

SUBJECT TO COMPLETION, DATED FEBRUARY 12, 2024

PRELIMINARY OFFERING CIRCULAR

CONFIDENTIAL

\$750,000,000

Amwins Group, Inc.



% Senior Secured Notes due 2029

Amwins Group, Inc. (the “Company”) is offering \$750,000,000 aggregate principal amount of Senior Secured Notes due 2029 (the “Senior Secured Notes”). The Senior Secured Notes will bear interest at a rate of % per year, payable semiannually in arrears on and of each year, beginning on , 2024. The Senior Secured Notes will mature on , 2029.

The Company has the option to redeem all or a portion of the Senior Secured Notes at any time on or after 2026 at the redemption prices specified under “Description of Senior Secured Notes—Optional Redemption.” In addition, prior to , 2026 we may redeem (i) up to 40% of the Senior Secured Notes with the net cash proceeds from certain equity offerings at a redemption price equal to % of the principal amount plus accrued and unpaid interest and (ii) during each twelve-month period, up to 10% of the Senior Secured Notes at a redemption price of 103% of the principal amount thereof plus accrued and unpaid interest. We may also redeem some or all of the Senior Secured Notes prior to , 2026 at a redemption price of 100% of the principal amount thereof plus accrued and unpaid interest, if any, to the redemption date plus a “make-whole” premium. In addition, if certain kinds of “changes of control” occur, we must offer to purchase the Senior Secured Notes at a price equal to 101% of the principal amount plus accrued and unpaid interest, if any, to the date of the purchase.

The Senior Secured Notes will be the senior secured obligations of the Company, will rank pari passu in right of payment with all of its existing and future senior indebtedness, will rank senior in right of payment to its existing and future subordinated indebtedness, will rank effectively senior to all existing and future unsecured indebtedness of the Company and indebtedness that is secured by junior-priority liens on the Collateral (as defined herein), in each case, to the extent of the value of the Collateral, and will rank effectively junior to all of the Company’s other indebtedness that is secured by liens on other assets of the Company that do not constitute Collateral, to the extent of the value of those other assets. The Senior Secured Notes will be fully and unconditionally guaranteed, jointly and severally, on a senior secured basis by the Company’s parent company, Amwins Holding Company, LLC (“Amwins Holding”), and certain subsidiaries of the Company (the “Subsidiary Guarantors” and, together with Amwins Holding, the “Guarantors”). The guarantees will be general secured obligations of each Guarantor and will rank pari passu in right of payment with all of the Guarantors’ existing and future senior indebtedness, will rank senior in right of payment to their existing and future subordinated indebtedness, will rank effectively senior to all existing and future unsecured indebtedness of the Guarantors and indebtedness that is secured by junior-priority liens on the Collateral, in each case, to the extent of the value of the Collateral, and will rank effectively junior to all of the Guarantors’ other indebtedness that is secured by liens on other assets of the Guarantors that do not constitute Collateral, to the extent of the value of those other assets. The Senior Secured Notes and guarantees will be secured equally and ratably with the indebtedness under our senior secured credit facilities by first-priority liens on substantially all of our and our Guarantors’ existing and future assets. The Senior Secured Notes will be structurally subordinated to all existing and future indebtedness, claims of holders of preferred stock and other liabilities of the Company’s subsidiaries that do not guarantee the Senior Secured Notes. See “Description of Senior Secured Notes—Security for Senior Secured Notes” and “Description of Senior Secured Notes—Guarantees.”

Holders of the Senior Secured Notes will not be entitled to any registration rights. We do not intend to apply for listing of the Senior Secured Notes on any securities exchange or for inclusion of the Senior Secured Notes in any automated quotation system.

Investing in the Senior Secured Notes involves risks. See “Risk Factors” beginning on page 21.

Offering Price: %, plus accrued interest, if any, from , 2024.

The Senior Secured Notes have not been, and will not be, registered under the Securities Act of 1933, as amended, or the Securities Act, or any state securities laws and may not be offered or sold within the United States or to U.S. persons (as defined in Regulation S under the Securities Act, or Regulation S) except in transactions exempt from, or not subject to, the registration requirements of the Securities Act. Accordingly, the Senior Secured Notes are being offered and sold only to persons reasonably believed to be qualified institutional buyers (“QIBs”) in accordance with Rule 144A under the Securities Act, or Rule 144A, and outside the United States to non-U.S. persons in reliance on Regulation S under the Securities Act. For more information about eligible offerees and restrictions on transfers of the Senior Secured Notes, see “Transfer Restrictions.”

Senior Secured Notes sold to QIBs in reliance on Rule 144A will be evidenced by a global note deposited with a custodian for and registered in the name of a nominee of The Depository Trust Company (“DTC”). Except as described herein, beneficial interests in the global note will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its direct and indirect participants. Any Senior Secured Notes sold pursuant to Regulation S will be evidenced by one or more separate global notes.

The Company expects that delivery of the Senior Secured Notes will be made to investors in book-entry form through the facilities of DTC on or about , 2024.

Joint Bookrunning Managers

Goldman Sachs & Co. LLC
Wells Fargo Securities

Barclays

Morgan Stanley

J.P. Morgan

You should rely only on the information contained in this offering circular. We have not authorized anyone to provide you with any information or represent anything about us or the offering that is not contained in this offering circular. We and the Initial Purchasers (as defined herein) take no responsibility for, and can provide no assurances as to the reliability of, any other information that others may give you. If given or made, any such other information or representation should not be relied upon as having been authorized by us or the Initial Purchasers. This document may be used only where it is legal to sell these securities. The information contained in this offering circular is current as of the date hereof and is subject to change, completion or amendment without notice. The delivery of this offering circular at any time shall not, under any circumstances, create any implication that there has been no change in the information set forth in this offering circular or in our affairs since the date of this offering circular. We are not, and the Initial Purchasers are not, making an offer to sell the Senior Secured Notes in any jurisdiction where an offer or sale is not permitted.

Neither the Securities and Exchange Commission (the “SEC”) nor any state securities commission has approved or disapproved of the Senior Secured Notes or determined if this offering circular is truthful or complete. Any representation to the contrary is a criminal offense.

TABLE OF CONTENTS

SUMMARY	1
RISK FACTORS	21
USE OF PROCEEDS	55
CAPITALIZATION	56
MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	57
BUSINESS	82
MANAGEMENT	91
SECURITY OWNERSHIP	95
CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS	96
DESCRIPTION OF CERTAIN OTHER INDEBTEDNESS	98
DESCRIPTION OF SENIOR SECURED NOTES	103
BOOK-ENTRY, DELIVERY AND FORM	211
TRANSFER RESTRICTIONS	215
CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES	218
PLAN OF DISTRIBUTION	223
LEGAL MATTERS	229
INDEPENDENT ACCOUNTANTS	229
WHERE YOU CAN FIND MORE INFORMATION	229
INDEX TO FINANCIAL STATEMENTS	F-1

IMPORTANT INFORMATION ABOUT THIS OFFERING CIRCULAR

We are making this offering in reliance on an exemption from registration under the Securities Act. The Senior Secured Notes may not be resold 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 circular and the offer and sale of the Senior Secured Notes. Persons into whose possession this offering circular or any of the Senior Secured 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 Senior Secured 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.

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

This offering circular summarizes documents and other information in a manner we believe to be accurate, but we refer you to the actual documents for a more complete understanding of the information we discuss in this offering circular. In making an investment decision, you must rely on your own examination of such documents, our business and the terms of the offering and the Senior Secured Notes, including the merits and risks involved.

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

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

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

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

We reserve the right to withdraw this offering of the Senior Secured Notes at any time. We and the Initial Purchasers also reserve the right to reject any offer to purchase the Senior Secured Notes in whole or in part for any reason and to allot to any prospective investor less than the full amount of

Senior Secured Notes sought by such investor. In connection with this offering, the Initial Purchasers may, but are not required to, effect transactions that stabilize or maintain the market price of the Senior Secured Notes at a higher level than the Senior Secured Notes might otherwise achieve in the open market. Such stabilizing, if commenced, may be discontinued at any time. For a description of these activities, see the “Plan of Distribution” section in this offering circular.

NO REVIEW BY THE SECURITIES AND EXCHANGE COMMISSION

The information included in this offering circular does not conform in certain cases to information that would be required if this offering was made pursuant to a registration statement filed with the SEC. In addition, this offering circular, as well as any other documents related to this offering, will not be reviewed or approved by the SEC. There are no registration rights associated with the Senior Secured Notes, and we do not intend to offer notes registered under the Securities Act in exchange for the Senior Secured Notes offered in this offering or to file a registration statement with respect to the Senior Secured Notes. The indenture that will govern the Senior Secured Notes (the “Indenture”) will not be qualified under the Trust Indenture Act of 1939, as amended.

BASIS OF PRESENTATION

Unless the context otherwise requires, references in this offering circular to:

- “4.875% Senior Notes” refers to our senior unsecured notes due 2029;
- “Amwins Holding” refers to Amwins Holding Company, LLC, the owner of all of the issued and outstanding capital stock of Amwins Group, Inc.;
- “Dragoneer Group” refers to Dragoneer Investment Group, LLC and the investment funds and co-investment vehicles controlled by or affiliated with it;
- “Dragoneer/SkyKnight Group” means the Dragoneer Group and SkyKnight Capital;
- “Employee/Owners” means the current and former employees of Amwins Group and owners other than the Dragoneer/SkyKnight Group, PSP Investments and Genstar Capital;
- “Genstar Capital” means Genstar Capital Management, LLC and its affiliates;
- “Guarantors” refers to Amwins Holding and certain of our U.S. subsidiaries that will guarantee on a senior secured basis our obligations under the Senior Secured Notes and have guaranteed our obligations under the senior secured credit facilities and our 4.875% Senior Notes;
- “insurance carriers” or “insurance markets” with which we do business includes insurance companies, managing general agents and other risk-bearing insurance vehicles, including syndicates that are members of Lloyd’s of London (“Lloyd’s”);
- “Initial Purchasers” refers to the persons listed in the “Plan of Distribution” section of this offering circular;
- “Investors” means Dragoneer Group and PSP Investments;
- “PSP Investments” means The Public Sector Pension Investment Board and its affiliates;
- “senior secured credit facilities” refers to our senior secured credit facilities, consisting of senior secured term loans and a senior secured revolving credit facility;
- “SkyKnight Capital” means SkyKnight Capital, LP and its affiliates; and
- “we,” “us,” “our,” “Amwins Group,” “Amwins,” the “Company” and similar terms refer to Amwins Group, Inc. and, depending on the context, its subsidiaries.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This offering circular includes statements that express our opinions, expectations, beliefs, plans, objectives, assumptions or projections regarding future events or future results and therefore are, or may be deemed to be, “forward-looking statements.” These forward-looking statements can generally be identified by the use of forward-looking terminology, including the terms “believes,” “estimates,” “anticipates,” “expects,” “seeks,” “projects,” “intends,” “plans,” “may,” “will” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this offering circular and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth and strategies and the industry in which we operate.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We believe these risks and uncertainties include, but are not limited to, those described in the “Risk Factors” section of this offering circular. Those factors should not be construed as exhaustive and should be read with the other cautionary statements in this offering circular.

Although we base these forward-looking statements on assumptions that we believe are reasonable when made, we caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and the development of the industry in which we operate, may differ materially from those made in or suggested by the forward-looking statements contained in this offering circular. In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this offering circular, those results or developments may not be indicative of our results or developments in subsequent periods. Some of the key factors that could cause actual results to differ from our expectations are:

- the loss of the services of our key brokers, underwriters and executive officers;
- negative changes in premium pricing or the commissions we receive for placing insurance products;
- a decline in revenues from supplemental commissions, which by their nature are difficult to forecast or predict;
- difficulty collecting our receivables;
- reductions in insurer capacity;
- adverse changes in global economic conditions;
- our inability to successfully acquire businesses, or unanticipated liabilities or poor performance associated with acquired businesses;
- our inability to successfully integrate business acquisitions;
- difficulty in maintaining our corporate culture as we grow;
- the termination or change in the terms of one or more key programs for which we act as a managing general agent or underwriter;
- our inability to place profitable business for the insurance carriers that have given us authority to place insurance on their behalf, or if our underwriting models contain errors or are otherwise ineffective, or our underwriters do not demonstrate sufficient skill;
- damage to our reputation;

- the interruption or loss of our information processing systems;
- risk associated with having geographically dispersed offices and significant international operations;
- our inability to grow organically through opening new offices, hiring new brokers and underwriters or engaging in business development initiatives;
- our inability to use, maintain and develop technology to support our business;
- the unauthorized disclosure of confidential or personal information;
- our inability to take actions that are not supported by our Investors;
- a change in the way insurance products are distributed;
- competition in our industry;
- the loss of customers through consolidation;
- competition from retail insurance firms who develop or acquire their own wholesale insurance operations or otherwise obtain direct access to the insurance products we distribute;
- the failure of third-party service providers to adequately perform services for us;
- an increase in the cost of our employee benefits plans and programs;
- loss of access to cash, investment and fiduciary accounts we have with depository institutions in excess of governmental-insured balances;
- a failure of our internal controls;
- changes to the judgments, estimates and assumptions made in the preparation of our financial statements;
- impairments to our goodwill or intangible assets;
- negative changes in U.S. capital markets that affect our ability to borrow;
- infringement, misappropriation or dilution of our intellectual property or failure to protect our intellectual property rights or allegations that we have infringed on the intellectual property rights of others;
- litigation matters, including errors and omissions claims;
- our compliance with U.S. and foreign governmental regulation and supervision;
- changes in the mode of compensation in the insurance industry;
- our substantial leverage, as well as restrictions imposed by the credit agreement that governs our senior secured credit facilities, the indenture that governs our 4.875% Senior Notes and the Indenture that will govern the Senior Secured Notes that will limit our ability to finance future operations, acquisitions or capital requirements or engage in other business activities;
- our ability to generate sufficient cash flow to service our indebtedness and meet our other ongoing liquidity needs;
- our ability to obtain funds from our subsidiaries to pay interest and principal on the Senior Secured Notes; and
- those discussed herein under the caption “Risk Factors.”

Given these risks and uncertainties, you are cautioned not to place undue reliance on these forward-looking statements. Any forward-looking statements that we make in this offering circular

speak only as of the date of those statements, and except as required by law, we undertake no obligation to update those statements or to publicly announce the results of any revisions to any of those statements to reflect future events or developments. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

NON-GAAP FINANCIAL MEASURES

We refer to the terms EBITDA, Adjusted EBITDA, Pro Forma Adjusted EBITDA, Pro Forma Revenue and organic revenue growth (each, as defined in “Summary—Summary Historical Consolidated Financial Information and Other Data”) in various places in this offering circular. These are supplemental financial measures that are not prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”). Any analysis of non-GAAP financial measures should be used only in conjunction with results presented in accordance with GAAP.

The SEC has adopted rules to regulate the use in filings with the SEC and in public disclosures of “non-GAAP financial measures,” such as those mentioned above and ratios related thereto. These measures are derived on the basis of methodologies other than in accordance with GAAP. These rules govern the manner in which non-GAAP financial measures are publicly presented and require, among other things:

- a presentation with equal or greater prominence of the most comparable financial measure or measures calculated and presented in accordance with GAAP; and
- a statement disclosing the purposes for which management uses the non-GAAP financial measure.

The rules prohibit, among other things:

- the exclusion of charges or liabilities that require, or will require, cash settlement or would have required cash settlement, absent an ability to settle in another manner, from a non-GAAP liquidity measure; and
- the adjustment of a non-GAAP performance measure to eliminate or smooth items identified as non-recurring, infrequent or unusual, when the nature of the charge or gain is such that it has occurred in the past two years or is reasonably likely to recur within the next two years.

The non-GAAP financial measures presented in this offering circular may not comply with the SEC rules governing the presentation of non-GAAP financial measures. For example, some of the adjustments to EBITDA made in connection with calculating Adjusted EBITDA and Pro Forma Adjusted EBITDA presented in this offering circular would not be allowed under SEC rules. Furthermore, certain of the adjustments and pro forma effects are based on estimates and assumptions, including with respect to the future performance of our supported offices. While we believe we have a reasonable basis for these estimates and assumptions, they are subject to change. Actual results could differ from those estimates and such differences may be material.

We have also presented certain financial information for the last twelve months period ending September 30, 2023, which are not required by, or presented in accordance with, GAAP. We believe this presentation provides investors with useful information to assess our recent performance in the same manner as our management team.

Please see “Summary—Summary Historical Consolidated Financial Information and Other Data” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” for a

further discussion and quantification of non-GAAP financial measures used in this offering circular, including the reasons we believe this information is useful to management and to investors and reconciliations of non-GAAP financial measures to the most closely comparable financial measures calculated in accordance with GAAP.

FINANCIAL INFORMATION

Unless otherwise specified, financial information in this offering circular is provided for Amwins Group, Inc. and its subsidiaries on a consolidated basis. This offering circular does not include all of the information that would be required if we were registering the offering of the Senior Secured Notes with the SEC. In particular, this offering circular does not include financial information relating to our segments and our guarantor and non-guarantor subsidiaries or information relating to compensation paid to our executive officers. In addition, this offering circular does not contain financial information for Amwins Holding. Amwins Holding has no material assets other than the equity interests in Amwins Group, Inc. and conducts all of its operations through Amwins Group, Inc. and its subsidiaries.

TRADEMARKS, SERVICE MARKS AND COPYRIGHTS

We own or have rights to trademarks, service marks or trade names that we use in connection with the operation of our business. In addition, our names, logos and website names and addresses are our service marks or trademarks. Other trademarks, service marks and trade names appearing in this offering circular are the property of their respective owners. We also own or have the rights to copyrights that protect the content of our products. Solely for convenience, the trademarks, service marks, tradenames and copyrights referred to in this offering circular are listed without the ©, ® and ™ symbols, but we will assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensors to these trademarks, service marks and tradenames.

MARKET, RANKING, INDUSTRY DATA AND FORECASTS

This offering circular includes market share, ranking, industry data and forecasts that we obtained from industry publications and surveys, public filings and internal company sources. Each such source speaks as of its original publication date (and not as of the date of this offering circular), and the opinions expressed in such publications, surveys and forecasts are subject to change without notice. Industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such information included in this offering circular. We have not independently verified any of the data from third-party sources, nor have we ascertained the underlying economic assumptions relied upon therein. Statements as to our market position and ranking are based on market data currently available to us, management's estimates and assumptions we have made regarding the size of our markets within our industry. While we are not aware of any misstatements regarding our industry data presented herein, our estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under the heading "Risk Factors" in this offering circular. Neither we nor the Initial Purchasers can guarantee the accuracy or completeness of such third-party information contained in this offering circular.

SUMMARY

This summary highlights selected information in this offering circular and does not contain all of the information that may be important to you. For a complete description of this offering, you should carefully read this offering circular in its entirety, including the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the financial statements, which are included elsewhere in this offering circular.

Unless otherwise indicated, references to “EBITDA,” “Adjusted EBITDA,” “Pro Forma Adjusted EBITDA,” “Pro Forma Revenue” and “organic revenue growth” have the meanings set forth under “—Summary Historical Consolidated Financial Information and Other Data.”

Our Company

We are a leading global distributor of specialty insurance products and services. We have expertise across a diversified mix of property, casualty, professional and group benefits products. We also offer other value-added services to support some of these products, including policy underwriting, premiums and claims administration, and actuarial services. Headquartered in Charlotte, North Carolina, we conduct business through offices in over 120 locations in the United States and 20 locations in 12 foreign countries.

In 2023, we placed over \$33 billion in premium volume and more than 1.2 million policies. Our customers consist primarily of retail insurance brokerage firms who seek our assistance, expertise and access to certain insurance markets and rely on our specialty knowledge to structure and place insurance coverage. Through our proprietary enterprise operating system (AmLINK), we maintain the largest centralized database of property and casualty (P&C) insurance market data in the wholesale insurance industry. Based on information published in September 2023 by *Business Insurance*, we believe we are the largest U.S. P&C wholesale insurance broker and the second largest U.S. wholesale insurance broker overall based on premiums placed.

We have extensive knowledge of the specialty insurance market, which allows us to assist retail insurance brokers and others deliver cost-effective coverage solutions to their clients. We have established relationships with more than 2,500 insurance carriers and markets and more than 34,000 retail insurance brokerage firms. Our size, scale and strong relationships within the insurance marketplace enhance our ability to provide our customers with comprehensive access to these markets. We also use our product expertise and relationships with insurance carriers to structure new insurance programs and products to respond to opportunities and customer needs in the marketplace.

Products and Services

We distribute insurance products and services primarily through our five divisions: Brokerage, Access, Underwriting, Group Benefits and International.

Brokerage

Through our retail broker customers, our Brokerage division provides businesses and governmental entities access to a broad range of specialty P&C insurance products available in the specialty admitted and excess and surplus (E&S) markets. We are involved in the placement of many lines of P&C insurance products, such as property, property catastrophe, general liability, commercial

automobile liability, automobile physical damage, umbrella/excess liability and excess workers' compensation insurance. In addition, we also place a broad range of professional and financial insurance products such as directors' and officers', professional liability, cyber liability and employment practices insurance products. As a value-added intermediary, we offer insurance carriers an efficient variable-cost distribution platform through our producers who understand their products and underwriting appetite, and we assist our retail insurance broker customers with virtually all types of P&C and specialty niche insurance products they may not have the expertise or ability to place directly. For the twelve months ended September 30, 2023, our Brokerage division represented approximately 51% of our total Pro Forma Revenues.

Access

Our Access division focuses on the placement of P&C insurance for small commercial and personal lines insurance products, primarily through binding authority arrangements with a wide array of insurance carriers. We launched Access as a stand-alone division in January 2015 to consolidate our existing small account binding authority business. Since that time, we have expanded Access through acquisitions and an aggressive recruiting and training program for new underwriters.

Our strategic vision for Access is to efficiently deliver a broad array of options for small businesses and high net worth individuals. A key driver for success in this division is the ability to leverage technology to allow our underwriters to quickly deliver an array of coverage options for our retail clients. We believe we are well on our way to fulfilling this strategic vision. As of September 30, 2023, Access had over 1,100 employees spread across 48 production branches and over 230 teams of underwriters. Access placed over 500,000 policies annually, most of which involve less than \$25,000 in premium. For the twelve months ended September 30, 2023, our Access division represented approximately 12% of our total Pro Forma Revenues.

Underwriting

Through our Underwriting division, we operate a variety of stand-alone specialty insurance programs. Under these programs, insurance carriers have authorized us to bind coverage on their behalf as a managing general agent or underwriter (MGU) for a designated type of risk, business or industry. Our authority to bind insurance is usually subject to underwriting guidelines, policy limits and pricing parameters that are typically developed jointly by these carriers and us on a collaborative basis and are specific to each program.

When we serve as an MGU, we generally receive requests for insurance directly from retail insurance brokers, evaluate the risk based on the information submitted, and decide whether we will offer a quote for insurance coverage. If our client decides to bind coverage, we issue policies on behalf of the insurance carriers we represent. Our Underwriting division operates on behalf of insurance carriers and does not take insurance risk for the policies we bind.

We typically bill and collect premiums on behalf of the insurance carrier. For some of our programs, we also administer claims. We believe these capabilities further strengthen our relationships with carriers and retail brokers through a deeper and more connected role in the insurance economic value chain. In many cases, our insurance carrier partners rely on our product knowledge and access to targeted risk classes. Certain products we offer within this division are proprietary in nature, including a property catastrophe product that is only distributed through our Brokerage division.

We have a team of actuaries to support our MGU programs. Our actuarial staff provides actuarial and catastrophe modeling services to our insurance carrier partners to help monitor the overall

profitability of these programs. Our actuaries also monitor the performance of our programs and work with our underwriters and insurance carriers to develop rate tracking mechanisms, pricing models and other underwriting tools. Our ability to analyze loss experience for our MGU programs enables us to be more proactive in adjusting pricing to ensure we are delivering adequate underwriting returns to our carrier partners.

For the twelve months ended September 30, 2023, our Underwriting division represented approximately 15% of our total Pro Forma Revenues.

Group Benefits

Our Group Benefits division distributes a range of accident and health benefit products, including major medical, stop-loss, ancillary, retiree medical and prescription drug insurance products designed for employers and other member groups, such as trade associations, chambers of commerce, unions and professional organizations. We serve as a general agent (GA) by providing core and specialty benefit products to our customers, who include retail benefit brokers and benefit consultants. We also serve as the exclusive employee benefits program manager in 14 jurisdictions for the largest professional employer organization (PEO) in the United States. In that role, we underwrite, manage and administer health and other employee benefit plans for employer groups that join the PEO. In addition, we distribute a group Medicare supplemental medical plan as well as a Medicare-approved prescription drug plan under Part D of the Social Security Act, primarily to employer groups that historically have offered retiree health benefits to their retired employees and are looking for alternative solutions. Our Group Benefits division provides products and services for over 57,000 employer groups that encompass over seven million employee lives. Revenue from this division is generated by an array of brokerage services (distribution of group health and benefit products), third-party administration services (for carriers, self-funded employer health plan sponsors and insureds), and underwriting (MGU for niche health and other benefit insurance programs).

We also place and administer a wide array of group benefit products for member organizations. These products are acquired by national, regional and local member groups that frequently do not have the capability or desire to administer these plans and that seek ways to make membership in their organizations more appealing. Through our relationships with insurance carriers, we are able to help design customized group benefit plans to address the varying needs of these organizations.

We are able to handle virtually all aspects of administering the types of group benefit products we place, including plan enrollment, eligibility, billing, collection and claims administration. We have made a substantial investment in several call centers that we use to provide assistance and support for the plans we administer. We provide administrative services to both insurance carriers and employers for plans we distribute as well as plans distributed by others.

For the twelve months ended September 30, 2023, our Group Benefits division represented approximately 10% of our total Pro Forma Revenues.

International

Anchored by our Lloyd's of London brokerage business, our International division places a wide variety of P&C and financial risk insurance products to businesses as well as both facultative and treaty reinsurance products. This division provides specialty insurance and reinsurance brokerage services in the United States and a number of foreign countries. We have subsidiaries operating in Bermuda, Brazil, Chile, Mexico, Netherlands, South Korea and the United Kingdom. In addition, we

have investments in, or licensing arrangements with, businesses operating in Argentina, Australia, Colombia, Ecuador, Peru and Uruguay. Our International division operates under the “Amwins Global Risks” or “THB” brand names.

For the twelve months ended September 30, 2023, our International division represented approximately 9% of our total Pro Forma Revenues.

Our Industry

We operate our business within the wholesale insurance distribution market, but place products associated with the broader P&C and employee benefits insurance markets.

Property and Casualty Insurance Market. P&C insurance brokerage is dependent on the economic performance of the broader P&C insurance market as brokers receive a commission based on a percentage of the dollar amount of the premiums placed. The volume of premiums placed is a function of both insurance rates or premium pricing and the underlying amount of coverage purchased. The amount of coverage purchased is affected by the broader macro-economic conditions within each market, and there tends to be a high correlation in the United States between GDP growth and the amount of premiums. Premium pricing is cyclical in nature and varies between “hard” markets in which premium rates are increasing, as compared to “soft” markets in which rates are declining. Insurance brokers typically are fee-based businesses that do not assume significant insurance liability risk.

Insurance carriers sell commercial P&C and professional insurance products in the U.S. through “admitted” insurance carriers, which are carriers that are licensed in the state in which the risk is located, and “nonadmitted” insurance carriers that sell their products in the E&S lines market. Within the insurance market, there are standard insurance products and specialty insurance products. For standard insurance products, insurance rates, forms and coverages are relatively uniform, and insurance carriers tend to compete for customers primarily on the basis of reputation, financial strength, price, claims service and commissions. Specialty insurance products are sold to insured parties with more specialized or complex risks that do not fit the underwriting criteria of standard insurance products. Although price tends to be a key basis of competition among specialty insurance carriers, the coverage terms also are an important competitive factor.

Group Benefits Insurance Market. Group benefit insurance products are sold by life and health insurance carriers, which transact business with both wholesale and retail insurance brokers and, in some cases, directly with the sponsoring organization. Wholesale distributors of group benefit products generally place specialized group benefit products for unusual, unique or specific types of coverage. Some wholesale distributors also provide administrative services, such as premium, claims and other administrative services, to both insurance carriers and sponsoring organizations to support these products.

Wholesale Insurance Brokerage Market. Wholesale insurance brokers act as intermediaries between insurance carriers and retail insurance brokers by assisting retail brokers place business that is outside of their core expertise or ability to place directly. Wholesale insurance brokers often provide retail insurance brokers with specialty and E&S insurance products offered by admitted and non-admitted insurance carriers. It is not uncommon for retail insurance brokerage firms to use several wholesale insurance brokerage firms to assist in the placement of insurance. Similarly, insurance carriers typically distribute their products through multiple wholesale insurance brokerage firms. When a wholesale broker is used, the wholesale broker will pay a part of its commissions to the retail insurance broker. In some cases, wholesale insurance brokers act as an MGU for an insurance carrier.

An MGU generally has authority to bind coverage on behalf of an insurance carrier for a specific type of risk, subject to agreed-upon guidelines and limits. An MGU does not, as such, take underwriting risks for the products that it distributes.

The wholesale distribution channel allows insurance carriers to distribute their products more efficiently. Insurance carriers use wholesale insurance brokers because of their product expertise and distribution capabilities, allowing them to reduce or avoid the infrastructure and personnel costs associated with maintaining relationships with a large number of retail insurance brokerage firms. Wholesale insurance brokers typically are compensated by commissions paid by the insurance carrier, although they can also receive fees in addition to commissions for placing certain insurance policies. Commissions generally are calculated as a percentage of the gross premium for the underlying insurance policy. Many factors affect commission rates, including the type of insurance, competition among insurance carriers for that type of insurance, the particular insurance carrier involved, market cycles and the nature of the services provided by the wholesale insurance broker. When retail insurance brokers use wholesale insurance brokers to place coverage, they will agree how to split commissions paid by the insurance carrier. Historically, insurance carriers have frequently paid a greater commission rate on products distributed through wholesale insurance brokers because of the expertise provided by wholesale insurance brokers and because insurance carriers have lower infrastructure and other distribution costs for products distributed through the wholesale distribution channel. In addition, insurance carriers will sometimes pay wholesale insurance brokers contingent commissions that depend on the volume or profitability of the business they place for the carrier.

The wholesale insurance brokerage industry has been affected by several macro and micro changes that have impacted the industry in recent years. Because of consolidation, the industry has become bifurcated between a few national firms and a large number of smaller regional and local firms. The national firms are better positioned to work with the largest and most sophisticated carriers due to a wider breadth of retail broker relationships as well as their technological sophistication. The larger the wholesale brokerage firm, the more integral they are to the distribution model of the insurance carriers operating in this segment of the insurance industry. Some specialty insurance carriers have shifted their focus away from doing business with a large number of retail brokers to selling their products through targeted distribution to select wholesale insurance brokers who understand their products and underwriting appetite, which reduces the complexity of their business and shifts costs from fixed to variable. The retail insurance brokerage industry has seen a large amount of consolidation over several years as the industry shifts from a high degree of fragmentation to one where several national platforms have emerged. This trend can have a positive or negative impact on the wholesale brokerage firms that do business with these retail brokerage firms, depending on their prior relationship with the consolidating firms and the post-consolidation strategy of the combined firms. Notwithstanding the substantial consolidation of retail brokerage firms, there are still more than 40,000 retail brokerage firms operating in the United States.

Our Competition

The insurance brokerage industry is highly competitive. A number of firms actively compete with us for clients and access to insurance carriers. Our Brokerage and International divisions compete with a number of other wholesale insurance brokerage firms, some of which are operated by large retail insurance brokerage firms, banks or financial service companies, as well as retail insurance brokerage firms and insurance companies. Some of our competitors are owned by customers.

We primarily compete for business on the basis of relationships, reputation, client service, expertise in a given specialty line, and program and product offerings. Our ability to tailor our products

and risk management services to meet the needs of retail insurance brokers can be a key differentiator.

Our Underwriting and Access divisions compete with a variety of sources for standard and specialized insurance products that provide coverage similar to the types of products we distribute. In many cases, our competitors are other insurance carriers that offer similar products. In addition, we frequently compete with small- to mid-sized wholesale brokerage firms that provide products that are similar to the products offered by our MGU and binding authority programs.

Although there are no large national wholesale insurance brokerage firms that regularly compete with our Group Benefits division, we compete with a variety of other businesses, including retail insurance brokers that distribute products similar to the types of products we distribute, insurance carriers that distribute these products directly through retail insurance brokers or to insured parties, benefit consultants who are able to assist in the distribution of these products and a number of other companies that provide group benefit administrative services. Our Group Benefits division competes for clients on the basis of product design and pricing, product knowledge and the ability to provide ancillary administrative services, as well as the cost of these services.

Our Strengths

Leading market position, with extensive customer and carrier relationships. Our size and scale provide us with a unique position in the wholesale market to better assist our retail insurance brokerage clients and increase our relevance and position with our insurance carrier partners. As we increase both our market share with retail brokers and the depth of our relationships with insurance carriers, we further enhance our value proposition by providing better access to both constituents. We partner with over 2,500 insurance carriers and markets and maintain more than 34,000 retail brokerage firm relationships. Our scale and sophistication has led to increasing market clout and enhanced specialty product knowledge, further enhancing our market leading position. Based on information published in September 2023 by *Business Insurance*, we believe we are the largest U.S. P&C wholesale insurance broker and the second largest U.S. wholesale insurance broker overall based on premiums placed.

Diversified business platform. Our business model is highly diversified by the type of insurance products offered, the number of carrier and retail broker relationships, and the geographic scope of our operations globally. We believe our level of diversification helps insulate our business from changes (both macro and micro) affecting the customers and markets we serve and allows us to generate a more stable revenue stream. We are not dependent on any retail insurance broker customer (for the twelve-month period ended September 30, 2023, no retail broker customer accounted for more than 6% of our commissions and fees, and our top five retail broker customers accounted for less than 19% of our commissions and fees) or insurance carrier or market (for the twelve-month period ended September 30, 2023, no individual carrier or market accounted for more than 6% of our premium volume, and our top five carriers represented approximately 18% of premium volume).

Proven business model supports sustained growth with robust, recurring cash flow generation. Our size and scale give us an advantage in terms of our relationships with both our retail insurance broker clients and our carrier partners. As large retail brokers seek to reduce the number of wholesale brokers they use, our size and scale make us attractive given the breadth of our access to carriers and specialty insurance products. Similarly, our size, scale and relationships with retail brokerage firms make us a key component of the distribution model of insurance carriers that offer the products we place. Our scale and business flow also enhances our expertise and experience in specialty risks, allowing us to provide better service to our clients and help our insurance carriers develop new

products. This business model has historically generated steady organic revenue growth (18.8% for the nine-month period ended September 30, 2023, 16.0% in 2022 and 17.0% in 2021, in each case compared to the preceding comparable period), expanding Adjusted EBITDA margins (35.4% for the nine-month period ended September 30, 2023, 34.3% in 2022 and 34.4% in 2021), and solid cash flow generation.

Proven consolidator in fragmented industry. We maintain a broad U.S. and international platform and have historically used, and expect to continue to use, a disciplined acquisition strategy to expand our market share, product capabilities, diversification and geographic footprint. We believe this strategy has enhanced our business and complements our focus on core organic growth and operational improvement. We are selective about the acquisition targets we pursue. We completed eight acquisitions since January 1, 2020. We believe our entrepreneurial culture, decentralized approach to managing our business and centralized support offered by our corporate staff make Amwins appealing to individuals who have decided to sell their business. Virtually all of the owners of the businesses we have acquired have remained actively engaged in the business post-acquisition, which has facilitated the integration of these businesses.

Experienced management team. Our Chairman, Vice Chairman, Chief Executive Officer, President, Chief Financial Officer and division presidents have substantial experience and long-standing relationships developed over an average of more than 20 years of experience in the insurance industry. Our management team draws on its relationships and experience in the industry to identify opportunities to expand our business and collaborate with insurance carriers to help develop products to respond to market trends. Through their extensive relationships in the insurance industry, our management team also contributes to the successful recruitment of key brokers and underwriters to join Amwins.

Our Strategy

Increase growth by expanding distribution. We strive to prudently grow our business by expanding our distribution channels across all of our divisions. Over the last five years, we have hired over 200 new brokers and underwriters in the United States, excluding brokers hired in connection with acquisitions. We intend to continue to organically grow our revenue through the addition of new brokers and underwriters and enhanced penetration of our existing markets. We have generated organic revenue growth of 18.8% during the nine-month period ended September 30, 2023 and 16.0%, 17.0% and 8.8% in 2022, 2021 and 2020, respectively. We have over 1,200 producers who specialize in specific product lines or industry classes. We also provide our producers with access to what we believe is an industry-leading producer training program.

Access to new markets and products. We are focused on expanding our access to new markets and products to better serve the needs of our clients. For example, because certain admitted insurance carriers will not do business directly with small retail insurance brokerage firms, but will do business with us, our Access division has acquired a platform to provide these brokerage firms with access to a greater variety of standard insurance products. We also are actively working to develop new MGU programs, which represent an attractive growth opportunity given the emergence of alternative insurance markets and the specialized nature of these programs. In our Group Benefits division, we continue to explore opportunities to work with our insurance carrier partners to develop new products that help employers manage the rising cost of health care.

Focus on operational efficiency and profitability. We continue to be focused on the efficiency of our platform and expansion of our underlying profit margins through increased scale and operating leverage. We use an integrated back-office corporate support team in Charlotte, North Carolina, to

provide our client-facing operations with virtually all of the administrative resources they need, including human resource, legal, information technology (IT), analytical and actuarial services. As a result, in most instances our growth (either organically or through acquisitions) can be achieved with relatively limited incremental expense, which drives a high degree of operating leverage. In addition, we actively look for opportunities to further use technology to support our business, including using our AmLINK platform to expand our data and analytics capabilities.

Pursue opportunistic acquisitions. We plan to pursue opportunistic acquisitions in a disciplined manner that will complement our existing business or help us expand into new wholesale distribution channels or markets. We have substantial experience in selecting and integrating acquisition targets and are positioned to take advantage of acquisition opportunities that arise. We believe that our entrepreneurial and operating culture make us an attractive partner to acquisition targets.

Recent Unaudited Estimated Results of Operations

For the three months ended December 31, 2023, we estimate that our total revenues were between \$663.2 million and \$667.2 million, our EBITDA was between \$215.6 million and \$219.6 million and our Adjusted EBITDA was between \$235.1 million and \$239.1 million. After giving effect to the issuance of the Senior Secured Notes offered hereby (and assuming we use a portion of the proceeds and cash on hand to pay restricted payments of \$1.05 billion as described in “Use of Proceeds”), and using the mid-point of our estimated range of Pro Forma Adjusted EBITDA, we estimate that our total net debt-to-Pro Forma Adjusted EBITDA as of December 31, 2023 is 4.88x (or 4.98x after giving effect to the Acquisitions (as defined below)). Our estimated total net debt-to-Pro Forma Adjusted EBITDA as of December 31, 2023 is based on the estimated as adjusted indebtedness outstanding of \$4,907.8 million, the estimated as adjusted amount of cash balances of \$466.7 million (or \$299.9 million after funding the Acquisitions) and \$909.5 million of Pro Forma Adjusted EBITDA (or \$925.1 million after giving effect to the Acquisitions) for the twelve months ended December 31, 2023, representing the midpoint of management’s estimate of Pro Forma Adjusted EBITDA for such period of \$907.5 million to \$911.5 million. We also estimate that our Pro Forma Revenues for the twelve-month period ended December 31, 2023 were \$2,561.8 million, representing the midpoint of management’s estimate of Pro Forma Revenues for such period of \$2,559.8 million and \$2,563.8 million.

We have entered into agreements to acquire two businesses (the “Acquisitions”), one of which closed on January 31, 2024 and the other of which is expected to be completed by March 31, 2024. The closing purchase price for these Acquisitions is payable in cash in the aggregate amount of \$166.8 million and units of Amwins Holding. Based on historical financial information provided by management of these businesses, we estimate that these businesses represent an additional annualized EBITDA of \$15.6 million in the aggregate. We have based our estimate of the historical EBITDA generated by these businesses entirely on information provided by management of these businesses. Although we believe this information is accurate in all material respects, this information cannot be independently verified by us and has not been independently reviewed or audited. Accordingly, we have presented this information solely for informational purposes. In addition, information shown above with respect to our combined Pro Forma Adjusted EBITDA after giving effect to these Acquisitions is not necessarily indicative of our combined results of operations that would have been achieved if we had acquired these businesses on or before January 1, 2023, nor is it necessarily indicative of our future results. Moreover, although we expect to complete the second Acquisition on the terms set forth above, this Acquisition is subject to closing conditions, some of which are outside of our control. Accordingly, we cannot assure you that this acquisition will be completed or, if completed, will be on the terms set forth above.

The estimated December 31, 2023 results are as of the date hereof and are preliminary, unaudited and subject to completion, reflect management’s current views and may change as a result

of management's review of results and other factors, including a wide variety of significant business, economic and competitive risks and uncertainties. Such estimated results are subject to the closing and finalization of financial and accounting procedures for the period (which have yet to be performed) and should not be viewed as a substitute for full financial statements prepared in accordance with U.S. GAAP. While we do not expect that our actual results for the three months ended December 31, 2023 or for the twelve-month period ended December 31, 2023 will vary materially from the estimated results, there can be no assurance that these estimates will be realized. Due to the preliminary nature of these estimates, we are unable to reconcile the non-GAAP measures set forth above to net income attributable to Amwins Group, Inc., which would be the most directly comparable measure under GAAP, because such information is unavailable at this time. The preliminary financial data included in this offering circular has been prepared by, and is the responsibility of, Amwins Group, Inc. management. PricewaterhouseCoopers LLP has not audited, reviewed, examined, compiled, nor applied agreed-upon procedures with respect to the preliminary financial data. Accordingly, PricewaterhouseCoopers LLP does not express an opinion or any other form of assurance with respect thereto. As a result, prospective investors should exercise caution in relying on this information and should not draw any inferences from this information regarding financial or operating data not provided in this offering circular. In addition, our preliminary estimates are not necessarily indicative of the results to be achieved in any future period. Factors that could cause actual results to differ from those described above are set forth in "Cautionary Statement Regarding Forward Looking Statements" and "Risk Factors."

Our Ownership

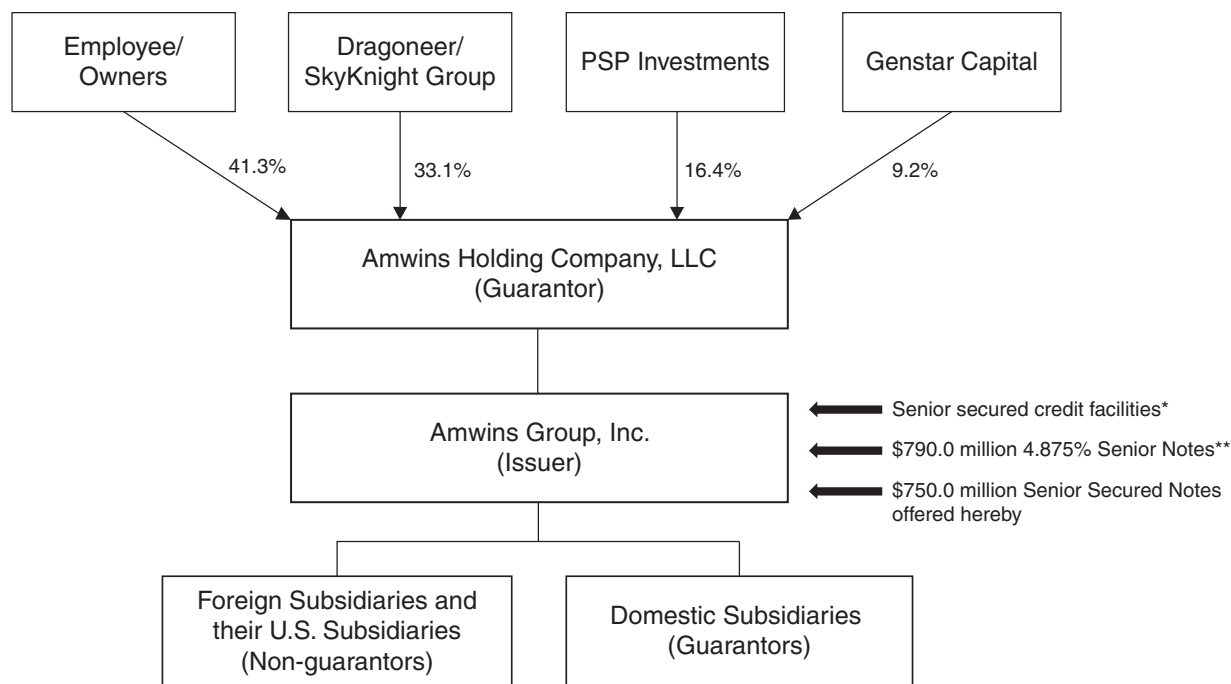
Amwins Holding currently owns 100% of our outstanding shares of capital stock. In addition, we have a stock option plan under which, as of December 31, 2023, there were outstanding options to purchase 781,009 shares of our nonvoting common stock.

Amwins Holding is a Delaware limited liability company, and equity interests in Amwins Holding are denominated in units. The beneficial owners of Amwins Holdings comprise four groups: Employee/Owners, the Dragoneer/SkyKnight Group, PSP Investments and Genstar Capital. In November 2023, Amwins Holding completed an equity recapitalization in which the Dragoneer/SkyKnight Group and Genstar Capital increased their respective ownership percentages of Amwins Holding by purchasing units of Amwins Holding from certain Employee/Owners who elected to sell a portion of their units and PSP Investments, which retained a significant ownership interest in Amwins Holding. See "Related Party Transactions—November 2023 Equity Recapitalization" for more information.

As of December 31, 2023, the Employee/Owners beneficially owned approximately 41.3% of the outstanding units of Amwins Holding, the Dragoneer/SkyKnight Group beneficially owned approximately 33.1% of the outstanding units of Amwins Holding, PSP Investments beneficially owned approximately 16.4% of the outstanding units of Amwins Holding, and Genstar Capital beneficially owned approximately 9.2% of the outstanding units of Amwins Holding.

We encourage and have taken steps to increase the level of employee ownership of Amwins Holding. As of December 31, 2023, there were over 1,450 current and former employees who owned units of Amwins Holding. We have a Unit Purchase Plan under which we offer qualified employees the opportunity annually to purchase units in Holding. We typically encounter demand to purchase equity under this plan that exceeds plan limitations.

The following chart summarizes our organizational structure and our principal outstanding debt obligations at September 30, 2023. The Senior Secured Notes initially will be guaranteed by Amwins Holding and all of our existing and future direct and indirect U.S. domestic subsidiaries that guarantee our indebtedness under the senior secured credit facilities and our 4.875% Senior Notes.



* Our senior secured credit facilities consist of term loans and a \$300.0 million revolving credit facility. As of September 30, 2023, there was \$3,370.2 million in aggregate principal amount of term loans outstanding under this facility, and there were no borrowings outstanding under the revolving credit facility other than undrawn letters of credit having an aggregate face amount of \$2.0 million. The revolving credit facility matures February 19, 2026, and the senior secured term loan facility matures February 19, 2028. The borrower under our senior secured credit facilities is Amwins Group, Inc., and these facilities are guaranteed by Amwins Holding and substantially all of our direct and indirect domestic subsidiaries (other than U.S. subsidiaries owned directly and indirectly by our foreign subsidiaries). For a description of the material terms of our senior secured credit facilities, see “Description of Certain Other Indebtedness—Senior Secured Credit Facilities.”

** Our 4.875% Senior Notes consist of unsecured senior notes due 2029 in the aggregate principal amount of \$790.0 million. The 4.875% Senior Notes mature on June 30, 2029, were issued by Amwins Group, Inc. and are guaranteed by Amwins Holding and the same subsidiaries that have guaranteed our obligations under the senior secured credit facilities and will guarantee our obligations under the Senior Secured Notes. For a description of the material terms of our 4.875% Senior Notes, see “Description of Certain Other Indebtedness—4.875% Senior Notes.”

Corporate Information

Amwins Group, Inc. is a Delaware corporation founded in 1998. Our principal executive offices are located at 4725 Piedmont Row Drive, Suite 600, Charlotte, North Carolina 28210. Our telephone number at this location is (704) 749-2700, and our website is www.amwins.com. Information on our website does not constitute a part of, and is not incorporated into, this offering circular, and you should rely only on the information contained in this offering circular when making a decision as to whether to invest in the Senior Secured Notes.

The Offering

The following summary contains basic information about the Senior Secured Notes and is not intended to be complete. It does not contain all of the information that may be important to you. For a more complete description of the terms of the Senior Secured Notes, see “Description of Senior Secured Notes” in this offering circular.

Issuer	Amwins Group, Inc.
Senior Secured Notes offered	\$750.0 million aggregate principal amount of senior secured notes due 2029.
Maturity	The Senior Secured Notes will mature on , 2029.
Interest	Interest on the Senior Secured Notes will accrue from , 2024 at a rate of % per annum, payable semi-annually in cash in arrears on and of each year, commencing , 2024.
Guarantees	<p>The Senior Secured Notes will initially be fully and unconditionally guaranteed, jointly and severally, by our parent holding company, Amwins Holding Company, LLC, and by our domestic U.S. subsidiaries that currently guarantee the indebtedness under our senior secured credit facilities and our 4.875% Senior Notes. Certain Guarantors have minority employee/owners who own non-voting equity that can be exchanged for units of Amwins Holding after a period of time.</p> <p>Our subsidiaries that will not guarantee the Senior Secured Notes represented 6.6% of our Pro Forma Adjusted EBITDA for the twelve months ended September 30, 2023 and 12.0% of our consolidated assets as of September 30, 2023.</p>
Ranking	<p>The Senior Secured Notes will be our and our Guarantors’ senior secured obligations and will be:</p> <ul style="list-style-type: none"> • pari passu in right of payment with all of our and our Guarantors’ existing and future senior indebtedness; • senior in right of payment to our and our Guarantors’ existing and future subordinated indebtedness; • effectively senior to our and our Guarantors’ existing and future unsecured indebtedness and indebtedness that is secured by junior-priority liens on the Collateral, in each case, to the extent of the value of the Collateral;

	<ul style="list-style-type: none"> effectively junior to our and our Guarantors' other indebtedness that is secured by liens on assets of the Company or Guarantors, as applicable, that do not constitute Collateral to the extent of the value of those other assets; and structurally subordinated to all indebtedness and other liabilities (including trade payables) of our subsidiaries that will not guarantee the Senior Secured Notes.
Security	The Senior Secured Notes and guarantees will be secured equally and ratably with the indebtedness under our senior secured credit facilities by first-priority liens on substantially all of our and our Guarantors' existing and future assets. The security interests in the collateral securing the Senior Secured Notes may be released under certain circumstances from time to time without your consent or the consent of the Trustee. See "Description of Senior Secured Notes—Security" and "Risk Factors—Risks Related to the Collateral."
Intercreditor Agreement	<p>The relationship between holders of the Senior Secured Notes and creditors under our senior secured credit facilities is governed by a pari passu first-lien intercreditor agreement. See "Description of Senior Secured Notes—Equal Priority Intercreditor Agreement" and "Risk Factors—Risks Related to the Collateral."</p> <p>Under the equal priority intercreditor agreement, the administrative agent under our senior secured credit facilities, as authorized representative with respect to the obligations thereunder, has the right to direct foreclosures and take other actions with respect to the shared collateral, and the notes collateral agent will have no right to take actions with respect to the shared collateral.</p>
Optional redemption	Except as described below and under "Description of Senior Secured Notes," we cannot redeem the Senior Secured Notes before , 2026. Thereafter, we may redeem some or all of the Senior Secured Notes at the redemption prices listed under "Description of Senior Secured Notes—Optional Redemption," plus accrued and unpaid interest to the redemption date.

At any time (which may be more than once) before _____, 2026, we may redeem up to 40% of the aggregate principal amount of the Senior Secured Notes at a redemption price equal to _____ % of the principal amount thereof, plus accrued and unpaid interest thereon, with the net proceeds raised by us or Amwins Holding in one or more equity offerings, as long as:

- we redeem the Senior Secured Notes within 180 days of completing the equity offering; and
- at least 50% of the aggregate principal amount of Senior Secured Notes issued remains outstanding afterwards.

In addition, during each twelve-month period before _____, 2026, we may redeem up to 10% of the aggregate principal amount of the Senior Secured Notes at a redemption price equal to 103% of the principal amount thereof plus accrued and unpaid interest to, but excluding, the date of redemption.

Prior to _____, 2026, we may redeem the Senior Secured Notes, in whole or in part, at a price equal to 100% of the principal amount thereof plus the make-whole premium described under “Description of Senior Secured Notes—Optional Redemption,” plus accrued and unpaid interest to the redemption date.

Change of control

If certain kinds of “change of control” occur, we must offer to purchase the Senior Secured Notes at 101% of their principal amount, plus accrued interest. For more details, you should read “Description of Senior Secured Notes—Repurchase at the Option of Holders—Change of Control.”

Certain covenants

The Indenture that will govern the Senior Secured Notes will contain certain covenants that, among other things, limit our ability and the ability of our restricted subsidiaries to:

- pay dividends or distributions, repurchase equity, prepay junior debt and make certain investments;
- incur additional debt or issue certain disqualified stock and preferred stock;
- incur liens on assets;

- merge or consolidate with another company or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its assets;
- enter into transactions with affiliates; and
- allow to exist certain restrictions on the ability of subsidiaries to pay dividends or make other payments to us.

