, in the U.S. District Court for the Western District of Wisconsin. On July 10, 2019, CDK Global, LLC and Cox entered into a settlement agreement that resulted in a dismissal of all claims brought by the affiliated parties in the MDL, and CDK Global, LLC making a one-time cash payment to Cox.

The Company believes that the remaining unsettled cases are without merit and will continue to vigorously contest all asserted claims. Nonetheless, in light of the Company's settlements with Authenticom, i3 Brands, MVSC, and Cox and its continued expenditure of legal costs to contest the remaining claims, the Company has determined that a loss of some measure is probable and can be reasonably estimated. In the fourth quarter of fiscal 2019, the Company initially recorded a litigation provision of $90.0 million and has continued to re-assess the liability in each subsequent quarter. In the first quarter of fiscal 2021, the Company's reassessment of its litigation liability resulted in an increase of $12.0 million. As of June 30, 2021, and 2020, the litigation liability for the remaining unsettled cases was $34.0 million and $57.0 million, respectively. This estimated loss is based upon currently available information and represents the Company's best estimate of such loss. Estimating the value of this estimated loss involved significant judgment given the uncertainty that still exists with respect to the remaining unsettled cases due to a variety of factors typical of complex, large scale litigation, including, among others: (i) formative issues, including: (a) the causes of action the plaintiffs can pursue; (b) the definition of the class(es) of plaintiffs; (c) the types of damages that can be recovered; and (d) whether plaintiffs can establish loss causation as a matter of law, all of which have yet to be determined pending the outcome of dispositive motions (e.g., motions for class certification and motions for summary judgment); (ii) significant factual issues remain to be resolved; (iii) expert perspectives with respect to, among other things, alleged antitrust injury and damages is widely divergent and remains subject to dispositive motions; (iv) the absence of productive settlement discussions to date with the remaining plaintiffs; and (v) the novel or uncertain nature of the legal issues presented. For these same reasons, the Company cannot reasonably estimate a maximum potential loss exposure at this time. In addition, the Company's estimate does not incorporate or reflect the potential value of the Company's counterclaims against certain of the plaintiffs in the ongoing cases. The legal proceedings underlying the estimated litigation liability will change from time to time and actual results may vary significantly from the estimate. As noted above, an adverse result in any of the remaining cases could have a material adverse effect on the Company's business, results of operations, financial condition, or liquidity.

On June 22, 2017, the Company received from the Federal Trade Commission ("FTC") a Civil Investigative Demand consisting of specifications calling for the production of documents relating to any agreements between the Company and Reynolds. Parallel document requests have been received from certain states' Attorneys General. Since 2017, the Company has engaged in continuing communication with and received subsequent requests from the FTC related to its investigation. The Company has responded to the requests and no proceedings have been instituted. The Company believes there has not been any conduct by the Company or its current or former employees that would be actionable under the antitrust laws in connection with the agreements between the Company and Reynolds or otherwise. At this time, the Company does not have sufficient information to predict the outcome of, or the cost of responding to or resolving, these investigations.

Other Commitments and Contingencies. In the normal course of business, the Company may enter into contracts in which the Company makes representations and warranties that relate to the performance of the Company's services and products. The Company does not expect any material losses related to such representations and warranties.

The Company has provided approximately $28.1 million of guarantees as of June 30, 2021 in the form of surety bonds issued to support certain licenses and contracts which require a surety bond as a guarantee of performance of contractual obligations. In general, the Company would only be liable for the amount of these guarantees in the event the Company defaulted in performing the obligations under each contract, of which, the probability is remote.

The Company has a total of $45.4 million of outstanding purchase commitments and contracts with expiration dates through 2025.

The Company had a total of $1.8 million in letters of credit outstanding as of June 30, 2021 primarily in connection with insurance programs.

Note 19. Share Repurchase Transactions

In January 2017, the Board of Directors authorized the Company to repurchase up to $2.0 billion of its common stock as part of a return of capital plan. Under the authorization, the Company may purchase its common stock in the open market or in privately negotiated transactions from time to time as permitted by federal securities laws and other legal requirements. The actual timing, number, and price of any shares to be repurchased is determined at management's discretion and depends on a number of factors, including the market price of the shares, general market and economic conditions, and other potential uses for free cash flow including, but not limited to, potential acquisitions.