These covenants are subject to important exceptions and qualifications as described under “Description of Senior Secured Notes—Certain Covenants.” Certain covenants will cease to apply to the Senior Secured Notes for so long as the Senior Secured Notes have investment grade ratings from both Moody’s Investor Service, Inc. and S&P Global Ratings.

Absence of established market	The Senior Secured Notes are a new class of securities for which there is currently no established market. Although the Initial Purchasers have indicated that they intend to make a market in the Senior Secured Notes, the Initial Purchasers are not obligated to do so, and may discontinue market making activities at any time without notice. Accordingly, a liquid market for the Senior Secured Notes may not develop or may not be maintained.
Transfer restrictions; No registration rights	The Senior Secured Notes have not been and will not be registered under the Securities Act 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. The absence of registration rights may adversely impact the transferability of the Senior Secured Notes. See “Transfer Restrictions,” “Plan of Distribution” and “Risk Factors—Risks Related to the Senior Secured Notes—Holders of the Senior Secured Notes will not be entitled to registration rights, and we do not intend to register the Senior Secured Notes under applicable securities laws. There are restrictions on your ability to transfer and resell the Senior Secured Notes without registration under applicable securities laws.”
Use of Proceeds	We intend to use the proceeds from this offering, together with cash on hand, (i) to pay all related transaction fees and expenses, which we estimate to be approximately \$11.0 million, (ii) to make restricted payments of approximately

\$1.05 billion, to the extent permitted by our senior secured credit facilities, the Indenture and the indenture governing our 4.875% Senior Notes, and (iii) for general corporate purposes, including funding pending and future acquisitions. The Company intends to determine the amount of any restricted payments to be made with the proceeds from this offering based on acquisition opportunities available to it and the funds that would be required to pursue such opportunities. Such restricted payments may be in the form of a dividend payable to Amwins Holding, which may use these funds to declare a pro rata distribution payable to its owners, and payments to certain holders of stock options of Amwins Group and unvested units of Amwins Holding required in connection with such a dividend.

Risk Factors See “Risk Factors” and the other information in this offering circular for a discussion of the factors you should carefully consider before deciding to invest in the Senior Secured Notes.

Summary Historical Consolidated Financial Information and Other Data

The following table sets forth our summary historical consolidated financial information and other data as of the dates and for the periods indicated. The summary historical consolidated financial information and other data as of December 31, 2021 and 2022 and for the years ended December 31, 2020, 2021 and 2022 have been derived from and should be read together with the audited consolidated financial statements and related notes included elsewhere in this offering circular. The summary historical consolidated balance sheet data as of December 31, 2020 has been derived from our audited financial statements not included in this offering circular. The summary historical consolidated financial information and other data for the nine months ended September 30, 2022 and 2023 and as of September 30, 2023 have been derived from and should be read together with the unaudited consolidated financial statements and related notes included elsewhere in this offering circular. The summary historical consolidated balance sheet data as of September 30, 2022 has been derived from our unaudited financial statements not included in this offering circular. The following summary historical consolidated financial information and other data presented for the twelve months ended September 30, 2023 have been derived by taking the amounts from the historical audited consolidated financial statements for the year ended December 31, 2022, less the amounts from the historical unaudited consolidated financial statements for the nine months ended September 30, 2022, plus the amounts from the historical unaudited consolidated financial statements for the nine months ended September 30, 2023.

Our summary historical consolidated financial information and other data are not necessarily indicative of our future performance. The following table provides only summary financial information and other data, does not provide all of the information or data contained in our financial statements, and should also be read in conjunction with the sections of this offering circular titled “Use of Proceeds,” “Capitalization” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the consolidated financial statements and related notes included elsewhere in this offering circular.

	Year Ended December 31, (audited)			Nine Months Ended September 30, (unaudited)		Twelve Months Ended September 30, (unaudited)
	2020(1)	2021(1)	2022(1)	2022(1)	2023(1)	2023(1)
(dollars in thousands)						
Statement of Operations Data:						
Revenues						
Commissions and fees	\$1,384,220	\$1,771,099	\$2,078,414	\$1,545,650	\$1,769,305	\$2,302,069
Other income	100,753	70,622	99,450	57,314	133,009	175,145
Total revenues	1,484,973	1,841,721	2,177,864	1,602,964	1,902,314	2,477,214
Expenses						
Employee compensation and benefits ..	867,543	1,078,893	1,314,530	941,434	1,090,617	1,463,713
Other operating expenses	158,345	179,223	196,161	133,318	158,383	221,225
Gain on disposal	(203,076)	—	—	—	(15,353)	(15,353)
Amortization and depreciation of intangible assets	82,514	108,924	123,886	91,706	100,199	132,379
Total operating expenses	905,326	1,367,040	1,634,577	1,166,458	1,333,846	1,801,964
Operating income	579,647	474,681	543,287	436,506	568,468	675,250
Interest expense	136,936	135,993	148,248	107,553	172,875	213,570
Loss on extinguishment of debt	—	42,384	—	—	—	—
Nonoperating (income) expense	482	7,254	1,374	1,023	(1,688)	(1,336)
Income before income taxes	442,229	289,050	393,665	327,930	397,281	463,016
Income tax expense	125,885	84,755	120,194	104,296	114,761	130,569
Net income	316,344	204,295	273,471	223,634	282,520	332,357
Less: Net income attributable to noncontrolling interests	4,295	5,499	3,816	3,321	1,696	2,191
Net income attributable to Amwins Group, Inc.	\$ 312,049	\$ 198,796	\$ 269,655	\$ 220,313	\$ 280,824	\$ 330,166
Balance Sheet Data (at period end):						
Cash and cash equivalents	\$ 597,526	\$ 321,434	\$ 592,242	\$ 547,815	\$ 750,039	\$ 750,039
Total assets	4,882,048	6,438,245	7,594,251	6,371,303	7,049,825	7,049,825
Total debt, net of discounts and debt issuance costs	2,603,046	3,312,788	3,294,755	3,299,263	4,115,736	4,115,736
Total Amwins Group, Inc. stockholders’ (deficit)	(646,668)	(575,464)	(136,671)	(275,023)	(741,795)	(741,795)
Other Financial Data:						
Total revenue growth	13.4%	24.0%	18.3%	18.5%	18.7%	18.4%
Organic revenue growth(2)	8.8%	17.0%	16.0%	14.9%	18.8%	18.9%
EBITDA(3)	\$ 657,384	\$ 528,468	\$ 661,983	\$ 523,868	\$ 668,659	\$ 806,774
Adjusted EBITDA(3)	\$ 491,453	\$ 634,402	\$ 746,278	\$ 548,397	\$ 674,353	\$ 872,235
Adjusted EBITDA growth from prior period(3)	20.8%	29.1%	17.6%	17.6%	23.0%	21.7%
Adjusted EBITDA margin(3)(4)(5)	33.1%	34.4%	34.3%	34.2%	35.4%	35.2%
Capital expenditures	\$ 57,229	\$ 52,144	\$ 75,071	\$ 42,207	\$ 72,412	\$ 105,276
Pro Forma Revenues(4)						\$2,469,788
Pro Forma Adjusted EBITDA(3)						\$ 869,864
Pro Forma Adjusted EBITDA margin(3)(4)(5)						35.2%
Cash interest expense, as adjusted(6)						\$ 276,778
Net secured debt, as adjusted(7)						\$3,687,971
Net total debt, as adjusted(7)						\$4,477,971
Ratio of net secured debt, as adjusted, to Pro Forma Adjusted EBITDA(3)(7)						4.24x
Ratio of net total debt, as adjusted, to Pro Forma Adjusted EBITDA(3)(7)						5.15x
Ratio of Pro Forma Adjusted EBITDA to cash interest expense, as adjusted(3)(6)						3.14x

- (1) Our results reflect the acquisition and sale of assets and liabilities of certain businesses that occurred in certain periods. Except with respect to Pro Forma Adjusted EBITDA and Pro Forma Revenues presented for the twelve months ended September 30, 2023, the financial results of acquisitions are only included from the date of acquisition forward, and the financial results of dispositions are included only for the period prior to the sale date. Accordingly, the results in each period are not directly comparable. See Note 2 “Acquisitions and Disposals” to the Audited Consolidated Financial Statements included elsewhere in this offering circular for a description of these acquisitions.
- (2) We define “organic revenue growth” as the net change in total revenues for a year (or period), excluding the impact of foreign currency fluctuations, intercompany reassignments and any non-recurring adjustments unrelated to that period, compared to the prior year (or corresponding period) other than any increase or decrease in revenues attributable to businesses acquired or sold during that period. Organic revenue growth is a non-GAAP measure and should not be considered an alternative to, nor is there any implication that it is more meaningful than, any measure of performance or liquidity promulgated under GAAP. We believe that organic revenue growth is a meaningful indicator of our financial and operational performance, the effectiveness of our sales initiatives, the long-term sustainability of our profits and the demand for our products and services. We believe that providing organic revenue growth results is meaningful to investors due principally to the role acquisitions have played in our revenue growth. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations” for more information regarding organic revenue growth during the years ended December 31, 2021 and 2022 and for the nine months ended September 30, 2023.
- (3) We define “EBITDA” for the periods presented above as net income attributable to Amwins Group, Inc. before interest expense, income tax expense, and depreciation and amortization expense. “Adjusted EBITDA” is EBITDA with the adjustments set forth below. We define “Pro Forma Adjusted EBITDA” as Adjusted EBITDA adjusted to include the periodic effect of businesses acquired (for the portion of the period presented prior to the respective acquisition date) and to exclude the periodic effect of businesses sold (for the portion of the period presented prior to the respective sale date).

We believe that the presentation of Adjusted EBITDA and Pro Forma Adjusted EBITDA is important to our investors because these measures are commonly used as an analytical indicator of performance within the insurance brokerage industry. Adjusted EBITDA and Pro Forma Adjusted EBITDA are used by management to evaluate the financial performance of each of our divisions and for us as a whole. In addition, the Indenture that will govern the Senior Secured Notes includes certain covenants that apply ratios utilizing a measure that is consistent in all material respects with Adjusted EBITDA and Pro Forma Adjusted EBITDA. Pro Forma Adjusted EBITDA is also meaningful due to the role acquisitions have played in our growth.

However, Adjusted EBITDA and Pro Forma Adjusted EBITDA are not measures of financial performance under GAAP, are not intended to represent cash flows from operations under GAAP, and should not be used as alternatives to our net income (loss) attributable to Amwins Group, Inc. as calculated in accordance with GAAP, as indicators of our operating performance, as measures of cash flows from operating, investing or financing activities or as measures of our liquidity. Each of Adjusted EBITDA and Pro Forma Adjusted EBITDA has its limitations as an analytical tool, and should not be considered in isolation or as a substitute for an analysis of our operating results as reported in accordance with GAAP. Some of the limitations of Adjusted EBITDA and Pro Forma Adjusted EBITDA include:

- Adjusted EBITDA and Pro Forma Adjusted EBITDA do not reflect cash used for capital expenditures and our obligations with respect to contingent consideration arrangements in connection with certain business acquisitions;
- Although depreciation and amortization are non-cash charges, the asset being depreciated or amortized often will have to be replaced, and Adjusted EBITDA and Pro Forma Adjusted EBITDA do not reflect the cash requirements of such replacements;
- Adjusted EBITDA and Pro Forma Adjusted EBITDA do not reflect changes in, or cash requirements for, our working capital requirements;
- Adjusted EBITDA and Pro Forma Adjusted EBITDA do not reflect the cash necessary to make payments of interest or principal on our long-term debt obligations; and
- Adjusted EBITDA and Pro Forma Adjusted EBITDA do not reflect the cash necessary to make payments of income and other taxes.

In addition, because Adjusted EBITDA and Pro Forma Adjusted EBITDA are not calculated in the same manner by all companies, such measures are not necessarily comparable to similarly titled measures used by other companies.

The following table sets forth the reconciliation of net income to EBITDA, Adjusted EBITDA and Pro Forma Adjusted EBITDA for the periods indicated:

	December 31,			Nine Months Ended September 30, (unaudited)		Twelve Months Ended September 30, (unaudited)
	2020	2021	2022	2022	2023	2023
(dollars in thousands)						
Net Income attributable to Amwins Group, Inc. . .	\$ 312,049	\$198,796	\$269,655	\$220,313	\$280,824	\$330,166
Interest expense	136,936	135,993	148,248	107,553	172,875	213,570
Income tax expense	125,885	84,755	120,194	104,296	114,761	130,659
Amortization and depreciation	82,514	108,924	123,886	91,706	100,199	132,379
EBITDA	657,384	528,468	661,983	523,868	668,659	806,774
Non-cash equity and liability compensation expense(a)	27,945	36,511	98,487	37,947	38,879	99,419
Transaction costs and refinancing expenses(b)	5,107	24,195	1,871	1,217	12,496	13,150
Net income attributable to non-controlling interests(c)	4,295	5,499	3,816	3,321	1,696	2,191
Gain on disposal(d)	(203,076)	—	—	—	(15,353)	(15,353)
Changes in estimated acquisition earnout payables(e)	482	7,254	1,047	1,023	(1,688)	(1,663)
(Gain) loss on unconsolidated equity investment transactions(f)	(1,261)	(9,044)	(12,742)	(9,617)	(30,340)	(33,465)
Loss on extinguishment of debt(g)	—	42,384	—	—	—	—
Gain loss on foreign currency exchange(h)	(1,073)	(451)	(11,045)	(14,097)	(76)	2,976
Other(i)	1,650	(414)	2,861	4,735	80	(1,794)
Adjusted EBITDA	<u>\$ 491,453</u>	<u>\$634,402</u>	<u>\$746,278</u>	<u>\$548,397</u>	<u>\$674,353</u>	<u>\$872,235</u>
Pro forma effect of businesses acquired(j)						751
Pro forma effect of businesses disposed(k)						(3,122)
Pro Forma Adjusted EBITDA						<u>\$869,864</u>

- (a) Represents non-cash share-based compensation incurred in relation to awards to employees and non-employee directors.
- (b) Represents transaction costs incurred in connection with acquisitions, dispositions and investments, and third-party transaction expenses incurred in connection with (i) the refinancing of our senior secured credit facilities in February 2021, (ii) the issuance of our senior notes in July 2021 and (iii) the incurrence of incremental term loans under our senior secured credit facilities in February 2023.
- (c) Represents the portion of our net income attributable to the minority owners of our less-than-wholly-owned subsidiaries.
- (d) Represents the gain recognized on the disposal of a business in November 2020 and May 2023.
- (e) Represents changes in the estimated fair value of contingent earn-out consideration.
- (f) Represents remeasurement of unconsolidated equity investments and gains or losses attributable to the sale of unconsolidated equity investments.
- (g) Represents a redemption premium paid in connection with the redemption of our senior notes in July 2021 and a loss incurred to write-off, as applicable, unamortized original issuance discount and unamortized financing fees and expenses incurred in connection with the refinancing of our senior secured credit facilities in February 2021 and our senior notes in July 2021.
- (h) Represents non-cash amounts related to changes in foreign currency exchange rates.
- (i) Represents the aggregate effect of cash distributions received from unconsolidated equity investments accounted for using the equity method of accounting, net earnings from unconsolidated equity investments accounted for using the equity method of accounting and certain non-recurring and/or non-cash amounts related to settlement and related litigation expenses, restructuring expenses consisting primarily of employee severance and other non-recurring compensation costs, lease termination costs, moving and relocation costs, duplicative costs and third-party professional fees incurred in connection with restructurings.
- (j) Represents the Adjusted EBITDA for acquisitions completed during the time period presented, but only for the portion of the period presented prior to the respective transaction dates, consisting of our 2022 and 2023

acquisitions. The amounts shown in the table do not give effect to the Acquisitions described in “—Recent Unaudited Estimated Results of Operations” above. The pro forma effect of businesses acquired was prepared as if these acquisitions had been consummated on October 1, 2022. In calculating the pro forma effect of businesses acquired, we did not make any adjustments for financing costs or additional depreciation and amortization of acquired intangible assets, as these adjustments would have had no impact on the Pro Forma Adjusted EBITDA of the businesses acquired. The amount shown in the table above is based on good faith estimates of management derived entirely from financial information provided by the management of the businesses acquired for the period prior to our ownership and control of such businesses. Accordingly, although we believe such information to be accurate, such information cannot be independently verified by our management and has not been independently reviewed or audited. We cannot assure you that the financial results of the businesses we have acquired for the period prior to our ownership would not be materially different. The pro forma effect of the businesses acquired is presented solely for informational purposes and is not necessarily indicative of the consolidated results of operations that would have been achieved if we had acquired these businesses on or before October 1, 2022, nor is it necessarily indicative of the future results of the combined company.

(k) Represents the Adjusted EBITDA for disposals completed during the time period presented.

- (4) We calculate our “Pro Forma Revenues” by adjusting our Revenues to (a) include estimated revenues for businesses acquired during the twelve month period ended September 30, 2023, but only for the portion of the period presented prior to the completion of such acquisitions, and (b) exclude revenues generated by a business sold on May 2, 2023 for the portion of the period presented prior to the sale date. The estimated amount of revenues for businesses acquired is based on good faith estimates of management derived entirely from financial information provided by the management of the respective businesses acquired for the period prior to our ownership and control of such businesses. Accordingly, although we believe such information to be accurate, such information cannot be independently verified by our management and has not been independently reviewed or audited. We cannot assure you that the revenues of businesses we have acquired would not be materially different.

Pro Forma Revenue is not a measure of financial performance under GAAP and should not be used as an alternative to our total revenues as calculated in accordance with GAAP or as an indicator of our operating performance. Management believes Pro Forma Revenues may be useful to investors in evaluating the impact of acquisitions and dispositions during the twelve-month period ended September 30, 2023. Because Pro Forma Revenue is not a measure calculated in the same manner by all companies, such measure is not necessarily comparable to similarly titled measures used by other companies.

The following table sets forth the reconciliation of total revenue to Pro Forma Revenues for the periods indicated:

	Twelve Months Ended September 30, (unaudited) 2023
Total revenues	\$2,477,214
Acquired revenues	2,295
Disposed revenues	(9,721)
Pro Forma Revenues	<u>\$2,469,788</u>

- (5) Adjusted EBITDA margin percentage is Adjusted EBITDA as a percentage of Revenues. Pro Forma Adjusted EBITDA margin percentage is Pro Forma Adjusted EBITDA as a percentage of Pro Forma Revenues.
- (6) As adjusted cash interest expense reflects our expected cash interest expense after giving effect to our existing interest rate swap agreements and the issuance of the Senior Secured Notes offered hereby as if issued on September 30, 2022.

- (7) Net secured debt, as adjusted, and net total debt, as adjusted, reflect the issuance of the Senior Secured Notes offered hereby as if issued on September 30, 2023. See “Use of Proceeds” and “Capitalization.” The following table reflects how we calculate our net secured debt and net total debt on an as adjusted basis as of September 30, 2023:

	<u>Net Secured Debt, As Adjusted</u>	<u>Net Total Debt, As Adjusted</u>
	(in thousands)	
Senior secured term loans	\$3,370,228	\$3,370,228
Senior Secured Notes offered hereby	750,000	750,000
Finance lease obligations	6,782	6,782
4.875% Senior Notes	—	790,000
Total Debt	<u>\$4,127,010</u>	<u>\$4,917,010</u>
Less: Cash and cash equivalents	<u>(439,039)</u>	<u>(439,039)</u>
Net Debt	<u><u>\$3,687,971</u></u>	<u><u>\$4,477,971</u></u>

RISK FACTORS

An investment in the Senior Secured Notes involves a significant degree of risk. You should carefully consider the following risk factors, together with all of the other information included in this offering circular, before you decide whether to purchase the Senior Secured Notes. The risks and uncertainties described below are not the only risks and uncertainties that we face. Additional risks and uncertainties not currently known to us or that we currently deem immaterial also may impair our financial condition and operating results. If any of the following risks actually occurs, our financial condition and operating results would suffer. The risks discussed below also include forward-looking statements, and our actual results may differ substantially from those discussed in those forward-looking statements. See “Cautionary Statement Regarding Forward-Looking Statements.”

Risks Relating to Our Business

The loss of the services of any of our highly qualified brokers and underwriters or our executive officers could harm our business and operating results.

Our future performance depends on our ability to recruit and retain highly qualified brokers and underwriters, including brokers and underwriters who work in the businesses that we have acquired or may acquire in the future. Competition for productive brokers and underwriters is intense, and our inability to recruit or retain these individuals could harm our business and operating results. Although many of our senior brokers and underwriters own an equity interest in Amwins Holding and have entered into employment agreements with us, we cannot assure you that these persons will remain in our employment. Moreover, we cannot assure you that any of the brokers or underwriters who leave our firm will comply with the provisions of their employment agreements (or other agreements with us) that preclude them from competing with us or soliciting our customers and employees or that these provisions will be sufficient to fully protect us from the loss of any business.

The law governing non-compete agreements varies from state to state, and some states have recently introduced or passed legislation limiting or even prohibiting the use of non-compete agreements. For example, in California a law enacted in September 2023 prohibits employers from entering into or attempting to enforce non-compete agreements. In addition, in January 2023 the U.S. Federal Trade Commission (“FTC”) issued a notice of proposed rulemaking that would prohibit employers from using non-compete agreements. If enacted, the FTC’s proposed rule would prohibit employers like us from implementing non-compete agreements with our personnel. If this proposed rule were to become finalized or jurisdictions in which we operate separately adopt similar laws or regulations, or our non-compete or non-solicit agreements are otherwise deemed unenforceable, we would be unable to prevent former employees from competing with us, which could potentially leave us unable to replace a departing employee with an equally qualified individual who is acceptable to our customers and business partners.

Our success also depends on our key executive officers and the skills and relationships they bring to our business, as well as on our ability to attract and retain additional executive officers and key management personnel. Most of our executive officers have a number of years of experience with our company and in the insurance industry generally. The loss of the services of any of our executive officers, or our inability to attract and retain additional executive officers or key management personnel, could harm our business and operating results.

We may be negatively affected by changes in the amount of premiums charged and commissions paid for the insurance products we place.

Premium pricing within the commercial property and casualty insurance market in which we operate historically has been cyclical based on the underwriting capacity of the insurance carriers

operating in this market and has been impacted by general economic conditions. In a period of decreasing insurance capacity, insurance carriers typically increase premium rates. This type of market frequently is referred to as a “hard” market. In a period of increasing insurance capacity, insurance carriers tend to reduce premium rates. This type of market frequently is referred to as a “soft” market. Because our commission rates usually are calculated as a percentage of the gross premium charged for the insurance products that we place, our revenues are affected by the pricing cycle of the market. The frequency and severity of natural disasters and other catastrophic events can affect the timing, duration and extent of industry cycles for many of the product lines we distribute. It is very difficult to predict the severity, timing or duration of these cycles. The cyclical nature of premium pricing in the commercial property and casualty insurance market may make our operating results volatile and unpredictable.

Business conditions generally and within the insurance industry also may affect:

- The commission rates paid by insurance carriers on products we distribute;
- The portion of commissions we receive from insurance carriers that we pay to our retail insurance brokerage clients in connection with the placement of insurance policies. The amount of these commissions often is negotiated on a case-by-case basis and can be affected by a number of factors, including the amount of business that a retail insurance brokerage firm places with us, competition within the wholesale insurance brokerage market, whether the retail insurance broker is being compensated by its client on a fee basis and the difficulty of obtaining insurance to cover a particular risk;
- The fees we charge for certain insurance products we distribute, which are in addition to the commissions we receive and often are negotiated on a case-by-case basis; and
- The fees we are able to charge for providing ancillary services such as premium and claims administration and actuarial services.

Our Group Benefits division derives a substantial majority of its revenues from group health insurance plans. Premium rates for group health insurance plans are affected by several factors, including health care costs and general economic conditions such as changes in the level of employment and other factors that may affect employer spending for employee benefits. Federal and state sponsored health care programs (including the Patient Protection and Affordable Care Act of 2010) as well as proposals to alter the level of spending under these programs also can affect the market for group health insurance plans.

Supplemental commissions can vary and are difficult to forecast, and a reduction in the amount of supplemental commissions we receive may negatively affect our business and operating results.

Supplemental commissions are commissions paid by certain insurance carriers based on the profitability, premium growth, total premium volume or some combination of these factors for business we place with these carriers. Approximately 5.6% of our total revenues for the twelve months ended September 30, 2023 was attributable to contingent commissions. Supplemental commissions can vary from quarter to quarter as a result of the timing of our receipt of payments or information from carriers related to the supplemental commissions we earn. In many cases we have little or no control over the amount of supplemental commissions we receive or the process by which insurance carriers estimate loss reserves, which affects the amount of supplemental commissions we may receive. Thus, it is difficult for us to predict or forecast the amount of supplemental commissions we will receive. If we are unable to meet insurance carriers’ profitability or volume goals, or if insurance carriers increase their estimate of loss reserves over which we have no control, actual payments we receive may be less than

anticipated. Because supplemental commissions directly affect our revenue and profitability, any decrease in the amount paid to us could adversely affect our results of operations and cash flows.

If we are unable to collect our receivables, our results of operations and cash flows could be adversely affected.

Our business depends on our ability to obtain payment from our clients of the amounts they owe us for the insurance policies we place. As of September 30, 2023, our premiums receivable were approximately \$1.5 billion, or approximately 21.0% of our total assets, and portions of our receivables are concentrated in certain businesses and geographies.

Macroeconomic or political conditions could result in financial difficulties for our clients and insurance carrier trading partners, which could cause clients to delay payments to us, request modifications to their payment arrangements that could increase our receivables balance or default on their payment obligations to us.

Our business, and therefore our results of operations and financial condition, may be adversely affected by conditions that result in reduced insurance capacity.

Our ability to serve our clients depends on the capacity of insurance carriers and other risk-bearing businesses to underwrite risk and provide coverage, which depends in certain cases on their ability to procure reinsurance. The cost and availability of insurance and reinsurance are dependent on the profitability of a particular class or type of insurance, which can be affected by many factors including the frequency and severity of storms, natural disasters, catastrophic events and other factors. Capacity could contract if one or more insurance carriers became insolvent or decided to limit or eliminate the issuance of certain types of insurance we place for our clients or the locations where certain types of insurance are offered. We have no control over these matters. To the extent insurance or reinsurance becomes less widely available or significantly more expensive, we may not be able to procure the amount or types of coverage that our clients desire, and the coverage we are able to procure for our clients may be too expensive or more limited than is acceptable.

Global economic conditions could have an adverse effect on our business, prospects, operating results, financial condition and cash flows.

Our business and operating results may be materially affected by global economic conditions. Recently, concerns about the global economic outlook have adversely affected economic markets and business conditions in general. Geopolitical tensions, including Russia's invasion of Ukraine and economic sanctions related thereto and the armed conflict between Israel and Hamas, and rising interest rates have adversely affected many aspects of the global economy. Sustained or worsening of these and other global economic conditions, including as a result of pandemics or other outbreaks of contagious diseases, such as the COVID-19 pandemic, may negatively impact our business, financial condition and results of operations. While it is difficult to predict the effects of a deterioration in global economic conditions on our business, any significant reduction or delay by businesses in purchasing insurance or making payment of premiums could have a material adverse impact on our financial condition and results of operations.

Price inflation has also resulted in market volatility and uncertainty for global commerce. We have encountered an increase in certain of our operating costs as a result of price inflation. Although we are currently unable to determine to what extent continued inflation may impact us, future price increases may have a material adverse effect on our results of operations. Moreover, the effects of inflation may have a material adverse impact on insurance carriers, which in turn may materially and negatively

affect the results of our operations. In addition, increased interest rates stemming from efforts to combat inflation have caused our debt service obligations on our variable rate indebtedness to increase even though the amount borrowed remains the same, and our net income and cash flows, including cash available for servicing our indebtedness, to decrease correspondingly.

Moreover, should a significant insurance carrier fail, be downgraded or withdraw from writing certain lines of insurance coverages we offer our clients, overall capacity in the industry could be negatively impacted, which could then reduce the placement of certain lines and types of insurance. The failure or downgrading of an insurance carrier could also result in errors and omissions claims against us. All of these scenarios could result in a reduction of our revenues and profitability.

If we are unable to successfully acquire businesses, or if they do not perform as we expect, our competitiveness, operating results and financial condition could be harmed.

One of our growth strategies is to acquire businesses that complement, expand upon or diversify our current operations. We have acquired over 55 businesses since January 1, 2002 (including eight since January 1, 2020), and we anticipate that we will continue to look for opportunities to acquire additional businesses. For example, we have entered into agreements to acquire two businesses, one of which closed on January 31, 2024 and the other of which is expected to be completed by March 31, 2024. Competition for new acquisitions is intense, which has tended to increase the purchase price paid for acquisitions. We are unable to predict whether or when we will be able to identify suitable acquisition candidates, consummate any acquisitions we pursue or prevail over our acquisition competitors, who may be larger than we are and may have greater resources than we do. If we need additional capital to complete acquisitions we desire to pursue, we may be unable to secure such capital on satisfactory terms. Our senior secured credit facilities, the indenture governing our 4.875% Senior Notes and the Indenture that will govern the Senior Secured Notes limit the amount of additional debt we may incur. Our ability to secure future financing would depend on a number of factors, some of which are beyond our control, such as prevailing conditions in the capital markets, our operating performance and then-existing debt levels and cash flows. If we are unable to continue to acquire other businesses, it is likely that our revenue and earnings growth will be negatively affected.

Despite due diligence investigations we conduct before acquiring a business, we may not succeed in identifying all material risks and uncertainties associated with that business. Unanticipated contingencies or liabilities, such as litigation, the loss of significant clients or accounts, the termination or amendment of significant contracts and the loss of key brokers or employees, are inherent risks in acquisitions. Furthermore, businesses that we acquire may not achieve expected levels of revenue, profitability or productivity or otherwise operate in a manner consistent with our expectations or comparable to our existing businesses due to events beyond our control, such as changes in market conditions, increased competition and other factors. The failure of the businesses that we acquire to achieve our performance goals could have an adverse impact on our operating results and overall business.

When we acquire an entity, a portion of the purchase price may be allocated to goodwill and other indefinite-lived intangible assets. The amount of purchase price allocated to goodwill and other intangible assets is determined by the excess of the purchase price over the fair market value of identifiable net assets we acquire. Accounting rules require that we conduct annual impairment testing of goodwill and indefinite-lived intangible assets. Deterioration in our operating results, including the loss of a significant client or clients at one of our acquired businesses, could result in an impairment of goodwill and intangible assets, which would cause us to record a non-cash charge for the impairment. Although such a charge would be a non-cash charge, it could nevertheless adversely affect our reported results of operations.

If we are unable to successfully integrate businesses we acquire, our competitiveness, operating results and financial condition could be harmed.

We cannot assure you that we can successfully integrate the businesses we acquire. The integration of a business involves a number of factors that may affect our operations. These factors include:

- retention of personnel;
- diversion of management's attention;
- difficulties in the integration of acquired operations, systems and processes;
- entry into new or unfamiliar markets;
- unanticipated problems or liabilities; and
- tax and accounting issues.

To date, we believe we have been successful in integrating the businesses we have acquired without material disruption to our existing business or the acquired businesses. We nevertheless may encounter issues associated with integrating existing businesses or new acquisitions in the future. Our failure to integrate successfully businesses we have acquired may disrupt our operations and harm our overall business and operating results.

We permit many of our acquired businesses to remain under the day-to-day oversight of previous owners or other individuals who played a key role in the development of the business. We cannot predict how long these individuals will continue to be actively engaged in our business. In many cases, the reputation and skills of these individuals and the relationships they have with employees and other business partners are critical to our success. Our business and operating results could be harmed if any of these individuals retire or otherwise limit their involvement in the day-to-day management of our business and we are not able to identify a suitable successor.

If we cannot maintain our corporate culture as we grow, our business may be harmed.

We believe our corporate culture, including our management philosophy, has been a critical component to our success and has created among our employees a bond and shared commitment to our business and an environment that encourages teamwork and the collaborative pursuit of business opportunities. We have invested substantial time and resources in building our team. As we grow, both organically and through acquisitions, we may find it difficult to maintain our corporate culture.

We believe our culture will be a key component of our future success and our ability to retain and recruit personnel, expand the products and services we offer, and execute on our business strategy. If we are unable to preserve our corporate culture, it could materially impair our ability to recruit, hire, train, manage and integrate new employees, retain existing employees, pursue opportunities to expand our business, and service and attract new clients, all of which would materially and adversely affect our business, financial condition and results of operations.

If any of our key MGU or binding authority programs are terminated or changed, our business and operating results could be harmed.

In our Access and Underwriting divisions, we act on behalf of insurance carriers that have given us authority to bind coverage on their behalf as a managing general agent or underwriter (MGU) or pursuant to binding authority arrangements. Our MGU and binding authority programs are governed by contracts between us and the applicable insurance carrier. These contracts establish, among other

things, the underwriting and pricing guidelines for the program, the scope of our authority and our commission rates for policies that we underwrite under the program. These contracts typically can be terminated by the insurance carrier with little advance notice. Moreover, upon expiration of the contract term, insurance carriers may request changes to the terms of the program, including the amount of commissions we receive, which could reduce our revenues from the program. The termination of one or more of our key MGU or binding authority programs, or a change in the terms of these programs, could harm our business and operating results. We cannot assure you that we will be able to replace any MGU or binding authority programs that are terminated with a similar program with another insurance carrier.

If we are unable to place profitable business for the insurance carriers that have given us authority to place insurance on their behalf, whether as an MGU or pursuant to binding authority arrangements, or if our underwriting models contain errors or are otherwise ineffective or our underwriters do not demonstrate sufficient skill, our reputation and relationships with insurance carriers could be harmed.

Our ability to serve as an MGU or pursuant to binding authority arrangements on behalf of our insurance carrier partners depends on our ability to effectively evaluate risks in accordance with insurance carrier underwriting policies and place profitable business on their behalf. When we place insurance on behalf of our insurance carrier partners, we rely on the skills and expertise of our underwriters developed over years of experience with certain industries or types of insurance products, as well as the utilization of proprietary underwriting models and third-party tools. If our underwriters do not perform with the expected level of skill, or any of the models or tools that we use contain programming or other errors or otherwise are ineffective, or the data provided by clients or third parties is incorrect or stale, or if we are unable to obtain accurate data from clients or third parties, our pricing and approval process could be negatively affected, resulting in potential violations of underwriting authority and the loss of business and insurance programs. This could damage our reputation and relationships with insurance carriers, retail brokers and agents, which could harm our business, financial condition and results of operations.

Damage to our reputation could have a material adverse effect on our business.

Our ability to attract and retain clients, employees, investors, capital and insurance carrier trading partners is highly dependent upon the external perceptions of our level of service, trustworthiness, business practices, financial condition and other subjective qualities. Negative perceptions or publicity regarding these matters could erode trust and confidence and damage our reputation among existing and potential clients which in turn could make it difficult for us to maintain existing clients and attract new ones. Damage to our reputation due to a failure to proactively communicate to stakeholders on changes in strategy and business plans could further affect the confidence of our clients, regulators, creditors, investors, insurance carrier trading partners and other parties that are important to our business. Further, as part of our role in distributing insurance products and services, we rely on trusted trading partners to provide risk-bearing insurance capital, collect and transmit funds and provide other products and services. Failure by us or our partners to maintain the confidence of our clients, regulators, creditors, investors and other parties may have a material adverse effect on our business, ability to raise capital, financial condition and results of operations.

Interruption or loss of our information processing systems could harm our business.

The operation of our business depends on our ability to store, retrieve, process and manage significant databases and expand and upgrade periodically our information processing capabilities. Interruption or loss of our information processing capabilities through loss of stored data, breakdown or malfunctioning of computer equipment and software systems, telecommunications failure, or damage

caused by terrorist activities, cybersecurity attacks, fire, tornadoes, lightning, electrical power outage, natural or other disasters or other disruption could harm our business and operating results. Although we have disaster recovery procedures in place and insurance to protect against certain contingencies, we cannot assure you that our recovery procedures will be effective or that our insurance will continue to be available at reasonable prices, cover all such losses or compensate us for the loss of business occurring during any period in which we are unable to provide services.

While we manage some of our information technology systems and some are outsourced to third parties, all information technology systems are potentially vulnerable to damage, breakdown or interruption from a variety of sources, including but not limited to cyberattacks, ransomware, malware, security breaches, theft or misuse, unauthorized access or improper actions by insiders or employees, sophisticated nation-state and nation-state-supported actors, natural disasters, terrorism, war, telecommunication and electrical failures or other compromise. The techniques and sophistication used to conduct cyberattacks and compromise information technology infrastructure, as well as the sources and targets of these attacks, change and are often not recognized until such attacks are launched or have been in place for some time. In addition, there has been an increase in state-sponsored cyberattacks, which are often conducted by capable, well-funded groups. The adoption of artificial intelligence technologies amplifies these concerns. Certain businesses we have acquired have been subject to ransomware and other cybersecurity breaches. We have taken measures to protect against any future attacks and disruptions on our information technology systems. Nevertheless, because the techniques used to infiltrate or sabotage systems change frequently, we may be unable to anticipate these techniques or implement adequate preventative measures.

If we are unable to maintain and upgrade our system safeguards, we may incur unexpected costs and certain aspects of our systems may become more vulnerable to unauthorized access. While we select our third-party vendors carefully, cyberattacks and security breaches at a client or vendor could adversely affect our ability to deliver products and services to our customers and otherwise conduct our business and could put our systems at risk. For example, in 2023, one of our vendors suffered a data breach that resulted in the unauthorized access of certain personal information of almost all of our U.S.-based employees. Although we do not currently believe that this incident presents a material risk to us, incidents like this may subject us to litigation or financial loss. Additionally, we are an acquisitive organization and the process of integrating the information systems of the businesses we acquire is complex and exposes us to additional risk. We might not adequately identify weaknesses in our acquired businesses' information systems, which could expose us to unexpected liabilities or make our own systems more vulnerable to attack. These types of incidents affecting us, our clients or third-party vendors could result in intellectual property or other confidential information being lost or stolen, including client, employee or company data. In addition, we may not be able to detect breaches in our information technology systems or assess the severity or impact of a breach in a timely manner.

We have implemented various measures to manage our risks related to system and network security and disruptions, but a security breach or a significant and extended disruption in the functioning of our information technology systems could damage our reputation and cause us to lose clients, adversely impact our operations and operating results, and require us to incur significant expense to address and remediate or otherwise resolve such issues. In order to maintain the level of security, service, compliance and reliability our clients and the laws of various jurisdictions require, we will be required to make significant investments in our information technology systems on an ongoing basis.

Our offices are geographically dispersed across the United States and in the foreign countries in which we operate, and we may not be able to detect or respond quickly to operational, financial or other problems or promote the desired level of cooperation and interaction among our offices, which could harm our business and operating results.

As of December 31, 2023, we had offices in over 120 locations in the United States and over 20 locations in 12 foreign countries. Substantially all of these offices are under the day-to-day management of individuals who previously owned businesses we have acquired or played a key role in the development of an office. These individuals may not report negative developments that occur in their businesses to management on a timely basis because of concerns regarding, among other things, damage to their reputation, the risk that they may lose all or some of their operational control, the risk that it could impair financial earnouts or incentive compensation, or the risk that they may be personally liable to us under the indemnification provisions of the agreements pursuant to which their businesses were acquired. Moreover, there can be no assurance that management will be able to independently detect adverse developments that occur in particular offices.

We review the financial performance of our offices on a monthly basis, maintain frequent contact with all of our offices and work with our offices on an annual basis to prepare a detailed operating budget by office. Although we believe that these and other measures have allowed us generally to detect and address known operational issues that might have a material effect on our operating results, they may not detect all issues in time to permit us to take appropriate corrective action. Our business and operating results may be harmed if our management does not become aware, on a timely basis, of negative business developments, such as the possible loss of an important client, threatened litigation or regulatory action or other developments.

In addition, our ability to grow organically will require the cooperation of the individuals who manage our offices. We cannot assure you that these individuals will cooperate with our efforts to improve the operating results in offices for which they are not directly responsible. Our dispersed operations may impede our integration efforts and organic growth, which could harm our business and operating results.

Our international operations expose us to various risks that could adversely affect us.

In addition to our operations in the United States, we also conduct business in foreign countries, including in Europe, Latin America, Asia and Bermuda. We are subject to legal, economic and market risks associated with operating in, and sourcing from, foreign countries, including:

- retention of personnel;
- general economic and political conditions in foreign countries, including acts of terrorism or the outbreak of war;
- the imposition of controls or limitations on the transfer of funds or remittance of dividends and other payments by foreign subsidiaries;
- the imposition of withholding and other taxes on remittances and other payments from subsidiaries;
- the imposition of or increase in restrictions on investments in foreign countries by foreign governments;
- adverse trade policies or adverse changes to trade policies;
- difficulties in controlling operations and monitoring employees in geographically dispersed and culturally diverse locations;

- increases in the cost of doing business, including employee costs, in our foreign offices; and
- the potential costs and difficulties of complying, or monitoring compliance, with a wide variety of foreign laws and regulations (some of which may conflict with U.S. or other sources of law) and laws and regulations applicable to U.S. business operations abroad, including rules relating to trade sanctions administered by the U.S. Office of Foreign Assets Control, the European Union, the United Kingdom and the United Nations, and the requirements of the U.S. Foreign Corrupt Practices Act as well as other anti-bribery and anti-corruption rules and requirements in the countries in which we operate.

In addition, we are exposed to adverse movements in foreign currency exchange rates. These exposures may change over time, and they could have an adverse impact on our financial results and cash flows. We face transactional exposure between the U.S. dollar revenue and British Pound expense in our International division, where a significant part of our revenue is denominated in U.S. dollars while a substantial portion of our operating expenses is denominated in British Pounds. Therefore, a stronger U.S. dollar in relation to the British Pound would produce more profitable results in our consolidated financial statements, and a weaker U.S. dollar would have the opposite result. Additionally, we have exposure to other currencies, which creates additional exchange rate risk for us. Although we use various derivative financial instruments to help protect against adverse foreign exchange rate fluctuations, we cannot eliminate these risks. Consequently, changes in exchange rates may adversely affect our financial results.

Our growth strategy involves opening new offices, hiring new brokers and underwriters and pursuing new business development initiatives, some of which will require substantial investment by us and may adversely affect our results of operations and cash flows in a particular period and the success of which cannot be guaranteed.

Our ability to grow organically depends in part on our ability to open new offices, recruit new brokers and underwriters and pursue business development initiatives to complement or expand our existing business operations. We may not be successful in our efforts to open new offices, hire new brokers or underwriters or initiate new business development initiatives. The costs of opening a new office and hiring the necessary personnel to staff the office can be substantial, and we often are required to commit to multi-year, non-cancellable lease agreements. In addition, we often hire new brokers and underwriters with the expectation that they will not become profitable until they have worked with us for a period of time. The cost of investing in new offices, brokers, underwriters and business development initiatives may affect our results of operations and cash flows in a particular period. Moreover, we cannot assure you that we will be able to recover our investment in these growth initiatives or that they will be profitable.

Our inability to maintain effective technology to support our business or to identify, procure and deploy new technology in a timely and cost-effective manner in response to technological changes affecting the insurance brokerage industry could negatively affect our business and operating results.

We rely heavily on technology in the operation of certain parts of our business. In particular, the success of the small account business conducted by Access depends in part on our ability to efficiently utilize technology as a key component of the placement and administrative process. We utilize technological systems, some of which were developed internally by us (such as AmLINK) or businesses we have acquired, to process the placement of insurance products and to provide some of the administrative services we offer.

We believe our future success will depend on our ability to continue to use technology to operate our business in a cost-effective and profitable manner, as well as our ability to respond to technological

changes that may occur. These may include new applications or insurance-related services based on artificial intelligence, machine learning, blockchain or new approaches to data mining. We may be exposed to competitive risks related to the adoption and application of new technologies by established market participants (for example, through disintermediation) or new entrants such as technology companies, Insurtech start-up companies and others. We must also develop and implement technology solutions and technical expertise among our employees that anticipate and keep pace with rapid and continuing changes in technology, industry standards, client preferences and internal control standards. It is unclear how rapidly developing technologies such as artificial intelligence and machine learning will affect our industry, but the effects may be significant. We may not be successful in anticipating or responding to these developments on a timely and cost-effective basis, and our ideas may not be accepted in the marketplace. Our inability to maintain effective technological systems to support our existing operations or identify, acquire and deploy new technology in response to technological advances affecting our industry could have a material adverse effect on our business and results of operations.

The disclosure of confidential or personal information could negatively affect our business.

In the course of conducting our business, we develop or acquire information that is considered to be confidential and proprietary about, among other things, current and prospective business partners (and their clients and other business partners), acquisition targets and our and their employees. This information includes personally identifiable information, protected health information, and financial information. We frequently are responsible for keeping this information confidential, and are subject to data privacy laws and regulations relating to the collection, use, retention, security and transfer of this information. Although we have safeguards designed to protect the security and privacy of this information, access to this information may nevertheless be subject to hacking, theft, computer viruses, misconduct by employees, consultants and third-party service providers, other intrusions and other intentional or inadvertent actions by persons with access to this information. In addition, third parties to whom we outsource responsibility for certain aspects of our business may similarly be prone to the risk of unauthorized disclosure of our confidential information. If this information is subject to unauthorized disclosure, we may be held responsible for breaching privacy laws, rules or agreements. It may also require us to incur substantial costs to remediate the problem, result in litigation, civil penalties, governmental investigations or adverse publicity and have a material adverse effect on our business. In addition, privacy laws and regulations change from time to time and are inconsistent among the countries and states in which we conduct our business. Our failure to adhere to these requirements could subject us to liability for fines or damages and negatively affect our reputation.

The Dragoneer/SkyKnight Group and Genstar Capital have substantial influence over matters involving us. The Dragoneer/SkyKnight Group and Genstar Capital may have interests that are different from yours and may make decisions that are adverse to your interests.

The Dragoneer/SkyKnight Group and Genstar Capital currently own a majority of the outstanding equity of Amwins Holding and have the right to appoint five (out of ten) of the managers of Amwins Holding (the “Managers”). In addition, under the operating agreement of Amwins Holding, each Investor also has the separate right to approve certain transactions, even if these transactions are otherwise favored by a majority of our owners or the Managers, including:

- the sale of a significant equity interest in us or Amwins Holding;
- the incurrence (or guarantee) of indebtedness in excess of certain levels;
- acquisitions or dispositions in excess of certain amounts; and
- any action by Amwins Holding to voluntarily liquidate, dissolve or wind up its business.

As a result, the Investors have substantial influence over (and in some cases, a right to veto) certain matters involving us. The Dragoneer/SkyKnight Group and Genstar Capital may have interests that differ from yours and may act in a way with which you disagree and that may be adverse to your interests.

If insurance carriers begin to transact more business without relying on wholesale insurance brokers, our business, results of operations, financial condition and cash flows would suffer.

As a distributor of specialty insurance products, we act as an intermediary between retail insurance brokers and insurance carriers that, in some cases, will not transact business directly with retail insurance brokers. If insurance carriers change the way they conduct business and begin to transact more business directly with retail insurance brokers, our role in the distribution of insurance products could be eliminated or substantially reduced, and our business, results of operations, financial condition and cash flows would suffer. Such a change could result from a change in business model, advancements in technology or other factors.

Competition in the markets in which we do business is intense. If we are unable to compete effectively, our business and operating results will be harmed.

The insurance brokerage industry is highly competitive. A number of firms actively compete with us for clients and access to insurance markets. Our competition includes other retail and wholesale insurance brokerage firms, insurance carriers, banks and other financial service companies. Furthermore, we and our customers compete with various other companies that provide risk-related services or alternatives to traditional insurance services, including Insurtech start-up companies that are focused on using technology and innovation, including artificial intelligence, digital platforms, data analytics and blockchain, to simplify and improve the client experience, increase efficiencies, alter business models and effect other potentially disruptive changes in the industries in which we operate. Moreover, some of our primary competitors have substantially greater resources than we have, which may give them an advantage over us. Our ability to remain competitive will largely determine our future success. If we fail to compete successfully, our business and operating results would be adversely affected.

We may lose clients or business as a result of consolidation within the retail insurance brokerage industry.

We derive a substantial portion of our business from our relationships with small- to mid-sized retail insurance brokerage firms. There has been considerable consolidation in the retail insurance brokerage industry, driven primarily by the acquisition of small and mid-size retail insurance brokerage firms by larger brokerage firms, financial institutions or other organizations. We expect this trend to continue. As a result, we may lose all or a substantial portion of the business we obtain from retail insurance brokerage firms that are acquired by other firms with their own wholesale insurance brokerage operations or preferred relationships with wholesale insurance brokerage firms other than us.

We may lose business if certain customers acquire a wholesale insurance broker or otherwise reduce the amount of business they conduct with us.

Many of our retail insurance brokerage customers use us to place products they cannot place directly, either because of a lack of expertise or inability to access certain insurance markets. If these customers acquire a wholesale insurance firm or otherwise obtain direct access to the products that we distribute, these customers may reduce the amount of business they transact with us, or cease doing business with us entirely, which could adversely affect our operating results. In particular, certain larger

retail brokerage firms periodically evaluate and establish a list of wholesale insurance brokers with which they conduct business. If we lose the ability to place business for these firms, our operating results could be adversely affected.

We rely on third parties to provide services, and their failure to perform these services could damage our business.

We rely on a number of third-party service providers. These providers include, but are not limited to, insurance carriers, payroll service providers responsible for transferring funds to employees, and providers of data and information such as software vendors and physical and cloud storage providers. These service providers are located in both the United States and foreign countries. We do not fully control the actions of these third parties, and we are subject to the risk that their decisions, actions or inactions may adversely impact us. Replacing these service providers could create significant delays in our operations and increase our operating expenses. Moreover, failure by a service provider to comply with service-level agreements or regulatory or legal requirements, or to otherwise perform in a high-quality and timely manner, particularly during periods of peak demand, could cause us to be unable to deliver our services to our customers, result in contractual or regulatory penalties, generate liability claims by carriers, customers or employees, and damage our reputation and business. Moreover, these third parties face their own technology, operating, business and economic risks, and any significant failures by them, including the improper use or disclosure of our confidential client, employee or company information, could cause harm to our business and reputation.

An increase in the cost of employee benefits would negatively impact our results of operations and cash flows.

The cost of providing employee benefits, including medical and related benefits, affects our profitability. In recent years, we have experienced increases in these costs as a result of factors affecting the economy generally. Although we seek to control these expenses, we can make no assurance we will be able to limit future cost increases. An increase in the cost of providing employee benefits would reduce our profitability and cash flows. Conversely, while certain cost-control measures, such as changes to the amount of the employer-funded portion of employee benefits, may reduce costs, they may also inhibit our ability to attract, retain or hire additional employees.

If any of the financial institutions that we use fails or is taken over by the U.S. Federal Deposit Insurance Corporation ("FDIC"), we could lose the cash, investments and premium trust funds on deposit.

As an insurance broker, we collect premiums paid by clients and hold such cash, net of our earned commissions and other deductions, in trust, based on local regulatory requirements, until we remit the cash to the applicable insurance carriers that provide coverage to our clients. Operating and trust cash balances are concentrated in U.S. financial institutions and are generally invested in money market accounts, depository accounts or federal securities, and in some cases, are significantly in excess of FDIC limits.

The collapse of Silicon Valley Bank and other financial institutions in the first half of 2023 has created uncertainty about the safety of depository accounts with banking institutions and in some cases has prompted depositors to withdraw their deposits, which has threatened the solvency of certain financial institutions. If any of the depository institutions that we or our investment managers have depository accounts fails or is taken over by the FDIC, our ability to access these accounts may be temporarily or permanently limited, which could result in a material liquidity problem for us and potentially a material financial loss. Additionally, if our access to operating and trust cash balances is temporarily or permanently limited, we may experience a material adverse impact on our business,

including potential disciplinary action, criminal penalties, fines, damage to our reputation and financial harm resulting from our failure to satisfy fiduciary regulatory requirements with respect to trust cash balances.

There can be no assurance that our internal controls will be successful in preventing errors or fraud in our financial reporting or adequately assist our management in overseeing our financial reporting obligations.

We are not a reporting company under the Securities Exchange Act of 1934, and we are not required to evaluate our internal controls over financial reporting as required by Section 404 of the Sarbanes-Oxley Act of 2002. Moreover, we do not intend to comply on a voluntary basis with these requirements. Although we have developed and continue to refine a system of internal controls to support our financial reporting obligations, the effectiveness of these internal controls may vary over time based on many factors, including:

- difficulties encountered in the process of integrating businesses we acquire and their personnel to our financial reporting system, including the need to maintain multiple financial reporting systems for a period of time following an acquisition;
- changes affecting the infrastructure, including the information technology systems, we employ in our business;
- risks associated with maintaining a decentralized firm, including a failure by an office to report accurate financial information or to make management aware of developments affecting our business; and
- challenges presented by our growth, including the demands placed upon our management.

Moreover, our internal controls have inherent limitations no matter how well designed they are at any given time. Any failure in the effectiveness of our internal controls could have a material and adverse effect on our financial reporting, which could negatively impair our ability (or perceived ability) to operate our business and deliver accurate and timely financial information.

We are required to make judgments, estimates and assumptions in the preparation of our financial statements. Changes to these judgments, estimates and assumptions could negatively affect our financial position or results of operations.

The preparation of our financial statements requires us to make a number of judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses, including those relating to our provision for policy cancellations, the valuation of derivative financial instruments and related hedge designation, the valuation of goodwill and other intangible assets, the valuation of asset impairment, depreciation, amortization, loss reserves related to rent-a-captive arrangements, income taxes, the valuation of earn-out obligations and the valuation and recognition of equity-based compensation. Although we periodically evaluate the reasonableness of these judgments, estimates and assumptions, actual results could differ from the amounts reflected in our financial statements.

We are required periodically to perform an impairment analysis of the balance of our goodwill and intangible assets, and our assets and results of operations may be negatively affected if we are required to write down the carrying value of our goodwill or intangible assets.

As of September 30, 2023, we had \$1.6 billion of goodwill and \$695.7 million of other intangible assets recorded on our consolidated balance sheet. We are required periodically to evaluate whether our goodwill and intangible assets have been impaired or there is a change in circumstances indicating

that the carrying value of our goodwill or intangible assets may not be recoverable from estimated future cash flows. If we determine that we are required to reduce the carrying value of our goodwill or intangible assets, the charge could have a material and adverse effect on our financial position and operating results.

Adverse changes in the U.S. credit markets may materially and adversely affect our business.

From time to time, we access the U.S. credit markets to increase or refinance our existing credit facilities in connection with acquisitions, liquidity events and other corporate transactions. A change in the U.S. credit markets that makes debt financing unavailable, more restrictive or more expensive would negatively affect our business and could impair our ability to consummate significant acquisitions. In recent months, global economic conditions, price inflation, measures taken by the U.S. Federal Reserve to control price inflation and other factors have had a negative impact on U.S. credit markets generally and have increased prevailing interest rates. We currently are unable to determine the duration or severity of these factors on U.S. credit markets.

Infringement, misappropriation or dilution of our intellectual property could harm our business.

We believe our trademarks have significant value and that this and other intellectual property are valuable assets that are important to our success. Unauthorized uses or other infringement of our trademarks or service marks could diminish the value of our brand and may adversely affect our business. Effective intellectual property protection may not be available in every market. Failure to adequately protect our intellectual property rights could damage our brand and impair our ability to compete effectively. Defending or enforcing our trademark rights, branding practices and other intellectual property could result in the expenditure of significant resources and divert the attention of management, which in turn may materially and adversely affect our business and operating results, even if such defense or enforcement is ultimately successful.

Failure to protect our intellectual property rights, or allegations that we have infringed on the intellectual property rights of others, could harm our reputation, ability to compete effectively, and financial condition.

To protect our intellectual property rights, we rely on a combination of trademark laws, copyright laws, trade secret protection, confidentiality agreements and other contractual arrangements with our affiliates, employees, clients, strategic partners and others, as well as internal policies and procedures regarding our management of intellectual property. However, the protective steps that we take may be inadequate to deter misappropriation of our proprietary information. In addition, we may be unable to detect the unauthorized use of, or take appropriate steps to enforce, our intellectual property rights. Further, we operate in many foreign jurisdictions and effective trademark, copyright and trade secret protection may not be available in every country or jurisdiction in which we offer our services. Additionally, our competitors and others may have, or may develop, products similar to our products that do not conflict with our related intellectual property rights or may allege that our intellectual property infringes upon their intellectual property rights. Failure to protect our intellectual property adequately, or to successfully defend against claims that our intellectual property infringes upon the rights of others, could harm our reputation and affect our ability to compete effectively.

Risks Related to Legal and Regulatory Requirements

We are subject to claims and litigation, including errors and omissions claims, which can be costly to defend and could negatively affect our business.

We are subject to claims and litigation in the ordinary course of business resulting from alleged and actual errors and omissions. These types of litigation matters can involve claims for substantial

amounts of money for direct and consequential damages and significant defense costs. For example, we may be subject to errors and omissions claims if we fail (or are alleged to have failed) to provide an insurance carrier with complete and accurate information relating to the risk being insured, to request or secure coverage for a particular type of risk, for the requested amounts or on the requested terms, to act in accordance with the terms of, or to have committed errors or omissions in connection with, our MGU or binding authority programs, or to comply with state law and other requirements typically applicable to insurance policies issued by non-admitted insurance carriers in the E&S lines market. We also are subject to claims that we mishandled the payment of premiums, the adjudication of claims or other administrative functions in our administration business. We are unable to predict with certainty the frequency, nature or magnitude of these claims. It is not always possible to prevent or detect errors and omissions, and the precautions we take may not be effective in all cases.

We have purchased errors and omissions insurance in amounts that we believe are adequate to protect us, subject to deductible amounts, policy exclusions and other conditions, against the risk of significant liability resulting from alleged and actual errors and omissions. However, our insurance may not adequately protect us against every errors and omissions claim. Moreover, we may not be able to purchase coverage that is appropriate in relation to our assessment of the risks involved on commercially reasonable terms or at all.

Our business and operating results may be negatively affected if our errors and omissions insurance is inadequate or unavailable. In addition, errors and omissions claims may harm our reputation and divert management resources away from operating our business.

Our business is subject to laws and regulations applicable to our industry, and compliance with these laws and regulations could increase our expenses, restrict our growth and limit our ability to conduct our business.

Our businesses are subject to federal and state governmental regulation and supervision, which could reduce our profitability or limit our growth by increasing the costs of regulatory compliance, restricting the products or services we sell or the methods by which we sell them, or subjecting our businesses to the possibility of regulatory actions or proceedings.

In the United States, this supervision generally includes the licensing of insurance brokers, MGU's and third-party administrators and the regulation of the handling and investment of client funds held in a fiduciary capacity. Our continuing ability to provide insurance brokerage, MGU and third-party administration services in the jurisdictions in which we currently operate depends on our ability to maintain all required licenses and otherwise comply with the rules and regulations promulgated from time to time by the regulatory authorities in each of these jurisdictions. In addition, most states require that our employees who engage in brokerage activities in that state be licensed personally. Failure to maintain the necessary licenses or to comply with the various insurance rules and regulations would have an adverse effect on our operating results, particularly if it affected any of our significant businesses.

We also are required in many states to report, collect and remit surplus lines taxes to state taxing authorities for insurance policies placed in the E&S lines market. The laws and regulations regarding the calculation of surplus lines taxes vary significantly from state to state, and it can be difficult and time consuming to determine the amount of surplus lines taxes due to a particular state, especially for insurance policies covering risks located in more than one state. From time to time, we and our licensed employees are subject to inspection by state governmental authorities with regard to our compliance with state insurance laws and regulations and the collection of surplus lines taxes.

We also are affected by the governmental regulation and supervision of insurance carriers. For example, when we act as an MGU for an insurance carrier, we may be required to comply with laws

and regulations affecting the insurance carrier. Moreover, governmental regulation of insurance carriers with which we do business can affect how we conduct operations.

State laws grant supervisory agencies, including state insurance departments, broad regulatory authority. State insurance regulators and the National Association of Insurance Commissioners continually reexamine existing laws and regulations, some of which affect us. These supervisory agencies regulate, among other things, the licensing of insurance brokers and third-party administrators, the handling and investment of third-party funds held in a fiduciary capacity and the marketing practices of insurance brokers, in the context of curbing unfair trade practices. This continual reexamination may result in the enactment of laws and regulations, or the issuance of interpretations of existing laws and regulations, that adversely affect our business. More restrictive laws, rules or regulations may be adopted in the future that could make compliance more difficult and expensive or adversely affect our business. Violations of applicable federal or state laws or regulations could result in the imposition of fines or censures, disciplinary actions, including the revocation of licenses or registrations, damage to our reputation, or a limitation on our business. Moreover, the costs of complying with these regulations may increase our operating expenses.

Changes in the regulatory scheme, or changes in how existing regulations are interpreted, could have an adverse impact on our results of operations by limiting revenue streams or increasing our cost of complying with these regulations. Likewise, increased government involvement in the insurance or reinsurance markets could curtail or replace our opportunities and negatively affect our results of operations and financial condition.

In addition, new regulatory developments could increase competition and adversely affect us. These developments include:

- changes in our business model as a result of regulatory actions or changes;
- the establishment of state-sponsored programs that provide property insurance in catastrophe prone areas or other alternative types of coverage; and
- changes in regulations relating to health and welfare plans.

We are also subject to a wide range of laws and governmental regulations applicable to all businesses, and the costs of compliance with such regulations could reduce our profitability, limit our growth or increase competition.

We are subject to legal and regulatory oversight throughout the world, including by U.S. state regulators, under the U.K. Companies Act, the Foreign Corrupt Practices Act, the U.K. Bribery Act of 2010, and a variety of other laws, rules and regulations addressing, among other things, licensing, data privacy and protection, anti-money laundering, wage and hour standards, employment and labor relations, anti-competition and anti-corruption. This legal and regulatory oversight could reduce our profitability or limit our growth by:

- increasing the costs of legal and regulatory compliance;
- limiting or restricting the products or services we sell, the markets we serve or enter, the methods by which we sell our products and services, the prices we can charge for our services, or the form of compensation we can accept from our clients, insurance carriers and third parties; or
- subjecting our businesses to the possibility of legal and regulatory actions or proceedings.

There have been efforts in recent years to regulate data privacy and the use and protection of personal information. In the United States, California has enacted the California Consumer Privacy Act, which significantly enhances privacy requirements and the protection and use of personal information. Other states have enacted, introduced or considered similar legislation.

In the United Kingdom and the European Union, new laws and regulations have imposed new data privacy compliance obligations and significant penalties for noncompliance. Other jurisdictions internationally have sought to adopt similar and in some cases more expansive data protection laws and regulations. It can often be difficult to evaluate the scope of these laws and regulations, their applicability to our business, and the measures necessary to comply and monitor compliance with these laws and regulations, which in some cases are inconsistent with similar laws and regulations in other jurisdictions. These laws and regulations can result in significant additional compliance costs, divert management time from other projects and restrict the way we do business and use and store data, all of which may adversely affect our results of operations. Further, in the event that we are found to be out of compliance with any applicable state, federal and/or foreign laws and regulations, we could potentially be subject to civil or criminal sanctions, damage to our reputation, and other costs and impacts, which could adversely affect our results of operations.

We are also affected by changes in laws and regulations affecting businesses generally, including changes in tax laws and regulations and developments affecting healthcare for our employees and parties for which we place group benefit products. It is difficult to anticipate how any new laws or regulations, or changes to existing requirements or interpretations of laws and regulations, may affect our business. We continue to evaluate how our business may be affected by legal and regulatory developments as well as the necessary steps for compliance with new laws and regulations as they are adopted.

Moreover, the increasingly global nature of our business escalates the complexity of measures necessary to comply with laws and regulations, including the development of internal systems, policies and employee training programs that increase the cost of doing business. Internationally, many laws and regulations may have conflicting legal standards across jurisdictions, further increasing the complexity, cost and risk of compliance. In emerging markets and other jurisdictions with less developed legal systems, local laws and regulations may not provide clear and reliable guidance to provide us with adequate assurance that we are aware of all necessary actions required to operate our business effectively and profitably.

Our international operations are subject to foreign governmental regulation specific to our industry and supervision and compliance with such requirements may increase costs, restrict our international growth and adversely affect our ability to compete.

Our international operations are subject to various regulations relating to, among other things, licensing, currency, policy language and terms, reserves and the amount of local investment. These various regulations add to our cost of doing business through increased compliance, training and employee expenses. In the United Kingdom, our Lloyd's brokerage operations are required to be licensed and are subject to regulation and periodic examination by the U.K. Financial Conduct Authority, or FCA. Our operations in certain other foreign countries—including Bermuda, where we are subject to regulation by the Bermuda Monetary Authority, or BMA, and the Cayman Islands, where we are subject to regulation by the Cayman Islands Monetary Authority, or CIMA—are similarly subject to licensing and regulatory oversight by the respective local insurance regulator located in these countries. Generally, such authorities are vested with broad discretion to grant, renew and revoke licenses and approvals, to implement regulations, to inspect and regulate the affected businesses, and in some cases to approve investments in us by third parties. Accordingly, we may be precluded or temporarily suspended from carrying on some or all of our activities, fined or otherwise penalized in a given jurisdiction and required to comply with certain restrictions on the operations of our business, including restrictions requiring us to maintain cash reserves in our foreign businesses, or precluded from engaging in certain corporate transactions that we desire to pursue.

Our results may be adversely affected by changes in the mode of compensation in the insurance industry.

In the past, state regulators have scrutinized the manner in which insurance brokers are compensated. For example, the Attorney General of the State of New York has in the past investigated and, in certain cases, brought charges against members of the insurance brokerage community for anti-competitive practices. These actions have created uncertainty concerning long-standing methods of compensating insurance brokers. Given that the insurance brokerage industry has faced scrutiny from regulators in the past over its compensation practices, and the transparency and disclosure to clients regarding these compensation practices, it is possible that regulators may choose to revisit the same or other practices in the future. If they do so, compliance with new regulations along with any sanctions that might be imposed for past practices deemed improper could have an adverse impact on our future results of operations and inflict significant reputational harm on our business.

Risks Related to the Senior Secured Notes

Our substantial leverage and significant debt service obligations could adversely affect our financial condition and our ability to fulfill our obligations and operate our business.

We have, and after the completion of this offering will continue to have, a significant amount of indebtedness, and we may also incur significant additional indebtedness in the future, subject to certain conditions. As of September 30, 2023, after giving effect to the issuance of the Senior Secured Notes offered hereby, we would have had \$4.9 billion of indebtedness outstanding, \$4.1 billion of which would have been secured indebtedness. In addition, as of September 30, 2023, \$298.0 million would have been available for borrowing under our revolving credit facility (after giving effect to undrawn letters of credit having an aggregate face amount of \$2.0 million). Our financial performance could be adversely affected by our substantial leverage.

This high level of indebtedness could have important negative consequences to us, including, but not limited to:

- we may have difficulty satisfying our obligations with respect to outstanding debt obligations;
- we may have difficulty obtaining financing in the future for working capital, acquisitions, capital expenditures or other purposes;
- we may need to use all, or a substantial portion, of our available excess cash flows to pay interest and principal on our debt, which will reduce the amount of money available to finance our operations and other business activities, including, but not limited to, working capital requirements, acquisitions, capital expenditures or other general corporate or business activities;
- our debt level increases our vulnerability to general economic downturns and adverse industry conditions;
- some of our debt has variable rates of interest and, to the extent such debt is not swapped at a fixed rate, we are exposed to the risk of increased interest rates;
- our debt level could limit our flexibility in planning for, or reacting to, changes in our business and in our industry in general;
- our substantial amount of debt and the amount we must pay to service our debt obligations could place us at a competitive disadvantage compared to our competitors that have less debt;
- we may have increased borrowing costs;
- our clients or insurance carriers may react adversely to our significant debt level;

- we may have insufficient funds, and our debt level may also restrict us from raising the funds necessary, to retire certain of our debt instruments tendered to us upon the occurrence of a change of control, which would constitute an event of default under certain of our debt instruments; and
- our failure to comply with the financial and other restrictive covenants in our debt instruments which, among other things, require us to maintain specified financial ratios and limit our ability to incur debt and sell assets, could result in an event of default that, if not cured or waived, could have a material adverse effect on our business or prospects.

Our high level of indebtedness requires that we use a substantial portion of our cash flows from operations to pay principal of, and interest on, our indebtedness, which will reduce the availability of cash to fund working capital requirements, acquisitions, capital expenditures or other general corporate or business activities.

In addition, a substantial portion of our indebtedness bears interest at variable rates, including borrowings under our senior secured credit facilities. If market interest rates increase, debt service on our variable-rate debt will rise, which could adversely affect our cash flows, results of operations and financial position. Although we have employed hedging strategies such that a portion of the aggregate principal amount of our term loans carries a fixed rate of interest, any hedging arrangement put in place may not offer complete protection from this risk. Additionally, the remaining portion of borrowings under our senior secured credit facilities that are not hedged will be subject to changes in interest rates.

We may be unable to generate sufficient cash flow to service all of our indebtedness and meet our other ongoing liquidity needs, and we may be forced to take other actions to satisfy our obligations under our indebtedness, which may be unsuccessful.

Our ability to make scheduled payments or to refinance our debt obligations and to fund our planned acquisitions, capital expenditures and other ongoing liquidity needs depends on our financial and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business, legislative, legal, regulatory and other factors beyond our control. We cannot guarantee that our business will generate sufficient cash flow from operations or that future borrowings will be available to us under our existing debt instruments or otherwise in an amount sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness or to fund our other liquidity needs. We may need to refinance all or a portion of our debt on or before maturity. We may be unable to refinance any of our debt on commercially reasonable terms or at all and, even if successful, such refinancing may not allow us to meet our scheduled debt service obligations. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources” for a general discussion of our cash flows and liquidity.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditures or acquisitions, seek additional capital or seek to restructure or refinance our indebtedness. These alternative measures may be unsuccessful and may not permit us to meet our scheduled debt service obligations. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to sell material assets or operations to attempt to meet our debt service and other obligations. The restrictive covenants included in the Indenture that will govern the Senior Secured Notes, the indenture that governs our 4.875% Senior Notes and the credit agreement that governs our senior secured credit facilities restrict our ability to use the proceeds from certain asset sales. We may be unable to consummate those asset sales to raise capital or sell assets at prices that we believe are fair, and the proceeds that we do receive may be inadequate to meet any debt service obligations when due.

If we cannot make scheduled payments on our debt, we will be in default under our debt instruments, including the Senior Secured Notes, and holders of such debt could declare all outstanding principal and interest to be due and payable, the lenders under our senior secured credit facilities could terminate their commitments to loan money, the lenders could foreclose against the assets securing their borrowings and we could be forced into bankruptcy or liquidation. Upon any such bankruptcy filing, we would be stayed from making any ongoing payments on the Senior Secured Notes, and the holders of the Senior Secured Notes would not be entitled to receive post-petition interest or applicable fees, costs or charges, or any “adequate protection” under Title 11 of the United States Code (the “Bankruptcy Code”). Furthermore, if a bankruptcy case were to be commenced under the Bankruptcy Code, we could be subject to claims, with respect to any payments made within 90 days prior to commencement of such a case, that we were insolvent at the time any such payments were made and that all or a portion of such payments, which could include repayments of amounts due under the Senior Secured Notes, might be deemed to constitute a preference, under the Bankruptcy Code, and that such payments should be voided by the bankruptcy court and recovered from the recipients for the benefit of the entire bankruptcy estate. Also, in the event that we were to become a debtor in a bankruptcy case seeking reorganization or other relief under the Bankruptcy Code, a delay or substantial reduction in payments under the Senior Secured Notes may otherwise occur. All of these events could result in your losing your investment in the Senior Secured Notes. See “Description of Certain Other Indebtedness” and “Description of Senior Secured Notes.”

Despite our current leverage, we and our subsidiaries may still be able to incur substantial additional debt. This could further exacerbate the risks that we and our subsidiaries face.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future, including additional secured debt. Although the credit agreement that governs our senior secured credit facilities, the indenture that governs our 4.875% Senior Notes and the Indenture that will govern the Senior Secured Notes contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions, and the additional indebtedness incurred in compliance with these restrictions or following a waiver of these restrictions could be substantial. If we incur any additional secured indebtedness, the holders of that debt will be entitled to receive before you any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding up of us to the extent of the value of the collateral securing the outstanding obligations under such additional indebtedness. This may have the effect of reducing the amount of proceeds paid to you. These restrictions also will not prevent us from incurring obligations that do not constitute indebtedness. In addition, as of September 30, 2023, \$298.0 million would have been available for borrowing under our senior secured revolving credit facility (after giving effect to undrawn letters of credit having an aggregate face amount of \$2.0 million). If new debt is added to our current debt levels, the related risks that we and our subsidiaries face could intensify.

Certain of the agreements governing our indebtedness contain a number of restrictive covenants which will limit our ability to finance future operations, acquisitions or capital needs or engage in other business activities that may be in our interest.

The operating and financial covenants and restrictions in (i) the credit agreement that governs our senior secured credit facilities (ii) the indenture that governs our 4.875% Senior Notes and (iii) in the Indenture that will govern the Senior Secured Notes impose, and the terms of any future indebtedness may impose, operating and other restrictions on us and our subsidiaries. Such restrictions affect or will affect, and in many respects limit or prohibit, among other things, our ability and the ability of certain of our subsidiaries to:

- incur additional indebtedness;
- create liens;

- pay dividends and make other distributions in respect of our equity securities;
- redeem our equity securities;
- make certain investments or certain other restricted payments;
- sell certain kinds of assets;
- enter into certain types of transactions with affiliates; and
- effect mergers or consolidations.

In addition, as discussed under “Description of Certain Other Indebtedness,” our senior secured credit facilities also require us to comply with a secured leverage ratio under specified circumstances. Our ability to comply with this ratio may be affected by events beyond our control.

The restrictions contained in our debt instruments could (1) limit our ability to plan for or react to market or economic conditions or meet capital needs or otherwise restrict our activities or business plans and (2) adversely affect our ability to finance our operations, acquisitions, investments or strategic alliances or other capital needs or to engage in other business activities that would be in our interest.

A breach of any of these covenants or our inability to comply with the required financial ratios could result in a default under all or certain of our debt instruments. If an event of default occurs, our applicable creditors could elect to:

- declare all borrowings outstanding, together with accrued and unpaid interest, to be immediately due and payable;
- require us to apply all of our available cash to repay the borrowings; or
- prevent us from making debt service payments on certain of our borrowings.

If we were unable to repay or otherwise refinance these borrowings when due, the applicable creditors could sell the collateral securing certain of our debt instruments, which constitutes substantially all of our and our domestic subsidiaries’ assets.

We operate primarily as a holding company, and we depend on cash from our subsidiaries to service our debt. If we do not receive cash distributions, dividends or other payments from our subsidiaries, we may be unable to make required debt service payments.

We operate primarily as a holding company, and substantially all of our operations are conducted through our subsidiaries. Accordingly, we are dependent upon the earnings and cash flows of, and cash distributions, dividends and other payments from, our subsidiaries, including our foreign subsidiaries, to provide the funds necessary to meet our debt service obligations. If we do not receive such cash distributions, dividends or other payments from our subsidiaries, we may be unable to make required principal or interest payments on our outstanding debt. Unless they are Guarantors of the Senior Secured Notes or our other indebtedness, our subsidiaries do not have any obligation to pay amounts due on the Senior Secured Notes or our other indebtedness, as the case may be, or to make funds available for that purpose.

Generally, the ability of a subsidiary to make cash available to its parent is affected by its own operating results and is subject to applicable laws and contractual restrictions contained in security instruments, both equity and debt, and other agreements. Although certain of our debt instruments limit the extent to which our subsidiaries may enter into agreements that limit their ability to make dividend and other payments to us, these limitations are subject to significant qualifications and exceptions.

Moreover, there may be restrictions on payments by our subsidiaries to us under applicable laws, including laws that require companies to maintain minimum amounts of capital and to make payments to their owners only from profits. As a result, although our subsidiaries may have cash, we or our subsidiaries may be unable to obtain that cash to satisfy our obligations.

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

Borrowings under our senior secured credit facilities are at variable rates of interest and expose us to interest rate risk. If interest rates increase, our debt service obligations on the variable rate indebtedness will increase even though the amount borrowed remains the same, and our net income and cash flows, including cash available for servicing our indebtedness, will correspondingly decrease. Based on our outstanding debt balances at September 30, 2023, an immediate hypothetical change of 10% in the interest rate would cause a change in interest expense of approximately \$8.6 million on an annual basis, net of the effect of our interest rate swap agreements. We may, from time to time, enter into interest rate swaps that involve the exchange of floating for fixed rate interest payments in order to reduce interest rate volatility. However, we may not maintain interest rate swaps with respect to all of our variable rate indebtedness, and any swaps we enter into may not fully mitigate our interest rate risk and could be subject to credit risk themselves.

The Senior Secured Notes and the guarantees will be structurally subordinated to all liabilities of any current and future non-guarantor subsidiaries.

The Senior Secured Notes and the guarantees will be structurally subordinated to all indebtedness and other liabilities of our subsidiaries that will not guarantee the Senior Secured Notes. The Indenture that will govern the Senior Secured Notes will allow the non-guarantor subsidiaries to incur certain additional indebtedness in the future and will not limit the incurrence of liabilities that do not constitute indebtedness. Any right that we or the Guarantors have to receive any assets of any non-guarantor subsidiaries upon the liquidation or reorganization of those subsidiaries, and the consequent rights of holders of the Senior Secured Notes to realize proceeds from the sale of any of those subsidiaries' assets, will be effectively subordinated to the claims of those non-guarantor subsidiaries' creditors, including trade creditors and holders of preferred equity interests of those subsidiaries. In the event of a bankruptcy, liquidation or dissolution of any of our non-guarantor subsidiaries, holders of their debt, including their trade creditors, secured creditors and creditors holding indebtedness or guarantees issued by those subsidiaries, are generally entitled to payment on their claims from assets of those subsidiaries before any assets are made available for distribution to us. Our subsidiaries that do not and will not guarantee the Senior Secured Notes represented 8.7% and 6.6% of our total Pro Forma Adjusted Revenues and Pro Forma Adjusted EBITDA, respectively, for the twelve months ended September 30, 2023. In addition, these non-guarantor subsidiaries represented 12.0% and 8.7% of our consolidated assets and liabilities (excluding intercompany assets and liabilities), respectively, as of September 30, 2023.

We may not be able to purchase the Senior Secured Notes upon a change of control, which would result in a default under the Indenture that will govern the Senior Secured Notes and would materially adversely affect our business and financial condition.

Upon a "change of control" as defined under "Description of Senior Secured Notes," we are required to make an offer to purchase all of the Senior Secured Notes then outstanding at 101% of their principal amount, plus accrued and unpaid interest, if any, to the repurchase date unless the Senior Secured Notes have been previously called for redemption. The indenture governing our 4.875% Senior Notes contains similar provisions. Additionally, under our senior secured credit facilities, a change of control (as defined therein) constitutes an event of default that permits the lenders to

accelerate the maturity of borrowings under our senior secured credit facilities and terminate their commitments to lend. Our future debt agreements may contain similar provisions. The source of funds for any purchase of the Senior Secured Notes and the 4.875% Senior Notes and repayment of borrowings under our senior secured credit facilities would be our available cash or cash generated from other sources, including borrowings, sales of assets, sales of equity or funds provided by our existing or new owners. We may not be able to repurchase the Senior Secured 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. In particular, if the indebtedness under our senior secured credit facilities becomes due and is not paid, the lenders thereunder may seek to enforce security interests in the collateral that secures such indebtedness, thereby limiting our ability to raise cash to purchase the Senior Secured Notes and reducing the practical benefit of the offer to purchase provisions to the holders of the Senior Secured Notes. If we fail to repurchase the Senior Secured Notes in that circumstance, we will be in default under the Indenture that will govern the Senior Secured Notes. 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 Senior Secured Notes may be limited by law.

Federal and state fraudulent transfer laws may permit a court to void the Senior Secured Notes and the guarantees, subordinate claims in respect of the Senior Secured Notes and guarantees and require holders of the Senior Secured Notes to return payments received, and if that occurs, you may not receive any payments on the Senior Secured Notes.

Our creditors and the creditors of the Guarantors of the Senior Secured Notes could challenge the issuance of the Senior Secured Notes or the Guarantors' issuance of their guarantees, respectively, as fraudulent transfers or conveyances or on other grounds. Under U.S. bankruptcy law and comparable provisions of state fraudulent transfer laws, a court could void the issuance of the Senior Secured Notes or a guarantee or claims related to the Senior Secured Notes or subordinate a guarantee to all of our other debts or to all other debts of a Guarantor if, among other things, we or a Guarantor, at the time we or such Guarantor incurred the indebtedness or issued a guarantee:

- intended to hinder, delay or defraud any present or future creditor; or
- received less than reasonably equivalent value or fair consideration for the delivery of the Senior Secured Notes or the guarantee, as the case may be, and if we or the Guarantor:
 - was insolvent or rendered insolvent by reason of such incurrence;
 - was engaged in a business or transaction for which our or the Guarantor's remaining assets constituted unreasonably small capital; or
 - intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature (as all of the foregoing terms are defined or interpreted under the relevant fraudulent transfer or conveyance statutes).

In addition, a court could void any payment by us or a Guarantor pursuant to the Senior Secured Notes or a guarantee and require that payment be returned to us or such Guarantor or to a fund for the benefit of our creditors or the creditors of the Guarantor. If the Senior Secured Notes or guarantees were avoided or limited under fraudulent transfer or other laws, any claim you may make against us or the Guarantors for amounts payable on the Senior Secured Notes would be unenforceable to the extent of such avoidance or limitation. Even if the guarantee of a Guarantor is not avoided as a fraudulent transfer, a court may subordinate the guarantee to that Guarantor's other debt. In that event, the guarantees would be structurally subordinated to all of the Guarantor's other debt. Moreover, the court could order you to return any payments previously made by us or the Guarantors.

The measures of insolvency for purposes of fraudulent transfer laws will vary depending upon the governing law applied in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, an entity would be considered insolvent if:

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

We cannot be certain what standard a court would apply in making these determinations or, regardless of the standard, that a court would not void the Senior Secured Notes or the guarantees thereof.

The Indenture that will govern the Senior Secured Notes will contain a “savings clause,” which is intended to limit the liability of each Guarantor on its guarantee to the maximum amount that such Guarantor can incur without risk that its guarantee will be subject to avoidance as a fraudulent transfer. We cannot assure you that this limitation will protect such guarantees from fraudulent transfer challenges or, if it does, that the remaining amount due and collectible under the guarantees would suffice, if necessary, to pay the Senior Secured Notes in full when due. Furthermore, in the case *Official Committee of Unsecured Creditors of TOUSA, Inc. v. Citicorp North America, Inc.*, the U.S. Bankruptcy Court for the Southern District of Florida held that a savings clause similar to the savings clause used in the Indenture was unenforceable. As a result, the subsidiary guarantees were found to be fraudulent conveyances. The United States Court of Appeals for the Eleventh Circuit affirmed the liability findings of the Bankruptcy Court without ruling directly on the enforceability of savings clauses generally. If the TOUSA decision is followed by other courts, the risk that the guarantees would be deemed fraudulent conveyances would be significantly increased.

We believe that, after giving effect to this offering, we will not be insolvent, will not have unreasonably small capital for our business and will not have incurred debts beyond our ability to pay such debts as they mature. We cannot assure you, however, as to what standard a court would apply in making these determinations or that a court would agree with our conclusions in this regard.

Holders of the Senior Secured Notes will not be entitled to registration rights, and we do not intend to register the Senior Secured Notes under applicable securities laws. There are restrictions on your ability to transfer and resell the Senior Secured Notes without registration under applicable securities laws.

The Senior Secured Notes are being offered and sold pursuant to an exemption from registration under the Securities Act and applicable state securities laws, and we do not intend to register the Senior Secured Notes under applicable securities laws. The holders of the Senior Secured Notes will not be entitled to require us to register the Senior Secured Notes for resale or otherwise. Therefore, you may transfer or resell the Senior Secured Notes in the United States only in a transaction registered under or exempt from the registration requirements of the Securities Act and applicable state securities laws, and you may be required to bear the risk of your investment for an indefinite period of time. See “Transfer Restrictions.”

Your ability to transfer the Senior Secured Notes may be limited by the absence of an active trading market, and an active trading market may not develop or, if developed, be maintained for the Senior Secured Notes.

The Senior Secured Notes will be a new class of securities for which there is no established trading market. We expect the Senior Secured Notes to be eligible for trading by “qualified institutional buyers,” as defined under Rule 144A, but we do not intend to list the Senior Secured Notes on any national securities exchange or to arrange for quotation on any automated dealer quotation system. Although the Initial Purchasers have informed us that they intend to make a market in the Senior Secured Notes, the Initial Purchasers are not obligated to do so, and may discontinue market making activities at any time without notice. Therefore, an active market for the Senior Secured Notes may not develop or be maintained, which would adversely affect the market price and liquidity of the Senior Secured Notes. In such case, the holders of the Senior Secured Notes may not be able to sell their notes at a particular time or at a favorable price. If a trading market were to develop, future trading prices of the Senior Secured Notes may be volatile and will depend on many factors, including:

- the number of holders of Senior Secured Notes;
- our operating performance and financial condition;
- the market for similar securities;
- the interest of securities dealers in making a market for the Senior Secured Notes; and
- prevailing interest rates.

Even if an active trading market for the Senior Secured Notes does develop, there is no guarantee that it will continue. Historically, the market for non-investment grade debt has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Senior Secured Notes. The market, if any, for the Senior Secured 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 Senior Secured Notes. In addition, subsequent to their initial issuance, the Senior Secured 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.

A downgrade, suspension or withdrawal of the rating assigned by a rating agency to the Senior Secured Notes, if any, could cause the liquidity or market value of the Senior Secured Notes to decline.

The Senior Secured Notes are expected to be rated by rating agencies. A rating is not a recommendation to purchase, sell or hold the Senior Secured Notes. We cannot assure you that any rating assigned will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by a rating agency if, in that rating agency’s judgment, circumstances relating to the basis of the rating, such as adverse changes in our business, so warrant. Any lowering or withdrawal of a rating by a rating agency could reduce the liquidity or market value of the Senior Secured Notes.

Any credit ratings assigned to the Senior Secured Notes may not reflect all risks of an investment in the Senior Secured Notes, and any lowering or withdrawal of the ratings assigned to our debt securities by rating agencies may increase our future borrowing costs and reduce our access to capital.

Credit rating agencies continually revise their ratings for the companies that they follow, including Amwins. We cannot be sure that credit rating agencies will maintain our corporate rating, or their initial ratings on the debt, including the Senior Secured Notes. Our debt currently has a non-investment grade rating, and any rating assigned could be lowered or withdrawn entirely by a rating agency if, in

that rating agency's judgment, future circumstances relating to the basis of the rating, such as adverse changes, so warrant. Consequently, real or anticipated changes in our credit ratings will generally affect the market value of the Senior Secured Notes. Credit ratings are not recommendations to purchase, hold or sell the Senior Secured Notes. Additionally, credit ratings may not reflect the potential effect of risks relating to the structure or marketing of the Senior Secured Notes.

Any future lowering of our ratings likely would make it more difficult or more expensive for us to obtain additional debt financing. If any credit rating initially assigned to the Senior Secured Notes is subsequently lowered or withdrawn for any reason, you may not be able to resell your Senior Secured Notes without a substantial discount.

Certain of the covenants in the Indenture will not apply during any period in which the Senior Secured Notes have Investment Grade Ratings.

Certain of the covenants in the Indenture will not apply to us during any period in which the Senior Secured Notes have Investment Grade Ratings (as defined in the Indenture), provided at such time no default or event of default has occurred and is continuing. Such covenants restrict, among other things, our ability to pay distributions, incur debt and enter into certain other transactions. There can be no assurance that the Senior Secured Notes will ever have Investment Grade Ratings, or that if they have Investment Grade Ratings, that the Senior Secured 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 governing the Senior Secured Notes. See "Description of Senior Secured Notes—Certain Covenants."

Risks Related to the Collateral

The rights of holders of the Senior Secured Notes may be adversely affected by the Equal Priority Intercreditor Agreement.

The Equal Priority Intercreditor Agreement will set forth the relative rights of, and relationship among, the Senior Secured Notes Collateral Agent, the holders of the Senior Secured Notes, the Senior Secured Credit Facilities Collateral Agent and the lenders under our senior secured credit facilities and the applicable representative of the holders and the holders under any other future parity lien indebtedness in respect of the exercise of rights and remedies against us and the Guarantors.

Under the terms of the Equal Priority Intercreditor Agreement, as discussed below, the Senior Secured Credit Facilities Collateral Agent has the exclusive right (subject to limited exceptions) to exercise remedies and take enforcement actions relating to the Collateral, acting at the direction of the lenders under our Senior Secured Credit Facilities until the satisfaction in full of the obligations thereunder. Thereafter, the representative of holders of the next largest outstanding principal amount of parity lien indebtedness will have the right to exercise rights and remedies with respect to the Collateral. As such, if other parity lien indebtedness is outstanding in an aggregate principal amount greater than the aggregate principal amount of the outstanding Senior Secured Notes at such time, such other parity lien indebtedness may be able to direct the applicable representative with respect to matters related to the Collateral (including the commencement and continuation of enforcement proceedings with respect to the Collateral, controlling the conduct of such proceedings and, in connection therewith, approving releases of the Collateral) without consent from the holders of the Senior Secured Notes. In connection with the exercise of the rights and remedies against the Collateral, any release by the lenders under our Senior Secured Credit Facilities of the Collateral (other than a termination of our Senior Secured Credit Facilities or a release of all the Collateral) will also

release the liens securing the Senior Secured Notes on the same Collateral without any further action by the Trustee, the Senior Secured Notes Collateral Agent or the holders of the Senior Secured Notes. If the Senior Secured Credit Facilities Collateral Agent forecloses and sells the pledged equity interests in any subsidiary Guarantor, then that Guarantor will be released from its guarantee of the Senior Secured Notes and any liens granted by such Guarantor for the benefit of the Senior Secured Notes will be released automatically and immediately upon such sale.

Under these circumstances, the Senior Secured Notes Collateral Agent on behalf of the holders of the Senior Secured Notes, with limited exceptions, will not have the ability to control or direct these actions, even if the rights of the holders of the Senior Secured Notes are adversely affected, and may not be able to act quickly, or at all, to have the Senior Secured Notes Collateral Agent realize on the Collateral. See “Description of Senior Secured Notes—Security—Equal Priority Intercreditor Arrangement.”

The value of the Collateral may not be sufficient to satisfy our obligations under the Senior Secured Notes and our other obligations secured by a lien on the Collateral.

The Senior Secured Notes and the guarantees thereof will be secured, subject to certain limitations and exceptions and permitted liens, by a first-priority lien on the Collateral. Accordingly, any proceeds received upon a realization of the Collateral securing the Senior Secured Notes and our Senior Secured Credit Facilities will be applied to the costs and expenses incurred in connection with such realization and, ratably, to obligations (including expenses and other amounts) under the Senior Secured Notes and our Senior Secured Credit Facilities and other future parity lien indebtedness.

No appraisal of the value of the Collateral has been made in connection with this offering, and the fair market value of the Collateral is subject to fluctuations based on factors that include, among others, general economic conditions and similar factors. The book value of the Collateral should not be relied upon as a measure of realizable value for such assets. The amount to be received upon a sale of the Collateral would be dependent on numerous factors, including, but not limited to, the actual fair market value of the Collateral at such time, the timing and the manner of the sale and the availability of buyers. By their nature, portions of the Collateral may be illiquid or intangible and may have no readily ascertainable market value. In the event of a foreclosure, liquidation, bankruptcy or similar proceeding, the Collateral may not be sold in a timely or orderly manner, and the proceeds from any sale or liquidation of the Collateral may not be sufficient to pay our obligations under the Senior Secured Notes, in full or at all. There also can be no assurance that the Collateral can be sold in a short period of time (or at all) in an orderly manner.

To the extent that liens, rights or easements granted to third parties, including junior liens, encumber assets located on property owned by us, such third parties have or may exercise rights and remedies with respect to the property subject to such encumbrances that could adversely affect the value of the Collateral and the ability of the Senior Secured Notes Collateral Agent, the Trustee or the holders of the Senior Secured Notes to realize or foreclose on the Collateral. In particular, the Indenture will permit certain liens, including liens on excluded assets and liens in favor of third parties to, among other things, secure purchase money indebtedness and capital lease obligations, and any assets subject to such liens may be automatically excluded from the Collateral where the agreement governing such indebtedness or obligation prohibits the grant of a lien on such assets to the Senior Secured Notes Collateral Agent.

Accordingly, there may not be sufficient Collateral to pay all or any of the amounts due on the Senior Secured Notes. Any claim for the difference between the amount, if any, realized by holders of the Senior Secured Notes from the sale of the Collateral and any unpaid obligations under the Senior Secured Notes, the Senior Secured Credit Facilities and other indebtedness secured by *pari passu* (or

senior) liens will rank equally in right of payment with any claim of all of our other senior unsecured, unsubordinated indebtedness, including trade payables, against our and, as applicable, the Guarantors' remaining assets.

In addition, the Indenture will permit us to incur additional indebtedness secured by a lien on the Collateral that ranks on a *pari passu* basis with the liens securing the Senior Secured Notes. Your rights to the Collateral would be diluted by an increase in the additional indebtedness secured by *pari passu* liens on the Collateral. Certain other creditors may have liens (including statutory liens), whether or not permitted by the Indenture, which rank prior to the liens of the holders of the Senior Secured Notes on the Collateral. Any such liens may further limit the recovery from the realization of the value of the Collateral available to satisfy holders of the Senior Secured Notes.

The imposition of certain permitted liens could materially adversely affect the value of the Collateral and in certain cases will cause the asset on which such liens are imposed to be excluded from the Collateral. There are also certain other categories of property that are similarly excluded from the Collateral.

The Collateral may be subject to liens permitted under the terms of the Indenture. The existence of any permitted liens could materially adversely affect the value of the Collateral that could be realized by the holders of the Senior Secured Notes as well as the ability of the Senior Secured Notes Collateral Agent to realize or foreclose on the Collateral. In addition, the imposition of certain permitted liens may cause the relevant assets to become "Excluded Assets" (as defined in "Description of Senior Secured Notes") which will not secure the Senior Secured Notes or the related guarantees.

In addition, the Indenture will permit liens in favor of third parties to secure purchase money indebtedness and capital lease obligations, and any assets subject to such liens may be automatically excluded from the Collateral where the contract or other agreement in which such lien is granted prohibits the grant of a lien on such assets to the Senior Secured Notes Collateral Agent or such grant shall constitute or result in a breach or would give the other party thereto the right to terminate such contract or agreement. Our ability to incur purchase money indebtedness and capital lease obligations is subject to limitations, as described in "Description of Senior Secured Notes—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock." Other categories of Excluded Assets under the Indenture include leased real property, certain contracts, letter of credit rights below a threshold and equity and assets of unrestricted subsidiaries. See "Description of Senior Secured Notes—Security—Collateral." Excluded Assets will not be available as Collateral to secure our and the guarantors' obligations under the Senior Secured Notes. As a result, with respect to the Excluded Assets, the Senior Secured Notes and the related guarantees will effectively rank equally with any of our other unsubordinated indebtedness and, as applicable, the Guarantors which is not secured by the Excluded Assets.

Lien searches may not reveal all liens on the Collateral.

We cannot guarantee that the lien searches on the Collateral will reveal any or all existing liens on such Collateral. Any such existing lien, including undiscovered liens, could be significant, could be prior in ranking to the liens securing the Senior Secured Notes and guarantees thereof and could have an adverse effect on the ability of the Senior Secured Notes Collateral Agent to realize or foreclose upon the Collateral and the guarantees thereof.

Certain laws and regulations may impose restrictions or limitations on foreclosure.

Our obligations under the Senior Secured Notes are secured only by the Collateral described in this offering circular. The ability of the Senior Secured Notes Collateral Agent to foreclose on the

Collateral on your behalf may be subject to perfection, priority issues, state or foreign law requirements and practical problems associated with the realization of the security interest or lien in the Collateral of the Senior Secured Notes Collateral Agent, including cure rights, foreclosing on the Collateral within the time periods permitted by third parties or prescribed by laws, obtaining third-party consents, making additional filings, statutory rights of redemption and the effect of the order of foreclosure. We cannot assure you that the consents of any third parties and approvals by governmental entities will be given when required to facilitate a foreclosure on such assets. Therefore, we cannot assure you that foreclosure on the Collateral will be sufficient to make all payments on the Senior Secured Notes.

The holders of the Senior Secured Notes and the Trustee also may be limited in their ability to enforce a breach of the lien covenant that will be set forth in the indenture governing the Senior Secured Notes and is described under “Description of Senior Secured Notes—Certain Covenants—Liens.” Some decisions of state courts have placed limits on a lender’s ability to accelerate debt secured by real property upon breach of covenants prohibiting the creation of certain junior liens or leasehold estates, and a lender may need to demonstrate that enforcement is reasonably necessary to protect against impairment of the lender’s security or to protect against an increased risk of default. Although the foregoing court decisions may have been preempted, at least in part, by certain federal laws, the scope of such preemption, if any, is uncertain. Accordingly, a court could prevent the trustee and the holders of the Senior Secured Notes from declaring a default and accelerating the Senior Secured Notes by reason of a breach of such covenant, which could have a material adverse effect on the ability of holders of the Senior Secured Notes to enforce the covenant.

Holders of the Senior Secured Notes will not control certain decisions regarding Collateral.

Subject to certain conditions, the Credit Agreement, the Indenture and the related security documents will generally allow us and our subsidiaries to remain in possession of, retain exclusive control over and freely operate the Collateral and collect, invest and dispose of any income from the Collateral. This may impact the type and quality of the security interest granted in respect of the Collateral. For example, so long as no default or event of default under the Indenture would result therefrom, we may, among other things, without any release or consent by the Trustee or the Senior Secured Notes Collateral Agent under the Indenture, Equal Priority Intercreditor Agreement or the related security documents, conduct ordinary course activities with respect to the Collateral, such as selling, factoring, abandoning or otherwise disposing of Collateral and making ordinary course cash payments (including repayments of indebtedness). In addition, to the extent we sell any assets that constitute Collateral, the proceeds from such sale will be subject to a lien securing the Senior Secured Notes only to the extent such proceeds would otherwise constitute “Collateral” securing the Senior Secured Notes under the related security documents. To the extent the proceeds from any sale of Collateral do not constitute “Collateral” under the applicable security documents, the pool of assets securing the Senior Secured Notes would be reduced. Moreover, the ability of holders of the Senior Secured Notes to make decisions regarding Collateral is limited by the Equal Priority Intercreditor Agreement. See “—The rights of holders of the Senior Secured Notes may be adversely affected by the Equal Priority Intercreditor Agreement.”

There are circumstances other than the repayment in full, discharge or defeasance of the Senior Secured Notes under which the Collateral could be automatically released without consent of the Trustee, the Senior Secured Notes Collateral Agent or the holders of the Senior Secured Notes.

Under various circumstances, all or a portion of the Collateral may be released, including:

- to enable the sale, transfer or other disposal of such Collateral (to a person that is not us or a Guarantor) in a transaction not prohibited under the Indenture;

- the Collateral becoming an Excluded Asset;
- with respect to Collateral held by a Guarantor, upon the release of such Guarantor from its guarantee; or
- pursuant to the Equal Priority Intercreditor Agreement.

The guarantee of any subsidiary Guarantor will be released in connection with a sale of such subsidiary Guarantor, or issuance of the equity interests of such subsidiary Guarantor, in a transaction not prohibited by the Indenture and it should be noted that the Indenture will not prohibit the sale, transfer or issuance of any equity interests of a subsidiary Guarantor or other restricted subsidiary to third parties or other persons. The Indenture will also permit us to designate one or more of our restricted subsidiaries that is a Guarantor as an unrestricted subsidiary. If we designate a subsidiary Guarantor as an unrestricted subsidiary, all of the liens in favor of the holders of the Senior Secured Notes on any Collateral owned by such subsidiary or any of its subsidiaries and any guarantees of the Senior Secured Notes by such subsidiary or any of its subsidiaries will be released under the Indenture. Designation as an unrestricted subsidiary will reduce the aggregate value of the Collateral to the extent that liens on the assets of the unrestricted subsidiary and its subsidiaries are released. In addition, the creditors of the unrestricted subsidiary and its subsidiaries will have a senior claim on the assets of such unrestricted subsidiary and its subsidiaries and the holders of the Senior Secured Notes will have no claim to such assets. See “Description of Senior Secured Notes—Security—Collateral—Release of Collateral,” “Description of Senior Secured Notes—Additional Secured Note Guarantees,” “Description of Senior Secured Notes—Certain Covenants—Limitation on Restricted Payments” and “Description of Senior Secured Notes—Certain Definitions—Unrestricted Subsidiary.”

Bankruptcy and insolvency laws may limit the ability of holders of the Senior Secured Notes to realize value from the Collateral.

The right of the Senior Secured Notes Collateral Agent to repossess and dispose of the Collateral upon the occurrence of an event of default would be significantly impaired (or at a minimum delayed) by bankruptcy, insolvency, corporate arrangement, winding-up or similar law if bankruptcy, insolvency, corporate arrangement, winding-up or similar proceedings are commenced by or against us prior to or possibly even after the Senior Secured Notes Collateral Agent has repossessed and disposed of the Collateral. Under the Bankruptcy Code, a secured creditor, such as the Senior Secured Notes Collateral Agent, is prohibited from repossessing its security from a debtor in a bankruptcy case, or from disposing of security repossessed from a debtor or any other collateral, without prior bankruptcy court approval (which may not be given under the circumstances). Moreover, U.S. 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 or replacement 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. A U.S. bankruptcy court may determine that a secured creditor may not require compensation for diminution in the value of its collateral if the value of the collateral exceeds the debt it secures. In view of the broad discretionary powers of a U.S. bankruptcy court, as well as due to the lack of a precise definition of the term “adequate protection,” it is impossible to predict whether or when payments under the Senior Secured Notes could be made following the commencement of a bankruptcy case (or the length of any delay in making such payments), whether or when the Senior Secured Notes Collateral Agent could repossess or dispose of the Collateral, the value of the Collateral at the time of the bankruptcy petition or whether

or to what extent holders of the Senior Secured Notes would be compensated for any delay in payment of loss of value of the Collateral through the requirements of “adequate protection.” In addition, the Equal Priority Intercreditor Agreement will provide that so long as any obligations under our Senior Secured Credit Facilities are outstanding, in the event of a bankruptcy, the holders of the Senior Secured Notes will be subject to certain restrictions with respect to their ability to object to various motions or seek other relief with respect to the Collateral on a number of important matters, and the holders of the Senior Secured Notes may under certain circumstances be required to turn over amounts they may receive in respect of the Collateral to the holders of obligations under our Senior Secured Credit Facilities, as applicable. See “—The rights of holders of the Senior Secured Notes may be adversely affected by the Equal Priority Intercreditor Agreement.” After such a bankruptcy filing, the value of the Collateral could materially deteriorate and the holders of the Senior Secured Notes may be unable to raise various objections or take other actions.

As a general matter, under bankruptcy and insolvency law, our or any Guarantor’s liabilities in respect of the Senior Secured Notes and the guarantees may, in the event of bankruptcy, insolvency or similar proceedings, rank junior to certain other debt that is entitled to priority under the laws of such jurisdiction. Debt entitled to priority may include (1) amounts owed in respect of employee pension schemes, (2) certain other amounts owed to employees, (3) amounts owed to governmental agencies, including tax authorities and (4) expenses of an insolvency practitioner. In addition, in some jurisdictions, an examiner, monitor, trustee, receiver or administrator or similar party may be legally required to consider the interests of third parties (including, for example, employees) or the best interests of the relevant company in connection with the proceedings.

Furthermore, in the event the U.S. bankruptcy court determines that the value of the Collateral is not sufficient to repay all amounts due on the Senior Secured Notes, the holders of the Senior Secured Notes would have “undersecured claims” as to the difference or “deficiency.” U.S. bankruptcy laws do not permit the payment or accrual of post-petition interest, costs, expenses and attorneys’ fees for “undersecured claims” during the debtor’s bankruptcy case. Other consequences of a finding of under-collateralization would include, among other things, a lack of entitlement to receive “adequate protection” under U.S. bankruptcy laws with respect to the unsecured, deficiency portion of the Senior Secured Notes. In addition, if any payments of post-petition interest had been made prior to or at the time of such a finding of under-collateralization, those payments could be recharacterized by the U.S. bankruptcy court as a reduction of the principal amount of the Senior Secured Notes.

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

Applicable law requires that a security interest in certain tangible and intangible assets can only be properly perfected and its priority retained through the taking of certain actions. The liens on the Collateral from time to time owned by us securing obligations under the Senior Secured Notes may not be perfected if we have not taken the actions necessary to perfect any of those liens. Our inability or failure to promptly take all actions necessary to create properly perfected security interests in the Collateral may result in the loss of the priority, or a defect in the perfection of the security interest for the benefit of the holders of the Senior Secured Notes to which they would have been otherwise entitled. In addition, applicable law requires that certain property and rights acquired after the grant of a general security interest, such as real property and intellectual property, can only be perfected at the time such property and rights are acquired and identified and may then be subject to claw back in the event of bankruptcy of the relevant collateral provider.

The Trustee or the Senior Secured Notes Collateral Agent will not be required to monitor, and we may not inform the Trustee or the Senior Secured Notes Collateral Agent of, the future acquisition of property and rights that constitute Collateral, and necessary action may not be taken by us to properly

perfect the security interest in such after-acquired Collateral. Neither the Trustee nor the Senior Secured Notes Collateral Agent has any obligation to monitor the acquisition of additional property or rights that constitute Collateral or monitor the perfection of or make any filings to perfect or maintain the perfection of any security interest in favor of the Senior Secured Notes against third parties. Such failure may result in the loss of the security interest therein or the priority of the security interest in favor of the Senior Secured Notes against third parties. Even if the Trustee or the Senior Secured Notes Collateral Agent does properly perfect liens on Collateral acquired or arising in the future, such liens may potentially be avoidable as a preference in any bankruptcy proceeding under certain circumstances. See “—Any future pledge of Collateral or any guarantee issued in favor of the holders of Senior Secured Notes might be avoidable in bankruptcy or otherwise.”

Additionally, the Indenture and the security documents entered into in connection with the offering of the Senior Secured Notes will not require us to take a number of actions to perfect or to improve the perfection or priority of the liens of the Senior Secured Notes Collateral Agent for the benefit of the holders of the Senior Secured Notes, including control agreements with respect to deposit accounts and securities accounts.

Any future pledge of Collateral or any guarantee issued in favor of the holders of Senior Secured Notes might be avoidable in bankruptcy or otherwise.