In November 2018, the Company entered into an accelerated share repurchase agreement ("November 2018 ASR") to purchase $260.0 million of the Company's common stock. Under the terms of the November 2018 ASR, the Company made a $260.0 million payment in November 2018 and received initial delivery of approximately 4.1 million of the Company's common stock. In February 2019, the Company received an additional 1.1 million shares of common stock in final settlement of the November 2018 ASR, for a total of 5.2 million shares. The value reflected in treasury stock upon completion of the November 2018 ASR represents the value of the shares received based on the closing price of the Company's stock on the respective settlement dates, which is higher than the $260.0 million cash paid by $13.0 million.

In 2019, the Company made open market repurchases of 4.4 million shares of the Company's common stock during fiscal 2019 for a total cost of $264.1 million.

Additionally, in June 2021, the Company made open market repurchases of 236 thousand shares of the Company's common stock for a total cost of $12.1 million.

Note 20. Quarterly Financial Results (Unaudited)

Summarized quarterly results of operations for the fiscal 2021 and 2020 were as follows:

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Year ended June 30, 2021				
Revenue	$ 413.7	$ 406.3	$ 433.1	$ 420.1
Gross profit (2)	189.0	198.6	211.8	198.8
Earnings before income taxes	75.0	81.5	71.2	57.0
Net earnings from continuing operations	48.0	58.8	47.1	36.3
Net earnings from discontinued operations	10.0	11.3	815.8	15.7
Net earnings	58.0	70.1	862.9	52.0
Net earnings attributable to noncontrolling interest	2.3	1.8	2.0	2.6
Net earnings attributable to CDK	55.7	68.3	860.9	49.4
Net earnings attributable to CDK per share - basic:				
Continuing operations	$ 0.38	$ 0.47	$ 0.37	$ 0.27
Discontinued operations	0.08	0.09	6.69	0.13
Total net earnings attributable to CDK per share - basic	$ 0.46	$ 0.56	$ 7.06	$ 0.40
Net earnings attributable to CDK per share - diluted:				
Continuing operations	$ 0.38	$ 0.47	$ 0.36	$ 0.27
Discontinued operations	0.08	0.09	6.64	0.13
Total net earnings attributable to CDK per share - diluted	$ 0.46	$ 0.56	$ 7.00	$ 0.40
Year ended June 30, 2020				
Revenue (1)	$ 417.7	$ 418.2	$ 426.4	$ 376.7
Gross profit (1) (2)	210.7	225.1	227.6	175.0
Earnings before income taxes (1)	88.3	100.5	109.1	76.1
Net earnings from continuing operations	64.9	60.1	77.4	62.8

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Net earnings (loss) from discontinued operations	19.2	(36.0)	(17.9)	(16.0)
Net earnings	84.1	24.1	59.5	46.8
Net earnings attributable to noncontrolling interest	2.1	1.8	1.9	1.2
Net earnings attributable to CDK	82.0	22.3	57.6	45.6
Net earnings (loss) attributable to CDK per share - basic:				
Continuing operations	$ 0.52	$ 0.48	$ 0.62	$ 0.51
Discontinued operations	0.16	(0.30)	(0.15)	(0.13)
Total net earnings attributable to CDK per share - basic	$ 0.68	$ 0.18	$ 0.47	$ 0.38
Net earnings (loss) attributable to CDK per share - diluted:				
Continuing operations	$ 0.51	$ 0.47	$ 0.62	$ 0.50
Discontinued operations	0.16	(0.29)	(0.15)	(0.13)
Total net earnings attributable to CDK per share - diluted	$ 0.67	$ 0.18	$ 0.47	$ 0.37

(1) Amounts differ from previously reported in the Quarterly Reports on Form 10-Q as a result of the Digital Marketing Business and the International Business being classified as discontinued operations. See Note 4 - Discontinued Operations for additional information.

(2) Gross profit is calculated as revenue less cost of revenue.

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