Any future pledge of Collateral in favor of the Senior Secured Notes Collateral Agent, including pursuant to security documents delivered after the issuance of the Senior Secured Notes, or any guarantees issued in the future, might be avoidable (as a preferential transfer, preference, transfer at undervalue or otherwise) by the pledgor or Guarantor (as debtor in possession) or by its trustee in bankruptcy (or potentially by our other creditors) or similar official if certain events or circumstances exist or occur, including if the pledgor or Guarantor is insolvent at the time of the pledge or guarantee, the pledge or guarantee permits the holders of the Senior Secured Notes to receive a greater recovery in any Chapter 7 liquidation, bankruptcy, insolvency, winding-up or corporate arrangement or similar proceeding of the pledgor than if the pledge or guarantee had not been given and such a proceeding in respect of the pledgor or Guarantor is commenced within 90 days following the pledge or issuance of the guarantee or, in certain circumstances, one year of lien perfection (or potentially one year for any “insiders”) or any other applicable review period. Thus, in any bankruptcy, insolvency, winding-up or corporate arrangement or similar proceeding commenced within 90 days or any other applicable review period after lien perfection (or potentially one year for any “insiders”) or the issuance of a guarantee, a lien given to secure, or a guarantee given to guarantee, previously existing indebtedness is materially more likely to be avoided as a preference, transfer at undervalue or otherwise by the applicable court than if delivered and promptly recorded on the completion date (or within any applicable 30-day statutory safe harbor).

Accordingly, if we or any Guarantor were to file for bankruptcy, insolvency, winding-up or corporate arrangement or similar law after the Issue Date and a lien granted after such date had been perfected, or a guarantee issued, less than 90 days before the commencement of such bankruptcy proceeding (or any other applicable review period), such liens securing or guarantees guaranteeing the Senior Secured Notes may be particularly subject to challenge and avoidance as a result of having been delivered after the Issue Date. To the extent that the grant of any security interest or a guarantee is avoided as a preference, transfer at undervalue or otherwise, you would lose the benefit of the security interest or guarantee.

In the event of a bankruptcy of the Company or any of the Guarantors, the holders of the Senior Secured Notes may be deemed to have an unsecured claim to the extent that our obligations in respect of the Senior Secured Notes exceed the fair market value of the Collateral securing the Senior Secured Notes and the related guarantees.

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

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

There are certain categories of assets that are excluded from the Collateral.

Certain categories of assets are excluded from the Collateral. Excluded Assets include, among other things: (1) any general intangible, deposit account, securities account, account receivable, lease, license, contract, property right or agreement to which we or any Guarantor is party or any of its rights or interests thereunder, in each case, if and for so long as security interests therein (A) shall be prohibited by any valid and enforceable provision of any contract, agreement, instrument or indenture governing such general intangible, deposit account, securities account, account receivable, lease, license contract, property right or agreement, (B) would give any other party to such general intangible, deposit account, securities account, account receivable, lease, license, contract, property right or agreement the right to terminate its obligations thereunder, (C) is permitted only with the consent of another party to such deposit account, securities account, account receivable, lease, license contract, property right or agreement, if such consent has not been obtained, (D) shall constitute or result in the abandonment, invalidation or unenforceability of any right, title or interest of any Guarantor therein, (E) shall constitute or result in a breach or termination (or result in any party thereto having the right to terminate) pursuant to the terms of, or a default under, any such general intangible, deposit account, securities account, account receivable, lease, license, contract, property right or agreement, or (F) shall constitute or result in a violation under any law, regulation, permit, order or decree of any governmental authority (including any requirement to obtain the consent of any governmental authority or third party); (2) certain equity interests and certain deposit accounts; (3) “intent-to-use” trademark applications prior to the filing of “Amendment to Allege Use” or “Statement of Use” filing; (4) all real property leasehold interests and owned real property interests having a value of \$20.0 million or lower; (5) any assets subject to a lien securing capital lease obligations or purchase money debt obligations, in each case permitted by the Indenture, if the contract or other agreement in which such lien is granted prohibits the assignment of such assets, or the creation of any other lien on such assets shall constitute or result in a breach or would give the other party thereto the right to terminate such contract or other agreement; (6) any particular asset, if the pledge thereof or the security interest therein would result in material adverse tax consequences to us or any Guarantor as reasonably determined by us

and the Senior Secured Notes Collateral Agent; (7) certain letter-of-credit rights; (8) receivables and related assets sold, otherwise disposed of or pledged in connection with a receivables financing or similar transaction permitted by the Indenture; and (9) certain commercial tort claims. See “Description of Senior Secured Notes—Security—Collateral.” If an event of default occurs and the Senior Secured Notes are accelerated, the Senior Secured Notes and the guarantees will rank equally with the holders of other unsubordinated and unsecured indebtedness of the relevant entity with respect to such excluded property.

The Collateral is subject to casualty risks.

We believe we maintain insurance or otherwise insure against hazards in a manner appropriate and customary for our business. There are, however, certain losses that may be either uninsurable or not economically insurable, in whole or in part. As a result, we cannot assure you that the insurance proceeds will compensate us fully for our losses. If there is a complete or partial loss of any of the Collateral, we cannot assure you that any insurance proceeds received by us would be sufficient to satisfy all of our obligations, including the secured obligations owed to the holders of the Senior Secured Notes and our other parity lien indebtedness. In the event of a total or partial loss to any of our facilities, certain items of equipment may not be easily replaced.

The security interests in the Collateral are not directly granted to the holders of the Senior Secured Notes.

The security interests in the Collateral that secure our Obligations under the Senior Secured Notes and the Obligations of the Guarantors under the related guarantees are not granted directly to holders of the Senior Secured Notes but are granted only in favor of the Senior Secured Notes Collateral Agent on behalf of the holders of the Senior Secured Notes in accordance with the Indenture that governs the Senior Secured Notes and the Equal Priority Intercreditor Agreement. The holders of the Senior Secured Notes will not have direct security interests and will not be entitled to take enforcement action in respect of the collateral, except through the Senior Secured Notes Collateral Agent.

USE OF PROCEEDS

We intend to use the proceeds from this offering, together with cash on hand, (i) to pay all related transaction fees and expenses, which we estimate to be approximately \$11.0 million, (ii) to make restricted payments of approximately \$1.05 billion, to the extent permitted by our senior secured credit facilities, the Indenture and the indenture governing our 4.875% Senior Notes, and (iii) for general corporate purposes, including funding pending and future acquisitions. The Company intends to determine the amount of any restricted payments to be made with the proceeds from this offering based on acquisition opportunities available to it and the funds that would be required to pursue such opportunities. Such restricted payments may be in the form of a dividend payable to Amwins Holding, which may use these funds to declare a pro rata distribution payable to its owners, and payments to certain holders of stock options of Amwins Group and unvested units of Amwins Holding required in connection with such a dividend.

CAPITALIZATION

The following table sets forth our capitalization as of September 30, 2023:

- On an actual basis; and
- On an as adjusted basis to reflect (i) the issuance of the Senior Secured Notes offered hereby and (ii) the Company making restricted payments of \$1.05 billion, in each case as if these transactions had occurred on that date. We have not adjusted cash and cash equivalents to give effect to any acquisitions, including the Acquisitions described in “Summary—Our Company—Recent Unaudited Estimated Results of Operations.” See “Use of Proceeds.”

This table should be read in conjunction with the other sections of this offering circular, including our consolidated financial statements and the notes thereto. The amounts presented in the following table for any indebtedness do not reflect the amount of any unamortized original issue discounts and debt issuance costs with respect to the indebtedness, and the amount presented for the Senior Secured Notes is the principal amount thereof without reflecting debt issuance costs and any premium or discount to par at which the Senior Secured Notes may be issued.

	As of September 30, 2023	
	Actual	As Adjusted
	(in thousands)	
Cash and cash equivalents	\$ 750,039	\$ 439,039
Total debt (including current portion):		
Senior secured term loans	\$3,370,228	\$ 3,370,228
4.875% Senior Notes(1)	790,000	790,000
Senior Secured Notes offered hereby	—	750,000
Finance lease obligations(2)	\$ 6,782	\$ 6,782
Total debt	\$4,167,010	\$ 4,917,010
Total Amwins Group, Inc. stockholders’ deficit	(741,795)	(1,802,795)
Total capitalization	\$3,425,215	\$ 3,114,215

- (1) Amount shown is equal to \$781.9 million outstanding principal amount included in our unaudited consolidated balance sheet as of September 30, 2023 plus \$8.1 million of deferred financing fees.
- (2) Reflects the minimum amount of future lease payments on a discounted basis. See “Description of Certain Other Indebtedness—Finance Lease Obligations.”

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

The following discussion of our financial condition and results of operations should be read together with our consolidated financial statements and related notes thereto included elsewhere in this offering circular. The results described below are not necessarily indicative of the results to be expected in any future period. The following discussion contains forward-looking statements, which are inherently subject to risks and uncertainties. Actual results may differ significantly from those projected in such forward-looking statements due to a number of factors and a variety of risks and uncertainties, including those described under "Cautionary Statement Regarding Forward-Looking Statements" and "Risk Factors." We undertake no obligation to update or revise any forward-looking statement.

Overview

We are one of the largest independent wholesale distributors of specialty insurance products in the world, serving retail insurance brokers by providing P&C products, specialty group benefit products and administrative services. We support our approximately 34,000 retail broker clients by offering access to specialty, hard-to-place or unique insurance products, coordinated ancillary services and consultative professional services. Additionally, we engage in a disciplined acquisition strategy to expand our products, services, technologies and producer talent. We believe our balanced strategy of driving internal organic revenue growth supplemented by disciplined acquisitions has produced a platform that can deliver consistent cash flow and revenue and earnings growth opportunities.

We operate our business through five divisions, as follows:

- **Brokerage.** Our Brokerage division, also referred to in this discussion as "Wholesale Brokerage," distributes property and casualty insurance products through our retail insurance brokerage clients.
- **Access.** Our Access division distributes small commercial and personal insurance lines products nationally through our retail insurance brokerage clients primarily under binding authority contracts pursuant to which insurance carriers have authorized us to underwrite and distribute these policies on their behalf.
- **Specialty Underwriting.** Our Specialty Underwriting division operates our MGU programs. As an MGU, we have contractual authority from various insurance carriers to underwrite, bind, issue and administer insurance policies on their behalf. This division also distributes its products through our retail insurance brokerage clients.
- **Group Benefits.** Our Group Benefits division distributes group benefit insurance products through our retail insurance brokerage clients and provides related administrative services for insurance carriers that sell these insurance products, self-funded employer health plan sponsors and insureds.
- **International.** Anchored by our Lloyd's brokerage operation in London, our International division distributes specialty insurance and reinsurance products to clients worldwide through offices in strategic countries. Our international division operates under the "Amwins Global Risks" and "THB" brands.

Acquisitions/Investments

Acquisitions of businesses and partnerships with successful entrepreneurs have been and will continue to be part of our growth strategy. We evaluate acquisitions based on a variety of factors

including product and service capability, producer talent, size, geographic and industry fit, operating performance and the quality of the existing management team. We have structured a number of our acquisitions to provide for contingent purchase price payments that depend upon the business reaching specified financial targets in the future (commonly referred to as “earn-outs”). We may use this structure for any acquisitions we pursue in the future.

The purchase price for acquisitions may include varying combinations of equity of Amwins Holding (denominated as “units”), cash funded by our existing cash flow, borrowings under our senior secured credit facilities and, for certain of these acquisitions, an obligation to pay earn-out payments in units, cash or both.

From time to time, we also make equity investments in businesses that complement, support or are ancillary to our business. We apply the equity method of accounting to investments when we have significant influence, but not controlling interest, in the investee. Judgment regarding the level of influence over each equity investment includes considering key factors such as ownership interest, representation on the board of directors, participation in policy-making decisions and material intercompany transactions. We assess investments for impairment whenever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable. Determining the fair value of investments in thinly traded public companies and privately held entities could require using a valuation model, which would include significant judgment and estimates.

During 2022, we acquired two books of business (customer accounts) and Business Risk Partners, LLC, a managing general underwriter and program administrator for professional and management liability insurance products. The aggregate purchase price for these acquisitions was approximately \$49.1 million in cash and equity, including our estimated earn-out obligations.

During the nine-month period ended September 30, 2023, we acquired two books of business (customer accounts) and an international insurance and reinsurance broker that specializes in insurance placements for the energy and marine industries, and increased our ownership of an investment in a managing general agent for admitted homeowners insurance accounted for under the equity method of accounting. The aggregate purchase price for these transactions was approximately \$179.0 million in cash and equity, including our estimated earn-out obligations.

Customer Base

We do business with approximately 34,000 retail insurance brokerage firms, including all of the 100 largest U.S. retail insurance brokers. We also work with thousands of small to mid-sized retail insurance brokerage firms, many of which do not have direct access to the insurance markets with which we place business. For the twelve-month period ended September 30, 2023, no single retail insurance brokerage customer accounted for more than 6% of our commissions and fees, and the top five retail brokerage customers represented less than 19% of our commissions and fees.

Insurance Carrier Base

We have relationships with a wide range of insurance carriers, Lloyd’s syndicates and other MGUs to offer our customers the best option for each risk. The breadth of our relationships with insurance markets mitigates our risk of concentration with any particular provider of insurance. We believe our access to a large number of insurance providers reduces the impact of the loss of any individual carrier on our results of operations and provides our clients with more choices and deeper access to the insurance marketplace. For the twelve-month period ended September 30, 2023, no single carrier accounted for more than 6% of our total premium volume, and the top five carriers in aggregate represented approximately 18% of our premium volume.

Seasonality

Our business, particularly in our Brokerage and Specialty Underwriting divisions, is subject to seasonal fluctuations. Commissions, fees, supplemental revenues and contingent revenues, and our costs to obtain and fulfill the service obligations to our clients, can vary from quarter to quarter as a result of the timing of policy effective dates. Salaries, employee benefits and depreciation and amortization expenses generally tend to be recorded uniformly throughout the year.

Certain Other Trends and Outlook

Insurance premium pricing within the P&C insurance industry has historically been cyclical based on the underwriting capacity of the insurance industry and economic conditions. External events, such as terrorist attacks and natural disasters, can also have a significant impact on the insurance market. We use the terms “soft market” and “hard market” to describe the business cycles experienced by the industry. A soft market is an insurance market characterized by a period of declining premium rates, which can negatively affect commissions earned by insurance brokers. A hard market is an insurance market characterized by a period of rising premium rates, which, absent other changes, can positively affect commissions earned by insurance brokers. Subsequent to the storms that occurred during the fall of 2017, property pricing turned positive in November 2017 after 47 straight months of declines. This positive pricing trend continued through the nine-month period ended September 30, 2023.

In recent years, the COVID-19 pandemic and the effects of the pandemic, including supply chain disruptions, have affected business activity across industries worldwide in virtually every location in which we operate. Although the global economy has improved from the impact of the COVID-19 pandemic, a resurgence of the virus, as well as governmental and societal responses to the virus and the economic effects of these responses, could directly or indirectly impact our business, results of operations and financial condition. We will continue to monitor and assess the impact of COVID-19 on our business.

Revenues

Commissions and Fees. Our commissions and fees consist of commissions paid by insurance carriers and fees charged for services we provide, net of the portion of the commissions and fees we pay to retail insurance brokers. The commissions we receive from insurance carriers are typically calculated as a percentage of the premiums paid for the insurance products we distribute. For property and casualty products, we typically earn our commissions on the latter of the effective date of the policy or the date coverage is bound. For group benefits products and services, we typically earn our commissions and administrative fees monthly based on eligible enrollment. Commission income and fees generated from outsourced administrative services are recognized ratably over the life of the underlying policy or contract period. We pay our retail insurance brokerage clients a portion of the gross commissions we receive from insurance carriers. Insurance carriers often pay a greater commission rate to wholesale insurance brokers than to retail insurance brokers. Thus, we frequently are able to pay our retail insurance broker customers a commission rate similar to what they would receive if they placed business directly.

Because commission rates on the policies we place are generally calculated as a percentage of the premiums paid for a policy, they are affected by fluctuations in the amount of premium charged by insurance carriers. These premiums fluctuate based on, among other factors, the amount of capital available in the insurance marketplace, the type of risk being insured, the nature of the insured party and the terms of the insurance purchased. If premiums increase or decrease, our revenues typically move in a corresponding fashion. In a declining premium rate environment, the resulting decline in our

revenue may be offset, in whole or in part, by an increase by insurance carriers of their commission rates and the fact that insured parties may use the savings generated by the reduction in premium rates to purchase greater coverage. In an increasing pricing environment, the resulting increase in our revenue may be offset, in whole or in part, by a decrease by insurance carriers of their commission rates and the fact that insured parties may determine to reduce the amount of coverage they purchase.

Other Income. Other income includes profit and other contingent commissions, interest income, licensing revenue and miscellaneous income, net of contingent commissions paid and payable to our retail clients. Profit and other contingent commission income is estimated and recognized to the extent future reversal is not probable. Contingent commission expense payable to our customers is generally recognized based on the timing of the revenue earned from placing business for these customers.

Expenses

Our most significant operating expenses are employee compensation, including bonuses and benefits, and other operating expenses, which consist primarily of rent, insurance, professional fees, technology costs, travel and entertainment and advertising. Bonus compensation for a majority of our brokers is based on a percentage of the revenues they generate, after deducting their base salary compensation. Bonuses for other employees are discretionary based on an evaluation of their individual performance and the performance of their particular team or office. A substantial portion of our depreciation and amortization expense consists of amortization of definite-lived intangible assets, such as purchased customer accounts and noncompete agreements acquired as part of our business acquisitions.

Organic Revenue Growth

We define organic revenue growth as the net change in total revenues for a period, excluding the impact of foreign currency fluctuations, intercompany reassignments and any non-recurring adjustments unrelated to that period, compared to the prior-year corresponding period other than any increase or decrease in revenues attributable to businesses acquired or sold affecting that period. Organic revenue growth is a non-GAAP measure and should not be considered an alternative to, nor is there any implication that it is more meaningful than, any measure of performance or liquidity promulgated under GAAP. We believe that providing organic revenue growth results is meaningful to investors due principally to the role acquisitions have played in our revenue growth.

Results of Operations

Three and Nine Months Ended September 30, 2023 Compared to the Three and Nine Months Ended September 30, 2022

The following table summarizes our consolidated results of operations for the three and nine months ended September 30, 2023 as compared to comparable periods in the prior year.

	Three Months Ended September 30, (unaudited)				Nine Months Ended September 30, (unaudited)			
			Variance				Variance	
	2023	2022	\$	%	2023	2022	\$	%
	(in thousands)							
Statement of Operations Data:								
Commissions and fees	\$571,476	\$499,276	\$ 72,200	14.5%	\$1,769,305	\$1,545,650	\$223,655	14.5%
Other income	50,919	19,480	31,439	161.4	133,009	57,314	75,695	132.1
Total revenues	622,395	518,756	103,639	20.0	1,902,314	1,602,964	299,350	18.7
Expenses:								
Employee compensation and benefits	366,332	311,411	54,921	17.6	1,090,617	941,434	149,183	15.8
Other operating expenses	57,223	34,914	22,309	63.9	158,383	133,318	25,065	18.8
Gain on disposal	—	—	—	—	(15,353)	—	(15,353)	NMF
Amortization and depreciation	34,369	29,786	4,583	15.4	100,199	91,706	8,493	9.3
Total operating expenses	457,924	376,111	81,813	21.8	1,333,846	1,166,458	167,388	14.4
Operating income	164,471	142,645	21,826	15.3	568,468	436,506	131,962	30.2
Interest expense	62,746	37,866	24,880	65.7	172,875	107,553	65,322	60.7
Nonoperating expense	(1,689)	332	(2,021)	—	(1,688)	1,023	(2,711)	(265.0)
Income before income taxes	103,414	104,447	(1,033)	(1.0)	397,281	327,930	69,351	21.1
Income tax expense	19,803	38,754	(18,951)	(48.9)	114,761	104,296	10,465	10.0
Net income	83,611	65,693	17,918	27.3	282,520	223,634	58,886	26.3
Less: Net income attributable to noncontrolling interests	746	247	499	202.0	1,696	3,321	(1,625)	(48.9)
Net income attributable to Amwins Group, Inc.	\$ 82,865	\$ 65,446	\$ 17,419	26.6%	\$ 280,824	\$ 220,313	\$ 60,511	27.5%

Revenues

Revenues for the three months ended September 30, 2023 increased \$103.6 million, or 20.0%. Excluding acquisitions, the disposal of an international brokerage business and a book of business (customer accounts) and the impact of foreign exchange rates (primarily the British Pound against the U.S. dollar), revenues grew organically by \$101.0 million, or 19.5%. Revenues for the nine months ended September 30, 2023 increased \$299.4 million, or 18.7%. Excluding acquisitions, the disposal of an international brokerage business and a book of business (customer accounts) and the impact of foreign exchange rates (primarily the British Pound against the U.S. dollar), revenues grew organically by \$299.7 million, or 18.8%. The organic growth in revenues for both the three and nine months ended September 30, 2023 was attributable to organic growth across all five divisions and an increase in interest income.

Wholesale Brokerage

Wholesale Brokerage revenues for the three months ended September 30, 2023 increased \$45.5 million, or 17.9%, from \$254.2 million for the three months ended September 30, 2022 to \$299.7 million for the three months ended September 30, 2023. Excluding acquisitions, Wholesale Brokerage revenues increased organically by \$45.4 million, or 17.9%. Wholesale Brokerage revenues for the nine months ended September 30, 2023 increased \$151.1 million, or 18.4%, from \$822.3 million for the nine months ended September 30, 2022 to \$973.4 million for the nine months ended September 30, 2023. Excluding acquisitions, Wholesale Brokerage revenues increased organically by \$150.0 million, or 18.2%. The organic growth in revenues for the three and nine months ended September 30, 2023 was primarily driven by favorable market conditions (including property lines pricing due to catastrophic weather events), increased exposure base, increased market share gains and the development of younger/less experienced brokers.

Access

Access revenues for the three months ended September 30, 2023 increased \$13.1 million, or 20.7%, from \$63.3 million for the three months ended September 30, 2022 to \$76.4 million for the three months ended September 30, 2023. On an organic basis, Access revenues for the three months ended September 30, 2023 increased by \$9.9 million, or 14.9%. Access revenues for the nine months ended September 30, 2023 increased \$39.8 million, or 20.4%, from \$195.5 million for the nine months ended September 30, 2022 to \$235.3 million for the nine months ended September 30, 2023. On an organic basis, Access revenues for the nine months ended September 30, 2023 increased by \$31.4 million, or 15.4%. The organic growth in revenues for the three and nine months ended September 30, 2023 was primarily driven by profit commissions across the division's commercial (E&S) business, an increase in new business submissions, rate increases in the digital portfolio and other business placed in certain regions, particularly in the Southeast and Gulf Coast regions, and an increase in the exposure base.

Specialty Underwriting

Specialty Underwriting revenues for the three months ended September 30, 2023 increased \$8.4 million, or 9.1%, from \$92.3 million for the three months ended September 30, 2022 to \$100.7 million for the three months ended September 30, 2023. On an organic basis, Specialty Underwriting revenues for the three months ended September 30, 2023 increased by \$9.4 million, or 10.5%. Specialty Underwriting revenues for the nine months ended September 30, 2023 increased \$21.2 million, or 8.6%, from \$247.8 million for the nine months ended September 30, 2022 to \$269.0 million for the nine months ended September 30, 2023. On an organic basis, Specialty Underwriting revenues for the nine months ended September 30, 2023 increased by \$23.5 million, or 9.8%. The organic growth in revenues for the three and nine months ended September 30, 2023 was primarily driven by increases in the underlying exposure base across a number of our casualty programs, growth from several recently launched programs, increased profit sharing income generated by our MGU programs focused on community associations and growth in our property programs generated by rate increases in that sector.

Group Benefits

Group Benefits revenues for the three months ended September 30, 2023 increased \$5.7 million, or 10.1%, from \$56.1 million for the three months ended September 30, 2022 to \$61.8 million for the three months ended September 30, 2023. The entire revenue increase was organically driven. Group Benefits revenues for the nine months ended September 30, 2023 increased \$13.7 million, or 7.9%,

from \$173.8 million for the nine months ended September 30, 2022 to \$187.5 million for the nine months ended September 30, 2023. On an organic basis, Group Benefits revenues for the nine months ended September 30, 2023 increased by \$16.5 million, or 9.7%. The organic growth in revenues for the three and nine months ended September 30, 2023 was due to an increase in in-force premium and an increase in revenues associated with pharmacy and Rx product offerings.

International

International revenues for the three months ended September 30, 2023 increased \$12.6 million, or 27.0%, from \$46.8 million for the three months ended September 30, 2022 to \$59.4 million for the three months ended September 30, 2023. Excluding the impact of acquisitions, the disposal of an international brokerage business and foreign exchange rates (which, as noted above, was primarily the British Pound against the U.S. dollar), revenues for the three months ended September 30, 2023 increased organically by \$12.3 million, or 26.5%. International revenues for the nine months ended September 30, 2023 increased \$16.1 million, or 10.2%, from \$158.2 million for the nine months ended September 30, 2022 to \$174.2 million for the nine months ended September 30, 2023. Excluding the impact of acquisitions, the disposal of an international brokerage business and foreign exchange rates (primarily the British Pound against the U.S. dollar), revenues for the nine months ended September 30, 2023 increased organically by \$20.9 million, or 13.8%. The organic growth for the three and nine months ended September 30, 2023 was primarily due to increased revenues generated by our Lloyd's business in London, which benefits from the positive pricing trends affecting the North American property market.

Expenses

Employee compensation and benefits

Employee compensation and benefits for the three months ended September 30, 2023 increased \$54.9 million, or 17.6%, compared to 2022. Excluding expenses attributable to an international brokerage business disposed of during 2023 and expenses related to acquired businesses, employee compensation and benefits for the three months ended September 30, 2023 increased \$54.7 million, or 17.6%, compared to 2022. This increase was primarily due to higher incentive compensation of \$26.5 million associated with the revenue growth in the period, the effect of prior year investment in new hires and raises of \$19.4 million, and an increase of \$6.6 million in benefit costs. In addition, there was a \$2.2 million increase in noncash equity and liability compensation expense due to new award grants.

Employee compensation and benefits for the nine months ended September 30, 2023 increased \$149.2 million, or 15.8%, compared to 2022. Excluding expenses attributable to an international brokerage business disposed of during 2023 and expenses related to acquired businesses, employee compensation and benefits for the nine months ended September 30, 2023 increased \$147.1 million, or 15.6%, compared to 2022. This increase was primarily due to higher incentive compensation of \$76.0 million associated with the revenue growth in the period, the effect of prior year investment in new hires and raises of \$52.3 million, and an increase of \$17.9 million in benefit costs. In addition, there was a \$0.9 million increase in noncash equity and liability compensation expense due to new award grants.

Other operating expense

Other operating expense for the three months ended September 30, 2023 increased \$22.3 million, or 63.9%, compared to 2022. Excluding expenses attributable to an international

brokerage business disposed of during 2023 and expenses related to acquired businesses, other operating expense for the three months ended September 30, 2023 increased \$22.7 million, or 64.9%, compared to 2022. The increase was primarily due to gains attributable to the sale of unconsolidated equity investments in 2022 (which was netted against our other operating expenses in 2022), lower gains on foreign currency transactions in 2023 compared to 2022, increased occupancy expense and increased travel and entertainment costs.

Other operating expense for the nine months ended September 30, 2023 increased \$25.1 million, or 18.8%, compared to 2022. Excluding expenses attributable to an international brokerage business disposed of during 2023 and expenses related to acquired businesses, other operating expense for the nine months ended September 30, 2023 increased \$25.4 million, or 19.1%, compared to 2022. The increase was primarily due to lower gains on foreign currency transactions in 2023 compared to 2022, increased occupancy expense and increased travel and entertainment costs. In addition, in February 2023 we incurred third-party fees in connection with entering into incremental senior secured term loans under its senior secured credit facilities. This increase was partially offset by gains on unconsolidated equity investment transactions in 2023.

Gain on Disposal

In 2023, we recognized a one-time gain of \$15.4 million related to the disposal of an international brokerage business.

Depreciation and amortization

Depreciation for the three months ended September 30, 2023 increased \$5.2 million from \$12.1 million for the three months ended September 30, 2022 to \$17.3 million for the three months ended September 30, 2023. Depreciation for the nine months ended September 30, 2023 increased \$11.3 million from \$37.2 million for the nine months ended September 30, 2022 to \$48.5 million for the nine months ended September 30, 2023. The increase was due to depreciation associated with assets of acquired businesses as well as capital expenditures on leasehold improvements and internally developed software.

Amortization for the three months ended September 30, 2023 decreased \$0.6 million from \$17.7 million for the three months ended September 30, 2022 to \$17.1 million for the three months ended September 30, 2023. Amortization for the nine months ended September 30, 2023 decreased \$2.8 million from \$54.5 million for the nine months ended September 30, 2022 to \$51.7 million for the nine months ended September 30, 2023. The decrease was primarily due to certain definite-lived intangible assets becoming fully amortized during 2023.

Interest expense

Interest expense for the three and nine months ended September 30, 2023 increased \$24.9 million and \$65.3 million, respectively, compared to 2022. The increase was due to higher average debt balances in 2023 as well as an increase in average borrowing costs due to an increase in the floating rate benchmark used on our adjustable-rate debt. The increase was partially offset by the impact of interest rate swap agreements.

Income tax expense

Income tax expense for the three months ended September 30, 2023 totaled \$19.8 million resulting in an effective tax rate of 19.1%, as compared to income tax expense of \$38.8 million for

three months ended September 30, 2022 resulting in an effective tax rate of 37.1%. Income tax expense for the nine months ended September 30, 2023 totaled \$114.8 million resulting in an effective tax rate of 28.9%, as compared to income tax expense of \$104.3 million for nine months ended September 30, 2022 resulting in an effective tax rate of 31.8%. The significant items affecting our effective tax rate compared to the U.S. statutory rate of 21% include state income taxes, the impact of foreign operations, gain on the disposition of an international brokerage business and related foreign withholding taxes, research and development tax credits, certain nondeductible entertainment expenses, and stock compensation expenses.

Net income attributable to Amwins Group, Inc.

Net income for the three months ended September 30, 2023 was \$82.9 million compared to \$65.4 million for the three months ended September 30, 2022. The increase was due to the cumulative effect of the factors discussed above.

Net income for the nine months ended September 30, 2023 was \$280.8 million compared to \$220.3 million for the nine months ended September 30, 2022. The increase was due to the cumulative effect of the factors discussed above.

Year Ended December 31, 2022 Compared with the Year Ended December 31, 2021

The following table summarizes our consolidated results of operations for the year ended December 31, 2022 as compared to the prior year.

	Year Ended December 31			
			Variance	
	2022	2021	\$	%
	(in thousands)			
Statement of Operations Data:				
Commissions and fees	\$2,078,414	\$1,771,099	\$307,315	17.4%
Other income	99,450	70,622	28,828	40.8
Total revenues	2,177,864	1,841,721	336,143	18.3
Expenses:				
Employee compensation and benefits	1,314,530	1,078,893	235,637	21.8
Other operating expenses	196,161	179,223	16,938	9.5
Amortization and depreciation	123,886	108,924	14,962	13.7
Total operating expenses	1,634,577	1,367,040	267,537	19.6
Operating income	543,287	474,681	68,606	14.5
Interest expense	148,248	135,993	12,255	9.0
Loss on extinguishment of debt	—	42,384	(42,384)	(100.0)
Nonoperating expense	1,374	7,254	(5,880)	(81.1)
Income before income taxes	393,665	289,050	104,615	36.2
Income tax expense	120,194	84,755	35,439	41.8
Net income	273,471	204,295	69,176	33.9
Less: Net income attributable to noncontrolling interests	3,816	5,499	(1,683)	(30.6)
Net income attributable to Amwins Group, Inc.	\$ 269,655	\$ 198,796	\$ 70,859	35.6%

Revenues

Revenues for the year ended December 31, 2022 increased \$336.1 million, or 18.3%. Excluding acquisitions and the impact of foreign exchange rates (which were affected by a weakening of all major currencies against the U.S. dollar), revenues grew organically by \$291.8 million, or 16.0%. The organic growth in revenues for year ended December 31, 2022 was attributable to organic growth across all five divisions.

Wholesale Brokerage

Wholesale Brokerage revenues for the year ended December 31, 2022 increased \$200.6 million, or 21.9%, from \$917.2 million for the year ended December 31, 2021 to \$1,117.8 million for the year ended December 31, 2022. Excluding acquisitions, Wholesale Brokerage revenues increased organically by \$167.4 million, or 18.3%. The organic growth in revenues for the year ended December 31, 2022 was primarily driven by favorable market conditions (e.g. property lines pricing due to catastrophic weather events), increases in profit sharing income and the development of younger/less experienced brokers. This growth was partially offset by slowing new business submissions.

Access

Access revenues for the year ended December 31, 2022 increased \$39.6 million, or 18.3%, from \$216.7 million for the year ended December 31, 2021 to \$256.3 million for the year ended December 31, 2022. Excluding acquisitions, Access revenues increased organically by \$24.1 million, or 10.9%. The organic growth in revenues for the year ended December 31, 2022 was primarily driven by growth in our small commercial E&S (excess and surplus) lines and admitted and personal lines businesses through both the human (production underwriter) and digital distribution channels. The primary growth drivers were an increase in new business submissions, significant rate increases, particularly in the southeast and gulf regions, and an increase in the exposure base.

Specialty Underwriting

Specialty Underwriting revenues for the year ended December 31, 2022 increased \$52.5 million, or 18.4%, from \$285.4 million for the year ended December 31, 2021 to \$337.9 million for the year ended December 31, 2022. Excluding acquisitions, Specialty Underwriting revenues increased organically by \$40.7 million, or 14.4%. The organic growth in revenues for the year ended December 31, 2022 was primarily driven by increases in the underlying exposure base across a number of our casualty programs, the launch of several new programs and growth in our property programs from rate hardening in that sector.

Group Benefits

Group Benefits revenues for the year ended December 31, 2022 increased \$21.7 million, or 9.8%, from \$221.3 million for the year ended December 31, 2021 to \$242.9 million for the year ended December 31, 2022. Excluding acquisitions and after adjusting current and prior year revenues to eliminate revenues generated by certain accounts sold in 2022, Group Benefits revenues for the year ended December 31, 2022 increased organically by \$23.3 million, or 10.8%. The organic growth in revenues was due to increases in our stop loss business associated with both block growth and an increase in profit sharing commissions, growth in small to mid-sized group offerings, and growth in our PEO employee benefits program associated with an increase in PEPM rates.

International

International revenues for the year ended December 31, 2022 increased \$6.2 million, or 3.1%, from \$201.0 million for the year ended December 31, 2021 to \$207.2 million for the year ended December 31, 2022. Excluding the impact of acquisitions and foreign exchange rates (which, as noted above, were affected by a weakening of all major currencies against the U.S. Dollar), revenues for the year ended December 31, 2022 increased organically by \$20.7 million, or 11.1%. The organic growth was primarily due to increased revenues generated by our Lloyd's business in London, which benefits from the positive pricing trends affecting the North America property market, as well as our Brazil and Chile operations.

Expenses

Employee compensation and benefits

Employee compensation and benefits for the year ended December 31, 2022 increased \$235.6 million, or 21.8%, compared to 2021. Excluding expenses related to acquired businesses, employee compensation and benefits for the year ended December 31, 2022 increased \$201.6 million, or 18.7%, compared to 2021. This increase was primarily due to higher incentive compensation associated with the revenue growth in the period of \$79.9 million, the effect of prior year investment in new hires and raises of \$46.7 million, and an increase of \$13.1 million in benefit costs. In addition, there was a \$61.9 million increase in noncash equity and liability compensation expense due to new award grants.

Other operating expense

Other operating expense for the year ended December 31, 2022 increased \$16.9 million, or 9.5%, compared to 2021. Excluding expenses related to acquired businesses, other operating expense for the year ended December 31, 2022 increased \$11.1 million or 6.2%. The increase was primarily due an increase in travel and entertainment costs partially offset by gains on foreign currency transactions. In addition, during 2021 we incurred third-party fees in connection with financing transactions in February 2021 and July 2021, which did not recur in 2022.

Depreciation and amortization

Depreciation for the year ended December 31, 2022 increased \$8.8 million from \$42.9 million for the year ended December 31, 2021 to \$51.7 million for the year ended December 31, 2022. The increase was due to depreciation associated with assets of acquired businesses as well as capital expenditures on leasehold improvements and internally developed software.

Amortization for the year ended December 31, 2022 increased \$6.1 million from \$66.1 million for the year ended December 31, 2021 to \$72.2 million for the year ended December 31, 2022. The increase was primarily due to additional amortization of definite-lived intangible assets acquired as part of our acquisitions.

Interest expense

Interest expense for the year ended December 31, 2022 increased \$12.3 million compared to 2021 due to an increase in average outstanding debt balances in 2022. This increase was partially offset by a decrease in the average borrowing costs related to a reduction in the interest rate on our senior notes issued in July 2021 in relation to our prior senior notes redeemed in July 2021, as described below under “—Liquidity and Capital Resources.”

Loss on extinguishment of debt

In connection with the refinancing of our senior secured credit facilities in February 2021 and our senior notes in July 2021, we incurred a \$42.4 million loss on extinguishment of debt consisting of a prepayment premium and expenses to write-off unamortized original issue discount and unamortized financing fees and expenses.

Nonoperating expense

Nonoperating expense for the year ended December 31, 2022 decreased \$5.9 million compared to 2021. The decrease was primarily due to a smaller adjustment to our estimated earn-out payable in 2022 as compared to 2021 as a result of changes in the forecasted financial results of certain underlying acquisitions.

Income tax expense

Income tax expense for the year ended December 31, 2022 totaled \$120.2 million resulting in an effective tax rate of 30.5%, as compared to income tax expense of \$84.8 million for the year ended December 31, 2021 resulting in an effective tax rate of 29.3%. The increase was primarily a result of increased pre-tax earnings. The difference between the effective tax rate and the statutory rate of 21% is primarily due to state income taxes, the impact of foreign operations and nondeductible expenses primarily related to equity-based compensation.

Net income attributable to Amwins Group, Inc.

Net income for the year ended December 31, 2022 was \$269.7 million compared to \$198.8 million for the year ended December 31, 2021. The increase was due to the cumulative effect of the factors discussed above.

Year Ended December 31, 2021 Compared with the Year Ended December 31, 2020

The following table summarizes our consolidated results of operations for the year ended December 31, 2021 as compared to the prior year.

	Year Ended December 31			
			Variance	
	2021	2020	\$	%
	(in thousands)			
Statement of Operations Data:				
Commissions and fees	\$1,771,099	\$1,384,220	\$ 386,879	27.9%
Other income	70,622	100,753	(30,131)	(29.9)
Total revenues	1,841,721	1,484,973	356,748	24.0
Expenses:				
Employee compensation and benefits	1,078,893	867,543	211,350	24.4
Other operating expenses	179,223	158,345	20,878	13.2
Gain on disposal	—	(203,076)	203,076	100.0
Depreciation and amortization	108,924	82,514	26,410	32.0
Total operating expenses	1,367,040	905,326	461,714	51.0
Operating income	474,681	579,647	(104,966)	(18.1)
Interest expense	135,993	136,936	(943)	(0.7)
Loss on extinguishment of debt	42,384	—	42,384	—
Nonoperating expense	7,254	482	6,772	1,405.0
Income before income taxes	289,050	442,229	(153,179)	(34.6)
Income tax expense	84,755	125,885	(41,130)	(32.7)
Net income	204,295	316,344	(112,049)	(35.4)
Less: Net income attributable to noncontrolling interests	5,499	4,295	1,204	28.0
Net income attributable to Amwins Group, Inc.	\$ 198,796	\$ 312,049	\$(113,253)	(36.3)%

Revenues

Revenues for the year ended December 31, 2021 increased \$356.7 million, or 24.0%, compared to 2020. Excluding acquisitions, disposals and the impact of foreign exchange rates, revenues grew organically by \$243.1 million, or 17.0%. The organic growth in revenues for year ended December 31, 2021 was attributable to organic growth across all five divisions.

Wholesale Brokerage

Wholesale Brokerage revenues for the year ended December 31, 2021 increased \$243.2 million, or 36.1%, from \$674.0 million for the year ended December 31, 2020 to \$917.2 million for the year ended December 31, 2021. Excluding acquisitions, Wholesale Brokerage revenues increased organically by \$147.9 million, or 22.3%. The organic growth in revenues for the year ended December 31, 2021 was primarily driven by favorable market conditions, market share gains, improvements in market pricing and the development of younger/less experienced brokers.

Access

Access revenues for the year ended December 31, 2021 increased \$55.9 million, or 34.8%, from \$160.8 million for the year ended December 31, 2020 to \$216.7 million for the year ended

December 31, 2021. Excluding acquisitions, Access revenues increased organically by \$23.5 million, or 14.6%. The organic growth in revenues for the year ended December 31, 2021 was primarily driven by growth in our small commercial E&S (excess and surplus) lines and personal lines businesses due to an increase in new business submissions, rate increases and an increase in the exposure base.

Specialty Underwriting

Specialty Underwriting revenues for the year ended December 31, 2021 increased \$76.1 million, or 36.4%, from \$209.2 million for the year ended December 31, 2020 to \$285.4 million for the year ended December 31, 2021. In 2021 certain underwriters were transferred from the Group Benefits division to the Specialty Underwriting division. Excluding the impact of this transfer and acquisitions, Specialty Underwriting revenues increased organically by \$36.0 million, or 16.2%. The organic growth in revenue for the year ended December 31, 2021 was primarily driven by increased revenues for several of our MGU programs due to an increase in the exposure base (payrolls), the launch of new programs and organic growth across multiple existing product lines.

Group Benefits

Group Benefits revenues for the year ended December 31, 2021 decreased \$51.4 million, or 18.9%, from \$272.7 million for the year ended December 31, 2020 to \$221.3 million for the year ended December 31, 2021. As mentioned above, in 2021 certain underwriters were transferred from the Group Benefits division to the Specialty Underwriting division. Excluding the impact of this transfer, revenues attributable to a business sold during 2020 and acquisitions, Group Benefits revenues for the year ended December 31, 2021 increased organically by \$11.9 million, or 5.9%. The organic growth in revenues was due to the timing of profit sharing commissions from certain insurance carriers, additional revenues associated with small to mid-sized group offerings, and an increase in retiree benefit revenues and related policy count.

International

International revenues for the year ended December 31, 2021 increased \$35.9 million, or 21.7%, from \$165.1 million for the year ended December 31, 2020 to \$201.0 million for the year ended December 31, 2021. Excluding the impact of foreign exchange rates, revenues for the year ended December 31, 2021 increased organically by \$26.9 million, or 15.5%. The organic growth was primarily due to increased revenues generated by our London, Brazil and Mexico operations.

Expenses

Employee compensation and benefits

Employee compensation and benefits for the year ended December 31, 2021 increased \$211.4 million, or 24.4%, compared to 2020. Excluding expenses attributable to a business disposed of during 2020 and expenses related to acquired businesses, employee compensation and benefits for the year ended December 31, 2021 increased \$144.2 million, or 17.4%, compared to 2020. This increase was primarily due to higher incentive compensation of \$87.7 million associated with the revenue growth in the period, the effect of prior year investment in new hires and raises of \$36.8 million, and an increase of \$11.1 million in benefit costs. In addition, there was an \$8.6 million increase in noncash equity and liability compensation expense due to new award grants.

Other operating expense

Other operating expense for the year ended December 31, 2021 increased \$20.9 million, or 13.2%, compared to 2020. Excluding expenses attributable to a business disposed of during 2020 and

expenses related to acquired businesses, other operating expense for the year ended December 31, 2021 increased \$21.7 million or 15.6%. The increase was primarily due to third-party fees incurred in connection with financing transactions in February and July 2021 as discussed below under “—Liquidity and Capital Resources” and increased occupancy expense as a result of expanding our geographic footprint.

Gain on Disposal

During 2020, we recognized a one-time net gain of \$203.1 million related to the disposal of a benefit claims adjudication business.

Depreciation and amortization

Depreciation for the year ended December 31, 2021 increased \$6.6 million from \$36.3 million for the year ended December 31, 2020 to \$42.9 million for the year ended December 31, 2021. The increase was due to depreciation associated with assets of acquired businesses as well as capital expenditures on leasehold improvements and internally developed software.

Amortization for the year ended December 31, 2021 increased \$19.8 million from \$46.2 million for the year ended December 31, 2020 to \$66.1 million for the year ended December 31, 2021. The increase was primarily due to additional amortization of definite-lived intangible assets acquired as part of our acquisitions.

Interest expense

Interest expense for the year ended December 31, 2021 decreased \$0.9 million compared to 2020 due to a decrease in the average borrowing costs related to a reduction in the interest rate on our variable rate senior secured term loans as a result of an amendment to our credit facilities in February 2021 and a lower interest rate on our senior notes issued in July 2021 in relation to our prior senior notes redeemed in July 2021, as described below under “—Liquidity and Capital Resources.” This was partially offset by an increase in average outstanding debt balances in 2021.

Loss on extinguishment of debt

In connection with the refinancing of our senior secured credit facilities in February 2021 and our senior notes in July 2021, we incurred a \$42.4 million loss on extinguishment of debt consisting of a prepayment premium and expenses to write-off unamortized original issue discount and unamortized financing fees and expenses.

Nonoperating expense

Nonoperating expense for the year ended December 31, 2021 increased \$6.8 million compared to 2020 primarily due to changes in our estimated earn-out payable as a result of changes in the forecasted financial results of certain underlying acquisitions.

Income tax expense

Income tax expense for the year ended December 31, 2021 totaled \$84.8 million resulting in an effective tax rate of 29.3%, as compared to income tax expense of \$125.9 million for the year ended

December 31, 2020 resulting in an effective tax rate of 28.5%. The decrease was primarily a result of decreased pre-tax earnings attributable primarily to financing costs incurred during 2021 and a gain recognized on the sale of a business during 2020. The significant items affecting our effective tax rate compared to the U.S. statutory rate of 21% include state income taxes, the impact of foreign operations, certain nondeductible entertainment expenses, income/loss related to changes in estimated earnout accruals for nontaxable transactions, and stock compensation expense.

Net income attributable to Amwins Group, Inc.

Net income for the year ended December 31, 2021 was \$198.8 million compared to \$312.0 million for the year ended December 31, 2020. The decrease was due to the cumulative effect of the factors discussed above.

Liquidity and Capital Resources

Our primary sources of liquidity are cash flows from operations, operating cash and cash equivalents and funds available under our revolving credit facility.

When considering our liquidity, it is important to note that we also hold cash in a fiduciary capacity as a result of premiums received from insured parties that have not yet been paid to insurance carriers. The fiduciary cash is recorded as an asset on our balance sheet with a corresponding liability, net of our commissions, to insurance carriers and is not available for operating purposes. In addition, for policy premiums that have been billed but not collected, we record a receivable on our balance sheet for the full amount of the premiums billed, with a corresponding liability, net of our commissions, to insurance carriers. We earn interest on the premium cash during the period of time between receipt of the funds and payment of these funds to insurance carriers.

We believe that operating cash on our balance sheet, funds generated from our operations and funds available under our senior secured credit facilities will be sufficient to satisfy our existing commitments and provide us with adequate financial flexibility for working capital, including the effects of seasonality, and our current acquisition pipeline. However, if circumstances change, we may need to raise debt or equity capital in the future.

Senior Secured Credit Facilities and 4.875% Senior Notes

On February 19, 2021, we amended and restated our senior secured credit facilities. As amended, our senior secured credit facilities consisted initially of term loans of \$1,995.0 million original principal amount and a \$300.0 million revolving credit facility (substantially all of which was available at close for additional borrowings). The proceeds from these facilities were used to refinance the amounts outstanding under our prior senior secured credit facilities initially put in place in January 2017 consisting of term loans of approximately \$1,986.6 million original principal amount, and to pay related transaction expenses. By amending our senior secured credit facilities, we were able to extend the maturity dates of these facilities, reduce our borrowing costs and expand certain of our operating covenants, among other things.

On July 19, 2021, we completed the offering of \$790.0 million aggregate principal amount of our 4.875% Senior Notes made in the United States to qualified institutional buyers pursuant to Rule 144A under the Securities Act, and to non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act. The 4.875% Senior Notes are unsecured and accrue interest at an annual rate of 4.875%, payable semiannually in arrears on June 30 and December 31 of each year, beginning on December 31, 2021. The 4.875% Senior Notes will mature on June 30, 2029.

In connection with the issuance of the 4.875% Senior Notes, we incurred incremental term loans under our senior secured credit facilities in the aggregate principal amount of \$600.0 million.

We used a portion of the net proceeds from the sale of the 4.875% Senior Notes to repay in full and redeem our 7.75% Senior Notes due 2026 having an outstanding principal amount of \$650.0 million (and \$2.5 million of capitalized interest), and to pay a related redemption premium and all related transaction fees and expenses. We used the remaining net proceeds from the sale of the 4.875% Senior Notes, together with the net proceeds from our incremental term loans and cash on hand, to pay a dividend in September 2021 to Amwins Holding (and Amwins Holding's owners), and to fund payments made or to be made to certain holders of stock options of Amwins Group and unvested units of Amwins Holding required in connection with the dividend, in an aggregate amount of \$749.9 million.

In February 2023 we incurred additional incremental term loans under its senior secured credit facilities in the aggregate principal amount of \$850.0 million. We used the proceeds from these incremental term loans and cash on hand to pay a dividend in March 2023 to Amwins Holding (and Amwins Holding's owners), and to fund payments made and to be made to certain holders of stock options of Amwins Group and unvested units of Amwins Holding required in connection with the dividend, in an aggregate amount of approximately \$924.8 million.

As of September 30, 2023, there was \$3,335.5 million of term loans outstanding under our senior secured credit facilities, net of a \$18.4 million original issue discount and \$16.4 million of financing fees, \$781.9 million of 4.875% Senior Notes outstanding after giving effect to \$8.1 million of financing fees, and no borrowings outstanding under our senior secured revolving credit facility (which carries debt issuance costs of \$1.6 million) other than undrawn letters of credit having an aggregate face amount of \$2.0 million.

The term loans outstanding under our senior secured credit facilities mature on February 19, 2028 and amortize in quarterly installments of approximately \$8.6 million with the balance payable on the maturity date. Term loans in the amount of \$2,526.6 million bear interest at the greater of 0.75% or one-month Term SOFR plus the Term SOFR adjustment of 0.11% per annum, plus a margin of 2.25%, and terms loans in the amount of \$843.6 million bear interest at the greater of 0.75% or Term SOFR plus the Term SOFR adjustment of 0.11% per annum, plus a margin of 2.75%. As of September 30, 2023, these term loans bore interest at a weighted average rate of 7.82% per annum. The revolving line of credit matures on February 19, 2026 and bears interest at the greater of 0.0% or one-month Term SOFR plus the Term SOFR adjustment of 0.11% per annum, plus a margin of 2.25%.

Interest Rate Swap Agreements

We have entered into five-year interest rate swap agreements as a hedge against a portion of our variable rate term loans. The notional amount of the swaps is \$1.7 billion. We are paying interest at a weighted average fixed rate of 1.34% on the swaps. We are receiving interest at the greater of the one-month Compounded SOFR plus a Term SOFR spread adjustment of 0.11% per annum and either 1.00%, with respect to \$750 million notional amount of the swaps, or 0.75%, with respect to \$900 million notional amount of the swaps. At September 30, 2023, the receiving weighted average interest rate is 5.43% on the swaps. The interest rate swap agreements have a weighted average remaining maturity of 2.2 years at September 30, 2023.

Cash Flow

Cash and Cash Equivalents

Cash and cash equivalents inclusive of restricted cash totaled \$2,280.1 million at September 30, 2023, an increase of \$313.3 million from December 31, 2022. Cash and cash equivalents inclusive of restricted cash totaled \$1,966.8 million at December 31, 2022, an increase of \$386.4 million from December 31, 2021. Cash and cash equivalents inclusive of restricted cash totaled \$1,580.4 million at December 31, 2021, an increase of \$94.6 million from December 31, 2020. The increases were attributable to the factors set forth below.

Cash flows from operating activities

Net cash from operating activities primarily consists of net income, adjusted for certain non-cash items including depreciation and amortization, changes in estimated earn-out payables, equity and liability compensation expense, deferred income taxes, losses on the extinguishment of debt (when applicable), gain (losses) on disposals (when applicable) and the effect of changes in working capital and other activities.

Net cash provided by operating activities increased to \$657.3 million for the nine months ended September 30, 2023, from \$372.5 million for the nine months ended September 30, 2022. The increase in net cash provided by operating activities was primarily driven by differences in the receipt and disbursements of client fiduciary balances in 2023 compared to 2022 and by an increase in net income.

Net cash provided by operating activities increased to \$571.2 million for the year ended December 31, 2022, from \$529.5 million for the year ended December 31, 2021. The increase in net cash provided by operating activities was primarily driven by an increase in net income partially offset by differences in the receipt and disbursements of client fiduciary balances in 2022 compared to 2021.

Net cash provided by operating activities increased to \$529.5 million for the year ended December 31, 2021, from \$384.1 million for the year ended December 31, 2020. The increase in net cash provided by operating activities was primarily driven by timing differences in the receipt and disbursements of client fiduciary balances in 2021 compared to 2020.

Cash flows from investing activities

Our investing activities primarily consist of purchases or sales of businesses and equity investments and capital expenditures.

Net cash used in investing activities was \$231.3 million for the nine months ended September 30, 2023 compared to net cash used in investing activities of \$41.6 million for the nine months ended September 30, 2022. The increase in cash used in investing activities was driven by an increase in cash paid for acquisitions and equity investments and by an increase in capital expenditures in 2023 compared to 2022.

Net cash used in investing activities was \$107.4 million for the year ended December 31, 2022 compared to net cash used in investing activities of \$337.3 million for the year ended December 31, 2021. The decrease in cash used in investing activities was driven by a decrease in cash paid for acquisitions in 2022 compared to 2021.

Net cash used in investing activities was \$337.3 million for the year ended December 31, 2021 compared to net cash provided by investing activities of \$173.8 million for the year ended

December 31, 2020. The change in net cash from investing activities was primarily attributable to an increase in cash paid for acquisitions in 2021 compared to 2020 and \$226.2 million of proceeds from disposals made in 2020 which did not recur in 2021.

Cash flows from financing activities

Our financing activities primarily consist of borrowings and payments under our indebtedness and the payment of dividends.

Net cash used in financing activities was \$112.6 million for the nine months ended September 30, 2023, compared to \$38.7 million for the nine months ended September 30, 2022. The change in net cash used in financing activities was primarily attributable to a dividend paid in March 2023 partially offset by an increase in net borrowings related to incremental term loans incurred in February 2023, as discussed above under “—Liquidity and Capital Resources – Senior Secured Credit Facilities and 4.875% Senior Notes.”

Net cash used in financing activities was \$57.2 million for the year ended December 31, 2022, compared to \$91.9 million for the year ended December 31, 2021. The change in net cash used in financing activities was primarily attributable to a dividend paid in September 2021 partially offset by an increase in net borrowings related to the issuance of our 4.875% Senior Notes and incremental term loans incurred in July 2021, as discussed above under “—Liquidity and Capital Resources—Senior Secured Credit Facilities and 4.875% Senior Notes.”

Net cash used in financing activities was \$91.9 million for the year ended December 31, 2021, compared to \$757.6 million for the year ended December 31, 2020. The change in net cash used in financing activities was primarily attributable to an increase in net borrowings related to the issuance of our 4.875% Senior Notes and incremental term loans incurred in July 2021, as discussed above under “—Liquidity and Capital Resources—Senior Secured Credit Facilities and 4.875% Senior Notes.” In addition, dividends paid in 2021 decreased \$231.7 million compared to 2020.

In November 2016, the FASB issued new guidance that requires that a statement of cash flows explain the change during the period in the aggregate amount of cash, cash equivalents, restricted cash and restricted cash equivalents. As a result, amounts generally described as restricted cash and restricted cash equivalents are included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period cash balances shown on the statement of cash flows. We adopted this new guidance effective December 31, 2019, and the adoption of this new guidance changed the presentation of our Consolidated Statement of Cash Flows as we now show the changes in the aggregate amount of cash, cash equivalents and restricted cash in the statement of cash flows. Previously, the net change in restricted cash was reported as an operating activity, and cash paid for acquisitions, net of cash acquired, was not presented net of restricted cash.

Set forth below are tables that reflect the change during the nine months ended September 30, 2023 and 2022 and the years ended December 31, 2022, 2021 and 2020 in our cash flow statement (both including and excluding adoption of the guidance):

(in thousands of dollars)	Nine Months Ended September 30,	
	2023	2022
Net cash provided by operating activities (pre adoption)	\$ 562,516	\$ 313,847
Impact of adoption on net cash provided by operating activities	94,774	58,696
Net cash provided by operating activities (post adoption)	\$ 657,290	\$ 372,543
Net cash used in investing activities (pre adoption)	\$(229,241)	\$ (41,584)
Impact of adoption on net cash used in investing activities	(2,080)	—
Net cash used in investing activities (post adoption)	\$(231,321)	\$ (41,584)
Effect of exchange rates on cash and cash equivalents (pre adoption)	\$ 147	\$ (7,153)
Impact of adoption on effect of exchange rates on cash and cash equivalents	(207)	(29,737)
Effect of exchange rates on cash and cash equivalents (post adoption)	\$ (60)	\$ (36,890)
Net increase in cash and cash equivalents (pre adoption)	\$ 220,797	\$ 226,380
Impact of adoption on cash and cash equivalents	92,487	28,959
Net increase in cash and cash equivalents (post adoption)	\$ 313,284	\$ 255,339

(in thousands of dollars)	Years Ended December 31,	
	2022	2021
Net cash provided by operating activities (pre adoption)	\$ 379,529	\$ 217,159
Impact of adoption on net cash provided by operating activities	191,665	312,352
Net cash provided by operating activities (post adoption)	\$ 571,194	\$ 529,511
Net cash used in investing activities (pre adoption)	\$(112,606)	\$(398,745)
Impact of adoption on net cash provided by investing activities	5,244	61,465
Net cash used in investing activities (post adoption)	\$(107,362)	\$(337,280)
Effect of exchange rates on cash and cash equivalents (pre adoption)	\$ (1,950)	\$ (2,650)
Impact of adoption on effect of exchange rates on cash and cash equivalents	(18,269)	(3,163)
Effect of exchange rates on cash and cash equivalents (post adoption)	\$ (20,219)	\$ (5,813)
Net increase (decrease) in cash and cash equivalents (pre adoption)	\$ 207,808	\$(276,091)
Impact of adoption on cash and cash equivalents	178,640	370,654
Net increase in cash and cash equivalents (post adoption)	\$ 386,448	\$ 94,563

(in thousands of dollars)	Years Ended December 31,	
	2021	2020
Net cash provided by operating activities (pre adoption)	\$ 217,159	\$ 276,648
Impact of adoption on net cash provided by operating activities	312,352	107,459
Net cash provided by operating activities (post adoption)	<u>\$ 529,511</u>	<u>\$ 384,107</u>
Net cash (used in) provided by investing activities (pre adoption)	\$(398,745)	\$ 195,210
Impact of adoption on net cash provided by (used in) investing activities	61,465	(21,434)
Net cash (used in) provided by investing activities (post adoption)	<u>\$(337,280)</u>	<u>\$ 173,776</u>
Effect of exchange rates on cash and cash equivalents (pre adoption)	\$ (2,650)	\$ 1,557
Impact of adoption on effect of exchange rates on cash and cash equivalents	(3,163)	6,194
Effect of exchange rates on cash and cash equivalents (post adoption)	<u>\$ (5,813)</u>	<u>\$ 7,751</u>
Net decrease in cash and cash equivalents (pre adoption)	\$(276,091)	\$(284,137)
Impact of adoption on cash and cash equivalents	370,654	92,219
Net increase (decrease) in cash and cash equivalents (post adoption)	<u>\$ 94,563</u>	<u>\$(191,918)</u>

Contractual Obligations

The following table summarizes our contractual historical cash obligations as of September 30, 2023.

	Payments Due by Period				
	Total	Less than one year	One to three years	Three to five years	More than five years
	(in thousands of dollars)				
Long-term debt (1)	\$4,160,228	\$ 34,465	\$ 68,930	\$3,266,833	\$790,000
Interest on long-term debt (2)	1,379,875	305,453	601,250	434,660	38,512
Earnout payables (3)	7,687	2,905	4,683	99	—
Finance lease obligations (4)	6,825	2,969	3,730	126	—
Operating lease obligations (5)	292,041	41,866	82,817	64,459	102,899
Total	<u>\$5,846,656</u>	<u>\$387,658</u>	<u>\$761,410</u>	<u>\$3,766,177</u>	<u>\$931,411</u>

- (1) Represents the principal amount of our long-term debt, without giving effect to any amortization of original issue discount or other accounting adjustments.
- (2) Represents estimated interest expense incurred on long-term debt. For such purposes, we assume that the interest rate in effect at the end of the applicable period (September 30, 2023, for purposes of the table above) will continue in effect through the maturity date of such debt.
- (3) Reflects the deferred contingent consideration arising from acquisitions on an undiscounted basis.
- (4) Reflects the aggregate future minimum lease payments under all finance lease agreements on an undiscounted basis.
- (5) Reflects the aggregate future minimum lease payments under all non-cancelable lease agreements in excess of one year.

Off-Balance Sheet Arrangements

We have no material off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on our financial condition, results of operations or liquidity.

Critical Accounting Policies and Estimates

We prepare our financial statements in accordance with GAAP on a going-concern basis. The preparation of our consolidated financial statements in accordance with GAAP requires management to make estimates that affect the reported amounts of our assets, liabilities, revenues and expenses. We periodically evaluate these estimates, which are based on historical experience and on various other assumptions that management believes to be reasonable under the circumstances. If actual performance should differ from historical experience or if the underlying assumptions were to change, our financial condition and results of operations might be materially impacted. In addition, some accounting policies require significant judgment to apply complex principles of accounting to certain transactions, such as acquisitions, in determining the most appropriate accounting treatment. See Note 1 to our audited consolidated financial statements for the year ended December 31, 2022 for a detailed description of our critical accounting policies.

On January 1, 2020 we adopted new accounting guidance that requires that a statement of cash flows explain the change during the period in the aggregate amount of cash, cash equivalents, restricted cash and restricted cash equivalents. As a result, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period cash balances shown on the statement of cash flows. We were required to adopt this new guidance for all periods commencing on or after January 1, 2020, and the adoption of this new guidance changed the presentation in our Consolidated Statement of Cash Flows as we now show the changes in the aggregate amount of cash, cash equivalents and restricted cash in the statement of cash flows. Previously, the net change in restricted cash was reported as an operating activity, and cash paid for acquisitions, net of cash acquired, was not presented net of restricted cash.

We believe the following significant accounting estimates and policies are material to our financial reporting and are subject to a degree of subjectivity or complexity.

Revenue Recognition and Reserves

Commission income and fees from the sale of property and casualty insurance products are recorded as of the effective date of the insurance coverage or the date the coverage is bound, whichever is later. At that point, the earnings process has been completed, and we can reasonably estimate the impact of policy cancellations for refunds and establish reserves based primarily on our historical cancellation experience, as adjusted for significant known circumstances as well as management's judgment about known conditions. Commission income from the sale of group benefits insurance products or services is recognized as earned over the policy or contract period, which typically corresponds to the monthly billing cycle based on eligible enrollment.

We record a reserve for policy cancellations, which is evaluated periodically and adjusted as necessary based upon historical cancellation experience. Subsequent commission adjustments are recognized upon notification from insurance carriers. We utilize our historical actual cancellation experience to develop an estimated percentage of premiums cancelled. We believe this methodology is reasonable based on the fact that the data is from a large pool of homogenous transactions. This percentage is applied to each year's actual revenue to derive the estimated portion of that year's revenues that will be cancelled in a future period. Our historical policy cancellation experience has not fluctuated materially in the past. However, a change in our historical cancellation experience could cause us to adjust our estimated reserve in future periods. Cancellation trends could change based on significant changes in insurance capacity or pricing. In general, we expect policy cancellations to increase during a market experiencing significant price declines, and we expect cancellations to decrease during a market experiencing increasing prices.

Profit commission income is estimated and accrued to the extent a significant reversal is not probable.

Acquisitions and Purchase Price Allocations

We have acquired significant intangible assets through acquisitions of businesses. These assets generally consist of purchased customer accounts, carrier relationships, non-compete agreements and the excess of purchase prices over the fair value of identifiable net assets acquired (goodwill). The determination of estimated useful lives and the allocation of purchase price to intangible assets require significant judgment and affect the amount of future amortization and possible impairment charges.

All of our business combinations have been accounted for using the acquisition method. In connection with these acquisitions, we record the estimated value of the net tangible assets purchased and the value of the identifiable intangible assets purchased, which typically consist of purchased customer accounts, carrier relationships and non-compete agreements. Purchased customer relationships are amortized based on the expected undiscounted cash flows over the related estimated lives and contract periods, which range from 6 to 20 years. Trade names and noncompete agreements are amortized using the straight-line method over their estimated useful lives (5 to 8 years for trade names and 3 to 5 years for noncompete agreements). Purchased carrier relationships are being amortized on a straight-line basis over the related estimated life of 40 years.

Purchased customer relationships obtained from acquired businesses are records and files that contain information regarding retail broker insurance customers and their accounts that are essential to maintaining that relationship. Purchased carrier relationships represent the estimated value of the program management services contract between us and a mutual insurance company. The management services contract is renewable annually on June 30. We expect the cash flows associated with the purchased carrier relationship to continue for a minimum of 40 years from the date of acquisition. The excess of the purchase price of an acquisition over the fair value of the identifiable tangible and intangible assets is assigned to goodwill and is not amortized.

In determining the purchase price for the acquisitions, we considered various factors including: (a) historical and projected revenue streams and operating cash flows of each company; (b) the management teams and sales personnel; (c) the potential to expand the market for our products/services through their existing distribution channels; (d) the complementary nature of each company's product/services offerings as an extension of the offerings of our existing business; and (e) the potential for new product/service offerings.

Intangible Asset Impairment

Goodwill and intangible assets that are not subject to amortization are tested for impairment annually, or more frequently if events or changes in circumstances indicate that the asset might be impaired. We classify goodwill and certain trade names as indefinite lived intangible assets not subject to amortization.

We review for goodwill impairment by first assessing qualitative factors to determine whether any impairment may exist. If we believe, as a result of the qualitative assessment, that it is more likely than not that the fair value of the reporting unit is less than its carrying value, a quantitative two-step test is required; otherwise, no further testing is required. For the quantitative test, we compare the fair value of each reporting unit with its carrying value to determine if there is a potential impairment of goodwill. Based on the aggregation of our business components, our reporting units correspond to our divisions described above. If the fair value of the reporting unit is less than its carrying value, an impairment loss would be recorded to the extent that the fair value of the goodwill within the reporting unit is less than

its carrying value. Fair value is estimated using an income and market approach which includes consideration of multiples of revenues, EBITDA and estimated discounted future cash flows.

We completed our annual goodwill impairment analysis as of December 31, 2022. There were no events or changes since the period following the annual impairment review through September 30, 2023 that caused us to perform an interim period impairment assessment.

For nonamortizable trade names, we review for impairment by first assessing qualitative factors to determine whether any impairment may exist. If we believe, as a result of the qualitative assessment, that it is more likely than not that the fair value of the nonamortizable trade name is less than its carrying value, a quantitative two-step test is required; otherwise, no further testing is required. For the quantitative test, we compare the fair value of the nonamortizable trade name with its carrying value to determine if there is a potential impairment. If the estimated fair value is less than the carrying amount of the nonamortizable trade name, then an impairment charge is recorded to reduce the asset to its estimated fair value. The estimated fair value is determined on the basis of discounted future cash flows.

We completed our annual nonamortizable trade names impairment analysis as of December 31, 2022. There were no events or changes since the period following the annual impairment review through September 30, 2023 that caused us to perform an interim period impairment assessment.

Equity and Liability Based Compensation

Equity and liability based compensation cost is measured at the grant date based on the fair value of the award and is recognized as expense on a straight-line basis over the requisite service period, which is the vesting period. If the vesting terms are not met, no compensation cost is recognized and any previously recognized compensation cost is reversed. We use the “modified prospective” method to account for equity-based compensation. We use the alternative transition method to determine the accounting of the income tax effects of payments made related to stock-based compensation.

The fair value of common stock for options granted has historically been estimated by management using a market-based valuation methodology that estimates our enterprise value by using adjusted EBITDA multiplied by relevant market multiples. We did not obtain contemporaneous valuations by an unrelated valuation specialist because we had a reliable measure of fair value as a result of acquisitions and market transactions, negotiated at arm’s-length prices with third parties throughout the period, which included equity consideration, to support the fair value of our common stock.

Income Taxes

We record income tax expense using the asset and liability method of accounting for deferred income taxes. Deferred tax assets and liabilities are determined based on the difference between the financial statement and tax basis of assets and liabilities. Deferred tax assets and liabilities at the end of each period are determined using the currently enacted tax rate expected to be in effect when taxes are actually paid or recovered. Valuation allowances may be recorded to reduce deferred tax assets to the amounts management concludes are more likely than not to be realized. We recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such positions are then measured based on the largest benefit that has a greater than 50% likelihood of being realized upon settlement.

Derivatives

We have entered into five-year interest rate swap agreements as a hedge against a portion of our variable rate term loans. The terms of the agreements require that we pay a fixed rate on the notional amount to a bank, and the bank pays us a variable rate on the notional amount equal to a base SOFR. We have assessed this derivative as a highly effective cash flow hedge, and accordingly, changes in the fair market value of the interest rate swap are reflected in other income. Any differences between the fair value of the hedge and the item being hedged, referred to as the ineffective portion of the hedge, is immediately recognized in earnings as other operating expense. The fair market value of this instrument is determined by quotes obtained from the related counterparties in combination with a valuation model utilizing discounted cash flows. The valuation of this derivative instrument is a significant estimate that is largely affected by changes in interest rates. If interest rates increase or decrease, the value of this instrument will change accordingly.

Quantitative and Qualitative Disclosures About Market Risk

Market risk is the potential loss arising from adverse changes in market rates and prices, such as interest rates and foreign exchange rates. We are exposed to market risk through our senior secured credit facilities and international operations. We use various techniques to manage our risk, including, from time to time, the use of derivative instruments. We have not entered, and do not plan to enter, into any derivative financial instruments for trading or speculative purposes.

As of September 30, 2023, there was \$3,335.5 million of term loans outstanding under our senior secured credit facilities, net of a \$18.4 million original issue discount and \$16.4 million of financing fees, and no borrowings outstanding under our senior secured revolving credit facility (which carries debt issuance costs of \$1.6 million) other than undrawn letters of credit having an aggregate face amount of \$2.0 million. Term loans in the amount of \$2,526.6 million bear interest at the greater of 0.75% or Term SOFR plus the Term SOFR adjustment of 0.11% per annum, plus a margin of 2.25%, and term loans in the amount of \$843.6 million bear interest at the greater of 0.75% or Term SOFR plus the Term SOFR adjustment of 0.11% per annum, plus a margin of 2.75%. Interest on the revolving credit facility is the greater of 0.0% or Term SOFR plus the Term SOFR adjustment of 0.11% per annum, plus a margin of 2.25%. As of September 30, 2023, these term loans bore interest at a weighted average rate of 7.82% per annum. Based on our outstanding debt balances at September 30, 2023, an immediate hypothetical change of 10% in the interest rate would cause a change in interest expense of approximately \$8.6 million on an annual basis, net of the effect of our interest rate swap agreements.

We have entered into five-year interest rate swap agreements as a hedge against a portion of our variable rate term loans. The notional amount of the swaps is \$1.7 billion. We are paying interest at a weighted average fixed rate of 1.34% on the swaps. We are receiving interest at the greater of the one-month Compounded SOFR plus a Term SOFR spread adjustment of 0.11% per annum and either 1.00%, with respect to \$750 million notional amount of the swaps, or 0.75%, with respect to \$900 million notional amount of the swaps. At September 30, 2023, the receiving weighted average interest rate is 5.43% on the swaps. The interest rate swap agreements have a weighted average remaining maturity of 2.2 years at September 30, 2023.

We are subject to exchange rate risk primarily in our U.K.-based wholesale brokerage business that has a cost base principally denominated in British Pounds and a revenue base in several other currencies, but principally in U.S. dollars. Based upon our foreign currency rate exposure as of September 30, 2023, an immediate 10% hypothetical change in foreign currency exchange rates would not have a material effect on our results of operations.

BUSINESS

We are a leading global distributor of specialty insurance products and services. We have expertise across a diversified mix of property, casualty, professional and group benefits products. We also offer other value-added services to support some of these products, including policy underwriting, premiums and claims administration, and actuarial services. Headquartered in Charlotte, North Carolina, we conduct business through offices in over 120 locations in the United States and 20 locations in 12 foreign countries.

In 2023, we placed over \$33 billion in premium volume and more than 1.2 million policies. Our customers consist primarily of retail insurance brokerage firms who seek our assistance, expertise and access to certain insurance markets and rely on our specialty knowledge to structure and place insurance coverage. Through our proprietary enterprise operating system (AmLINK), we maintain the largest centralized database of P&C, insurance market data in the wholesale insurance industry. Based on information published in September 2023 by *Business Insurance*, we believe we are the largest U.S. P&C wholesale insurance broker and the second largest U.S. wholesale insurance broker overall based on premiums placed.

We have extensive knowledge of the specialty insurance market, which allows us to assist retail insurance brokers and others deliver cost-effective coverage solutions to their clients. We have established relationships with more than 2,500 insurance carriers and markets and more than 34,000 retail insurance brokerage firms. Our size, scale and strong relationships within the insurance marketplace enhance our ability to provide our customers with comprehensive access to these markets. We also use our product expertise and relationships with insurance carriers to structure new insurance programs and products to respond to opportunities and customer needs in the marketplace.

Products and Services

We distribute insurance products and services primarily through our five divisions: Brokerage, Access, Underwriting, Group Benefits and International.

Brokerage

Through our retail broker customers, our Brokerage division provides businesses and governmental entities access to a broad range of specialty P&C insurance products available in the specialty admitted and E&S markets. We are involved in the placement of many lines of P&C insurance products, such as property, property catastrophe, general liability, commercial automobile liability, automobile physical damage, umbrella/excess liability and excess workers' compensation insurance. In addition, we also place a broad range of professional and financial insurance products such as directors' and officers', professional liability, cyber liability and employment practices insurance products. As a value-added intermediary, we offer insurance carriers an efficient variable-cost distribution platform through our producers who understand their products and underwriting appetite, and we assist our retail insurance broker customers with virtually all types of P&C and specialty niche insurance products they may not have the expertise or ability to place directly. For the twelve months ended September 30, 2023, our Brokerage division represented approximately 51% of our total Pro Forma Revenues.

Access

Our Access division focuses on the placement of P&C insurance for small commercial and personal lines insurance products, primarily through binding authority arrangements with a wide array

of insurance carriers. We launched Access as a stand-alone division in January 2015 to consolidate our existing small account binding authority business. Since that time, we have expanded Access through acquisitions and an aggressive recruiting and training program for new underwriters.

Our strategic vision for Access is to efficiently deliver a broad array of options for small businesses and high net worth individuals. A key driver for success in this division is the ability to leverage technology to allow our underwriters to quickly deliver an array of coverage options for our retail clients. We believe we are well on our way to fulfilling this strategic vision. As of September 30, 2023, Access had over 1,100 employees spread across 48 production branches and over 230 teams of underwriters. Access placed over 500,000 policies annually, most of which involve less than \$25,000 in premium. For the twelve months ended September 30, 2023, our Access division represented approximately 12% of our total Pro Forma Revenues.

Underwriting

Through our Underwriting division, we operate a variety of stand-alone specialty insurance programs. Under these programs, insurance carriers have authorized us to bind coverage on their behalf as an MGU for a designated type of risk, business or industry. Our authority to bind insurance is usually subject to underwriting guidelines, policy limits and pricing parameters that are typically developed jointly by these carriers and us on a collaborative basis and are specific to each program.

When we serve as an MGU, we generally receive requests for insurance directly from retail insurance brokers, evaluate the risk based on the information submitted, and decide whether we will offer a quote for insurance coverage. If our client decides to bind coverage, we issue policies on behalf of the insurance carriers we represent. Our Underwriting division operates on behalf of insurance carriers and does not take insurance risk for the policies we bind.

We typically bill and collect premiums on behalf of the insurance carrier. For some of our programs, we also administer claims. We believe these capabilities further strengthen our relationships with carriers and retail brokers through a deeper and more connected role in the insurance economic value chain. In many cases, our insurance carrier partners rely on our product knowledge and access to targeted risk classes. Certain products we offer within this division are proprietary in nature, including a property catastrophe product that is only distributed through our Brokerage division.

We have a team of actuaries to support our MGU programs. Our actuarial staff provides actuarial and catastrophe modeling services to our insurance carrier partners to help monitor the overall profitability of these programs. Our actuaries also monitor the performance of our programs and work with our underwriters and insurance carriers to develop rate tracking mechanisms, pricing models and other underwriting tools. Our ability to analyze loss experience for our MGU programs enables us to be more proactive in adjusting pricing to ensure we are delivering adequate underwriting returns to our carrier partners.

For the twelve months ended September 30, 2023, our Underwriting division represented approximately 15% of our total Pro Forma Revenues.

Group Benefits

Our Group Benefits division distributes a range of accident and health benefit products, including major medical, stop-loss, ancillary, retiree medical and prescription drug insurance products designed for employers and other member groups, such as trade associations, chambers of commerce, unions and professional organizations. We serve as a general agent (GA) by providing core and specialty

benefit products to our customers, who include retail benefit brokers and benefit consultants. We also serve as the exclusive employee benefits program manager in 14 jurisdictions for the largest professional employer organization (PEO) in the United States. In that role, we underwrite, manage and administer health and other employee benefit plans for employer groups that join the PEO. In addition, we distribute a group Medicare supplemental medical plan as well as a Medicare-approved prescription drug plan under Part D of the Social Security Act, primarily to employer groups that historically have offered retiree health benefits to their retired employees and are looking for alternative solutions. Our Group Benefits division provides products and services for over 57,000 employer groups that encompass over seven million employee lives. Revenue from this division is generated by an array of brokerage services (distribution of group health and benefit products), third-party administration services (for carriers, self-funded employer health plan sponsors and insureds), and underwriting (MGU for niche health and other benefit insurance programs).

We also place and administer a wide array of group benefit products for member organizations. These products are acquired by national, regional and local member groups that frequently do not have the capability or desire to administer these plans and that seek ways to make membership in their organizations more appealing. Through our relationships with insurance carriers, we are able to help design customized group benefit plans to address the varying needs of these organizations.

We are able to handle virtually all aspects of administering the types of group benefit products we place, including plan enrollment, eligibility, billing, collection and claims administration. We have made a substantial investment in several call centers that we use to provide assistance and support for the plans we administer. We provide administrative services to both insurance carriers and employers for plans we distribute as well as plans distributed by others.

For the twelve months ended September 30, 2023, our Group Benefits division represented approximately 10% of our total Pro Forma Revenues.

International

Anchored by our Lloyd's of London brokerage business, our International division places a wide variety of P&C and financial risk insurance products to businesses as well as both facultative and treaty reinsurance products. This division provides specialty insurance and reinsurance brokerage services in the United States and a number of foreign countries. We have subsidiaries operating in Bermuda, Brazil, Chile, Mexico, Netherlands, South Korea and the United Kingdom. In addition, we have investments in, or licensing arrangements with, businesses operating in Argentina, Australia, Colombia, Ecuador, Peru and Uruguay. Our International division operates under the "Amwins Global Risks" or "THB" brand names.

For the twelve months ended September 30, 2023, our International division represented approximately 9% of our total Pro Forma Revenues.

Our Industry

We operate our business within the wholesale insurance distribution market, but place products associated with the broader P&C and employee benefits insurance markets.

Property and Casualty Insurance Market. P&C insurance brokerage is dependent on the economic performance of the broader P&C insurance market as brokers receive a commission based on a percentage of the dollar amount of the premiums placed. The volume of premiums placed is a function of both insurance rates or premium pricing and the underlying amount of coverage purchased.

The amount of coverage purchased is affected by the broader macro-economic conditions within each market, and there tends to be a high correlation in the United States between GDP growth and the amount of premiums. Premium pricing is cyclical in nature and varies between “hard” markets in which premium rates are increasing, as compared to “soft” markets in which rates are declining. Insurance brokers typically are fee-based businesses that do not assume significant insurance liability risk.

Insurance carriers sell commercial P&C and professional insurance products in the U.S. through “admitted” insurance carriers, which are carriers that are licensed in the state in which the risk is located, and “nonadmitted” insurance carriers that sell their products in the E&S lines market. Within the insurance market, there are standard insurance products and specialty insurance products. For standard insurance products, insurance rates, forms and coverages are relatively uniform, and insurance carriers tend to compete for customers primarily on the basis of reputation, financial strength, price, claims service and commissions. Specialty insurance products are sold to insured parties with more specialized or complex risks that do not fit the underwriting criteria of standard insurance products. Although price tends to be a key basis of competition among specialty insurance carriers, the coverage terms also are an important competitive factor.

Group Benefits Insurance Market. Group benefit insurance products are sold by life and health insurance carriers, which transact business with both wholesale and retail insurance brokers and, in some cases, directly with the sponsoring organization. Wholesale distributors of group benefit products generally place specialized group benefit products for unusual, unique or specific types of coverage. Some wholesale distributors also provide administrative services, such as premium, claims and other administrative services, to both insurance carriers and sponsoring organizations to support these products.

Wholesale Insurance Brokerage Market. Wholesale insurance brokers act as intermediaries between insurance carriers and retail insurance brokers by assisting retail brokers place business that is outside of their core expertise or ability to place directly. Wholesale insurance brokers often provide retail insurance brokers with specialty and E&S insurance products offered by admitted and non-admitted insurance carriers. It is not uncommon for retail insurance brokerage firms to use several wholesale insurance brokerage firms to assist in the placement of insurance. Similarly, insurance carriers typically distribute their products through multiple wholesale insurance brokerage firms. When a wholesale broker is used, the wholesale broker will pay a part of its commissions to the retail insurance broker. In some cases, wholesale insurance brokers act as an MGU for an insurance carrier. An MGU generally has authority to bind coverage on behalf of an insurance carrier for a specific type of risk, subject to agreed-upon guidelines and limits. An MGU does not, as such, take underwriting risks for the products that it distributes.

The wholesale distribution channel allows insurance carriers to distribute their products more efficiently. Insurance carriers use wholesale insurance brokers because of their product expertise and distribution capabilities, allowing them to reduce or avoid the infrastructure and personnel costs associated with maintaining relationships with a large number of retail insurance brokerage firms. Wholesale insurance brokers typically are compensated by commissions paid by the insurance carrier, although they can also receive fees in addition to commissions for placing certain insurance policies. Commissions generally are calculated as a percentage of the gross premium for the underlying insurance policy. Many factors affect commission rates, including the type of insurance, competition among insurance carriers for that type of insurance, the particular insurance carrier involved, market cycles and the nature of the services provided by the wholesale insurance broker. When retail insurance brokers use wholesale insurance brokers to place coverage, they will agree how to split commissions paid by the insurance carrier. Historically, insurance carriers have frequently paid a greater commission rate on products distributed through wholesale insurance brokers because of the expertise provided by wholesale insurance brokers and because insurance carriers have lower

infrastructure and other distribution costs for products distributed through the wholesale distribution channel. In addition, insurance carriers will sometimes pay wholesale insurance brokers contingent commissions that depend on the volume or profitability of the business they place for the carrier.

The wholesale insurance brokerage industry has been affected by several macro and micro changes that have impacted the industry in recent years. Because of consolidation, the industry has become bifurcated between a few national firms and a large number of smaller regional and local firms. The national firms are better positioned to work with the largest and most sophisticated carriers due to a wider breadth of retail broker relationships as well as their technological sophistication. The larger the wholesale brokerage firm, the more integral they are to the distribution model of the insurance carriers operating in this segment of the insurance industry. Some specialty insurance carriers have shifted their focus away from doing business with a large number of retail brokers to selling their products through targeted distribution to select wholesale insurance brokers who understand their products and underwriting appetite, which reduces the complexity of their business and shifts costs from fixed to variable. The retail insurance brokerage industry has seen a large amount of consolidation over several years as the industry shifts from a high degree of fragmentation to one where several national platforms have emerged. This trend can have a positive or negative impact on the wholesale brokerage firms that do business with these retail brokerage firms, depending on their prior relationship with the consolidating firms and the post-consolidation strategy of the combined firms. Notwithstanding the substantial consolidation of retail brokerage firms, there are still more than 40,000 retail brokerage firms operating in the United States.

Our Competition

The insurance brokerage industry is highly competitive. A number of firms actively compete with us for clients and access to insurance carriers. Our Brokerage and International divisions compete with a number of other wholesale insurance brokerage firms, some of which are operated by large retail insurance brokerage firms, banks or financial service companies, as well as retail insurance brokerage firms and insurance companies. Some of our competitors are owned by customers.

We primarily compete for business on the basis of relationships, reputation, client service, expertise in a given specialty line, and program and product offerings. Our ability to tailor our products and risk management services to meet the needs of retail insurance brokers can be a key differentiator.

Our Underwriting and Access divisions compete with a variety of sources for standard and specialized insurance products that provide coverage similar to the types of products we distribute. In many cases, our competitors are other insurance carriers that offer similar products. In addition, we frequently compete with small- to mid-sized wholesale brokerage firms that provide products that are similar to the products offered by our MGU and binding authority programs.

Although there are no large national wholesale insurance brokerage firms that regularly compete with our Group Benefits division, we compete with a variety of other businesses, including retail insurance brokers that distribute products similar to the types of products we distribute, insurance carriers that distribute these products directly through retail insurance brokers or to insured parties, benefit consultants who are able to assist in the distribution of these products and a number of other companies that provide group benefit administrative services. Our Group Benefits division competes for clients on the basis of product design and pricing, product knowledge and the ability to provide ancillary administrative services, as well as the cost of these services.

Our Strengths

Leading market position, with extensive customer and carrier relationships. Our size and scale provide us with a unique position in the wholesale market to better assist our retail insurance brokerage clients and increase our relevance and position with our insurance carrier partners. As we increase both our market share with retail brokers and the depth of our relationships with insurance carriers, we further enhance our value proposition by providing better access to both constituents. We partner with over 2,500 insurance carriers and markets and maintain more than 34,000 retail brokerage firm relationships. Our scale and sophistication has led to increasing market clout and enhanced specialty product knowledge, further enhancing our market leading position. Based on information published in September 2023 by *Business Insurance*, we believe we are the largest U.S. P&C wholesale insurance broker and the second largest U.S. wholesale insurance broker overall based on premiums placed.

Diversified business platform. Our business model is highly diversified by the type of insurance products offered, the number of carrier and retail broker relationships, and the geographic scope of our operations globally. We believe our level of diversification helps insulate our business from changes (both macro and micro) affecting the customers and markets we serve and allows us to generate a more stable revenue stream. We are not dependent on any retail insurance broker customer (for the twelve-month period ended September 30, 2023, no retail broker customer accounted for more than 6% of our commissions and fees, and our top five retail broker customers accounted for less than 19% of our commissions and fees) or insurance carrier or market (for the twelve-month period ended September 30, 2023, no individual carrier or market accounted for more than 6% of our premium volume, and our top five carriers represented approximately 18% of premium volume).

Proven business model supports sustained growth with robust, recurring cash flow generation. Our size and scale give us an advantage in terms of our relationships with both our retail insurance broker clients and our carrier partners. As large retail brokers seek to reduce the number of wholesale brokers they use, our size and scale make us attractive given the breadth of our access to carriers and specialty insurance products. Similarly, our size, scale and relationships with retail brokerage firms make us a key component of the distribution model of insurance carriers that offer the products we place. Our scale and business flow also enhances our expertise and experience in specialty risks, allowing us to provide better service to our clients and help our insurance carriers develop new products. This business model has historically generated steady organic revenue growth (18.8% for the nine-month period ended September 30, 2023, 16.0% in 2022 and 17.0% in 2021, in each case compared to the preceding comparable period), expanding Adjusted EBITDA margins (35.4% for the nine-month period ended September 30, 2023, 34.3% in 2022 and 34.4% in 2021), and solid cash flow generation.

Proven consolidator in fragmented industry. We maintain a broad U.S. and international platform and have historically used, and expect to continue to use, a disciplined acquisition strategy to expand our market share, product capabilities, diversification and geographic footprint. We believe this strategy has enhanced our business and complements our focus on core organic growth and operational improvement. We are selective about the acquisition targets we pursue. We completed eight acquisitions since January 1, 2020. We believe our entrepreneurial culture, decentralized approach to managing our business and centralized support offered by our corporate staff make Amwins appealing to individuals who have decided to sell their business. Virtually all of the owners of the businesses we have acquired have remained actively engaged in the business post-acquisition, which has facilitated the integration of these businesses.

Experienced management team. Our Chairman, Vice Chairman, Chief Executive Officer, President, Chief Financial Officer and division presidents have substantial experience and long-

standing relationships developed over an average of more than 20 years of experience in the insurance industry. Our management team draws on its relationships and experience in the industry to identify opportunities to expand our business and collaborate with insurance carriers to help develop products to respond to market trends. Through their extensive relationships in the insurance industry, our management team also contributes to the successful recruitment of key brokers and underwriters to join Amwins.

Our Strategy

Increase growth by expanding distribution. We strive to prudently grow our business by expanding our distribution channels across all of our divisions. Over the last five years, we have hired over 200 new brokers and underwriters in the United States, excluding brokers hired in connection with acquisitions. We intend to continue to organically grow our revenue through the addition of new brokers and underwriters and enhanced penetration of our existing markets. We have generated organic revenue growth of 18.8% during the nine-month period ended September 30, 2023 and 16.0%, 17.0% and 8.8% in 2022, 2021 and 2020, respectively. We have over 1,200 producers who specialize in specific product lines or industry classes. We also provide our producers with access to what we believe is an industry-leading producer training program.

Access to new markets and products. We are focused on expanding our access to new markets and products to better serve the needs of our clients. For example, because certain admitted insurance carriers will not do business directly with small retail insurance brokerage firms, but will do business with us, our Access division has acquired a platform to provide these brokerage firms with access to a greater variety of standard insurance products. We also are actively working to develop new MGU programs, which represent an attractive growth opportunity given the emergence of alternative insurance markets and the specialized nature of these programs. In our Group Benefits division, we continue to explore opportunities to work with our insurance carrier partners to develop new products that help employers manage the rising cost of health care.

Focus on operational efficiency and profitability. We continue to be focused on the efficiency of our platform and expansion of our underlying profit margins through increased scale and operating leverage. We use an integrated back-office corporate support team in Charlotte, North Carolina, to provide our client-facing operations with virtually all of the administrative resources they need, including human resource, legal, information technology (IT), analytical and actuarial services. As a result, in most instances our growth (either organically or through acquisitions) can be achieved with relatively limited incremental expense, which drives a high degree of operating leverage. In addition, we actively look for opportunities to further use technology to support our business, including using our AmLINK platform to expand our data and analytics capabilities.

Pursue opportunistic acquisitions. We plan to pursue opportunistic acquisitions in a disciplined manner that will complement our existing business or help us expand into new wholesale distribution channels or markets. We have substantial experience in selecting and integrating acquisition targets and are positioned to take advantage of acquisition opportunities that arise. We believe that our entrepreneurial and operating culture make us an attractive partner to acquisition targets.

Operations

As of December 31, 2023, we conduct business through offices in over 120 locations in the United States and 20 locations in 12 foreign countries. Most of our U.S. operations offices operate under the “Amwins” brand name. Substantially all of our International division operates under the “Amwins Global Risks” or “THB” brand names.

Although our operations are spread across the world, we strive for our employees and customers to view us as one company. Substantially all of our U.S. operations are connected through a centralized IT system. We also have centralized substantially all of our human resources, marketing, finance, merger and acquisition, legal, licensing, compliance and risk management operations for our U.S. operations. We are in the process of extending these centralized systems and operations to our international offices. We also provide our businesses with technical, underwriting and regulatory support. For our U.S. operations, we have implemented our enterprise operating system, AmLINK, to centralize the majority of our premium collection, accounting and administrative functions in our Charlotte service center. Although we have centralized many of our administrative operations, we remain committed to having a decentralized sales and product development culture to provide our employees with greater flexibility to adapt to the changing needs of their customers and the marketplace.

Sales and Marketing

Virtually all of our sales and marketing efforts are directed at developing and maintaining relationships with retail insurance brokers and other customers and key employees of insurance carriers who underwrite the products we distribute. We seek to develop new business with retail insurance brokers and other customers who can benefit from our expertise and access to insurance markets. We also strive to maintain frequent contact with key insurance carrier underwriting personnel so that we understand their product preferences and they understand our distribution capabilities.

Our decentralized sales culture provides our brokers with the entrepreneurial freedom and flexibility they need to better serve clients and detect client-specific or market-driven opportunities for new business. Our sales efforts are driven by individual brokers and underwriters under the direction of the management of our offices, practice groups and divisions. We foster an environment that recognizes and rewards cooperation among our brokers. We believe our ability to work in teams helps us better compete for large and complex accounts.

We support our localized sales efforts through centralized marketing programs. Our marketing department works closely with each division's management team to develop a marketing strategy that best suits each division. We market ourselves through trade publications, trade shows, trade seminars and other events sponsored by us, as well through our website and other sales and marketing materials.

Clients

We place business for more than 34,000 retail insurance brokerage firms of varying sizes, ranging from large multinational retail insurance brokers to small one-office firms. Although we do business with all of the large national retail insurance brokerage firms, we derive a substantial part of our business from mid-size retail insurance brokers.

Insurance Markets

We have relationships with more than 2,500 insurance carriers and markets, including large insurance carriers operating internationally, smaller insurance carriers operating in the United States, managing general agents and other risk-bearing vehicles such as syndicates that are members of Lloyd's. We periodically review the performance, financial health and ratings of all insurance markets with which we do business, and we generally advise our clients against doing business with any insurance carrier failing to maintain a financial strength rating of at least "A-" and a financial size category of at least "VII" (often expressed together in a manner such as "A-, VII") from A.M. Best Company, Inc.

Governmental Regulation

We are subject to federal, state and foreign governmental regulation and supervision that could reduce our profitability or limit our growth by increasing the costs of regulatory compliance, restricting the products or services we sell or the methods by which we sell our products and services, or subjecting us to the possibility of regulatory actions or proceedings.

In the United States, we are subject to state licensing requirements for insurance brokers and third-party administrators and regulations governing the handling and investment of client funds held in a fiduciary capacity. In addition, most states require that our employees who engage in brokerage activities in that state be personally licensed by that state. We also are required in many states to report, collect and remit surplus lines taxes to state taxing authorities for insurance policies placed in the E&S lines market.

We also are affected by the governmental regulation of insurance carriers. For example, when we act as a MGU for an insurance carrier, we may be required to comply with laws and regulations affecting the insurance carrier. Moreover, governmental regulation of insurance carriers with which we place business can affect how we conduct operations.

With respect to our international operations, we are subject to various regulations relating to, among other things, licensing, currency, policy language and terms, reserves and the amount of local investment. These various regulations also add to our cost of doing business through increased compliance expenses and increased training and employee expenses. In the United Kingdom, our Lloyd's brokerage operations are required to be licensed (and subject to regulation and periodic examination) by the U.K. Financial Conduct Authority ("FCA"). Our operations in certain other foreign countries are subject to similar licensing and regulatory oversight by the local insurance regulator located in these countries. Generally, such authorities are vested with broad discretion to grant, renew and revoke licenses and approvals, to implement regulations and to inspect and regulate the affected businesses. Accordingly, we may be precluded or temporarily suspended from conducting some or all of our activities, fined or otherwise penalized in a given jurisdiction and required to comply with certain restrictions on the operations of our business, including restrictions requiring us to maintain cash reserves in our foreign businesses. In addition, the FCA regulates the ability of our Lloyd's brokerage operations to pay dividends, as do the local regulatory authorities that govern the operation of certain of our subsidiaries in Bermuda and the Cayman Islands.

Employees

As of December 31, 2023, we employed over 7,300 employees, none of whom is represented by a labor union. We believe that our relationship with our employees is good.

Legal Proceedings

In the ordinary course of our business, we are involved in various claims and legal proceedings relating to our business. We maintain errors and omissions and employee practices insurance that is intended to cover many of these claims. Based on the information available and discussions with legal counsel, we do not believe that any pending or threatened proceedings will have a material adverse effect on our consolidated financial position, results of operations or cash flow.

MANAGEMENT

Set forth below are the names of the current members of the board of directors and executive officers of the Company along with their positions and business backgrounds.

<u>Directors and Executive Officers</u>	<u>Age</u>	<u>Principal Occupation or Position</u>
Steve DeCarlo	66	Executive Chairman and Director
W.H. “Skip” Cooper	65	Vice Chairman and Director
Scott Purviance	54	Chief Executive Officer and Director
Darin Stafford	53	Chief Financial Officer
James Drinkwater	60	President
Ben Sloop	44	Chief Operating Officer
Marc Bernacki	52	Chief Underwriting Officer
Kristin Downey	51	Chief Administrative Officer
Ryan Armijo	40	President, Underwriting Division
Sam Baig	54	Co-President, Brokerage Division
Sam Fleet	63	President, Group Benefits Division
Dave Lavins	44	President, Access Division
Nate Mathis	35	Chief Executive Officer, Amwins Global Risks
Jeff McNatt	53	Co-President, Brokerage Division
Donna Hargrove	55	General Counsel
Josh Street	47	Chief Information Officer
Rupert Atkin	65	Director
Valerie Brown	68	Director
Ryan Clark	49	Director
Jeff Consolino	57	Director
Matt Ebbel	44	Director
David Morin	43	Director
Marc Stad	44	Director

Steve DeCarlo currently serves as Executive Chairman and has been a member of our board of directors since joining Amwins in December 2000. Steve served as Chief Executive Officer of Amwins from December 2000 until May 2018 and as President from December 2000 until May 2007. Prior to joining Amwins, Steve held various management positions with Royal & SunAlliance USA, Inc. from 1988 to 2000, including Senior Vice President for Business Insurance (1998-2000) and Executive Vice President and Chief Financial Officer of Royal Specialty Underwriting Inc., Royal & SunAlliance’s excess and surplus division (1988-1998). Steve graduated from East Tennessee State with a degree in accounting.

W. H. “Skip” Cooper has been Vice Chairman since May 2018 and a member of our board of directors since March 2017. Skip served as President of Amwins from May 2007 until May 2018. Skip has over 35 years of experience in the insurance brokerage industry, having served as an Executive Vice President of CRC Insurance Services, Inc. (CRC) prior to joining Amwins. While employed by CRC, Skip oversaw the formation of its property department and AmRISC Underwriting. Skip graduated from the University of Alabama with a degree in finance.

Scott Purviance has served as Chief Executive Officer of Amwins since May 2018. Scott joined Amwins in July 2001 as its Chief Financial Officer, a position he held until October 2016, and served as Chief Operating Officer from April 2012 until May 2018. Prior to joining Amwins, Scott served as Vice President of Finance for the Business Insurance Division of Royal & SunAlliance USA, Inc. from 1999 to 2001. From 1992 until 1999, Scott was employed by PricewaterhouseCoopers LLP, where he served in the insurance services assurance practice. Scott graduated from Wake Forest University with a degree in accounting.

Darin Stafford joined Amwins as Chief Financial Officer in October 2016. Prior to that time, Darin served as Vice President and Controller of Remington Outdoor Company, Inc. (Remington), where he led a 40-member finance team with responsibility for corporate, operational and strategic finance, investor relations, shared services, treasury, risk management and real estate. Before joining Remington, Darin worked at PricewaterhouseCoopers for 15 years, including a three-year rotation in London, England. Darin graduated from the University of North Carolina at Charlotte with degrees in both accounting and finance.

James Drinkwater has served as President of Amwins since May 2018. James served as President of our Brokerage division from 2008 until 2018 and as Chief Operating Officer of our Brokerage division from 2005 until 2008. Prior to joining Amwins, James held executive positions with Willis North America Inc. (Willis) and Stewart Smith Group, which was acquired by Amwins from Willis in April 2005. James has over 35 years of experience in the insurance industry, having begun his career in the London insurance market.

Ben Sloop has served as our Chief Operating Officer since May 2018. From January 2015 until April 2018, Ben served as President of our Access division, which operates our small accounts business. Ben initially joined Amwins in 2006 as a member of our mergers and acquisitions team, left in 2007 to pursue his MBA degree from Stanford University, and rejoined Amwins in 2011 as its Executive Vice President after working for a few years for Bills.com, a Silicon Valley start-up company. Prior to 2006, he worked for Parthenon Capital, a private equity firm that was the majority owner of Amwins Holding from 2005 until 2012. Ben received his degree in history and religion from Harvard College and an MBA from Stanford University.

Mark Bernacki joined Amwins in March 2020 and became our Chief Underwriting Officer in September 2021 after serving as President of Amwins Special Risk Underwriters. He also heads our Alternative Risk Transfer Team. Prior to joining Amwins, Mark was employed by Beazley Group as Head of Global Property (2010 to 2019) and Head of U.S. Property (2005 to 2010). Mark received his undergraduate degree from the University of Wisconsin Madison.

Kristin Downey became Chief Administrative Officer of Amwins in September 2018, after serving as Director of Human Resources from December 2002 until September 2018. As Chief Administrative Officer, Kristin leads our human resource training and development, marketing and communication functions. Prior to joining Amwins, she was employed by PricewaterhouseCoopers LLP, where she spent five years in the Assurance and Business Advisory Services (ABAS) practice and two years as the Recruiting Manager for the Carolinas ABAS and Tax practice. Kristin received a degree in accounting from the University of Kentucky.

Ryan Armijo became President of our Underwriting division in January 2024, after previously serving as the Chief Operating Officer of this division. Prior to joining Amwins in 2017, Ryan was Vice President of Business Development for Hamilton Insurance Group Ltd. Ryan received his degree in finance from the University of Notre Dame and an MBA from New York University's Stern School of Business.

Sam Baig has served as co-President of Amwins Brokerage since January 2022. Prior to that time, he was Executive Vice President in charge of the Georgia branches of Amwins Brokerage. Sam previously was with Colemont Brokerage Group, Inc., which was acquired by Amwins in 2010. Sam graduated from the University of Northern Iowa with a degree in finance/economics and also holds a master's degree in risk management and insurance from Georgia State University.

Sam Fleet has served as President of our Group Benefits division since April 2004. Sam founded National Employee Benefit Companies, Inc. and served as its principal executive officer until it was

acquired by Amwins in July 2000. Sam is a graduate of the University of Rhode Island with a degree in marine affairs and political science.

Dave Lavins has served as President of our Access division since January 2021. Dave served as Chief Operating Officer of Access from May 2018 until January 2021 and as a Senior Vice President from January 2016 until May 2018. Prior to joining Amwins, Dave worked for Ridgemont Equity Partners, a private equity firm, and its predecessor firm Banc of America Capital Investors from 2005 until 2016, focused principally on the financial services and healthcare verticals. From 2002 to 2005, Dave worked for Bain & Company, a global management consulting firm. Dave received his degree in economics and philosophy from Dartmouth College.

Nate Mathis has worked in our International division as Chief Executive Officer of Amwins Global Risks since October 2021 and as Chief Operating Officer from 2018 to 2021. Mr. Mathis joined Amwins in 2011 and served as a financial analyst from 2011 to 2018. Nate received his undergraduate degree from Dartmouth College.

Jeff McNatt has served as co-President of Amwins Brokerage since January 2022. Prior to that time, he was Executive Vice President in charge of the Florida branches of Amwins Brokerage. Jeff joined Amwins in 2007 as a property broker, opening our office in Birmingham, Alabama. Jeff holds a degree in risk management and insurance from the University of Georgia.

Donna Hargrove has served as our General Counsel since April 2008. She is responsible for all aspects of our legal, compliance and risk management functions. Prior to joining Amwins, Donna served as lead corporate in-house counsel from 2006 to 2008 with Branch Bank and Trust Company, concentrating in mergers and acquisitions and general corporate matters. Prior to that time, she was with the law firm Womble Bond Dickinson from 1998 until 2006. Donna received her degree in nursing from the University of Tennessee and her juris doctorate from the University of South Carolina.

Josh Street has served as our Chief Information Officer since January 2024. Prior to that time, Josh was the Chief Architect with our information technology and operations group. Josh joined Amwins in 2014 and has over 25 years of experience in the financial services industry, including with Bank of America. Josh received his bachelor of science in computer science, with a minor in mathematics, from the University of North Carolina at Charlotte.

Rupert Atkin has been a member of our board of directors since 2016. He previously served as Nonexecutive Chairman of Talbot Underwriting Ltd. from 2016 until May 2019 and as its Chief Executive Officer from 2007 until 2016. Rupert also served as Chairman of the Lloyd's Market Association from 2012 until 2015. He became a member of the Council of Lloyd's in 2006 and was deputy chairman of Lloyd's from February 2014 until January 2016.

Valerie Brown was elected to our board of directors in August 2020. From 2016 until her retirement in 2019, Valerie served as the Executive Chairman of Advisor Group Inc., a financial advisory firm. From 2010 until 2014, she served as Chief Executive Officer of Centera Financial Group Inc., a wealth management and financial advisory firm. Valerie currently serves as a director of Advisor Group, Inc. She received a degree in chemical engineering from Oregon State University and her MBA from Stanford University.

Ryan Clark was elected to our board of directors in April 2021 in connection with our acquisition of Worldwide Facilities Holdings LLC (Worldwide). Ryan is the President and a Managing Partner of Genstar Capital, where he has worked since 2004. Genstar Capital was the majority owner of Worldwide prior to its acquisition by Amwins in 2021, and owned approximately 9.2% of the outstanding units of Amwins Holding as of December 31, 2023. Prior to joining Genstar Capital,

Mr. Clark was an Associate at Hellman & Friedman LLC, a private equity investment firm in San Francisco, California. Previously, he worked in the Mergers, Acquisitions and Restructuring Department at Morgan Stanley in New York City. Ryan earned a degree in environmental science and public policy from Harvard College and his MBA from Harvard Business School.

Jeff Consolino was elected to our board of directors in December 2006. In June 2020, Mr. Consolino became President and Chief Executive Officer and a member of the board of directors of Core Specialty Insurance Holdings, Inc., an insurance carrier offering a board range of specialty property and casualty insurance products primarily for small to medium-sized businesses. From February 2013 until June 2020, Jeff served as Executive Vice President and Chief Financial Officer and a member of the board of directors of American Financial Group, Inc., an insurance holding company based in Cincinnati, Ohio with assets in excess of \$60 billion. From March 2006 until February 2013, Jeff served as President and Chief Financial Officer of Validus Holdings, Ltd, a reinsurance company based in Bermuda. Prior to joining Validus Holdings, Ltd., Jeff was a Managing Director in the investment banking division of Merrill Lynch, specializing in insurance company advisory and financing transactions. Jeff graduated from Duke University with a degree in electrical engineering and received his MBA from Cornell University.

Matt Ebbel has been a member of our board of directors since June 2012. He currently is the Managing Partner of SkyKnight Capital, a private equity firm founded by him based in San Francisco, California. The Dragoneer/SkyKnight Group owned approximately 33.1% of the outstanding units of Amwins Holding as of December 31, 2023. From 2003 until 2016, Matt was with New Mountain Capital, LLC (New Mountain), a private equity firm based in New York City of which he continues to serve as a Senior Advisor. New Mountain was the majority owner of Amwins Holding from June 2012 until April 2015 and continued to own a substantial minority equity interest in Amwins Holding until November 2016, when it sold its remaining interest to Dragoneer Group. Prior to joining New Mountain, Matt worked in the Corporate Finance and Strategy group at McKinsey & Company. Matt received his degree in economics from Harvard College.

David Morin has been a member of our board of directors since September 2023. David is the Managing Director, Private Equity at PSP Investments, which is one of the largest Canadian pension investment managers. PSP Investments owned approximately 16.4% of the outstanding units of Amwins Holding as of December 31, 2023. David joined PSP Investments in 2013 and has led a number of investments across industries and geographies with a focus on sourcing, execution and asset management. Prior to joining PSP Investments, David was based in London, England with Credit Suisse, where he advised clients on mergers and acquisitions in the telecom, media and technology sectors. David received his bachelor's degree in accounting and finance from HEC Montreal and an MBA from INSEAD.

Marc Stad has served as a member of our board of directors since November 2016. In 2012, Marc founded and has since served as the portfolio manager of Dragoneer Group, a growth-oriented investment firm based in San Francisco that manages investments in both public and private enterprises. The Dragoneer/SkyKnight Group owned approximately 33.1% of the outstanding units of Amwins Holding as of December 31, 2023. Prior to founding Dragoneer Group, Marc was a portfolio manager at the Investment Group of Santa Barbara, where he was the partner in charge of the firm's Hong Kong office. He also worked as an investment professional at TPG Capital in that firm's North American Buyout Group. Prior to working at TPG Capital, Marc was with McKinsey & Company. Marc received his degree in government from Harvard College and his MBA from Stanford University.

SECURITY OWNERSHIP

Amwins Holding currently owns 100% of our outstanding shares of capital stock. Amwins Holding is a Delaware limited liability company, and equity interests in Amwins Holding are denominated in units. As of December 31, 2023, the Employee/Owners beneficially owned approximately 41.3% of the outstanding units of Amwins Holding, the Dragoneer/SkyKnight Group beneficially owned approximately 33.1% of the outstanding units of Amwins Holding, PSP Investments beneficially owned approximately 16.4% of the outstanding units of Amwins Holding, and Genstar Capital beneficially owned approximately 9.2% of the outstanding units of Amwins Holding.

We have a stock option plan under which there were outstanding, as of December 31, 2023, options to purchase an aggregate of 781,009 shares of our nonvoting common stock.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Operating Agreement

Amwins Holding has entered into an operating agreement with the Dragoneer/SkyKnight Group, PSP Investments, Genstar Capital and the Employee/Owners. The operating agreement contains agreements among the owners of Amwins Holding regarding, among other things, the appointment of persons to serve on the board of managers of Amwins Holding and the board of directors of Amwins Group, provisions that provide each Investor with the right to approve certain actions, provisions relating to the issuance, classification, repurchase, transfer and sale of equity in Amwins Holding, including tag-along rights, information rights, indemnification rights and other corporate governance provisions. Amwins Holding currently has a ten-person board of managers, consisting of two managers appointed by Dragoneer Group, two managers appointed by PSP Investments, one manager appointed by Genstar Capital, our Chief Executive Officer, two managers appointed on behalf of the Employee/Owners and two outside managers who are required to be individuals who do not have a material interest in or involvement with Dragoneer Group, PSP Investments or Amwins (other than the ownership of equity interests).

Indemnification Agreement

We have entered into an amended and restated indemnification agreement pursuant to which we have agreed to indemnify the Dragoneer Group, PSP Investments, their affiliates and persons they appoint to serve on our boards for all claims, obligations, liabilities, losses, damages, fines, penalties, certain other amounts and expenses incurred by them:

- under any securities or other laws in connection with any offering by us of any equity or debt securities;
- in connection with the performance of any services for us;
- in connection with serving as a director, officer or manager of Amwins, including any breach or alleged breach of any fiduciary duty; or
- in connection with any proceeding involving the Investors or their affiliates or representatives on our boards that arise in connection with activities on our behalf or in furtherance of our interests or in connection with their ownership of our equity interests.

Notwithstanding the foregoing, we are not required to indemnify the Investors (or their affiliates or board representatives) for any obligations resulting from their gross negligence, willful misconduct or fraud. Under the indemnification agreement, if for any reason the indemnification obligations described above are not available, we are required to contribute to the amount paid or payable by an indemnified party as a result of any such obligation.

Registration Rights Agreement

Amwins Holding has entered into an amended and restated registration rights agreement pursuant to which the Dragoneer Group and PSP Investments each has the right, after we complete an initial public offering, to demand that we register their equity for sale under the Securities Act. Owners of Amwins Holding have certain “piggyback rights” to include their equity interests in a registered public offering in which the Dragoneer Group or PSP Investments is selling their equity interests. Subject to certain limitations, we are required to pay the expenses of these registrations, excluding any underwriting discounts and commissions of the selling owners, as well as the fees and expenses of one counsel retained by Dragoneer Group and PSP Investments.

Transactions with Related Businesses

We do business with and perform services for certain businesses in which the Dragoneer/SkyKnight Group, PSP Investments, Genstar Capital or one or more of our executive officers or directors has an interest or serves on the board of directors. For the years ended December 31, 2020, 2021 and 2022, the amount of revenues generated through transactions with these businesses was immaterial to our operating results. In addition, certain of our employees, including certain of our executive officers, have interests in businesses that do business with companies with which we do business. We also lease office space from certain of our current and former employees, but the lease expense we incur under these leasing arrangements is not material to our operating results.

November 2023 Equity Recapitalization

In November 2023, Amwins Holding completed an equity recapitalization in which the Dragoneer/SkyKnight Group and Genstar Capital increased their ownership of Amwins Holding by purchasing units of Amwins Holding from certain Employee/Owners who elected to sell a portion of their units, including members of our senior management team, and PSP Investments, which retained a significant ownership interest in Amwins Holding. The price of the units purchased by the Dragoneer/SkyKnight Group and Genstar Capital was determined through arms-length discussions among the Company, PSP Investments, the Dragoneer/SkyKnight Group and Genstar Capital, and the per-unit price paid in the recapitalization was the same for each seller and the same price at which certain Amwins employees purchased Amwins units in a concurrent unit purchase opportunity. The per-unit price was based on the valuation model used for various purposes, including in connection with the issuance of units in acquisition transactions, the issuance of stock options, and investments in Amwins Holding.

Other Transactions with Employees and Directors

Certain members of our senior management are party to employment agreements with us. In addition, we adopted an equity incentive plan effective April 2020. From time to time, we may also adopt other cash and equity incentive-based arrangements to compensate our management and other employees.

DESCRIPTION OF CERTAIN OTHER INDEBTEDNESS

The following describes the material terms of our indebtedness, other than with respect to the Senior Secured Notes.

Senior Secured Credit Facilities

Overview. On February 19, 2021, we entered into our amended and restated senior secured credit facilities. As amended, our senior secured credit facilities consisted initially of term loans of \$1,995.0 million original principal amount and a \$300.0 million revolving credit facility (substantially all of which was available at close for additional borrowings). The proceeds from these facilities were used to refinance the amounts outstanding under our prior senior secured credit facilities initially put in place in January 2017 consisting of term loans of approximately \$1,986.6 million original principal amount, and to pay related transaction expenses. On July 19, 2021, concurrently with the issuance of our 4.875% Senior Notes, we incurred incremental term loans of \$600.0 million in original principal amount. On February 15, 2023, we incurred additional incremental term loans of \$850.0 million in original principal amount (the “2023 Incremental Term Loans”).

As of September 30, 2023, there was \$3,370.2 million in aggregate principal amount of term loans outstanding under these facilities and no amounts outstanding under the revolving credit facility other than undrawn letters of credit having an aggregate face amount of \$2.0 million. The revolving credit facility matures February 19, 2026, and the term loan facility matures February 19, 2028. We have the ability to request incremental term loan and revolving credit facilities from the existing lenders under the senior secured credit facilities or from additional lenders from time to time. The aggregate amount of such incremental facilities permitted under the senior secured credit facilities is unlimited, subject to satisfaction of various terms and conditions set forth in the senior secured credit facilities, including our ability to meet certain financial covenant levels.

Interest and Fees. Borrowings of term loans bear interest at a rate per annum equal to an applicable margin plus, at our option, either (1) a base rate determined by reference to the highest of (a) the prime rate of Goldman Sachs Lending Partners LLC, (b) the Federal Funds effective rate plus 0.50% and (c) the one-month term SOFR rate plus a credit adjustment spread of 0.11448% (the sum of which shall not be less than 0.75%) plus 1.00%, or (2) a term SOFR rate plus a credit spread adjustment for the interest period relevant to such borrowing (the sum of which shall not be less than 0.75%). The applicable margin for borrowings of term loans (other than the 2023 Incremental Term Loans) ranges from 2.00% to 2.25% with respect to term SOFR borrowings and from 1.00% to 1.25% with respect to base rate borrowings, and is determined by reference to a pricing grid based on our public corporate family rating from Moody’s Investors Service, Inc. and public corporate credit rating from S&P Global Ratings. The applicable margin for borrowings of 2023 Incremental Term Loans is 2.75% with respect to term SOFR borrowings and 1.75% with respect to base rate borrowings.

Borrowings of revolving loans bear interest at a rate per annum equal to an applicable margin plus, at our option, either (1) a base rate determined by reference to the highest of (a) the prime rate of Goldman Sachs Lending Partners LLC, (b) the Federal Funds effective rate plus 0.50% and (c) the one-month term SOFR rate plus a credit adjustment spread of 0.11448% (the sum of which shall not be less than zero) plus 1.00%, or (2) a term SOFR rate plus a credit spread adjustment for the interest period relevant to such borrowing (the sum of which shall not be less than zero). The applicable margin for borrowings of revolving loans is 2.25% with respect to term SOFR borrowings and 1.25% with respect to base rate borrowings. The undrawn amount of the revolving credit facility is subject to a commitment fee at an annual rate of 0.50%, and outstanding letters of credit are subject to a letter of credit participation fee at an annual rate equal to the applicable margin for term SOFR loans (adjusted quarterly) and a fronting fee at an annual rate of 0.25%.

Prepayments. The senior secured credit facilities require us to prepay outstanding term loans, subject to certain exceptions, with:

- 50% (which percentage will be reduced to 25% and 0% if our first lien net leverage ratio meets certain thresholds) of annual excess cash flow;
- 100% of the net cash proceeds of certain non-ordinary course asset sales or other dispositions of property by us or any of our restricted subsidiaries (including insurance and condemnation proceeds), subject to de minimis thresholds and to pro rata prepayment of any other indebtedness secured on a pari passu basis with the term loans that is required to be prepaid with such net cash proceeds, to the extent we do not reinvest these net cash proceeds in assets to be used in our business (1) within 365 days of the receipt of such net cash proceeds or (2) if we commit within 365 days of receipt to reinvest such net cash proceeds, within 18 months of the receipt thereof to the extent not reinvested; and
- 100% of the net proceeds of any issuance or incurrence of indebtedness by us or any of our restricted subsidiaries, other than indebtedness permitted under the senior secured credit facilities.

Amortization. We are required to make amortization installment payments on the term loans in equal quarterly installments of 0.25% of the funded total principal amount (with adjustments as are necessary in order to provide for the “fungibility” of incremental term loans), with the remaining outstanding principal amount to be payable on the maturity date for the term loan facility, which is February 19, 2028. Principal amounts outstanding under the revolving credit facility will be due and payable in full on the maturity date for the revolving credit facility, which is February 19, 2026.

Guarantees and Collateral. All obligations under the senior secured credit facilities are unconditionally guaranteed by Holdings and, subject to certain exceptions, each of our material current and future domestic restricted subsidiaries. All obligations under the senior secured credit facilities, and the guarantees of such obligations, are secured by substantially all of the following assets of us and each Guarantor, subject to certain exceptions, including:

- a pledge of 100% of the capital stock of Amwins and 100% of the equity interests directly held by us and each Guarantor in any “first-tier” subsidiary of ours or any Guarantor (which pledge, in the case of any foreign subsidiary directly held by a U.S. subsidiary that is treated as a corporation for U.S. federal tax purposes or any U.S. holding company of any such foreign subsidiary, will not include more than 65% of the voting stock of such foreign subsidiary or U.S. holding company, as the case may be), subject to certain exceptions; and
- a security interest in, and mortgages on, substantially all tangible and intangible assets of ours and each Guarantor, subject to certain exceptions.

Certain Covenants. The senior secured credit facilities contain a number of covenants that, among other things, restrict the ability of us and our restricted subsidiaries to (subject to certain exceptions):

- incur indebtedness;
- grant liens;
- make acquisitions and other investments (including loans and advances);
- engage in mergers or consolidations;
- sell assets, including pursuant to a sale-and-leaseback transaction;
- pay dividends and distributions or repurchase capital stock;

- engage in certain transactions with affiliates;
- change its lines of business;
- amend material agreements governing its subordinated indebtedness; and
- repay subordinated indebtedness.

The senior secured credit facilities also contain certain customary affirmative covenants. The availability of certain baskets and the ability to enter into certain transactions (including our ability to pay certain dividends) may also be subject to compliance with certain leverage ratios. In addition, the revolving credit facility includes a springing financial covenant that requires compliance with the first lien net leverage ratio. The financial covenant will be tested on the last day of any fiscal quarter when the aggregate amount of revolving loans outstanding exceeds 30% of the revolving credit commitments on the last day of the fiscal quarter.

Events of Default. The senior secured credit facilities contain events of default including, but not limited to, nonpayment of principal or interest, violation of covenants, breaches of representations and warranties, cross-default to other indebtedness, bankruptcy and other insolvency events, material judgments, ERISA events, actual or asserted invalidity of loan documentation, and change of control.

4.875% Senior Notes due 2029

On July 19, 2021, we issued \$790.0 million aggregate principal amount of 4.875% Senior Notes maturing on June 30, 2029. Interest on the 4.875% Senior Notes accrues at the rate of 4.875% per annum and is payable semiannually in arrears on June 30 and December 31 of each year, which interest payments commenced on December 31, 2021.

We may redeem all or a portion of the 4.875% Senior Notes on or after June 30, 2024 at the redemption prices set forth below, plus accrued and unpaid interest to the redemption date, if redeemed during the 12-month period beginning on June 30 of the years set forth below:

Year	Percentage
2024	102.438%
2025	101.219%
2026 and thereafter	100.000%

In addition, we may redeem on one or more occasions prior to June 30, 2024 up to 40% of the aggregate principal amount of the 4.875% Senior Notes at a redemption price of 104.875% of the aggregate principal amount being redeemed, plus accrued and unpaid interest to the redemption date, with the net cash proceeds of one or more equity offerings the proceeds of which are received by or contributed to us. Finally, we may redeem all or a portion of the 4.875% Senior Notes at any time prior to June 30, 2024 at a redemption price equal to 100% of the principal amount of the notes being redeemed plus the applicable premium as of, and accrued and unpaid interest to, the applicable redemption date. The applicable premium, as of any redemption date, equals the greater of (i) 1.00% of the principal amount of the notes being redeemed and (ii) the excess of (A) the sum of the present value at such redemption date of (1) the redemption price of the notes being redeemed on June 30, 2024 (as described in the immediately preceding paragraph exclusive of any accrued interest) plus (2) all required remaining scheduled interest payments due on the notes being redeemed through June 30, 2024 (but excluding accrued and unpaid interest to the redemption date), discounted using a rate based on the constant maturity adjusted yield for actively traded U.S. Treasuries of an appropriate tenor, over (B) the principal amount of the notes being redeemed on such redemption date.

The holders of our 4.875% Senior Notes have the right to require that we repurchase their notes at a redemption price equal to 101% of the principal amount to be repurchased, plus accrued and unpaid interest to the date of repurchase, if any of the following were to occur:

- the sale of all or substantially all assets of Holdings and its subsidiaries;
- Holdings ceases to own all of our capital stock at any time prior to a qualified public offering; or
- a person or group obtains majority voting control of Holdings.

The 4.875% Senior Notes are unsecured but are guaranteed by Holdings and our domestic restricted subsidiaries that also guarantee our senior secured credit facilities. The 4.875% Senior Notes require that any other domestic subsidiary of Holdings that guarantees any indebtedness under our senior secured credit facilities or any other capital debt securities of us or of a guarantor of the 4.875% Senior Notes in an aggregate principal amount in excess of \$25.0 million must also guarantee the 4.875% Senior Notes.

The 4.875% Senior Notes and the guarantees:

- are general unsecured senior obligations of us and the guarantors thereof, respectively;
- rank *pari passu* in right of payment with all of our existing and future senior indebtedness (including our senior secured credit facilities);
- are effectively subordinated to all of our secured indebtedness (including our senior secured credit facilities) to the extent of the value of the assets securing such indebtedness;
- are senior in right of payment to any of our future subordinated indebtedness; and
- are structurally subordinated to all existing and future indebtedness and other claims and liabilities, including preferred stock, of subsidiaries of Holdings that are not guarantors of the 4.875% Senior Notes.

The 4.875% Senior Notes contain covenants that restrict or limit our ability to, among other things, dispose of our assets, incur additional indebtedness and guarantees, grant liens on our assets, merge or consolidate, pay dividends, redeem or repurchase stock or make other distributions, make acquisitions and other investments, enter into transactions with our affiliates, and place limitations on distributions from restricted subsidiaries. If the 4.875% Senior Notes were to be rated investment grade by both Moody's and S&P, we would no longer be subject to a number of the restrictions and limitations imposed by these covenants, including, among other things, limitations or restrictions on our ability to incur additional indebtedness and guarantees, merge or consolidate, pay dividends, redeem or repurchase stock or make other distributions, make acquisitions and other investments, dispose of our assets, and enter into transactions with our affiliates.

The 4.875% Senior Notes provide that, upon the occurrence of certain events of default, our obligations thereunder may be accelerated. These events of default include, among other things, payment defaults, covenant defaults, cross-defaults to other indebtedness, voluntary and involuntary bankruptcy or insolvency proceedings, appointment of a receiver over assets, and enforcement of judgments.

As of September 30, 2023, there was \$790.0 million aggregate principal amount of the 4.875% Senior Notes outstanding.

Finance Lease Obligations

From time to time we enter into leasing arrangements that are required by GAAP to be treated as finance leases on our financial statements. We historically have entered into these arrangements

primarily in connection with leasing certain office equipment. At September 30, 2023, the aggregate amount payable under such arrangements was approximately \$6.8 million on a discounted basis. Substantially all of the lease obligations is payable over three years. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Contractual Obligations.”

DESCRIPTION OF SENIOR SECURED NOTES

General

Certain terms used in this description are defined under “—Certain Definitions” below. In this description, the term “*Company*” refers to Amwins Group, Inc., a Delaware corporation, and not to any of its Subsidiaries, and the term “*Holdings*” refers to Amwins Holding Company, LLC, a Delaware limited liability company of which the Company is a wholly owned Subsidiary, and not to any of its Subsidiaries.

The Company will issue \$750.0 million aggregate principal amount of % senior secured notes due 2029 (the “*Senior Secured Notes*”) under an Indenture, dated as of the Issue Date (the “*Indenture*”), among the Company, the Guarantors and U.S. Bank Trust Company, National Association, as trustee (the “*Trustee*”) and as collateral agent (the “*Collateral Agent*”). The Senior Secured Notes will be issued in a private transaction that is not subject to the registration requirements of the Securities Act, and the Indenture will not be subject to the provisions of the Trust Indenture Act. See “Transfer Restrictions.”

The Notes Security Documents referred to below under the caption “—Security” define the terms of the agreements that secure the Senior Secured Notes and the Guarantees. The Equal Priority Intercreditor Agreement described under the caption “—Security—Equal Priority Intercreditor Agreement” defines the terms of the relationship between the Holders and other creditors secured by the Collateral.

The following description is only a summary of the material provisions of the Senior Secured Notes, the Notes Security Documents, the Equal Priority Intercreditor Agreement and the Indenture, does not purport to be complete and is qualified in its entirety by reference to the provisions of those instruments and agreements, including the definitions therein of certain terms used below. We urge you to read each of these documents because they, not this description, define your rights as Holders of the Senior Secured Notes. You may request copies of these documents at our address set forth under the heading “Summary.”

Brief Description of Senior Secured Notes

The Senior Secured Notes will be:

- general senior secured obligations of the Company;
- guaranteed on a senior secured basis by each Guarantor;
- *pari passu* in right of payment with all existing and future Senior Indebtedness (including the Obligations under the Senior Credit Agreement and the Existing Senior Notes) of the Company;
- effectively senior to all existing and future unsecured Indebtedness of the Company (including its Obligations under the Existing Senior Notes) and indebtedness that is secured by junior-priority liens on the Collateral, in each case, to the extent of the value of the Collateral (after giving effect to the sharing of such value with the holders of senior, equal or prior ranking Liens on the Collateral);
- secured on a senior priority basis (subject to Permitted Liens and certain other exceptions), equally and ratably with all existing and future Equal Priority Obligations of the Company (including its Obligations under the Senior Credit Agreement) by Liens on the Collateral;

- effectively equal in priority with (but without regard to the control of remedies) all existing and future Equal Priority Obligations of the Company (including its Obligations under the Senior Credit Agreement) to the extent of the value of the Collateral (after giving effect to the sharing of such value with holders of senior or prior ranking Liens on such Collateral);
- effectively junior to all of the Company's other indebtedness that is secured by liens on other assets of the Company that does not constitute Collateral, to the extent of the value of those other assets;
- senior in right of payment to any future Subordinated Indebtedness of the Company; and
- structurally subordinated to all existing and future Indebtedness and other claims and liabilities, including Preferred Stock, of Subsidiaries of Holdings that are not Guarantors.

Guarantees

The Senior Secured Notes will be guaranteed by Holdings and each Domestic Subsidiary that guarantees the Obligations under the Senior Credit Agreement or certain other Indebtedness of the Company or any Guarantor as described under “—Certain Covenants—Additional Secured Note Guarantees.”

The Guarantors, as primary obligors and not merely as sureties, will jointly and severally irrevocably and unconditionally guarantee, 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 Company under the Indenture, the Notes Security Documents and the Senior Secured Notes, whether for payment of principal of, premium, if any, or interest on the Senior Secured Notes, expenses, indemnification or otherwise, on the terms set forth in the Indenture by executing the Indenture or a supplemental indenture.

Each Guarantee will be:

- a general secured senior obligation of each Guarantor;
- *pari passu* in right of payment with all existing and future Senior Indebtedness of such Guarantor, including its guarantee of all Obligations under the Senior Credit Agreement and the Existing Senior Notes;
- effectively senior to all existing and future unsecured Indebtedness of such Guarantor, including its guarantee of the Obligations under the Existing Senior Notes, to the extent of the value of the Collateral (after giving effect to the sharing of such value with the holders of senior, equal or prior ranking Liens on the Collateral);
- secured on a senior priority basis (subject to Permitted Liens and certain other exceptions), equally and ratably with all existing and future Equal Priority Obligations of such Guarantor (including its Obligations under the Senior Credit Agreement) by Liens on the Collateral;
- effectively equal in priority with (but without regard to the control of remedies) all existing and future Equal Priority Obligations of such Guarantor (including its guarantee of all Obligations under the Senior Credit Agreement) to the extent of the value of the Collateral (after giving effect to the sharing of such value with holders of senior or prior ranking Liens on such Collateral);
- effectively junior to all of the Company's other indebtedness that is secured by liens on other assets of the Company that does not constitute Collateral, to the extent of the value of those other assets;
- senior in right of payment to all existing and future Subordinated Indebtedness of such Guarantor; and

- structurally subordinated to all existing and future Indebtedness and other claims and liabilities, including Preferred Stock, of any Subsidiaries of such Guarantor that are not Guarantors.

All of Holdings' Subsidiaries (other than the Company) are also Subsidiaries of the Company. Not all of the Company's Subsidiaries will guarantee the Senior Secured Notes. In the event of a bankruptcy, liquidation or reorganization of any of such non-guarantor Subsidiaries, the non-guarantor Subsidiaries will pay the holders of their debt and their trade creditors before they will be able to distribute any of their assets to the Company or Guarantors. See "Risk Factors—Risks Related to the Senior Secured Notes—The Senior Secured Notes and the guarantees will be structurally subordinated to all liabilities of any current and future non-guarantor subsidiaries."

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. 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. If a Guarantee were rendered voidable, it could be subordinated by a court to all other Indebtedness (including guarantees and other contingent liabilities) of the Guarantor, and, depending on the amount of such Indebtedness, a Guarantor's liability on its Guarantee could be reduced to zero. See "Risk Factors—Risks Related to the Senior Secured Notes—Federal and state fraudulent transfer laws may permit a court to void the Senior Secured Notes and the guarantees, subordinate claims in respect of the Senior Secured Notes and guarantees and require Secured Noteholders to return payments received, and if that occurs, you may not receive any payments on the Senior Secured Notes."

Each Guarantee by a Subsidiary Guarantor shall provide by its terms that it shall be automatically and unconditionally released and discharged upon:

- (a) any sale, exchange, transfer or other disposition (by merger, consolidation, amalgamation, dividend, distribution or otherwise) of (i) the Capital Stock of such Subsidiary Guarantor (including any sale, exchange or transfer), after which the applicable Subsidiary Guarantor is no longer a Restricted Subsidiary or (ii) all or substantially all of the assets of such Subsidiary Guarantor, in each case, if such sale, exchange, transfer or other disposition is not prohibited by the applicable provisions of the Indenture;
- (b) the release or discharge of the guarantee or direct obligation by such Subsidiary Guarantor of the Senior Credit Agreement and, if applicable, the guarantee which 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 is still a release and that if any such guarantee or direct obligation is reinstated then such Guarantee shall also be reinstated to the extent required by the covenant described under "—Certain Covenants—Additional Secured Note Guarantees");
- (c) the proper designation of any Restricted Subsidiary that is a Subsidiary Guarantor as an Unrestricted Subsidiary in compliance with the applicable provisions of the Indenture;
- (d) the Company exercising the legal defeasance option or covenant defeasance option as described under "—Legal Defeasance and Covenant Defeasance" or the Company's obligations under the Indenture being satisfied and discharged in accordance with the terms of the Indenture; or
- (e) the merger, consolidation or amalgamation of any Guarantor with and into the Company or another Guarantor that is the surviving Person in such merger, consolidation or amalgamation, or upon the liquidation of a Guarantor following the transfer of all of its assets to the Company or another Guarantor.

The Guarantee by Holdings shall provide by its terms that it shall be automatically and unconditionally released and discharged upon:

(a) the Company exercising the legal defeasance option or covenant defeasance option as described under “—Legal Defeasance and Covenant Defeasance” or the Company’s obligations under the Indenture being satisfied and discharged in accordance with the terms of the Indenture; or

(b) the merger, consolidation or amalgamation of Holdings with and into the Company or another Guarantor that is the surviving Person in such merger, consolidation or amalgamation, or upon the liquidation of Holdings following the transfer of all of its assets to the Company or another Guarantor.

Ranking

The Indebtedness evidenced by the Senior Secured Notes and the Guarantees will be senior secured obligations of the Company or the applicable Guarantor, as the case may be, and will rank equal in right of payment with all existing and future Senior Indebtedness of the Company and such Guarantor, as the case may be, including the Obligations of the Company and the Guarantors under the Senior Credit Agreement, the Existing Senior Notes and the Existing Senior Notes Indenture. The Senior Secured Notes Obligations, the Indenture and the Guarantees are secured on a senior priority basis (subject to Permitted Liens and certain other exceptions) by Liens on the Collateral, equally and ratably with all existing and future Equal Priority Obligations of the Company and the applicable Guarantor, including Obligations under the Senior Credit Agreement. Such Obligations are effectively senior to all existing and future unsecured Indebtedness of the Company and the Guarantors (including Obligations under the Existing Senior Notes), to the extent of the value of the Collateral (after giving effect to the sharing of such value with holders of senior, equal or prior ranking Liens on the Collateral). The Senior Secured Notes Obligations, the Indenture and the Guarantees are effectively equal in priority with (but without regard to the control of remedies) all existing and future Equal Priority Obligations of the Company and the Guarantors (including the Obligations under the Senior Credit Agreement) to the extent of the value of the Collateral (after giving effect to the sharing of such value with holders of senior or prior ranking Liens on such Collateral). The phrase “in right of payment” refers to the contractual ranking of a particular Obligation, regardless of whether an Obligation is secured.

As of September 30, 2023, on a *pro forma* basis after giving effect to the sale of the Senior Secured Notes, Holdings and its Subsidiaries would have had \$4.9 billion aggregate principal amount of Indebtedness outstanding, \$4.1 billion of which would have been secured indebtedness. In addition, as of September 30, 2023, \$298.0 million would have been available for borrowing under the revolving credit facility under the Senior Credit Agreement (after giving effect to undrawn letters of credit having an aggregate face amount of \$2.0 million).

Substantially all of the operations of Holdings and the Company are conducted through the Company’s Subsidiaries. Unless the Subsidiary is a Guarantor, claims of creditors of such Subsidiaries, including trade creditors, and claims of preferred stockholders (if any) of such Subsidiaries generally will have priority with respect to the assets and earnings of such Subsidiaries over the claims of creditors of the Company, including the Holders of Senior Secured Notes. The Senior Secured Notes, therefore, will be structurally subordinated to holders of Indebtedness and other creditors (including trade creditors) and preferred stockholders (if any) of Subsidiaries of the Company that are not Guarantors. Although the Indenture will limit the incurrence of Indebtedness by, and the issuance of Disqualified Stock and preferred stock of, certain of the Company’s Subsidiaries, such limitation is subject to a number of significant qualifications. See “—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock.”

All of Holdings’ Subsidiaries (other than the Company) are also Subsidiaries of the Company. Not all of the Company’s Subsidiaries will guarantee the Senior Secured Notes. In the event of a

bankruptcy, liquidation or reorganization of any of these non-guarantor Subsidiaries, the non-guarantor Subsidiaries will pay the holders of their debt and other liabilities, including their trade creditors and holders of their preferred stock, if any, before they will be able to distribute any of their assets to the Company or Guarantors. See “Risk Factors—Risks Related to the Senior Secured Notes—The Senior Secured Notes and the guarantees will be structurally subordinated to all liabilities of any current and future non-guarantor subsidiaries.” For the twelve-month period ended September 30, 2023, non-guarantor Subsidiaries represented 8.7% and 6.6% of the Pro Forma Adjusted Revenues and Pro Forma Adjusted EBITDA, respectively, of the Company, on a consolidated basis with its Subsidiaries. In addition, as of September 30, 2023, these non-guarantor Subsidiaries represented 12.0% and 8.7% of the assets and liabilities (excluding intercompany assets and liabilities), respectively, of the Company, on a consolidated basis with its Subsidiaries.

Although the Indenture will contain limitations on the amount of additional Indebtedness that Holdings and its Restricted Subsidiaries may incur, under certain circumstances the amount of such Indebtedness could be substantial. Moreover, the Indenture will not impose any limitation on the incurrence of liabilities that are not considered Indebtedness under the Indenture. See “—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock.”

Paying Agent and Registrar for the Senior Secured Notes

The Company will maintain one or more paying agents for the Senior Secured Notes. The initial paying agent for the Senior Secured Notes will be the Trustee.

The Company will also maintain a registrar. The initial registrar will be the Trustee. The registrar will maintain a register reflecting the registered Holders outstanding from time to time and will make payments on and facilitate transfer of Senior Secured Notes on behalf of the Company.

The Company may change the paying agents or the registrars without prior notice to the Holders. Holdings, the Company or any of the Company’s Subsidiaries may act as a paying agent or registrar.

Transfer and Exchange

A Holder may transfer or exchange Senior Secured Notes in accordance with the Indenture, including the transfer restrictions therein. The Indenture may require a Holder to furnish appropriate endorsements and transfer documents to the registrar, the Trustee or the Company in connection with a transfer of Senior Secured Notes. Holders will be required to pay all taxes due on transfer. The Company is not required to transfer or exchange any Secured Note selected for redemption or tendered (and not validly withdrawn) for repurchase in connection with a Change of Control Offer, an Asset Sale Offer or other tender offer. Also, the Company will not be required to transfer or exchange any Secured Note for a period of 10 days before the sending of a notice of redemption of Senior Secured Notes to be redeemed.

The registered Holder will be treated as the owner of the Senior Secured Notes for all purposes.

Principal, Maturity and Interest

The Company will issue \$750.0 million in aggregate principal amount of Senior Secured Notes in this offering. The Senior Secured Notes will mature on _____, 2029. Subject to compliance with the covenant described below under the caption “—Certain Covenants—Limitation on Incurrence of

Indebtedness and Issuance of Disqualified Stock and Preferred Stock,” the Company may issue additional Senior Secured Notes from time to time after this offering under the Indenture (“*Additional Senior Secured Notes*”). Any Additional Senior Secured Notes subsequently issued under the Indenture will be treated as a single class with the Senior Secured Notes 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 Senior Secured Notes, unless the Senior Secured Notes and the Additional Senior Secured Notes are treated as fungible for U.S. federal income tax purposes. Additional Senior Secured Notes that are Regulation S Senior Secured Notes shall have a separate CUSIP or ISIN during the applicable restricted period. Unless the context requires otherwise, references to “Senior Secured Notes” for all purposes of the Indenture and this “Description of Senior Secured Notes” include any subsequent Additional Senior Secured Notes that are actually issued.

Interest on the Senior Secured Notes will accrue at the rate of % per annum and will be payable semiannually in arrears on and , commencing on , 2024 to the Holders of record of Senior Secured Notes on the immediately preceding and (whether or not a Business Day). Interest on the Senior Secured Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from and including the Issue Date. Interest on the Senior Secured Notes will be computed on the basis of a 360-day year comprised of twelve 30-day months. If any interest payment date, the maturity date or any earlier required purchase or Redemption Date falls on a day that is not a Business Day, the required payment will be made on the next succeeding Business Day and no interest on such payment will accrue in respect of the delay. The Senior Secured Notes will be issued in minimum denominations of \$2,000 and any integral multiple of \$1,000 in excess thereof.

Principal of, premium, if any, and interest on the Senior Secured Notes will be payable at the office or agency of the Company maintained for such purpose as described under “—Paying Agent and Registrar for the Senior Secured Notes” or, at the option of the Company, payment of interest may be made by check mailed to the Holders thereof at their respective addresses set forth in the register of Holders; *provided* that all payments of principal, premium, if any, and interest with respect to the Senior Secured Notes represented by one or more global notes registered in the name of or held by DTC or its nominee will be made in accordance with DTC’s applicable procedures. Until otherwise designated by the Company, the Company’s office or agency will be the office of the Trustee maintained for such purpose.

Security

Collateral

On the Issue Date, the Senior Secured Notes and the Guarantees thereof will be secured by Liens on the Collateral on an equal and ratable basis with all Equal Priority Obligations. The Liens on the Collateral that will secure the Senior Secured Notes and Guarantees will be granted under the Notes Security Documents in favor of the Collateral Agent for the benefit of itself, the Trustee and the holders of the Senior Secured Notes. The Liens on the Collateral that secure the Obligations under the Senior Credit Agreement (the “*Secured Credit Facility Obligations*”) will be granted to the Bank Collateral Agent pursuant to separate security documentation. The relative rights among the creditors of the Secured Credit Facility Obligations and the holders of the other Equal Priority Obligations (including the holders of the Senior Secured Notes) will be governed by the Equal Priority Intercreditor Agreement as set forth below under the caption “—Equal Priority Intercreditor Agreement.” The Collateral comprises substantially all of the assets and property of the Company and the Guarantors, whether real, personal or mixed, other than the Excluded Assets and other than any assets released from the Collateral.

Collateral held by the Company or any Guarantor will exclude the following assets and property (“*Excluded Assets*”), including, without limitation:

(1) any Trademark applications filed in the United States Patent and Trademark Office on the basis of a Grantor’s “intent-to-use” such trademark, unless and until acceptable evidence of use of such Trademark has been filed with the United States Patent and Trademark Office pursuant to Section 1(c) or Section 1(d) of the Lanham Act (15 U.S.C. §1051, et seq.), whereupon such Trademark application will be deemed automatically included in the Article 9 Collateral, but solely to the extent that granting the Security Interest in such Trademark application prior to such filing would adversely affect the enforceability or validity of such Trademark application or any registration issuing therefrom;

(2) any assets subject to (i) a Lien securing Financing Lease Obligations or purchase money debt obligations, in each case permitted under the Indenture, or (ii) a Lien or other encumbrance on such assets permitted by clause (7) or (8) of the definition of “Permitted Liens” as defined in the Indenture, or otherwise permitted under the Senior Credit Agreement, if the contract or other agreement in which such Lien is granted prohibits the assignment of such assets, or the creation of any other Lien on such assets or shall constitute or result in a breach or would give the other party thereto the right to terminate such contract or agreement (other than to the extent that any such prohibition is rendered ineffective pursuant to the UCC of any relevant jurisdiction or any other applicable law);

(3) any Excluded Equity Interests;

(4) any Excluded Deposit Accounts;

(5) any leaseholds of real property and any owned real property interests having a value of \$20.0 million or lower;

(6) any assets to the extent a Security Interest in such assets would result in material adverse tax consequences as reasonably determined by the Company and the Collateral Agent;

(7) receivables and related assets (or interests therein) (i) disposed of to any Receivables Subsidiary in connection with a Permitted Receivables Financing or (ii) otherwise pledged, factored, transferred or sold in connection with any Permitted Receivables Financing or other receivables sale or financing, and any other assets subject to Liens not prohibited under the Indenture securing Permitted Receivables Financings or any receivables financing or factoring program not prohibited under the Indenture; or

(8) any General Intangible, Deposit Account, Securities Account, Account Receivable (each as defined in the Uniform Commercial Code), lease, license (including, for the avoidance of doubt, any patent license, copyright license or trademark license), contract, property right or agreement to which the Company or any Guarantor is a party or any of its rights or interests thereunder if and for so long as the grant of such Security Interest (a) shall be prohibited by any valid and enforceable provision of any contract, agreement, instrument or indenture governing such General Intangible, Deposit Account, Securities Account, Account Receivable, lease, license contract, property right or agreement, (b) would give any other party to such General Intangible, Deposit Account, Securities Account, Account Receivable, lease, license, contract, property right or agreement the right to terminate its obligations thereunder, (c) is permitted only with the consent of another party to such Deposit Account, Securities Account, Account Receivable, lease, license contract, property right or agreement, if such consent has not been obtained, (d) shall constitute or result in the abandonment, invalidation or unenforceability of any right, title or interest of the Company or any Guarantor therein, (e) shall constitute or result in a breach or termination (or result in any party thereto having the right to terminate) pursuant to the terms of, or a default under, any such General Intangible, Deposit Account, Securities Account, Account

Receivable, lease, license, contract, property right or agreement, (f) shall constitute or result in a violation under any law, regulation, permit, order or decree of any governmental authority (including any requirement to obtain the consent of any governmental authority or third party) or (g) unless and until all required material consents shall have been obtained in each case as to clauses (a) through (f), other than to the extent that any such term is rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law (including Bankruptcy Laws) or principles of equity; *provided, however*, that such Security Interest shall attach immediately at such time as and, to the extent severable, to any portion of such General Intangible, Deposit Account, Securities Account, Account Receivable, lease, license, contract, property right or agreement that does not constitute or result or no longer constitutes or results in any of the conditions or consequences specified in the immediately preceding clauses (a) through (f) above.

“Excluded Equity Interests” means the following:

- (1) more than 65% of the issued and outstanding voting Equity Interests of any Foreign Subsidiary that is treated as a corporation for U.S. federal income tax purposes or any Foreign Sub Holdco;
- (2) Equity Interests in any Person other than a Wholly Owned Subsidiary, to the extent a pledge of such Equity Interests is prohibited by the organizational documents or agreements with the other equity holders of such Person;
- (3) any Equity Interests of a Domestic Subsidiary which is a Subsidiary of a Foreign Subsidiary;
- (4) any Equity Interests of any Receivables Subsidiary that engages in a Permitted Receivables Financing; and
- (5) margin stock.

“Excluded Deposit Accounts” means (i) Deposit Accounts (as defined in the Uniform Commercial Code) the balance of which consists exclusively of (A) withheld income taxes and federal, state or local employment taxes in such amounts as are required in the reasonable judgment of the Company to be paid to the Internal Revenue Service or state or local government agencies with respect to current or former employees of the Company or any one or more of the Guarantors and (B) amounts required to be paid over to an employee benefit plan pursuant to DOL Reg. Sec. 2510.3-102 on behalf of or for the benefit of employees of the Company or one or more Guarantors, (ii) all segregated Deposit Accounts constituting (and the balance of which consists solely of funds set aside in connection with) tax accounts, zero balance and payroll accounts and (iii) any Deposit Account containing solely fiduciary funds held in trust or escrow for the benefit of third parties (other than the Company, any Guarantor or any of their respective Subsidiaries).

“Security Interest” means a security interest in the Company’s and each Guarantor’s right, title and interest in, to and under any and all of the Article 9 Collateral.

“Article 9 Collateral” means the following:

- (1) all Accounts;
- (2) all Chattel Paper;
- (3) all Money and Deposit Accounts;

- (4) all Documents;
- (5) all Equipment;
- (6) all General Intangibles;
- (7) all Goods;
- (8) all Instruments;
- (9) all Inventory;
- (10) all Investment Property;
- (11) all Material Letters of Credit and Letter of Credit Rights relating to Material Letters of Credit;
- (12) all books and records pertaining to the Article 9 Collateral; and
- (13) all Proceeds and products of any and all of the foregoing, all Supporting Obligations and all collateral security and guarantees given by any Person with respect to any of the foregoing.

Notwithstanding anything herein to the contrary, in no event shall the Collateral include, and no Grantor shall be deemed to have assigned, pledged or granted a Security Interest in, any of such Grantor's right, title or interest in Excluded Assets.

Capitalized terms in this definition but not defined shall have the meanings set forth in the Uniform Commercial Code.

Certain Limitations on the Collateral

No appraisals of any of the Collateral have been prepared by or on behalf of the Company or any Guarantor in connection with the issuance and sale of the Senior Secured Notes. The value of the Collateral in the event of liquidation will depend on many factors. Consequently, liquidating the Collateral may not produce proceeds in an amount sufficient to pay any amounts due on the Senior Secured Notes. The Collateral securing our obligations under the Senior Secured Notes and the Guarantees is shared with other creditors. If there is a default, the value of the Collateral may not be sufficient to repay the creditors of Equal Priority Obligations, including the holders of the Senior Secured Notes. The fair market value of the Collateral is subject to fluctuations based on a number of factors, including, among others, prevailing interest rates, the ability to sell the Collateral in an orderly sale, general economic conditions, the availability of buyers and similar factors. The amount to be received upon a sale of the Collateral will be dependent on numerous factors, including the actual fair market value of the Collateral at such time, the timing and the manner of the sale and the availability of buyers. By its nature, some of the Collateral may be illiquid and may have no readily ascertainable market value or market. In the event of a foreclosure, insolvency, bankruptcy or liquidation proceeding or other similar proceeding, we cannot assure you that the proceeds from any sale or liquidation of the Collateral will be sufficient to pay the Company's and the Guarantors' Obligations in respect of the Senior Secured Notes and the Guarantees. Under U.S. bankruptcy proceedings, any claim for the difference between the amount, if any, realized by holders of the Senior Secured Notes from the sale of Collateral securing the Senior Secured Notes and the Obligations in respect of the Senior Secured Notes and the Guarantees will rank equally in right of payment with all of the Company's and the Guarantors' other unsecured or undersecured senior Indebtedness and other unsubordinated Obligations, including trade payables. To the extent that third parties establish Liens on the Collateral,

such third parties could have rights and remedies with respect to the assets subject to such Liens that, if exercised, could adversely affect the value of the Collateral or the ability of the Collateral Agent or the holders to realize or foreclose on the Collateral. The Company may also issue Additional Senior Secured Notes after the Issue Date as described herein or otherwise incur Equal Priority Obligations that would be secured by the Collateral, the effect of which would be to increase the amount of Indebtedness secured equally and ratably by the Collateral. The ability of the holders to realize on the Collateral may also be subject to certain bankruptcy law limitations in the event of a bankruptcy. See “Risk Factors—Risks Related to the Collateral—Bankruptcy and insolvency laws may limit the ability of holders of the Senior Secured Notes to realize value from the Collateral.”

Release of Collateral

The Company and the Guarantors are entitled to the automatic releases of property and other assets included in the Collateral from the Liens securing the Senior Secured Notes under any one or more of the following circumstances:

- (1) in part, as to any property or assets constituting Collateral, to enable us to consummate the disposition of such property or assets (to a Person that is not the Company or a Guarantor) to the extent permitted under the covenant described under “—Repurchase at the Option of Holders—Asset Sales”;
- (2) such property or assets becoming an Excluded Asset or Excluded Equity Interests;
- (3) as to the assets owned by a Subsidiary Guarantor, upon such Subsidiary Guarantor’s Guarantee being released in accordance with the provisions described under “—Guarantees” above;
- (4) as described under “—Equal Priority Intercreditor Agreement”; and/or
- (5) as described under “—Amendment, Supplement and Waiver” below.

The security interests in all Collateral securing the Senior Secured Notes also will be released automatically upon (i) payment in full of the principal of, together with accrued and unpaid interest and premium, if any, on, the Senior Secured Notes and all other Obligations under the Indenture, the Guarantees and the Notes Security Documents that are due and payable at or prior to the time such principal, together with accrued and unpaid interest and premium, if any, are paid (including pursuant to a satisfaction and discharge of the Indenture as described below under “—Satisfaction and Discharge” or through redemption or repurchase of all of the Senior Secured Notes or otherwise) or (ii) a legal defeasance or covenant defeasance under the Indenture as described below under “—Legal Defeasance and Covenant Defeasance.” In connection with a release of Collateral that requires execution by the Collateral Agent, only an Officer’s Certificate to the Collateral Agent will be required and neither the Trustee nor the Collateral Agent shall have any liability for releases given in reliance on such Officer’s Certificate (which shall also certify that the release of Collateral is authorized or permitted under the Indenture and the Notes Security Documents).

Creation and Perfection of Certain Security Interests Post-Closing

Certain security interests in the Collateral may not be created or perfected on the Issue Date. See “Risk Factors—Risks Related to the Collateral—Any future pledge of Collateral or any guarantee issued in favor of the holders of Notes might be avoidable in bankruptcy or otherwise.” To the extent any such security interest could not be created or perfected by such date, the Company and the Guarantors will agree use their respective commercially reasonable efforts to do or cause to be done all acts and things that would be required to have all security interests in the Collateral duly created

and enforceable and perfected, subject to certain permitted exceptions, including exceptions based on immateriality thresholds of aggregate assets as set forth in the Notes Security Documents, to the extent required by the Indenture or the Notes Security Documents within 90 days (or such later date as the Bank Collateral Agent may have agreed to with respect to the corresponding requirement under the Senior Credit Agreement) of the Issue Date; *provided* that the Company and Guarantors will enter into a security agreement and file Uniform Commercial Code financing statements on or around the Issue Date. There will be no independent assurance prior to issuance of the Senior Secured Notes that all assets or properties contemplated to be pledged as security for the Senior Secured Notes will be pledged, or that we hold the personal property interests we represent we hold or that we may pledge such interests, or that there will be no lien encumbering such personal property interests other than those permitted by the Indenture. Delivery of security interests or perfection thereof in Collateral after the Issue Date increases the risk that the security interests could be avoidable in an insolvency or liquidation proceeding. Additionally, the Indenture and the Notes Security Documents entered into in connection with the Senior Secured Notes will not require us to take a number of actions to perfect or to improve the perfection or priority of the liens of the Collateral Agent for the benefit of the holders of the Notes, including control agreements with respect to deposit accounts and securities accounts. Failure to create and perfect a security interest in the Collateral within the required time period and in accordance with the requirements of the Notes Security Documents will constitute an Event of Default (as defined below) if and to the extent provided under clauses (3) or (8) under the caption “—Events of Default and Remedies” below. Neither the Trustee nor the Collateral Agent on behalf of the Trustee and the holders of the Senior Secured Notes has any duty or responsibility to see to or monitor the performance of the Company and its Subsidiaries with regard to these matters, or to perfect or maintain the perfection of the security interest in the Collateral.

Equal Priority Intercreditor Agreement

On the Issue Date, the Collateral Agent and the Trustee, on behalf of themselves and the Holders of the Senior Secured Notes, and the administrative agent under the Senior Credit Agreement and the Bank Collateral Agent, on behalf of themselves and the lenders under the Senior Credit Agreement, will enter into the Equal Priority Intercreditor Agreement, which will set forth the relative rights and obligations of the holders of Equal Priority Obligations with respect to Shared Collateral. The Equal Priority Intercreditor Agreement will be binding on the Holders of the Senior Secured Notes with respect to the matters described below to the same extent that such provisions apply to the Collateral Agent.

Under the Equal Priority Intercreditor Agreement, as described below, the Applicable Collateral Agent, acting at the direction of the Applicable Representative, has the right to initiate foreclosures and take certain other actions with respect to the Shared Collateral and all Notes Security Documents to the extent they relate to the Shared Collateral, and the Collateral Agent and the Holders of the Senior Secured Notes will have no right to direct the Applicable Collateral Agent to take actions with respect to the Shared Collateral unless the Collateral Agent is the Applicable Collateral Agent pursuant to the terms of the definition thereof. The “*Applicable Representative*” shall be the administrative agent under the Senior Credit Agreement until the earlier of (i) the discharge of all indebtedness under the Senior Credit Agreement and (ii) the Non-Controlling Representative Enforcement Date (as defined below) and, thereafter, the Equal Priority Representative for the series of Equal Priority Obligations (other than in respect of the Senior Credit Agreement) that constitutes the largest outstanding principal amount of any then outstanding series of Equal Priority Obligations (other than in respect of the Senior Credit Agreement) (such representative, the “*Major Non-Controlling Representative*”). The “*Applicable Collateral Agent*” shall be the Bank Collateral Agent until the earlier of (i) the discharge of all indebtedness under the Senior Credit Agreement and (ii) the Non-Controlling Representative Enforcement Date and, thereafter, the collateral agent for the series of Equal Priority Obligations

represented by the Major Non-Controlling Representative. The “*Controlling Secured Parties*” shall be the Equal Priority Secured Parties for the series of Equal Priority Obligations represented by the Applicable Representative. As of the Issue Date, the Applicable Representative will be the administrative agent under the Senior Credit Agreement and the Applicable Collateral Agent will be the Bank Collateral Agent.

Any representative that is not the Applicable Representative at such time is a “*Non-Controlling Representative*.” As of the Issue Date, the Trustee will be a Non-Controlling Representative.

The “*Non-Controlling Representative Enforcement Date*” will be, with respect to any Non-Controlling Representative, the date which is 180 days (throughout which 180-day period such Non-Controlling Representative was the Major Non-Controlling Representative) after the occurrence of both,

(a) an event of default (under and as defined in the definitive debt documentation under which such Non-Controlling Representative is the Equal Priority Representative), and

(b) each collateral agent’s and each other representative’s receipt of written notice from such Non-Controlling Representative certifying that,

(i) such Non-Controlling Representative is the Major Non-Controlling Representative and that an event of default (under and as defined in the definitive debt documentation under which such Non-Controlling Representative is the representative) has occurred and is continuing, and

(ii) the Equal Priority Obligations of the series with respect to which such Non-Controlling Representative is the representative are currently due and payable in full (whether as a result of acceleration thereof or otherwise) in accordance with the terms of the applicable definitive debt documentation;

provided that the Non-Controlling Representative Enforcement Date shall be stayed and shall not occur and shall be deemed not to have occurred (1) at any time the Applicable Collateral Agent acting on the instructions of the Applicable Representative has commenced and is diligently pursuing any enforcement action with respect to the Shared Collateral, (2) at any time the Company or any Guarantor that has granted a security interest in Shared Collateral is then a debtor under or with respect to (or otherwise subject to) any insolvency or liquidation proceeding or (3) if the acceleration of the Equal Priority Obligations of the series with respect to which such Non-Controlling Representative (if any) is rescinded in accordance with the terms of the applicable definitive debt documentation.

Pursuant to the Equal Priority Intercreditor Agreement:

(i) the Applicable Collateral Agent shall have the sole right to act or refrain from acting with respect to the Shared Collateral (including pursuant to any other intercreditor agreement relating to the Shared Collateral);

(ii) the Applicable Collateral Agent shall act only on the instructions of the Applicable Representative and shall not follow any instructions with respect to the Shared Collateral from any Non-Controlling Representative or holders of Equal Priority Obligations (other than the Applicable Representative); and

(iii) no Equal Priority Representative will instruct the Applicable Collateral Agent to commence any judicial or non-judicial foreclosure proceedings with respect to, seek to have a trustee, receiver, liquidator 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 interests in or realize upon, or take any other action available to it in respect of, any Shared Collateral (subject to customary exceptions).

Notwithstanding the equal priority of the Liens on any Shared Collateral, the Applicable Collateral Agent may deal with the Collateral as if the Applicable Collateral Agent had a senior and exclusive Lien on such Collateral (subject to the distribution provisions set forth below). No Equal Priority Representative or Equal Priority Collateral Agent that is not the Applicable Collateral Agent may contest, protest or object to any foreclosure proceeding or action brought by the Applicable Collateral Agent or any exercise by the Applicable Collateral Agent of any rights and remedies relating to the Shared Collateral.

In addition, each Equal Priority Representative and each Equal Priority Secured Party will agree it (i) will not challenge or question or support any other Person in challenging or questioning in any proceeding (including any insolvency or liquidation proceeding) the validity or enforceability of any Equal Priority Obligations of any series or any Equal Priority Document or the validity, attachment, perfection or priority of any Lien under any Equal Priority Document or the validity or enforceability of the priorities, rights or duties established by or other provisions of the Equal Priority Intercreditor Agreement, (ii) will not 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 Collateral by the Applicable Collateral Agent, (iii) except as otherwise provided in the Equal Priority Intercreditor Agreement, shall have no right to and shall not otherwise (A) direct the Applicable Collateral Agent or any other Equal Priority Secured Party to exercise any right, remedy or power with respect to any Shared Collateral (including pursuant to any other intercreditor agreement) or (B) consent to, or object to, the exercise by, or any forbearance from exercising by, the Applicable Collateral Agent or any other Equal Priority Secured Party represented thereby of any right, remedy or power with respect to any Shared Collateral, (iv) will not institute any suit or assert in any suit, insolvency or liquidation proceeding or other proceeding any claim against the Applicable Collateral Agent or any other Equal Priority Secured Party represented thereby seeking damages from or other relief by way of specific performance, instructions or otherwise with respect to any Shared Collateral, and (v) will not attempt, directly or indirectly, whether by judicial proceedings or otherwise, to challenge the enforceability of any provision of the Equal Priority Intercreditor Agreement.

Distribution of Enforcement Proceeds

If an event of default (under and as defined in an instrument governing any series of Equal Priority Obligations) has occurred and is continuing and the Applicable Collateral Agent is taking action to enforce rights in respect of any Shared Collateral and in connection therewith any distribution or payment in respect of Shared Collateral is made, or any distribution is made in respect of any Shared Collateral in any insolvency or liquidation proceeding of any of the issuer or a Guarantor of Collateral, or any Equal Priority Representative or any Equal Priority Secured Party receives any payment pursuant to any intercreditor agreement (other than the Equal Priority Intercreditor Agreement) with respect to any Shared Collateral, the proceeds of any sale, collection or other liquidation or disposition of any such Shared Collateral received by such Equal Priority Representative or other Equal Priority Secured Party and the proceeds of any such distribution shall be applied as follows pursuant to the Equal Priority Intercreditor Agreement:

(i) first, to (A) the payment of all amounts owing to each Applicable Collateral Agent (in its capacity as Equal Priority Representative (in its capacity as such)) secured by such Shared Collateral or, in the case of any proceeds of any equity interests foreclosed upon where the Applicable Collateral Agent releases its Lien on the assets of such Person on which another series of Equal Priority Obligations holds a Lien on any of the assets of such Person (any such assets, the “*Underlying Assets*”), secured by the Underlying Assets, including all reasonable costs and expenses incurred by each such Applicable Collateral Agent (in its capacity as such) and each such Equal Priority Representative (in its capacity as such) in connection with the Equal Priority Intercreditor Agreement, any other any other Equal Priority Document or any of the Equal

Priority Obligations, including all court costs and the reasonable fees and expenses of its agents and legal counsel, and any other reasonable costs or expenses incurred in connection with the exercise of any right or remedy hereunder or under any other Equal Priority Documents and all fees and indemnities owing to such Applicable Collateral Agents and Equal Priority Representatives, ratably to each such Applicable Collateral Agent and Equal Priority Representative in accordance with the amounts payable to it pursuant to this clause first;

(ii) second, to the extent proceeds remain after the application pursuant to the preceding clause first, to each Equal Priority Representative for the payment in full of the other Equal Priority Obligations of each series secured by such Shared Collateral or, in the case of Equity Release Proceeds (as defined below), secured by the Underlying Assets, and, if the amount of such proceeds are insufficient to pay in full the Equal Priority Obligations of each series so secured then such proceeds shall be allocated among the Equal Priority Representatives of each series secured by such Shared Collateral or, in the case of Equity Release Proceeds, secured by the Underlying Assets, pro rata according to the amounts of such Equal Priority Obligations owing to each such respective Equal Priority Representative and the other Equal Priority Secured Parties represented by it for distribution by such Equal Priority Representative in accordance with its respective Equal Priority Documents; *provided* that following the commencement of any insolvency or liquidation proceeding with respect to the Company or any Guarantor, solely as among the holders of Equal Priority Obligations and solely for purposes of this clause second and not any other documents governing Equal Priority Obligations, in the event the value of the Shared Collateral is not sufficient for the entire amount of post-petition interest on the Equal Priority Obligations to be allowed under Section 506(a) and (b) of the Bankruptcy Code or any other applicable provision of the Bankruptcy Code or other bankruptcy law in such insolvency or liquidation proceeding, the amount of Equal Priority Obligations of each series of Equal Priority Obligations shall include only the maximum amount of post-petition interest on the Equal Priority Obligations allowable under Section 506(a) and (b) of the Bankruptcy Code or any other applicable provision of the Bankruptcy Code or other bankruptcy law in such insolvency or liquidation proceeding; and

(iii) third, any balance of such proceeds remaining after the application pursuant to the preceding clauses "first" and "second," to the Company and the Guarantors, their successors or assigns, or to whomever may be lawfully entitled to receive the same.

Notwithstanding the foregoing, in the event of any determination by a court of competent jurisdiction with respect to the Equal Priority Obligations of any series that (i) the Equal Priority Obligations of such series are unenforceable under applicable law or are subordinated to any other obligations (other than a series of Equal Priority Obligations), (ii) the Equal Priority Obligations of such series do not have a valid and perfected security interest in any of the Collateral securing any other series of Equal Priority Obligations, or (iii) any intervening security interest exists securing any other obligations (other than any other series of Equal Priority Obligations) on a basis ranking prior to the security interest of such series of Equal Priority Obligations but junior to the security interest of any other series of Equal Priority Obligations (any such condition referred to in the foregoing clause (i), (ii), or (iii) with respect to any series of Equal Priority Obligations, an "Impairment" of such series of Equal Priority Obligations), the results of such Impairment shall be borne solely by the holders of such series of Equal Priority Obligations, and the rights of the holders of such series of Equal Priority Obligations (including, without limitation, the right to receive distributions in respect of such series of Equal Priority Obligations) under the Equal Priority Intercreditor Agreement shall be modified to the extent necessary so that the effects of such Impairment are borne solely by the holders of such series of Equal Priority Obligations subject to such Impairment. Notwithstanding the foregoing, with respect to any Collateral for which a third party (other than a holder of Equal Priority Obligations) has a Lien or security interest that is junior in priority to the security interest of any series of Equal Priority Obligations but senior (as determined by appropriate legal proceedings in the case of any dispute) to the security interest of the holder of any other series of Equal Priority Obligations (such third party, an "*Intervening Creditor*"), the

value of any Collateral or proceeds which are allocated to such Intervening Creditor shall be deducted on a ratable basis solely from the Collateral or proceeds to be distributed in respect of the series of Equal Priority Obligations with respect to which such Impairment exists.

Certain Agreements With Respect to Bankruptcy or Insolvency Proceedings

The Equal Priority Intercreditor Agreement will provide that it shall continue in full force and effect notwithstanding the commencement of any insolvency or liquidation proceeding by or against any of the Company or a Guarantor.

If any of the Company or a Guarantor shall become subject to a bankruptcy case and seeks approval of financing to be provided by one or more lenders or the use of cash collateral, each of the Equal Priority Secured Parties (other than any Controlling Secured Party or Equal Priority Representative of any Controlling Secured Party) agrees that it will raise no objection to any such financing or to the Liens on the Shared Collateral securing the same ("*DIP Financing Liens*") or to any use of cash collateral that constitutes Shared Collateral, in each case unless an Equal Priority Representative of the Controlling Secured Parties shall then oppose or object to such financing or such Liens or use of cash collateral (and (i) to the extent that such financing Liens are senior to the Liens on any such Shared Collateral, each other Equal Priority Secured Party will subordinate its Liens with respect to such Shared Collateral on the same terms as the Liens of the Controlling Secured Parties are subordinated thereto, and (ii) to the extent that the Liens in respect of such financing rank *pari passu* with the Liens on any such Shared Collateral, each other Equal Priority Secured Party will confirm the priorities with respect to such Shared Collateral as set forth in the Equal Priority Intercreditor Agreement), in each case so long as (A) the Equal Priority Secured Parties retain the benefit of their Liens on all such Shared Collateral, including proceeds thereof arising after the commencement of such bankruptcy case, with the same priority *vis-à-vis* all the other Secured Parties (other than any Liens of any Equal Priority Secured Parties constituting *DIP Financing Liens*) as existed prior to the commencement of such bankruptcy case, (B) the Equal Priority Secured Parties of each series of Equal Priority Obligations are granted Liens on any additional collateral pledged to any Equal Priority Secured Parties as adequate protection or otherwise in connection with such financing or use of cash collateral, with the same priority *vis-à-vis* the Equal Priority Secured Parties as set forth in the Equal Priority Intercreditor Agreement (other than any Liens of any Equal Priority Secured Parties constituting *DIP Financing Liens*), (C) if any amount of such financing or cash collateral is applied to repay any of the Equal Priority Obligations, such amount is applied pursuant to the provisions of the Equal Priority Intercreditor Agreement, and (D) if any Equal Priority Secured Parties are granted adequate protection with respect to Equal Priority Obligations subject to the Equal Priority Intercreditor Agreement, including in the form of periodic payments, in connection with such financing or use of cash collateral, the proceeds of such adequate protection are applied pursuant to the Equal Priority Intercreditor Agreement. The foregoing is subject to (x) the right of the Equal Priority Secured Parties to object to the grant of a Lien to secure any such financing over any collateral securing such series of debt that is not Shared Collateral and (y) the Equal Priority Secured Parties receiving adequate protection shall not object to any other Equal Priority Secured Party receiving adequate protection comparable to any adequate protection granted to such Equal Priority Secured Parties in connection with any such financing or use of cash collateral.

Turnover

If any Equal Priority Representative obtains possession of any Shared Collateral or realizes any proceeds or payment in respect of any such Shared Collateral 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 series of Equal Priority Obligations, then such Equal Priority Representative shall hold such Shared Collateral, proceeds or payment in trust for the

other Equal Priority Secured Parties that have a security interest in such Shared Collateral and promptly transfer such Shared Collateral, proceeds or payment, as the case may be, to the Applicable Collateral Agent, to be distributed in accordance with “—Distribution of Enforcement Proceeds” above.

Automatic Release of Liens

Upon any release, sale or disposition of Shared Collateral permitted pursuant to the terms of the Senior Credit Agreement that results in the release of the Lien in respect of the Secured Credit Facilities Obligations on any Shared Collateral (whether or not any insolvency or liquidation proceeding is pending at the time), the Lien in respect of Obligations under the Indenture and the Senior Secured Notes on Shared Collateral shall automatically be released and discharged upon final conclusion of such disposition as and when, but only to the extent, such Liens of the Applicable Collateral Agent on such Shared Collateral are released and discharged; *provided* that any proceeds of any Shared Collateral realized therefrom shall be applied in accordance with “—Distribution of Enforcement Proceeds” above.

If, at any time, the Applicable Collateral Agent forecloses upon or otherwise exercises remedies against any Shared Collateral, in each case prior to the discharge of such series of Equal Priority Obligations, the equity interests of any Person are foreclosed upon or otherwise disposed of and the Applicable Collateral Agent releases its Lien on the property or assets of such Person constituting Shared Collateral and/or releases the guarantees of the Equal Priority Obligations requested by the Applicable Collateral Agent or such Person, then the Liens of each other Applicable Collateral Agent (or in favor of such other Equal Priority Secured Parties if directly secured by such Liens) with respect to any Collateral consisting of the property or assets of such Person constituting Shared Collateral will be automatically released and discharged to the same extent as the Liens and guarantees in favor of the Applicable Collateral Agent are released and discharged; *provided* that any proceeds of any such equity interests foreclosed upon where the Applicable Collateral Agent releases its Lien on the assets of such Person on which another series of Equal Priority Obligations holds a Lien on Underlying Assets, which Lien is released as provided in this sentence (any such proceeds being referred to herein as “*Equity Release Proceeds*” regardless of whether or not such other series of Equal Priority Obligations holds a Lien on such equity interests so disposed of) shall be applied as described in “—Distribution of Enforcement Proceeds” above.

Certain Covenants with Respect to the Collateral

The Collateral will be pledged pursuant to the Security Documents, which will contain provisions relating to identification of the Collateral and the maintenance of perfected Liens thereon. The following is a summary of some of the covenants and provisions set forth in the Security Documents and the Indenture as they relate to the Collateral.

After-Acquired Property

Upon the acquisition by any of the Company or the Guarantors after the Issue Date of any assets (other than Excluded Assets and exceptions based on immateriality thresholds of aggregate assets as set forth in the Security Documents), the Company or such Guarantor shall execute and deliver, to the extent required by the Indenture and/or the Security Documents, any information, documentation, financing statements or other certificates and opinions of counsel as may be necessary to vest in the Collateral Agent a perfected security interest, with the priority required by the Indenture and the Security Documents, subject only to Permitted Liens, in such after-acquired property and to have such after-acquired property added to the Collateral, and thereupon all provisions of the Indenture and the Security Documents relating to the Collateral shall be deemed to relate to such after-acquired property to the same extent and with the same force and effect.

Further Assurances

To the extent required under the Indenture or any of the Security Documents or the Equal Priority Intercreditor Agreement, the Company and the Guarantors shall execute any and all further documents, financing statements, agreements and instruments, and take all further actions that may be required under applicable Law, or that the Collateral Agent or the Trustee may reasonably request, in order to grant, preserve, protect and perfect the validity and priority of the security interests and Liens created or intended to be created by the Security Documents in the Collateral. In addition, to the extent required under the Indenture or any of the Security Documents, from time to time, the Company and the Guarantors will reasonably promptly secure the obligations under the Indenture and Security Documents by pledging or creating, or causing to be pledged or created, perfected security interests and Liens with respect to the Collateral to the extent required by the Indenture and/or the Security Documents.

Impairment of Security Interest

Neither Holdings, the Company nor any of its Restricted Subsidiaries will (i) take or knowingly or negligently omit to take any action which would materially adversely affect or impair the Liens in favor of the Collateral Agent, the Trustee and the holders of Senior Secured Notes with respect to the Collateral unless such action or failure to take action is otherwise permitted by the Indenture, the Security Documents or the Equal Priority Intercreditor Agreement or (ii) grant any Person, or permit any Person to retain (other than the Collateral Agent), any Liens on the Collateral, other than Permitted Liens. To the extent required under the Indenture or the Security Documents, the Company and each Guarantor will, at its sole cost and expense, execute and deliver all such agreements and instruments as necessary, or as the Trustee or the Collateral Agent reasonably requests, to more fully or accurately describe the assets and property intended to be Collateral or the Obligations intended to be secured by the Security Documents.

Negative Pledge

The Indenture will provide that the Company and each Guarantor will not, and the Company will not permit any of its Restricted Subsidiaries to, further pledge the Collateral as security or otherwise, subject to “—Certain Covenants—Liens” and Permitted Liens. The Company, however, subject to compliance by the Company with the covenants described under “—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock” and “—Certain Covenants—Liens,” has the ability under the Indenture to issue an unlimited aggregate principal amount of Additional Senior Secured Notes, all of which may be secured by the Collateral.

Foreclosure

Upon the occurrence and during the continuance of an Event of Default, but subject in all cases to the terms of the Equal Priority Intercreditor Agreement, the Security Documents will provide for (among other available remedies) the sale of, enforcement against or other realization upon, the applicable Collateral by the Collateral Agent and the distribution of the net proceeds of any such sale to the holders of the Senior Secured Notes (and other Secured Parties under the Indenture) and other Equal Priority Debt on a pro rata basis, subject to any prior Liens on the Collateral and the provisions of the Equal Priority Intercreditor Agreement. In the event of realization on the Collateral, the proceeds from the sale of the Collateral may not be sufficient to satisfy in full the Company’s obligations under the Senior Secured Notes.

Certain Bankruptcy Limitations

In addition to the limitations described above, the right of the Collateral Agent to obtain possession, exercise control over or dispose of the Collateral following an Event of Default would be significantly impaired (or at a minimum delayed) by applicable bankruptcy, insolvency, corporate arrangement, winding-up or similar laws if the Company or any Guarantor were to have become a debtor under the Bankruptcy Code (or any similar law or statute under debtor relief, bankruptcy, insolvency, corporate arrangement, winding-up or similar laws in any applicable jurisdiction) prior to the Collateral Agent having obtained possession, exercised control over or disposed of the Collateral. For example, upon the commencement of a case for relief under the Bankruptcy Code, a secured creditor, such as the Collateral Agent, is prohibited by the automatic stay from obtaining possession of its collateral from a debtor in a bankruptcy case, or from exercising control over or disposing of collateral taken from such debtor, without prior bankruptcy court approval (which may not be given under the circumstances). Moreover, the Bankruptcy Code and other debtor relief, insolvency, corporate arrangement or similar laws permit the debtor in certain circumstances to continue to retain and to use collateral owned as of the date of the bankruptcy or insolvency filing (and the proceeds, products, offspring, rents or profits of such collateral) even though the debtor is in default under the applicable debt instruments, subject to certain protections that may be afforded to a secured creditor. In view of the broad equitable powers of a U.S. bankruptcy court, as well as the lack of a precise definition of the term “adequate protection,” it is impossible to predict whether or when payments under the Senior Secured Notes could be made following the commencement of a bankruptcy case (or the length of any delay in making such payments), whether or when the Collateral Agent could repossess or dispose of the Collateral, the value of the Collateral at the time of the bankruptcy petition or thereafter or whether or to what extent holders of the Senior Secured Notes would be compensated for any delay in payment or loss of value of the Collateral through adequate protection or otherwise. Furthermore, in the event a bankruptcy court determines that the value of the Collateral (after giving effect to any Equal Priority Debt) is not sufficient to repay all amounts due on the Senior Secured Notes, the Indebtedness evidenced by the Senior Secured Notes would be “undersecured” and the holders of the Senior Secured Notes would only hold secured claims to the extent of the value of the Collateral and would hold unsecured claims as to the difference. The Bankruptcy Code permits the payment and/or accrual of post-petition interest, costs, expenses and fees to a secured creditor during a debtor’s bankruptcy case only to the extent the value of the Collateral is determined by the bankruptcy court to exceed the aggregate outstanding principal amount of the obligations secured by the Collateral. In addition, the Company or any Guarantor (or any trustee or similar official appointed therefor) or creditors of the Company or any Guarantor may seek to challenge the grant of the Collateral to the Collateral Agent as a fraudulent transfer or conveyance, preference, transfer at undervalue or otherwise under the Bankruptcy Code and/or applicable state law. If such a challenge were successful, the Liens may be avoided, leaving the holders of the Senior Secured Notes with unsecured claims against the applicable entities. See “Risk Factors—Risks Related to the Collateral—Any future pledge of Collateral or any guarantee issued in favor of the holders of Notes might be avoidable in bankruptcy or otherwise.”

Refinancings of the Senior Credit Agreement and the Senior Secured Notes

The obligations under the Senior Credit Agreement and the obligations under the Indenture and the Senior Secured Notes may be refinanced or replaced, in whole or in part, in each case, without notice to, or the consent of the Bank Collateral Agent, the Collateral Agent or the holder of any Notes (except to the extent a consent is otherwise required to permit the refinancing transaction under the Senior Credit Agreement or any security document related thereto or under the Indenture and the Security Documents), all without affecting the Lien priorities provided for in the Security Documents; *provided, however*, that the lenders providing or holders of any such refinancing or replacement Indebtedness (or an authorized agent or trustee on their behalf) bind themselves in writing to the terms

of the Equal Priority Intercreditor Agreement pursuant to a written agreement (including amendments or supplements to the Intercreditor Agreement) as required by the Equal Priority Intercreditor Agreement.

In addition, if at any time in connection with or after the discharge of Secured Credit Facility Obligations the Company enters into any replacement of the Senior Credit Agreement secured by all or a portion of the Collateral on a first-priority Lien basis (subject to “—Certain Covenants—Liens” and Permitted Liens), then such prior discharge of Senior Credit Facility Obligations shall automatically be deemed not to have occurred for all purposes of the Equal Priority Intercreditor Agreement, the Senior Credit Agreement, the Indenture and the Security Documents, and the Obligations under such replacement Credit Agreement shall automatically be treated as Senior Credit Facility Obligations, for all purposes of the Equal Priority Intercreditor Agreement, including for purposes of the Lien priorities and rights in respect of the Collateral (or such portion thereof) set forth therein. In connection with any refinancing or replacement contemplated by the foregoing paragraphs, the Equal Priority Intercreditor Agreement may be amended at the request and sole expense of the Company, and without the consent of the Bank Collateral Agent, the Collateral Agent or the holder of any Notes, (a) to add parties (or any authorized agent or trustee therefor) providing any such refinancing or replacement indebtedness in compliance with the Senior Credit Agreement and the Indenture and (b) to establish that Liens on any Collateral securing such refinancing or replacement Indebtedness shall have the same priority (or junior priority) or, if the Senior Credit Agreement and the Indenture so permit, senior priority, as the Liens on any Collateral securing the Indebtedness being refinanced or replaced, all on the terms provided for in the Indenture and the Security Documents immediately prior to such refinancing or replacement.

Mandatory Redemption; Offers to Purchase; Open Market Purchases

The Company will not be required to make any mandatory redemption or sinking fund payments with respect to the Senior Secured Notes. However, under certain circumstances, the Company may be required to offer to purchase Senior Secured Notes as described under “—Repurchase at the Option of Holders.” Holdings, the Company, the Investors and their respective Affiliates may, at their discretion, at any time and from time to time acquire Senior Secured Notes in the open market, by tender-offer, negotiated transactions or otherwise.

Optional Redemption

Except as set forth below or in the third paragraph under “—Repurchase at the Option of Holders—Change of Control,” the Company will not be entitled to redeem the Senior Secured Notes at its option prior to _____, 2026.

At any time prior to _____, 2026, the Company may redeem all or a part of the Senior Secured Notes, upon notice as described under “—Repurchase at the Option of Holders—Selection and Notice,” at a redemption price equal to 100% of the principal amount of the Senior Secured Notes redeemed plus the Applicable Premium as of, and accrued and unpaid interest, if any, to, but excluding, the date of redemption (any applicable date of redemption, the “*Redemption Date*”), subject to the rights of Holders on the relevant record date to receive interest due on the relevant interest payment date falling on or prior to the Redemption Date. Calculation of the Applicable Premium will be made by the Company or on behalf of the Company by such Person as the Company shall designate; *provided* that such calculation or the correctness thereof shall not be a duty or obligation of the Trustee.

On and after _____, 2026, the Company may redeem the Senior Secured Notes, in whole or in part, upon notice as described under “—Repurchase at the Option of Holders—Selection and Notice,”

at the redemption prices (expressed as percentages of principal amount of the Senior Secured Notes to be redeemed) set forth below, plus accrued and unpaid interest thereon, if any, to, but excluding, the applicable 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 on or prior to the Redemption Date, if redeemed during the twelve-month period beginning on _____ of each of the years indicated below:

<u>Year</u>	<u>Percentage</u>
2026	%
2027	%
2028 and thereafter	%

In addition, until _____, 2026, the Company may, at its option, upon notice as described under “—Repurchase at the Option of Holders—Selection and Notice,” on one or more occasions redeem up to 40% of the aggregate principal amount of Senior Secured Notes (including any Additional Senior Secured Notes) issued under the Indenture at a redemption price equal to _____ % of the aggregate principal amount thereof, plus accrued and unpaid interest thereon, if any, to, but excluding, the applicable 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 on or prior to the Redemption Date, with an amount equal to or less than the net cash proceeds from one or more Equity Offerings to the extent such net cash proceeds are received by or contributed to the Company; *provided that* (a) at least 50% of the sum of the aggregate principal amount of Senior Secured Notes originally issued under the Indenture on the Issue Date and any Additional Senior Secured Notes originally issued under the Indenture after the Issue Date remains outstanding immediately after the occurrence of each such redemption and (b) each such redemption occurs within 180 days of the date of closing of each such Equity Offering.

In addition, until _____, 2026, the Company may, at its option, upon notice as described under the caption “—Repurchase at the Option of Holders—Selection and Notice,” on one or more occasions redeem up to 10.0% of the aggregate principal amount of Senior Secured Notes during each 12-month period commencing with the Issue Date (including any Additional Senior Secured Notes of the same series) issued under the Indenture at a redemption price equal to 103.000% of the principal amount thereof plus accrued and unpaid interest thereon, if any, to, but excluding, the applicable Redemption Date.

Notwithstanding the foregoing, in connection with any tender offer for the Senior Secured Notes, if Holders of not less than 90% in aggregate principal amount of the outstanding Senior Secured Notes validly tender and do not validly withdraw such Senior Secured Notes in such tender offer and the Company, or any third party making such tender offer in lieu of the Company, purchases all of the Senior Secured Notes validly tendered and not validly withdrawn by such Holders, the Company or such third party will have the right upon not less than 10 nor more than 60 days’ prior notice, given not more than 30 days following such purchase date, to redeem (with respect to the Company) or purchase (with respect to a third party) all Senior Secured Notes that remain outstanding following such purchase at a price equal to the price paid to each other Holder in such tender offer plus, to the extent not included in the tender offer payment, accrued and unpaid interest, if any, thereon, to, but excluding, the Redemption Date or purchase 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 on or prior to the Redemption Date or purchase date.

Notice of any redemption or purchase of the Senior Secured Notes may, at the Company’s discretion, be subject to one or more conditions precedent. If such redemption or purchase is subject to satisfaction of one or more conditions precedent, such notice shall describe each such condition, and if applicable, shall state that, in the Company’s discretion, the Redemption Date or purchase date may

be delayed until such time (including more than 60 days after the date the notice of redemption was sent, including by electronic transmission) as any or all such conditions shall be satisfied, 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 by the Redemption Date or the purchase date, or by the Redemption Date or purchase date as so delayed, or such notice may be rescinded at any time in the Company's discretion if in the good faith judgment of the Company any or all of such conditions will not be satisfied. In addition, the Company may provide in such notice that payment of the redemption or purchase price and performance of the Company's obligations with respect to such redemption or purchase may be performed by another Person. In no event shall the Trustee be responsible for monitoring, or charged with knowledge of, the maximum aggregate amount of the Senior Secured Notes eligible under the Indenture to be redeemed.

The Senior Secured Notes to be redeemed shall be selected in the manner described under "—Repurchase at the Option of Holders—Selection and Notice."

Repurchase at the Option of Holders

Change of Control

The Indenture will provide that if a Change of Control occurs, unless, prior to, or concurrently with, the time the Company is required to make a Change of Control Offer (as defined below), the Company has previously or concurrently mailed or transmitted electronically a redemption notice with respect to all the outstanding Senior Secured Notes as described under "—Optional Redemption" or "—Satisfaction and Discharge," the Company will make an offer to purchase all of the Senior Secured 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 record on the relevant record date to receive interest due on the relevant interest payment date falling on or prior to the Change of Control Payment Date. Within 30 days following any Change of Control, the Company will send written notice of such Change of Control Offer electronically or by first-class mail, with a copy to the Trustee, sent in the same manner, to each Holder 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 Senior Secured Notes properly tendered pursuant to such Change of Control Offer will be accepted for payment by the Company;

(2) the purchase price and the purchase date, which will be no earlier than 20 Business Days nor later than 60 days from the date such notice is transmitted electronically or mailed (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 Secured Note not properly tendered will remain outstanding and continue to accrue interest;

(4) that unless the Company defaults in the payment of the Change of Control Payment, all Senior Secured 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 Senior Secured Notes purchased pursuant to a Change of Control Offer will be required to surrender such Senior Secured Notes, with the form entitled "Option of

Holder to Elect Purchase” on the reverse of such Senior Secured 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 will be entitled to withdraw their tendered Senior Secured Notes and their election to require the Company to purchase such Senior Secured Notes; *provided* that the paying agent receives, not later than the expiration time of the Change of Control Offer, a facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Senior Secured Notes tendered for purchase, and a statement that such Holder is withdrawing its tendered Senior Secured Notes and its election to have such Senior Secured Notes purchased and any other information as may be required by the paying agent, or otherwise in accordance with the procedures of DTC;

(7) that if less than all of such Holder’s Senior Secured Notes are tendered for purchase, such Holder will be issued new Senior Secured Notes and such new Senior Secured Notes will be equal in principal amount to the unpurchased portion of the Senior Secured Notes surrendered; *provided* that the unpurchased portion of the Senior Secured Notes must be equal to at least \$2,000 or an integral multiple of \$1,000 in excess thereof;

(8) if such notice is sent 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, if applicable, stating that, in the Company’s discretion, the Change of Control Payment Date may be delayed until such time as any or all applicable conditions shall be satisfied, or that such purchase may not occur and such notice may be rescinded in the event that the Company shall determine that the Change of Control will not occur by the Change of Control Payment Date, or by the Change of Control Payment Date as so delayed; and

(9) the other instructions, as determined by the Company, consistent with this covenant, that a Holder must follow.

On the Change of Control Payment Date, the Company will, to the extent permitted by law,

(1) accept for payment all Senior Secured Notes issued by it or portions thereof properly tendered pursuant to the Change of Control Offer;

(2) deposit with the paying agent an amount equal to the aggregate Change of Control Payment in respect of all Senior Secured Notes or portions thereof so tendered; and

(3) deliver, or cause to be delivered, to the Trustee for cancellation the Senior Secured Notes so accepted together with an Officer’s Certificate to the Trustee stating that such Senior Secured Notes or portions thereof have been tendered to and purchased by the Company.

The Company 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 Senior Secured 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 Company will comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations described in the Indenture by virtue thereof.

If Holders of not less than 90% in aggregate principal amount of the outstanding Senior Secured Notes validly tender and do not validly withdraw such Senior Secured Notes in a Change of Control

Offer and the Company, or any third party making a Change of Control Offer in lieu of the Company as described below, purchases all of the Senior Secured Notes validly tendered and not validly withdrawn by such Holders, the Company or such third party will have the right, upon not less than 10 nor more than 60 days' prior notice given not more than 30 days following such purchase pursuant to the Change of Control Offer described above, to redeem all Senior Secured Notes that remain outstanding following such purchase at a price in cash equal to 101% of the aggregate principal amount of such Senior Secured Notes, plus accrued and unpaid interest on the Senior Secured Notes that remain outstanding to, but excluding, the Redemption Date (subject to the right of Holders of record on the relevant record date to receive interest due on an interest payment date that is on or prior to the Redemption Date).

The Senior Credit Agreement provides, and future credit agreements or other agreements relating to Indebtedness to which the Company becomes a party may provide, that certain change of control events with respect to Holdings and the Company would constitute a default thereunder (including but not limited to a Change of Control under the Indenture or the Existing Notes Indenture). If Holdings or the Company experiences a change of control that triggers a default under the Senior Credit Agreement and/or such other agreement, Holdings or the Company could seek a waiver of such default or seek to refinance the Senior Credit Agreement and/or such other agreement. In the event Holdings and the Company do not obtain such a waiver or refinance the Senior Credit Agreement and/or such other agreement, such default could result in amounts outstanding under the Senior Credit Agreement and/or such other agreement being declared due and payable.

The Company's ability to pay cash to the Holders following the occurrence of a Change of Control may be limited by its then-existing financial resources. Therefore, sufficient funds may not be available when necessary to make any required repurchases. See "Risk Factors—Risks Related to the Senior Secured Notes—We may not be able to purchase the Senior Secured Notes upon a change of control, which would result in a default under the Indenture that will govern the Senior Secured Notes and would materially adversely affect our business and financial condition."

The Change of Control purchase feature of the Senior Secured Notes may in certain circumstances make it more difficult or discourage a sale or takeover of Holdings or the Company and, thus, the removal of incumbent management. The Change of Control purchase feature is a result of negotiations between the initial purchasers and the Company.

Subject to the limitations discussed below, Holdings or the Company could 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 its capital structure or credit ratings.

Restrictions on the ability of Holdings and its Subsidiaries, including the Company, 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 "—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 the Senior Secured Notes then outstanding. Except for the limitations contained in such covenants, however, the Indenture will not contain any covenants or provisions that may afford Holders protection in the event of a highly leveraged transaction.

The Company will not be required to make a Change of Control Offer if 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 Company and purchases all Senior Secured Notes validly tendered and not withdrawn under such Change of Control Offer. Notwithstanding anything to the contrary herein, a Change of Control Offer may be made in

advance of a Change of Control, conditional upon such Change of Control, if a definitive agreement is in place for the Change of Control at the time of making of the Change of Control Offer.

The definition of “Change of Control” includes a disposition of all or substantially all of the assets of Holdings and its Subsidiaries, taken as a whole, to certain Persons. Although there is a limited body of case law interpreting the phrase “substantially all,” there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of “all or substantially all” of the assets of Holdings. As a result, it may be unclear as to whether a Change of Control has occurred and whether a Holder of Senior Secured Notes may require the Company to make an offer to repurchase the Senior Secured Notes as described above.

The provisions under the Indenture relating to the Company’s obligation to make an offer to repurchase the Senior Secured Notes as a result of a Change of Control, including the definition of “Change of Control,” may be waived or modified at any time with the written consent of the Holders of a majority in aggregate principal amount of the Senior Secured Notes then outstanding.

Asset Sales

Holdings will not, and will not permit any Restricted Subsidiary to, consummate, directly or indirectly, an Asset Sale, unless:

(1) Holdings or such Restricted Subsidiary, as the case may be, receives consideration at the time of such Asset Sale at least equal to the fair market value (as determined in good faith by Holdings or the Company at the time of contractually agreeing to such sale) of the assets sold or otherwise disposed of; and

(2) except in the case of a Permitted Asset Swap, at least 75% of the consideration for such Asset Sale, together with all other Asset Sales since the Issue Date (on a cumulative basis), received by Holdings and its Restricted Subsidiaries is in the form of Cash Equivalents. For purposes of this covenant and for no other purpose, the following are deemed to be Cash Equivalents:

(a) any liabilities (as shown on Holdings’ or such Restricted Subsidiary’s most recent balance sheet or in the notes thereto, or if incurred or accrued subsequent to the date of such balance sheet, such liabilities that would have been shown on Holdings’ or such Restricted Subsidiary’s balance sheet or in the footnotes thereto if such incurrence or accrual had taken place on or prior to the date of such balance sheet, as determined in good faith by Holdings or the Company) of Holdings or any Restricted Subsidiary, other than liabilities that are by their terms subordinated to the Senior Secured Notes, that are assumed by the transferee of any such assets (or are otherwise extinguished in connection with the transactions relating to such Asset Sale) and for which Holdings and all Restricted Subsidiaries have been validly released by all creditors in writing;

(b) any securities, notes or other obligations received by Holdings or such Restricted Subsidiary from such transferee that are converted by Holdings or such Restricted Subsidiary into Cash Equivalents (to the extent of the Cash Equivalents received) within 180 days following the closing of such Asset Sale; and

(c) any Designated Non-cash Consideration received by Holdings or any 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 (x) \$231.0 million and (y) 25.0% of Consolidated EBITDA of the Company for the Applicable Measurement Period at the time of the receipt of such

Designated Non-cash Consideration, with the fair market value of each item of Designated Non-cash Consideration being measured at the time received and without giving effect to subsequent changes in value.

Within 450 days after the later of (x) the date of any Asset Sale and (y) the receipt of such Net Proceeds of any Asset Sale, Holdings or such Restricted Subsidiary, at its option, may apply the Net Proceeds from such Asset Sale, in accordance with clauses (1) and (2) below, as applicable,

(1) to the extent that such Net Proceeds is from an Asset Sale of any Collateral,

(a) to permanently reduce:

(i) Obligations under the Senior Credit Agreement or any other Equal Priority Obligations, 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, to correspondingly reduce commitments with respect thereto);

(ii) Senior Secured Notes Obligations or any other Equal Priority Obligations (other than Subordinated Indebtedness) of the Company or any Guarantor (and, in the case of revolving obligations, to correspondingly reduce commitments with respect thereto, if applicable); *provided* that if the Company or any Guarantor shall so repay any Equal Priority Obligations other than the Senior Secured Notes, the Company will either (1) reduce Senior Secured Notes Obligations on a pro rata basis by, at its option, (A) redeeming Senior Secured Notes as described under “—Optional Redemption” or any equivalent provision with respect to any Additional Senior Secured Notes or (B) purchasing Senior Secured Notes through open-market purchases at a purchase price not less than 100% of the principal amount thereof, or (2) make an offer (in accordance with the procedures set forth below for an Asset Sale Offer) to all Holders to purchase their Senior Secured Notes on a ratable basis with such other Equal Priority Obligations for no less than 100% of the principal amount thereof, plus the amount of accrued but unpaid interest, if any, on the amount of Senior Secured Notes that would otherwise be repurchased (which offer shall be deemed an Asset Sale Offer for purposes of the Indenture); or

(iii) Indebtedness of a Restricted Subsidiary that is not a Guarantor, other than Indebtedness owed to Holdings or another Restricted Subsidiary;

(b) to make (i) an Investment in any one or more businesses; *provided* that such Investment in any business is in the form of the acquisition of Capital Stock and results in Holdings or a Restricted Subsidiary, 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, (ii) Capital Expenditures or (iii) acquisitions of other assets that, in each of (i), (ii) and (iii), either (x) are used or useful in a Similar Business or (y) replace in whole or in part the businesses or assets that are the subject of such Asset Sale; or

(c) any combination of the foregoing;

(2) to the extent that such Net Proceeds is from an Asset Sale of any assets not constituting Collateral,

(a) to permanently reduce:

(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, to correspondingly reduce commitments with respect thereto);

(ii) Senior Secured Notes Obligations or other Senior Indebtedness (and, in the case of revolving obligations, to correspondingly reduce commitments with respect thereto); *provided* that, in the case of this clause (ii), the Company shall (1) equally and ratably reduce Senior Secured Notes Obligations on a pro rata basis as provided under “—Optional Redemption,” through open-market purchases at a purchase price not less than 100% of the principal amount thereof or (2) by making an offer (in accordance with the procedures set forth below for an Asset Sale Offer) to all Holders to purchase their Senior Secured 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, on the amount of Senior Secured Notes that would otherwise be repurchased (which offer shall be deemed an Asset Sale Offer for purposes of the Indenture); or

(iii) Indebtedness of a Restricted Subsidiary that is not a Guarantor, other than Indebtedness owed to Holdings or another Restricted Subsidiary;

(b) to make (i) an Investment in any one or more businesses; *provided* that such Investment in any business is in the form of the acquisition of Capital Stock and results in Holdings or a Restricted Subsidiary, 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, (ii) Capital Expenditures or (iii) acquisitions of other assets that, in each of (i), (ii) and (iii), either (x) are used or useful in a Similar Business or (y) replace in whole or in part the businesses or assets that are the subject of such Asset Sale; or

(c) any combination of the foregoing;

provided that, in the case of clauses (1)(b) and (2)(b) above, a binding commitment shall be treated as a permitted application of the Net Proceeds from the date of such commitment so long as Holdings or such Restricted Subsidiary enters into such commitment with the good faith expectation that such Net Proceeds will be applied to satisfy such commitment within the later of (x) 180 days of such commitment and (y) 450 days after the date of the applicable Asset Sale (an “*Acceptable Commitment*”); and in the event any Acceptable Commitment is later cancelled or terminated for any reason before the Net Proceeds are applied in connection therewith, then such Net Proceeds shall constitute Excess Proceeds after the later of (A) 450 days after the date of the applicable Asset Sale and (B) the termination of such Acceptable Commitment (unless another Acceptable Commitment is entered into with respect thereto prior to such later date).

Notwithstanding the foregoing, to the extent that any of or all the Net Proceeds of any Asset Sales by an Exempt Entity would have a material adverse tax consequence to Holdings, the Company or any of its Subsidiaries (taking into account any foreign tax credit or benefit actually realized in connection with such repatriation or expatriation) or is prohibited or subject to limitation by applicable local law, order, decree or determination of any arbitrator, court or governmental authority from being repatriated or expatriated to the United States or distributed to the Company or any Guarantor that is not an Exempt Entity, the portion of such Net Proceeds so affected will not be required to be applied in compliance with this covenant, and such amounts may be retained by the applicable Exempt Entity so long, but only so long, as applicable, as such material adverse tax consequence exists or the applicable local law will not permit repatriation or expatriation to the United States or distribution to the Company or any Guarantor (Holdings and the Company hereby agreeing to use reasonable efforts to cause the applicable Exempt Entity to take all actions reasonably required by the applicable local law, applicable organizational impediments or other impediment to permit such repatriation, expatriation or distribution), and if such repatriation or expatriation of any of such affected Net Proceeds, as applicable, no longer has material adverse tax consequences or is permitted under the applicable local law, such repatriation or expatriation will be promptly effected and such repatriated or expatriated Net Proceeds will be applied (whether or not repatriation or expatriation actually occurs) in compliance with this covenant.

Any Net Proceeds from an Asset Sale that are not invested or applied as provided and within the time period set forth in the preceding paragraph will be deemed to constitute “*Excess Proceeds*.” When the aggregate amount of Excess Proceeds exceeds an aggregate of the greater of (i) \$70.0 million and (ii) 7.5% of Consolidated EBITDA in any fiscal year (the “*Excess Proceeds Threshold*”), the Company shall make an offer to all Holders and, if and to the extent required by the terms of any Equal Priority Obligations, to the holders of such Equal Priority Obligations (an “*Asset Sale Offer*”), to purchase the maximum aggregate principal amount (or accreted value, as applicable) of the Senior Secured Notes and such Equal Priority Obligations that is in a minimum amount of \$2,000 or an integral multiple of \$1,000 in excess thereof that may be purchased in the amount equal to the sum of the Excess Proceeds (the “*Excess Proceeds Payment Amount*”) at an offer price in cash in an amount equal to 100% of the principal amount or accreted value thereof, plus accrued and unpaid interest, if any, to, but excluding, the date fixed for the closing of such offer, in accordance with the procedures set forth in the Indenture and, if applicable, the other documents governing the applicable Equal Priority Obligations. The Company will commence an Asset Sale Offer with respect to Excess Proceeds within fifteen (15) Business Days after the date that Excess Proceeds exceed the Excess Proceeds Threshold by sending the notice required pursuant to the terms of the Indenture and the Equal Priority Intercreditor Agreement, with a copy to the Trustee in the case of the Indenture. The Company may satisfy the foregoing obligation with respect to such Net Proceeds from an Asset Sale by making an Asset Sale Offer with respect to all or a portion of the available Net Proceeds (the “*Advance Portion*”) in advance of being required to do so by the Indenture (the “*Advance Offer*”).

To the extent that the aggregate principal amount (or accreted value, as applicable) of Senior Secured Notes and, if applicable, Equal Priority Obligations tendered pursuant to an Asset Sale Offer is less than the Excess Proceeds Payment Amount (or, in the case of an Advance Offer, the Advance Portion), the Company may use any remaining Excess Proceeds (or, in the case of an Advance Offer, the Advance Portion) for such amount offered in any manner not prohibited by the Indenture. If the aggregate principal amount (or accreted value, as applicable) of Senior Secured Notes or the Equal Priority Obligations surrendered by such Holders and holders thereof exceeds the amount of Excess Proceeds (or, in the case of an Advance Offer, the Advance Portion), the Company shall select the Senior Secured Notes and such Equal Priority Obligations to be purchased on a *pro rata* basis based on the principal amount or accreted value of the Senior Secured Notes or such Equal Priority Obligations tendered with adjustments as necessary so that no Senior Secured Notes or Equal Priority Obligations, as the case may be, will be repurchased in part in an unauthorized denomination. Upon completion of any such Asset Sale Offer, the amount of Excess Proceeds shall be reset at zero, but in the case of an Advance Offer, the amount of Net Proceeds the Company is offering to apply in such Advance Offer shall be excluded in subsequent calculations of Excess Proceeds. Additionally, upon consummation or expiration of any Advance Offer, any remaining Net Proceeds shall not be deemed Excess Proceeds and the Company may use such Net Proceeds for any purpose not otherwise prohibited under the Indenture.

Pending the final application of an amount equal to the Net Proceeds pursuant to this covenant, the holder of such Net Proceeds may apply such Net Proceeds temporarily to reduce Indebtedness outstanding under a revolving credit facility (including under the Senior Credit Agreement) or otherwise invest such Net Proceeds in any manner not prohibited by the Indenture. For the avoidance of doubt, the Holder of any Retained Asset Sale Proceeds may apply any Retained Asset Sale Proceeds in any manner not prohibited by the Indenture and such Retained Asset Sale Proceeds shall in no event and under no circumstances constitute Excess Proceeds.

The Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable in connection with each repurchase of Senior Secured Notes pursuant to an Asset Sale Offer. To the

extent that the provisions of any securities laws or regulations conflict with the provisions of the Indenture, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations described in the Indenture by virtue thereof.

Selection and Notice

If the Company is redeeming less than all of the Senior Secured Notes or if the Company is repurchasing less than all of the Senior Secured Notes tendered for purchase, and the Senior Secured Notes are global Senior Secured Notes, the Senior Secured Notes to be redeemed or repurchased will be selected by DTC in accordance with applicable DTC procedures. If the Senior Secured Notes to be redeemed or repurchased are not global Senior Secured Notes then held by DTC, the Trustee will select the Senior Secured Notes to be redeemed or repurchased (i) if the Senior Secured Notes are listed on any national securities exchange and the Trustee has been notified by the Company of such listing, in compliance with the requirements of the principal national securities exchange on which the Senior Secured Notes are listed, (ii) on a *pro rata* basis to the extent practicable or (iii) to the extent that selection on a *pro rata* basis is not practicable, by lot or such other method as it shall deem fair and appropriate (in accordance with the procedures of DTC, if applicable).

Notices of redemption or purchase shall be delivered electronically or mailed by first-class mail, postage prepaid, at least 10 but not more than 60 days before the purchase or redemption date to each Holder of Senior Secured Notes at such Holder's registered address or otherwise in accordance with the procedures of DTC, except that redemption notices may be sent more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Senior Secured Notes or a satisfaction and discharge of the Indenture. If any Secured Note is to be redeemed or purchased in part only, any notice of redemption or purchase that relates to such Secured Note shall state the portion of the principal amount thereof that has been or is to be redeemed or repurchased.

The Company will issue a new Secured Note (or cause to be transferred by book entry) in a principal amount equal to the unredeemed or unpurchased portion of the original Secured Note in the name of the Holder upon cancellation of the original Secured Note; *provided* new Senior Secured Notes will only be issued in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. Senior Secured 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, unless the Company defaults or such redemption is subject to one or more conditions precedent and such redemption has been rescinded or delayed, interest ceases to accrue on Senior Secured Notes or portions of them called for redemption.

Certain Covenants

Set forth below are summaries of certain covenants to be contained in the Indenture.

Effectiveness of Covenants

If (i) the Senior Secured Notes have an Investment Grade Rating from both 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*"), Holdings and its Restricted Subsidiaries will not be subject to the following covenants (collectively, the "*Suspended Covenants*"):

- (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 (4) of the first paragraph 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) “—Additional Secured Note Guarantees.”

In the event that Holdings 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*”) one or both of the Rating Agencies withdraw their Investment Grade Rating or downgrade the rating assigned to the Senior Secured Notes below an Investment Grade Rating, then Holdings and its Restricted Subsidiaries will thereafter again be subject to the Suspended Covenants with respect to future events. Notwithstanding that the Suspended Covenants may be reinstated, no Default, Event of Default or breach of any kind shall be deemed to exist under the Indenture, the Senior Secured Notes or the Guarantees with respect to the Suspended Covenants, and neither Holdings nor 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 prior to the Reversion Date, 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 events that occurred during the Suspension Period solely to the extent arising from the failure to comply with the Suspended Covenants during the Suspension Period).

The period of time from and including the date of the Covenant Suspension Event to (and excluding) the Reversion Date is referred to in this description as the “*Suspension Period*.” Additionally, upon the occurrence of a Covenant Suspension Event, the amount of Excess Proceeds shall be reset at zero. In the event of any such reinstatement, no action taken or omitted to be taken by Holdings 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 Senior Secured Notes; *provided that* (1) with respect to Restricted Payments made on or after the Reversion Date, the amount of Restricted Payments made 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, (2) all Indebtedness incurred, or Disqualified Stock or Preferred Stock issued, 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 on or after the Reversion Date 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,” and (4) any encumbrance or restriction on the ability of any Restricted Subsidiary that is not 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 exception to the first paragraph of the covenant described under “—Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries.” No Subsidiaries shall be designated as Unrestricted Subsidiaries during any Suspension Period.

There can be no assurance that the Senior Secured Notes will ever achieve or maintain Investment Grade Ratings.

The Company shall promptly provide an Officer's Certificate to the Trustee indicating the occurrence of any Covenant Suspension Event or Reversion Date. The Trustee shall provide a copy of such Officer's Certificate to any Holder upon request. The Trustee will have no obligation to (i) independently determine or verify if such events have occurred, (ii) make any determination regarding the impact of actions taken during the Suspension Period on Holdings' and its Restricted Subsidiaries' future compliance with their covenants or (iii) notify the Holders of any Covenant Suspension Event or Reversion Date.

Limitation on Restricted Payments

Holdings will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

(I) pay any dividend or make any payment or distribution on account of Holdings' or any of its Restricted Subsidiaries' Equity Interests, including any dividend or distribution payable in connection with any merger, consolidation or amalgamation, other than:

(a) dividends, payments or distributions by Holdings payable solely in Equity Interests (other than Disqualified Stock) of Holdings or in options, warrants or other rights to purchase such Equity Interests; or

(b) dividends, payments or 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 of Holdings, Holdings 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 Holdings or any Parent Entity of Holdings, including in connection with any merger, consolidation or amalgamation, in each case held by a Person other than Holdings 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 of the Company or any Guarantor, other than:

(a) Indebtedness or Preferred Stock permitted to be incurred or issued under clauses (7), (8) or (9) 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 redemption, defeasance, purchase, repurchase or other acquisition 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 redemption, defeasance, purchase, repurchase or acquisition; or

(IV) make any Restricted Investment

(all such payments and other actions set forth in clauses (I) through (IV) above (other than any exception thereto) being collectively referred to as "*Restricted Payments*"), unless, at the time of such Restricted Payment:

(1) no Event of Default shall have occurred and be continuing or would occur as a consequence thereof;

(2) immediately after giving effect to such transaction on a *pro forma* basis, the Company could incur \$1.00 of additional Indebtedness under the provisions of the first paragraph of the covenant described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock"; and

(3) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by Holdings and its Restricted Subsidiaries after the Issue Date (including Restricted Payments permitted pursuant to clauses (1) and (7) of the next succeeding paragraph, but excluding all other Restricted Payments permitted by the next succeeding paragraph), is less than the sum of (without duplication):

(a) an amount, not less than zero in the aggregate, equal to 50% of the Consolidated Net Income of the Company for the period (taken as one accounting period and including any predecessor) beginning on January 1, 2021 to the end of the Company's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment, or, in the case such Consolidated Net Income for such period is a deficit, minus 100% of such deficit; *plus*

(b) 100% of the aggregate net cash proceeds and the fair market value, as determined in good faith by Holdings or the Company, of marketable securities or other property received by Holdings and its Restricted Subsidiaries since immediately after the Issue 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) Equity Interests of Holdings, including Treasury Capital Stock (as defined below), but excluding cash proceeds and the fair market value, as determined in good faith by Holdings or the Company, of marketable securities or other property received from the sale of such Equity Interests to any future, current or former officer, director, employee, manager or consultant of Holdings, any Parent Entity of the Holdings and Holdings' Subsidiaries after the Issue Date to the extent such amounts have been applied to Restricted Payments made in accordance with clause (4) of the next succeeding paragraph;

(ii) to the extent such net cash proceeds are actually contributed to Holdings, Equity Interests of a Parent Entity of Holdings but excluding cash proceeds and the fair market value, as determined in good faith by Holdings or the Company, of marketable securities or other property received from the sale of such Equity Interests to any future, current or former officer, director, employee, manager or consultant of Holdings, any Parent Entity of the Holdings and Holdings' Subsidiaries after the Issue Date to the extent such amounts have been applied to Restricted Payments made in accordance with clause (4) of the next succeeding paragraph; or

(iii) Indebtedness or Disqualified Stock of the Company or any Restricted Subsidiary that has been converted into or exchanged for such Equity Interests (other than Disqualified Stock) of Holdings or a Parent Entity of Holdings;

provided, however, that this clause (b) shall not include the proceeds from (W) Refunding Capital Stock (as defined below), (X) Equity Interests or convertible debt securities of Holdings sold to a Restricted Subsidiary, (Y) Disqualified Stock (other than as provided in clause (b)(ii) above) or Indebtedness of Holdings or any Restricted Subsidiary that has been converted into Disqualified Stock of Holdings or (Z) Excluded Contributions; *plus*

(c) 100% of the aggregate amount of cash and the fair market value, as determined in good faith by Holdings or the Company, of marketable securities or other property contributed to the capital (other than Disqualified Stock) of Holdings or that becomes part of the capital of Holdings through a merger, consolidation or amalgamation into Holdings or a Restricted Subsidiary, following the Issue Date (other than net cash proceeds to the extent such net cash proceeds (i) 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) are contributed by a Restricted Subsidiary or (iii) constitute Excluded Contributions); *plus*

(d) 100% of the aggregate amount received in cash and the fair market value, as determined in good faith by Holdings or the Company, of marketable securities or other property received by Holdings or a Restricted Subsidiary by means of:

(i) the sale or other disposition (other than to Holdings or a Restricted Subsidiary) of, or cash distributions or cash interest received in respect of, Restricted Investments made by Holdings or its Restricted Subsidiaries and repurchases and redemptions of such Restricted Investments from Holdings or its Restricted Subsidiaries and repayments of loans or advances, and releases of guarantees, which constitute Restricted Investments made by Holdings or its Restricted Subsidiaries, in each case after the Issue Date; or

(ii) the sale or other disposition (other than to Holdings or a Restricted Subsidiary) of the Equity Interests of an Unrestricted Subsidiary (other than in each case to the extent the Investment in such Unrestricted Subsidiary constituted a Permitted Investment) or a dividend or distribution from an Unrestricted Subsidiary after the Issue Date; *plus*

(e) in the case of the redesignation of an Unrestricted Subsidiary as a Restricted Subsidiary or the merger, consolidation or amalgamation of an Unrestricted Subsidiary into Holdings or a Restricted Subsidiary where Holdings or such Restricted Subsidiary is the survivor in such merger, consolidation or amalgamation, or the transfer of assets of an Unrestricted Subsidiary to Holdings or a Restricted Subsidiary after the Issue Date, the fair market value of the Investment in such Unrestricted Subsidiary, as determined in good faith by Holdings or the Company, at the time of the redesignation of such Unrestricted Subsidiary as a Restricted Subsidiary or at the time of such merger, consolidation or amalgamation or transfer of assets other than to the extent such Investment constituted a Permitted Investment; *plus*

(f) the greater of (i) \$370.0 million and (ii) 40.0% of Consolidated EBITDA of the Company for the Applicable Measurement Period; *plus*

(g) the amount of any Declined Proceeds; *plus*

(h) the amount of any Retained Asset Sale Proceeds.

The foregoing provisions will not prohibit:

(1) the payment of any dividend or distribution or the consummation of any redemption within 60 days after the date of declaration thereof or the giving of such notice, as applicable, if at the date of declaration or the giving of such notice such payment would have complied with the provisions of the Indenture;

(2) the redemption, repurchase, defeasance, discharge, retirement or other acquisition of any Equity Interests of Holdings or any Parent Entity of Holdings (“*Treasury Capital Stock*”), Equity Interests of the Company or Subordinated Indebtedness of the Company or any Restricted Subsidiary in exchange for, or out of the proceeds of a sale or issuance (other than to a Restricted Subsidiary) of, Equity Interests of Holdings or any Parent Entity of Holdings to the extent contributed to Holdings (in each case, other than any Disqualified Stock) (“*Refunding Capital Stock*”) made within 90 days of such sale or issuance of Refunding Capital Stock; *provided* that, in each such case, the amount of any such proceeds that are so utilized shall be excluded from clause (3)(b) of the preceding paragraph;

(3) the prepayment, exchange, redemption, defeasance, repurchase, retirement or other acquisition for value of (i) Subordinated Indebtedness of the Company or a Guarantor made in

exchange for, or out of the proceeds of a sale of, new Indebtedness or Disqualified Stock of the Company or a Guarantor, as the case may be, made within 90 days of such incurrence or issuance of new Indebtedness or Disqualified Stock or (ii) Disqualified Stock of the Company or a Guarantor made in exchange for, or out of the proceeds of a sale of, Disqualified Stock of the Company or a Guarantor made within 90 days of such sale of Disqualified Stock, that, in each case is incurred or issued 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, exchanged, redeemed, defeased, repurchased, acquired or retired for value, plus the amount of any premium (including tender premiums), defeasance costs, underwriting discounts and any fees and expenses incurred in connection with the issuance of such new Indebtedness or Disqualified Stock and such prepayment, exchange, redemption, defeasance, repurchase, exchange, retirement or acquisition;

(b) such new Indebtedness is subordinated to the Senior Secured Notes or the applicable Guarantee at least to the same extent as such Subordinated Indebtedness so prepaid, exchanged, redeemed, defeased, repurchased, retired or acquired;

(c) such new Indebtedness or Disqualified Stock has a final scheduled maturity date equal to or later than the earlier of (i) the final scheduled maturity date of the Subordinated Indebtedness or Disqualified Stock being so prepaid, exchanged, redeemed, defeased, repurchased, retired or acquired and (ii) 91 days following the last maturity date of any Senior Secured Notes outstanding; and

(d) such new Indebtedness or Disqualified Stock has a Weighted Average Life to Maturity which is not less than the shorter of (i) the remaining Weighted Average Life to Maturity of the Subordinated Indebtedness or Disqualified Stock being so prepaid, exchanged, defeased, redeemed, repurchased, retired or acquired and (ii) the Weighted Average Life to Maturity that would result if all payments of principal on the Subordinated Indebtedness or Disqualified Stock being prepaid, exchanged, redeemed, defeased, retired or acquired that were due on or after the date that is 91 days following the last maturity date of any Senior Secured Notes then outstanding were instead due on such date;

(4) a Restricted Payment to pay for the repurchase, redemptions, retirement or other acquisition (or other payments in connection with, and in lieu of, such repurchase, redemption, retirement or acquisition made to optionholders or holders of profits interests of Holdings, the Company or any Parent Entity of Holdings to compensate such optionholders or holders of profits interests as though they were equityholders at the time of, and entitled to share in, such Restricted Payment) of Equity Interests (other than Disqualified Stock) of Holdings, the Company or any Parent Entity of Holdings held by any future, present or former officer, director, employee, manager or consultant (or their respective Immediate Family Members) of Holdings, any of its Subsidiaries or any Parent Entity of Holdings pursuant to any management equity plan or equity option plan or any other management or employee benefit plan or agreement, any severance agreement or any stock subscription or equityholder agreement (including, for the avoidance of doubt, any principal and interest payable on any Indebtedness issued by Holdings or any Parent Entity of Holdings in connection with such repurchase, retirement or other acquisition); *provided, however*, that the aggregate Restricted Payments made under this clause (4) do not exceed in any calendar year the greater of (i) \$139.0 million and (ii) 15% of Consolidated EBITDA of the Company for the Applicable Measurement Period (or the greater of (i) \$278.0 million and (ii) 30.0% of Consolidated EBITDA of the Company for

the Applicable Measurement Period following an initial public offering described in clause (7) below (with unused amounts in any calendar year being carried over to succeeding calendar years); *provided, further*, that such amount in any calendar year may be increased by an amount not to exceed:

(a) the proceeds from the sale of Equity Interests (other than Disqualified Stock) of Holdings and, to the extent contributed to Holdings, the proceeds from the sale of Equity Interests of any Parent Entity of Holdings, in each case to any future, present or former employees, directors or consultants (or their respective Immediate Family Members) of Holdings, any of its Subsidiaries or any Parent Entity of Holdings that occurs after the Issue Date; *provided* that the amount of such proceeds utilized for any such repurchase, redemption, retirement or other acquisition will not increase the amount available for Restricted Payments under clause (3) of the preceding paragraph; *plus*

(b) the cash proceeds of key man life insurance policies received by Holdings or its Restricted Subsidiaries (or any Parent Entity of Holdings to the extent contributed to Holdings) after the Issue Date; *less*

(c) the amount of any Restricted Payments previously made pursuant to clauses (a) and (b) of this clause (4);

provided that Holdings or the Company may elect to apply all or any portion of the aggregate increase contemplated by clauses (a) and (b) of this clause (4) in any calendar year; and *provided, further*, that cancellation of Indebtedness owing to Holdings or any Restricted Subsidiary from any future, present or former officers, directors, employees, managers or consultants (or their respective Immediate Family Members or any permitted transferee thereof) of Holdings, any Parent Entity of Holdings or any of its Restricted Subsidiaries in connection with a repurchase of Equity Interests of Holdings or any Parent Entity of Holdings will not be deemed to constitute a Restricted Payment for purposes of this covenant or any other provision of the Indenture;

(5) the declaration and payment of dividends or distributions to holders of any class or series of Disqualified Stock of Holdings or any of its Restricted Subsidiaries or any class or series of Preferred Stock of any Restricted Subsidiary, in each case 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 and distributions are included in the definition of “Fixed Charges”;

(6) payments made or expected to be made by Holdings or any Restricted Subsidiary in respect of withholding or similar taxes payable in connection with the exercise or vesting of Equity Interests or other equity awards by any future, current or former officer, director, employee, manager or consultant and repurchases or withholdings of Equity Interests in connection with any exercise of stock or other equity options or warrants or the vesting of Equity Interests or other equity awards if such Equity Interests represent all or a portion of the exercise price of, or withholding obligation with respect to, such options, warrants or other Equity Interest or equity awards;

(7) following consummation of the first Qualified Public Offering after the Issue Date, Restricted Payments to equityholders of Holdings (or, solely to the extent the net proceeds of such offering are contributed to Holdings, a Restricted Payment to any Parent Entity of Holdings to fund the payment by such Parent Entity of Restricted Payments to its equityholders), in an aggregate amount per annum not to exceed the greater of (i) 6.0% of Market Capitalization and (ii) 6.0% of the net proceeds of such Qualified Public Offering and any other public offering, other than public offerings with respect to Holdings’ common equity registered on Form S-4 or Form S-8;

(8) Restricted Payments made with cash or other assets received as Excluded Contributions in an aggregate amount that does not exceed (a) the aggregate amount of Excluded Contributions received since the Issue Date or (b) without duplication of clause (a) above or any increase in the basket under clause (3) of the preceding paragraph, or any clause in this paragraph or any clause in the definition of “Permitted Investments,” the Net Proceeds from an Asset Sale or other disposition in respect of property or assets acquired after the Issue Date, to the extent such property or assets was financed with Excluded Contributions;

(9) Restricted Payments in an aggregate amount taken together with all other Restricted Payments made pursuant to this clause (9) not to exceed the greater of (a) \$370.0 million and (b) 40.0% of Consolidated EBITDA of the Company for the Applicable Measurement Period;

(10) Restricted Payments made in connection with (a) working capital adjustments or purchase price adjustments in connection with any acquisition or other Investment, (b) the satisfaction of indemnity and other similar obligations in connection with any acquisition or other Investment, or (c) used to fund amounts owed to Affiliates of Holdings (including those made to any Parent Entity of Holdings to permit payment by such Parent Entity);

(11) the repurchase, redemption, defeasance, acquisition or retirement of any Subordinated Indebtedness or Disqualified Stock in accordance with 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 at or prior to such repurchase, redemption, defeasance, acquisition or retirement, all Senior Secured Notes tendered by Holders in connection with a Change of Control Offer or Asset Sale Offer, as applicable, have been repurchased, redeemed, acquired, defeased or retired;

(12) the declaration and payment of dividends or distributions by Holdings to, or the making of loans to, any Parent Entity of Holdings in amounts required for any Parent Entity of Holdings to pay or cause to be paid, in each case without duplication,

(a) franchise, excise or similar taxes and other fees, taxes and expenses, in each case, required to maintain their organizational existence;

(b) foreign, federal, state and local income and similar taxes (including any interest or penalties related thereto), to the extent such income or similar taxes are attributable to the income, revenue, receipts, capital or margin of Holdings, its Restricted Subsidiaries and, to the extent of the amount actually received from its Unrestricted Subsidiaries, in amounts required to pay such taxes to the extent attributable to the income of such Unrestricted Subsidiaries; *provided* that in each case the amount of such payments in any fiscal year does not exceed the amount that Holdings, its Restricted Subsidiaries and, to the extent described above, its Unrestricted Subsidiaries would be required to pay in respect of foreign, federal, state and local taxes for such fiscal year were Holdings, its Restricted Subsidiaries and, to the extent described above, its Unrestricted Subsidiaries to pay such taxes separately from any such Parent Entity;

(c) customary salary, bonus, severance and other benefits payable to, and indemnities provided on behalf of, future, current or former officers, directors, employees, managers and consultants of any Parent Entity of Holdings to the extent such salaries, bonuses, severance and other benefits and indemnities are attributable to the ownership or operation of Holdings and its Restricted Subsidiaries, including Holdings’ or such Restricted Subsidiaries’ proportionate share of such amount relating to such Parent Entity being a public company;

(d) general operating (including, without limitation, expenses related to the maintenance of organizational existence and auditing or other accounting matters) and overhead costs and expenses of any Parent Entity of Holdings to the extent such costs and expenses are attributable

to the ownership or operation of Holdings, the Company and its Restricted Subsidiaries, including Holdings' proportionate share of such amount relating to such Parent Entity being a public company;

(e) fees and expenses other than to Affiliates of Holdings related to any equity or debt offering (whether or not successful) of any Parent Entity of Holdings, *provided* that any such transaction was in the good faith judgment of Holdings or the Company intended to be for the benefit of Holdings, the Company and its Restricted Subsidiaries;

(f) amounts that would otherwise be permitted to be paid directly by Holdings pursuant to clause (3), (4), (6), (7), (10), (11), (13) and (15) of the covenant under "—Transactions with Affiliates";

(g) cash payments in lieu of issuing fractional shares in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Equity Interests of Holdings or any Parent Entity of Holdings; and

(h) to finance Investments that would otherwise be permitted to be made pursuant to this covenant if made by the Company; *provided* that (i) such Restricted Payment shall be made substantially concurrently with the closing of such Investment, (ii) the applicable Parent Entity of Holdings shall, immediately following the closing thereof, cause (A) all property acquired (whether assets or Equity Interests) to be contributed to the capital of Holdings, the Company or one of its Restricted Subsidiaries or (B) the merger, consolidation or amalgamation of the Person formed or acquired with or into Holdings or one of its Restricted Subsidiaries (to the extent not prohibited by the covenant described under "—Merger, Consolidation or Sale of All or Substantially All Assets" below) in order to consummate such Investment, (iii) such Parent Entity and its Affiliates (other than Holdings or a Restricted Subsidiary) receives no consideration or other payment in connection with such transaction except to the extent Holdings or a Restricted Subsidiary could have given such consideration or made such payment in compliance with the Indenture, (iv) any property received by Holdings or a Restricted Subsidiary shall not increase amounts available for Restricted Payments pursuant to clause (3) of the preceding paragraph or any other clause of this paragraph or for Permitted Investments and (v) to the extent constituting an Investment, such Investment shall be deemed to be made by Holdings or such Restricted Subsidiary pursuant to another provision of this covenant (other than pursuant to clause (8) of this paragraph or pursuant to the definition of "Permitted Investments" (other than (9) thereof);

provided that Restricted Payments in an aggregate amount taken together with all other Restricted Payments made pursuant to this clause (12) (except for any such Restricted Payments made pursuant to subclauses (b), (f) and (h) of this clause (12)) do not exceed \$15.0 million per annum;

(13) the repurchase, redemption, or other acquisition of Equity Interests of Holdings 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 Holdings or any Restricted Subsidiary, in each case, permitted under the Indenture;

(14) the distribution, by dividend or otherwise, of shares of Capital Stock of, or Indebtedness owed to Holdings or a Restricted Subsidiary by, Unrestricted Subsidiaries (other than Unrestricted Subsidiaries, the primary assets of which are cash and/or Cash Equivalents to the extent such cash or Cash Equivalents were invested as a Permitted Investment);

(15) payments or distributions to satisfy dissenters' rights (including accrued interest) pursuant to or in connection with an acquisition, merger, consolidation, amalgamation or transfer of assets that complies with the covenant described under "—Merger, Consolidation or Sale of All or Substantially All Assets";

(16) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness consisting of Acquired Indebtedness (other than Indebtedness incurred (a) to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by Holdings or a Restricted Subsidiary or (b) otherwise in connection with or contemplation of such acquisition);

(17) any other Restricted Payment, *provided* that on a *pro forma* basis after giving effect to such Restricted Payment and the incurrence of any Indebtedness the net proceeds of which are used to make such Restricted Payment, the Consolidated Total Debt Ratio would be equal to or less than 6.00 to 1.00; *provided, however*, that at the time of, and after giving effect to, any Restricted Payment permitted under this clause (17), no Event of Default shall have occurred and be continuing or would occur as a consequence thereof;

(18) Restricted Payments made to holders of minority Equity Interests in non-Wholly Owned Subsidiaries in an aggregate amount not to exceed \$50.0 million in any fiscal year;

(19) distributions or payments of Receivables Fees and purchases of receivables in connection with any Receivables Facility or any repurchase obligation in connection therewith; and

(20) so long as no Event of Default has occurred and is continuing (or would result therefrom), the redemption, defeasance, repurchase, exchange or other acquisition or retirement of, or payments or distributions with respect to, Subordinated Indebtedness of the Company or any Guarantor in an aggregate amount outstanding at the time made, taken together with all other redemptions, defeasances, repurchases, exchanges or other acquisitions or retirements of Subordinated Indebtedness made pursuant to this clause (20), not to exceed \$200.0 million at such time or the redemption, defeasance, repurchase, exchange or other acquisition or retirement of, or payments or distributions with respect to, Subordinated Indebtedness of the Company or any Guarantor, so long as, immediately after giving *pro forma* effect to the payment of any such Restricted Payment and the incurrence of any Indebtedness the net proceeds of which are used to make such Restricted Payment, the Consolidated Total Debt Ratio shall be no greater than 5.00 to 1.00.

For purposes of determining compliance with this covenant, in the event that a proposed Restricted Payment or Investment (or a portion thereof) meets the criteria of more than one of the categories of Restricted Payments described in the preceding clauses (1) through (20) 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 Holdings or the Company will be entitled to divide or classify (or later divide, classify or reclassify in whole or in part in its sole discretion) such Restricted Payment or Investment (or portion thereof) among such clauses (1) through (20) and such first paragraph and/or one or more of the clauses contained in the definition of "Permitted Investments," in a manner that otherwise complies with this covenant.

The amount of all Restricted Payments (other than cash) will be the fair market value on the date of its Restricted Payment of the assets or securities proposed to be transferred or issued by Holdings or any Restricted Subsidiary, as the case may be, pursuant to its Restricted Payment.

As of the Issue Date, all of Holdings' Subsidiaries will be Restricted Subsidiaries. Holdings will not permit any Unrestricted Subsidiary to become a Restricted Subsidiary except pursuant to the last sentence of the definition of "Unrestricted Subsidiary." For purposes of designating any Restricted Subsidiary as an Unrestricted Subsidiary, all outstanding Investments by Holdings and its Restricted Subsidiaries (except to the extent repaid) in the Subsidiary so designated will be deemed to be Restricted Payments or Permitted Investments in an amount determined as set forth in the last

sentence of the definition of “Investments.” Such designation will be permitted only if a Restricted Payment or Permitted Investment in such amount would be permitted at such time, whether 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 Holdings 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

Holdings 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 Holdings will not issue any shares of Disqualified Stock and will not permit any Restricted Subsidiary to issue any shares of Disqualified Stock or Preferred Stock; *provided, however*, that Holdings may incur Indebtedness (including Acquired Indebtedness) and issue shares of Disqualified Stock, and any of its Restricted Subsidiaries may incur Indebtedness (including Acquired Indebtedness), issue shares of Disqualified Stock and issue shares of Preferred Stock, if either (i) the Fixed Charge Coverage Ratio on a consolidated basis for the Company and its Restricted Subsidiaries as of the end of the Applicable Measurement Period would have been at least 2.00 to 1.00, 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 Applicable Measurement Period or (ii) in the case of incurrence of any Indebtedness, the Consolidated Total Debt Ratio as of the end of the Applicable Measurement Period would have been not greater than 6.75 to 1.00, determined on a *pro forma basis* (including *pro forma* application of the net proceeds therefrom), as if the additional Indebtedness had been incurred at the end (for purposes of determining Consolidated Total Indebtedness) and at the beginning (for purposes of determining Consolidated EBITDA) of the Applicable Measurement Period.

The foregoing limitations will not apply to:

(1) the incurrence of Indebtedness under Credit Facilities by Holdings or any of its Restricted Subsidiaries 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), up to an aggregate principal amount outstanding at the time of incurrence not to exceed the sum of (a) \$3,670.3 million *plus* (b) the greater of (i) \$925.0 million and (ii) 100.0% of Consolidated EBITDA of the Company for the Applicable Measurement Period *plus* (c) the maximum principal amount of Secured Indebtedness that could be incurred such that after giving effect to such incurrence, the Consolidated Secured Debt Ratio would be no greater than 5:50 to 1.00;

(2) the incurrence by the Company and any Guarantors of Indebtedness represented by the Senior Secured Notes (including any Guarantee) (other than any Additional Senior Secured Notes);

(3) Indebtedness of Holdings and its Restricted Subsidiaries in existence on the Issue Date (other than Indebtedness described in clauses (1) and (2));

(4) Indebtedness (including Financing Lease Obligations and other Indebtedness arising under mortgage financings and purchase money Indebtedness (including any industrial revenue bond,

industrial development bond or similar financings)), Disqualified Stock and Preferred Stock incurred by Holdings or any of its Restricted Subsidiaries, to finance (whether prior to or after) the purchase, development, lease, construction, repair, expansion, installation, repair, maintenance, replacement, upgrade or improvement of property (real or personal), equipment or other assets, whether through the direct purchase of assets or the Capital Stock of any Person owning such assets; *provided* that the aggregate amount of Indebtedness, Disqualified Stock and Preferred Stock incurred and outstanding pursuant to this clause (4), when aggregated with the outstanding amount of principal or liquidation preference of Indebtedness, Disqualified Stock and Preferred Stock under clause (13) of the second paragraph of this covenant incurred to refinance Indebtedness, Disqualified Stock and Preferred Stock initially incurred in reliance on this clause (4), does not exceed at the time of incurrence the greater of (i) \$231.0 million and (ii) 25.0% of Consolidated EBITDA of the Company for the Applicable Measurement Period;

(5) Indebtedness incurred by Holdings or any of its Restricted Subsidiaries constituting reimbursement obligations with respect to bankers' acceptances, bank guarantees, letters of credit, warehouse receipts or similar facilities issued or entered into in the ordinary course of business or consistent with past practice or industry norm, including in respect of workers' compensation claims, performance, completion or surety bonds, health, disability or other benefits to employees or former employees or their families or property, casualty or liability insurance or self-insurance, and letters of credit in connection with the maintenance of, or pursuant to the requirements of, environmental or other permits or licenses from governmental authorities, 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; *provided* that the aggregate amount of Indebtedness consisting of reimbursement obligations in respect of letters of credit or bank guarantees and incurred and outstanding pursuant to this clause (5) does not exceed at the time of incurrence the greater of (i) \$92.5 million and (ii) 10.0% of Consolidated EBITDA of the Company for the Applicable Measurement Period;

(6) Indebtedness arising from agreements of Holdings or its Restricted Subsidiaries providing for indemnification, adjustment of purchase price, deferred purchase price, earn-outs or similar obligations, in each case, incurred or assumed in connection with any Investments permitted under the Indenture, and the disposition or acquisition of any business, assets or Capital Stock, other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or Capital Stock for the purpose of financing such acquisition, but including in connection with guarantees of Indebtedness, letters of credit and surety bonds on performance bonds securing the performance of Holdings or any of its Restricted Subsidiaries pursuant to such agreements;

(7) Indebtedness of Holdings owing to a Restricted Subsidiary; *provided* that if such Indebtedness is owing to a Restricted Subsidiary that is not a Guarantor and if such Indebtedness is not (a) in respect of accounts payable incurred in connection with goods and services rendered in the ordinary course of business or consistent with past practice or industry norm (and not in connection with the borrowing of money) or (b) in connection with cash management, tax or accounting operations of Holdings and its Subsidiaries, such Indebtedness is expressly subordinated in right of payment to the Senior Secured Notes (to the extent permitted by applicable law and it does not result in material adverse tax consequences to Holdings, the Company or any of its Subsidiaries); *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 (except to Holdings or another Restricted Subsidiary or any pledge of such Indebtedness constituting a Permitted Lien (but not foreclosure thereon)) shall be deemed, in each case, to be an incurrence of such Indebtedness (to the extent such Indebtedness is then outstanding) not permitted by this clause;

(8) Indebtedness of a Restricted Subsidiary owing to Holdings or another Restricted Subsidiary; *provided* that if a Guarantor incurs such Indebtedness owing to a Restricted Subsidiary that is not a Guarantor and if such Indebtedness is not (a) in respect of accounts payable incurred in connection with goods sold or services rendered in the ordinary course of business or consistent with past practice or industry norm (and not in connection with the borrowing of money) or (b) in connection with cash management, tax or accounting operations of Holdings and its Subsidiaries, such Indebtedness shall be expressly subordinated in right of payment (to the extent permitted by applicable law and it does not result in material adverse tax consequences to Holdings, the Company or any of its Subsidiaries) to the Guarantee of the Senior Secured Notes of such Guarantor; *provided, further*, that any subsequent transfer of any such Indebtedness (except to Holdings, the Company or another Restricted Subsidiary or any pledge of such Indebtedness constituting a Permitted Lien (but not foreclosure thereon)) shall be deemed, in each case, to be an incurrence of such Indebtedness (to the extent such Indebtedness is then outstanding) not permitted by this clause;

(9) shares of Preferred Stock or Disqualified Stock of a Restricted Subsidiary issued to Holdings or another Restricted Subsidiary; *provided* that any subsequent issuance or transfer of any Capital Stock or any other event that results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer (other than the incurrence of a Permitted Lien) of any such shares of Preferred Stock or Disqualified Stock (except to Holdings or another of its Restricted Subsidiaries or any pledge of such Capital Stock constituting a Permitted Lien (but not foreclosure thereon)) shall be deemed in each case to be an issuance of such shares of Preferred Stock or Disqualified Stock, as applicable (to the extent such Preferred Stock or Disqualified Stock is then outstanding), not permitted by this clause;

(10) Hedging Obligations (excluding Hedging Obligations entered into for speculative purposes);

(11) obligations in respect of workers' compensation claims, self-insurance and obligations in respect of stays, customs, performance, indemnity, bid, appeal, judgment, surety or other similar bonds or instruments and performance, bankers' acceptance facilities and completion guarantees and similar obligations provided by Holdings or any of its Restricted Subsidiaries or obligations in respect of letters of credit, bank guarantees or similar instruments related thereto, in each case not in connection with the borrowing of money;

(12) (a) Indebtedness, Disqualified Stock or Preferred Stock of the Company or any Guarantor in an aggregate principal amount or liquidation preference up to 200.0% of the net cash proceeds received by Holdings since immediately after the Issue Date from the issue or sale of Equity Interests of Holdings or cash contributed to the capital of Holdings (in each case, other than Excluded Contributions or proceeds of Disqualified Stock or sales of Equity Interests to Holdings or any of its Subsidiaries) as determined in accordance with clauses (3)(b) and (3)(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 or to make other Investments, payments or exchanges pursuant to the second paragraph of "—Limitation on Restricted Payments" or to make Permitted Investments (other than Permitted Investments specified in clauses (1), (2) and (3) of the definition thereof) and (b) Indebtedness, Disqualified Stock or Preferred Stock of Holdings or 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 the time of incurrence exceed the greater of (i) \$416.0 million and (ii) 45.0% of Consolidated EBITDA of the Company for the Applicable Measurement Period pursuant to this clause (12)(b) (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 pursuant to the first paragraph of this covenant from and after the first

date on which Holdings or such Restricted Subsidiary could have incurred such Indebtedness, Disqualified Stock or Preferred Stock under the first paragraph of this covenant);

(13) the incurrence by Holdings or any Restricted Subsidiary of Indebtedness or the issuance by Holdings or any Restricted Subsidiary of, Disqualified Stock or Preferred Stock that serves to refund, refinance, replace, renew, extend or defease (collectively, “*refinance*” with “*refinances*,” “*refinanced*” and “*refinancing*” having a correlative meaning) any Indebtedness, Disqualified Stock or Preferred Stock incurred or issued as permitted under the first paragraph of this covenant and clauses (2), (3), (4) and (12)(a) above, this clause (13) and clauses (14), (18), (19), (29) and (30) below or any Indebtedness, Disqualified Stock or Preferred Stock issued to so refinance, such Indebtedness, Disqualified Stock or Preferred Stock including additional Indebtedness, Disqualified Stock or Preferred Stock incurred to pay accrued and unpaid interest, dividends, premiums (including tender premiums), defeasance costs, underwriting discounts, and fees and expenses (including original issue discount, upfront fees or similar fees) in connection therewith (the “*Refinancing Indebtedness*”) on or prior to its respective maturity; *provided, however*, 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 refinanced (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 Senior Secured Notes),

(b) to the extent such Refinancing Indebtedness refinances (i) Indebtedness subordinated to the Senior Secured Notes or any Guarantee thereof, such Refinancing Indebtedness is subordinated at least to the same extent as the Indebtedness being refinanced or (ii) Disqualified Stock or Preferred Stock, such Refinancing Indebtedness must be Disqualified Stock or Preferred Stock, respectively;

(c) shall not include (i) Indebtedness, Disqualified Stock or Preferred Stock of a Restricted Subsidiary that is not a Guarantor (other than the Company) that refinances Indebtedness, Disqualified Stock or Preferred Stock of Holdings, the Company or a Guarantor or (ii) Indebtedness, Disqualified Stock or Preferred Stock of Holdings or a Restricted Subsidiary that refinances Indebtedness, Disqualified Stock or Preferred Stock of an Unrestricted Subsidiary; and

(d) in the case of Refinancing Indebtedness that is secured by consensual Liens on (i) the Collateral that rank equal in priority (but without regard to control of remedies) with the Liens on the Collateral securing the Senior Secured Notes Obligations, (A) then the Company may elect to have the holders of the Indebtedness or other obligations secured thereby (or a representative, agent or trustee on their behalf) enter into the Equal Priority Intercreditor Agreement or another customary intercreditor agreement (to the extent not already party to such agreement) providing that the consensual Liens on the Collateral securing such Indebtedness or other obligations shall rank, at the option of the Company, either equal in priority (but without regard to the control of remedies) with, or junior to, the Liens on the Collateral securing the Senior Secured Notes Obligations, but in any event shall not be required to enter into any customary intercreditor agreement if such Liens are on Collateral consisting solely of cash and Cash Equivalents, and (B) if the Refinancing Indebtedness is secured, it is not secured by any assets other than the Collateral, (ii) the Collateral that rank junior in priority to the Liens on the Collateral securing the Senior Secured Notes Obligations, (A) then the Company shall have the holders of the Indebtedness or other obligations secured thereby (or a representative, agent or trustee on their behalf) enter into a customary intercreditor agreement providing that the consensual Liens on the Collateral securing such Indebtedness or other obligations shall rank junior in priority to the Liens on the Collateral securing the Senior Secured Notes Obligations, but in any event shall not be required to enter into any customary intercreditor agreement if such Liens are on Collateral

consisting solely of cash and Cash Equivalents and (B) if the Refinancing Indebtedness is secured, it is not secured by any assets other than the Collateral and (iii) no Lien on the Collateral securing any such refinancing Indebtedness shall be more senior in priority relative to the Lien on Collateral that secured the Indebtedness being refinanced.

and *provided, further*, that subclause (a) of this clause (13) will not apply to any refinancing of (x) any Secured Indebtedness or (y) any Indebtedness, Disqualified Stock or Preferred Stock of a Restricted Subsidiary that is not a Guarantor;

(14) Indebtedness, Disqualified Stock or Preferred Stock of (x) Holdings or a Restricted Subsidiary incurred or issued to finance an acquisition or (y) Persons that are acquired by Holdings or any Restricted Subsidiary or merged into, consolidated with or amalgamated with Holdings or a Restricted Subsidiary in accordance with the terms of the Indenture; *provided* that after giving *pro forma* effect to such acquisition, merger, consolidation or amalgamation either (a) the Company would be permitted to incur at least \$1.00 of additional Indebtedness pursuant to the (I) Fixed Charge Coverage Ratio or (II) Consolidated Total Debt Ratio test set forth in the first paragraph of this covenant, or (b) (I) the Fixed Charge Coverage Ratio of the Company and the Restricted Subsidiaries is equal to or greater than or (II) the Consolidated Total Debt Ratio is equal to or less than, in either case of (I) or (II) of this clause (b), such applicable ratio immediately prior to such acquisition, merger, consolidation or amalgamation;

(15) (a) Cash Management Obligations and (b) Indebtedness in respect of netting services, automatic clearing house arrangements, employees' credit or purchase cards, overdraft protections and similar arrangements and otherwise in connection with depositary accounts and repurchase agreements permitted by the Indenture and other Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in each case incurred in the ordinary course of business or consistent with past practice or industry norm;

(16) Indebtedness of Holdings or any of its Restricted Subsidiaries supported by a letter of credit, bank guarantee or other instrument issued pursuant to any Credit Facility, in a principal amount not in excess of the stated amount of such letter of credit, bank guarantee or other instrument;

(17) (a) any guarantee by Holdings or a Restricted Subsidiary of Indebtedness or other obligations of Holdings or any Restricted Subsidiary so long as the incurrence of such Indebtedness incurred by Holdings or such Restricted Subsidiary is permitted under the terms of the Indenture; and (b) any co-issuance by Holdings or any Restricted Subsidiary of Indebtedness of Holdings or any Restricted Subsidiary so long as the incurrence of such Indebtedness is permitted under the terms of the Indenture;

(18) Indebtedness of Restricted Subsidiaries that are not Guarantors in an aggregate principal amount, together with all other outstanding Indebtedness issued under this clause (18) and any outstanding Indebtedness under clause (13) incurred to refinance Indebtedness initially incurred in reliance on this clause (18), not to exceed, at the time of incurrence of such Indebtedness, the greater of (i) \$231.0 million and (ii) 25.0% of Consolidated EBITDA of the Company for the Applicable Measurement Period (it being understood that any Indebtedness incurred pursuant to this clause (18) shall cease to be deemed incurred or outstanding for purposes of this clause (18) but shall be deemed incurred pursuant to the first paragraph of this covenant from and after the first date on which Holdings or such Restricted Subsidiary could have incurred such Indebtedness under the first paragraph of this covenant without reliance on this clause (18));

(19) Indebtedness, Disqualified Stock or Preferred Stock of Holdings or any of its Restricted Subsidiaries incurred or issued to finance or assumed in connection with an acquisition or Investment

in an aggregate principal amount, together with all other outstanding Indebtedness, Disqualified Stock or Preferred Stock issued under this clause (19) and any outstanding Indebtedness under clause (13) incurred to refinance Indebtedness initially incurred in reliance on this clause (19), not to exceed, at the time of incurrence of such Indebtedness or issuance of Disqualified Stock or Preferred Stock, the greater of (i) \$342.0 million and (ii) 37.0% of Consolidated EBITDA of the Company for the Applicable Measurement Period (it being understood that any Indebtedness, Disqualified Stock or Preferred Stock incurred pursuant to this clause (19) shall cease to be deemed incurred or outstanding for purposes of this clause (19) but shall be deemed incurred pursuant to the first paragraph of this covenant from and after the first date on which Holdings or such Restricted Subsidiary could have incurred or issued such Indebtedness, Disqualified Stock or Preferred Stock under the first paragraph of this covenant);

(20) Indebtedness of Holdings or any of its Restricted Subsidiaries consisting of (a) the financing of insurance premiums or (b) take-or-pay obligations contained in supply arrangements in each case, incurred in the ordinary course of business or consistent with past practice or industry norm;

(21) Indebtedness of Holdings 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 practice or industry norm;

(22) Indebtedness consisting of Indebtedness issued by Holdings or any of its Restricted Subsidiaries to future, current or former officers, directors, employees, managers or consultants (or their respective Immediate Family Members) of Holdings, any of its Subsidiaries or any Parent Entity of Holdings, in each case to finance the purchase or redemption of Equity Interests of Holdings or any Parent Entity of Holdings to the extent described in clause (4) of the second paragraph under the caption “—Limitation on Restricted Payments”;

(23) Indebtedness incurred by Holdings or any Restricted Subsidiary to the extent that the net proceeds thereof are promptly deposited with the Trustee to satisfy and discharge the Senior Secured Notes in accordance with the Indenture;

(24) Indebtedness attributable to (but not incurred to finance) the exercise of appraisal rights and the settlement of any claims or actions (whether actual, contingent or potential) with respect thereto, in each case with respect to any acquisition (by merger, consolidation or amalgamation or otherwise) permitted under the Indenture;

(25) Indebtedness representing deferred compensation to future, current or former officers, directors, employees, managers or consultants of Holdings, any Parent Entity of Holdings or any Restricted Subsidiary incurred in the ordinary course of business or consistent with past practice or industry norm;

(26) Indebtedness consisting of obligations under deferred compensation or any other similar arrangements incurred in connection with any Permitted Investment or any acquisition (by merger, consolidation or amalgamation or otherwise) permitted under the Indenture;

(27) customer deposits and advance payments received in the ordinary course of business or consistent with past practice or industry norm from customers for goods or services purchased in the ordinary course of business or consistent with past practice or industry norm;

(28) unfunded pension fund and other employee benefits plan obligations and liabilities incurred in the ordinary course of business or consistent with past practice or industry norm;

(29) Indebtedness incurred in connection with any Permitted Sale and Lease-Back Transaction;

(30) Indebtedness, Disqualified Stock or Preferred Stock incurred by Holdings or any of its Restricted Subsidiaries for the benefit of joint ventures; *provided* that, at the time of incurrence or issuance thereof and after giving *pro forma* effect thereto and the use of the proceeds thereof, the aggregate principal amount or liquidation preference of such Indebtedness, Disqualified Stock or Preferred Stock incurred and then outstanding pursuant to this clause (30) (when aggregated with the aggregate principal amount of Refinancing Indebtedness incurred pursuant to clause (13) above in respect of such Indebtedness then outstanding) shall not, except as contemplated by clause (13) above, exceed an amount equal to the greater of (i) \$185.0 million and (ii) 20.0% of Consolidated EBITDA of the Company for the Applicable Measurement Period;

(31) Indebtedness under a Receivables Facility; and

(32) all premiums (if any), interest (including post-petition interest), dividends, fees, expenses, charges and additional or contingent interest on obligations described in clauses (1) through (31) 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 (32) of the preceding paragraph or is entitled to be incurred pursuant to the first paragraph of this covenant, Holdings or the Company, in its sole discretion, may divide, classify or reclassify all or a portion of such item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) in any manner that complies with this covenant and will only be required to include the amount and type of such Indebtedness, Disqualified Stock (or portion thereof) or Preferred Stock (or portion thereof) in one of the above clauses or paragraph;

(2) at the time of incurrence, Holdings or the Company will be entitled to divide and classify an item of Indebtedness in more than one of the types of Indebtedness described in the first and second paragraphs above; and

(3) the principal amount of Indebtedness outstanding under any clause of this covenant shall be determined after giving effect to the application of proceeds of any such Indebtedness to refinance any such other Indebtedness.

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 will not be deemed to be an incurrence of Indebtedness, Disqualified Stock or Preferred Stock for purposes of this covenant. If Indebtedness originally incurred in reliance upon a percentage of Consolidated EBITDA of the Company or the Consolidated Secured Debt Ratio under clause (1) of the second paragraph of this covenant is being refinanced under such clause (1) and such refinancing would cause the maximum amount of Indebtedness thereunder to be exceeded at such time, then such refinancing will nevertheless be permitted thereunder and such additional Indebtedness will be deemed to have been incurred, and permitted to be incurred, under such clause (1) so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of Indebtedness being refinanced plus amounts permitted by the next sentence. Any Indebtedness incurred to refinance Indebtedness incurred pursuant to clauses (1) or (12)(b) above shall be permitted to include additional Indebtedness, Disqualified Stock or Preferred Stock incurred to pay accrued but unpaid interest and dividends and premiums (including reasonable tender premiums) thereon, and defeasance costs, underwriting discounts, fees and expenses (including original issue discount, upfront fees or similar fees) incurred in connection with such refinancing.

For purposes of determining compliance with any U.S. dollar-denominated restriction on the incurrence of Indebtedness, the U.S. dollar-equivalent principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred, in the case of term debt, or first committed, in the case of revolving credit debt; *provided* that if such Indebtedness is incurred to refinance other Indebtedness 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 of such refinancing Indebtedness does not exceed (i) the principal amount of such Indebtedness being refinanced plus (ii) the aggregate amount of accrued and unpaid interest, dividends, premiums (including tender premiums), defeasance costs, underwriting discounts, and expenses (including original issue discount, upfront fees or similar fees) incurred in connection with such refinancing.

The principal amount of any Indebtedness incurred to refinance other Indebtedness, if incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such respective Indebtedness is denominated that is in effect on the date of such refinancing.

The Indenture will provide that Holdings will not, and will not permit the Company or any Subsidiary Guarantor to, directly or indirectly, incur any Indebtedness (including Acquired Indebtedness) that is contractually subordinated or junior in right of payment to any Indebtedness of the Company or any Guarantor, as the case may be, unless such Indebtedness is expressly subordinated in right of payment to the Senior Secured Notes or such Guarantor's Guarantee to the extent and in the same manner as such Indebtedness is subordinated to other Indebtedness of the Company or such Guarantor, as the case may be.

The Indenture will not treat (1) Indebtedness that is unsecured as subordinated or junior to Secured Indebtedness merely because it is unsecured and (2) Indebtedness as subordinated or junior to any other Indebtedness merely because it has a junior priority with respect to the same collateral.

Liens

Holdings will not, and will not permit the Company or any other Guarantor to, directly or indirectly, create, incur, assume or suffer to exist any Lien that secures Obligations under any Indebtedness on any asset or property of Holdings, the Company or any other Guarantor, or any income or profits therefrom, or assign or convey any right to receive income therefrom, unless:

(1) in the case of Liens on any Collateral, such Lien is a Permitted Lien; or

(2) in the case of Liens on any other asset not constituting Collateral, either (i) such Lien is a Permitted Lien or (ii) the Senior Secured Notes and related Guarantees are equally and ratably secured by a Lien (or on a senior basis if such Lien secures Subordinated Indebtedness) on such property, assets or proceeds with such Liens.

Any Lien created for the benefit of the Holders pursuant to the preceding paragraph shall provide by its terms that such Lien shall be automatically and unconditionally released and discharged upon the release and discharge of the applicable Lien described in clause (2) in the paragraph above.

Merger, Consolidation or Sale of All or Substantially All Assets

Neither Holdings nor the Company will merge, consolidate or amalgamate with or into or wind up into (whether or not it is the surviving entity), or sell, assign, transfer, lease, convey or otherwise

dispose of all or substantially all of its properties or assets (determined on a consolidated basis), in one or more related transactions, to any Person unless:

(1) Holdings or the Company, as applicable, is the surviving Person or the Person formed by or surviving any such merger, consolidation or amalgamation (if other than Holdings or the Company, as applicable) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made is a Person organized or existing under the laws of the United States, any state thereof, the District of Columbia, or any territory thereof (Holdings, the Company or such Person, as the case may be, being herein called the “*Successor Company*”); *provided* that in the case where the Successor Company is not a corporation, a co-obligor of the Senior Secured Notes is a corporation;

(2) the Successor Company, if other than Holdings or the Company, as applicable, expressly assumes all the obligations of Holdings or the Company, as applicable under the Indenture, the Senior Secured Notes, the Notes Security Documents and the Equal Priority Intercreditor Agreement as the case may be, pursuant to a supplemental indenture or joinders to the applicable Notes Security Documents or the Equal Priority Intercreditor Agreement;

(3) immediately after such transaction (and treating any Indebtedness that becomes an Obligation of the Successor Company or any of its Restricted Subsidiaries as a result of such transaction as having been incurred by the Successor Company or such Restricted Subsidiary at the time of such transaction), no Event of Default exists;

(4) 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 Measurement Period,

(a) the Successor Company would be permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio or the Consolidated Total Debt Ratio test set forth in the first paragraph of the covenant described under “—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock,” or

(b) (i) the Fixed Charge Coverage Ratio for the Successor Company and its Restricted Subsidiaries would be equal to or greater than the Fixed Charge Coverage Ratio for the Company and its Restricted Subsidiaries immediately prior to such transaction or (ii) the Consolidated Total Debt Ratio for the Successor Company and its Restricted Subsidiaries would be equal to or less than the Consolidated Total Debt Ratio for the Company and its Restricted Subsidiaries immediately prior to such transaction;

(5) if the Company is not the Successor Company, each Guarantor, unless it is the other party to the transactions described above, in which case the third succeeding paragraph shall apply, shall have by supplemental indenture confirmed that its Guarantee shall apply to such Person’s obligations under the Indenture and the Senior Secured Notes;

(6) the Successor Company shall have delivered or caused to be delivered to the Trustee an Officer’s Certificate and an Opinion of Counsel, each stating that such merger, consolidation, amalgamation, sale, assignment transfer, lease, conveyance or disposition and such supplemental indentures, if any, comply with the Indenture; and

(7) to the extent any assets of the Person who is merged, consolidated or amalgamated with or into the Successor Company are assets of the type that would constitute Collateral under the Notes Security Documents, the Successor Company will take such action as may be reasonably necessary to cause such property and assets to be made subject to the Lien of the applicable Notes Security Documents in the manner and to the extent required in the Indenture or the applicable Notes Security

Documents and shall take all reasonably necessary action so that such Lien is perfected to the extent required by the applicable Notes Security Documents.

The Successor Company will succeed to, and be substituted for, Holdings or the Company, as the case may be, under the Indenture, the Senior Secured Notes, the Notes Security Documents and the Equal Priority Intercreditor Agreement, as applicable, and Holdings or the Company, as the case may be, will automatically be released and discharged from its obligations under the Indenture, the Senior Secured Notes, the Notes Security Documents and the Equal Priority Intercreditor Agreement, as the case may be. Notwithstanding the foregoing clauses (3) and (4),

(1) Holdings or the Company may consolidate with or merge into or sell, assign, transfer, lease, convey or otherwise dispose of all or part of its properties and assets to the Company or a Guarantor;

(2) Any Restricted Subsidiary (other than the Company) may consolidate with or merge into or sell, assign, transfer, lease, convey or otherwise dispose of all or part of its properties and assets to the Company or a Restricted Subsidiary; and

(3) Holdings or the Company may consolidate, amalgamate or merge with an Affiliate thereof, solely for the purpose of reincorporating Holdings or the Company, as applicable, in the United States, any state thereof, the District of Columbia or any territory thereof so long as the amount of Indebtedness of Holdings, the Company and its Restricted Subsidiaries is not increased thereby.

This “*—Merger, Consolidation or Sale of All or Substantially All Assets*” will not apply to a sale, assignment, transfer, lease, conveyance or other disposition of assets between or among the Company and the Restricted Subsidiaries in connection with a Receivables Facility.

Subject to certain limitations described in the Indenture and the Notes Security Documents governing release of a Guarantee upon the sale, disposition or transfer of a Guarantor, no Guarantor (other than Holdings) will, and Holdings will not permit any such Guarantor to, consolidate or merge with or into or wind up into (whether or not Holdings or such 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) such Guarantor is the surviving Person or the Person formed by or surviving any such merger, consolidation or amalgamation (if other than such Guarantor) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made is a Person organized or existing under the laws of the jurisdiction of organization of such Guarantor, as the case may be, or the laws of the United States, any state thereof, the District of Columbia, or any territory thereof (such Guarantor or such Person, as the case may be, being herein called the “*Successor Person*”);

(b) the Successor Person, if other than such Guarantor, expressly assumes all the obligations of such Guarantor under the Indenture, the Senior Secured Notes, the Notes Security Documents and the Equal Priority Intercreditor Agreement as the case may be, pursuant to a supplemental indenture or joinders to the applicable Notes Security Documents or the Equal Priority Intercreditor Agreement;

(c) to the extent any assets of the Person who is merged, consolidated or amalgamated with or into the Successor Company are assets of the type that would constitute Collateral under the Notes Security Documents, the Successor Company will take such action as may be reasonably necessary to cause such property and assets to be made subject to the Lien of the applicable Notes Security Documents in the manner and to the extent required in the Indenture or the applicable Notes Security Documents and shall take all reasonably necessary action so that such Lien is perfected to the extent required by the applicable Notes Security Documents;

(d) immediately after such transaction (and treating any Indebtedness that becomes an Obligation of the Successor Person or any of its Subsidiaries as a result of such transaction as having been incurred by the Successor Person or such Subsidiary at the time of such transaction), no Event of Default exists; and

(e) the Company shall have delivered or caused to be delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that such merger, consolidation, amalgamation or transfer and such supplemental indentures, if any, comply with the Indenture; or

(2) the transaction is not prohibited by the covenant described under "—Repurchase at the Option of Holders—Asset Sales."

Subject to certain limitations described in the Indenture, the Successor Person (if other than such Guarantor) will succeed to, and be substituted for, such Guarantor under the Indenture, the Notes Security Documents, the Equal Priority Intercreditor Agreement and such Guarantor's Guarantee, and such Guarantor will automatically be released and discharged from its obligations under the Indenture, the Notes Security Documents, the Equal Priority Intercreditor Agreement and such Guarantor's Guarantee. Notwithstanding the foregoing, any Guarantor may (i) merge, consolidate, amalgamate or wind up with or into or transfer all or part of its properties and assets to Holdings, the Company, another Guarantor or another Restricted Subsidiary, *provided* that such Restricted Subsidiary is organized or existing under the laws of the United States, any state thereof, the District of Columbia, or any territory thereof and becomes a Guarantor, (ii) consolidate, merge or wind up with or into an Affiliate of Holdings or the Company solely for the purpose of reincorporating or reorganizing the Guarantor in the United States, any state thereof, the District of Columbia or any territory thereof, (iii) convert into a Person organized or existing under the laws of the jurisdiction of organization of such Guarantor or a jurisdiction in the United States, or (iv) liquidate or dissolve or change its legal form if Holdings or the Company determines in good faith that such action is in the best interests of the Company and is not materially disadvantageous to the Holders, in each case, without regard to the requirements set forth in the preceding paragraph.

Transactions with Affiliates

Holdings 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 Holdings (each of the foregoing, an "*Affiliate Transaction*") involving aggregate payments or consideration in excess of the greater of (i) \$70.0 million and (ii) 7.5% of Consolidated EBITDA of the Company for the Applicable Measurement Period, unless such Affiliate Transaction is on terms, taken as a whole, that are not materially less favorable to Holdings or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by Holdings or such Restricted Subsidiary with an unrelated Person on an arm's-length basis (as determined in good faith by Holdings or the Company).

The foregoing provisions will not apply to the following:

(1) (a) transactions between or among Holdings or any Restricted Subsidiary or any entity that becomes a Restricted Subsidiary as a result of such transaction and (b) any merger, consolidation or amalgamation of Holdings or any Parent Entity of Holdings, *provided* that such Parent Entity shall have no material liabilities and no material assets other than cash, Cash Equivalents and the Capital Stock of Holdings and such merger, consolidation or amalgamation is otherwise in compliance with the terms of the Indenture and effected for a bona fide business purpose;

(2) Restricted Payments permitted by the provisions of the Indenture described above under the covenant "—Limitation on Restricted Payments" and Permitted Investments;

(3) the payment of reasonable and customary fees and compensation and reimbursement of out-of-pocket costs and expenses paid to, and benefits, indemnities and reimbursements and employment and severance arrangements provided on behalf of, or for the benefit of, former, current or future officers, directors, employees, managers, employees, consultants and independent contractors (or their respective Immediate Family Members) of Holdings, any of its Restricted Subsidiaries or any Parent Entity of Holdings;

(4) the payment of monitoring, management or similar fees, transaction related fees, indemnities and reimbursement of reasonable costs and expenses payable to the Investors; *provided* that (i) such monitoring or management fees do not exceed \$2.0 million in the aggregate in any fiscal year plus any amount of such fees permitted to be paid under this clause (4) in the immediately preceding fiscal year that is not actually paid during such fiscal year and (ii) transaction related fees do not exceed 2.0% of the consideration in connection with such transaction;

(5) transactions in which Holdings 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, when taken as a whole, to Holdings 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 Holdings or such Restricted Subsidiary than those that would have been obtained in a comparable transaction by Holdings or such Restricted Subsidiary with an unrelated Person;

(6) any agreement or arrangement as in effect as of the Issue Date or as expressly contemplated in this offering circular, or any amendment thereto (so long as any such amendment is not disadvantageous in any material respect (as determined in good faith by Holdings or the Company) to the Holders when taken as a whole as compared to the applicable agreement as in effect on the Issue Date) or any transaction contemplated thereby;

(7) the existence of, or the performance by Holdings or any of its Restricted Subsidiaries of its obligations under the terms of, any equityholders agreement, principal investors agreement or the equivalent (including any registration rights agreement or purchase agreement related thereto) to which it (or any Parent Entity of Holdings) is a party as of the Issue Date, and any transaction, agreement or arrangement described in this offering circular and, in each case, any amendment thereto and any similar agreements, transactions or arrangements which it (or any Parent Entity of Holdings) may enter into thereafter; *provided, however*, that the existence of, or the performance by Holdings or any of its Restricted Subsidiaries (or any Parent Entity of Holdings) of obligations under any future amendment to any such existing agreement or under any similar agreement entered into after the Issue Date shall be permitted by this clause (7) only to the extent that the terms of any such amendment or new agreement are not otherwise disadvantageous in any material respect (as determined in good faith by Holdings or the Company) to the Holders, when taken as a whole, when compared to such agreements in existence on the Issue Date;

(8) transactions with customers, clients, suppliers, contractors, joint venture partners or purchasers or sellers of goods or services, in each case in the ordinary course of business or that are consistent with past practice or industry norm;

(9) (a) the issuance or transfer of Equity Interests (other than Disqualified Stock) of any Parent Entity of Holdings or Holdings to any Person, and any purchase by any Parent Entity of Holdings of Equity Interests (other than Disqualified Stock) of Holdings; and (b) directors' qualifying shares and shares issued to foreign nationals as required by applicable law;

(10) payments to any of the Investors made for any transaction, advisory, financing, underwriting or placement services or in respect of other investment banking activities including,

without limitation, in connection with acquisitions or divestitures, which payments are approved by the Board of Holdings or the Company in good faith;

(11) payments, loans, advances or guarantees (or cancellation of loans, advances or guarantees) to future, current or former officers, directors, employees, managers or consultants (or their respective Immediate Family Members) of Holdings, any of its Restricted Subsidiaries or any Parent Entity of Holdings and employment agreements, equity option plans and other compensatory arrangements with any such officers, directors, employees, managers or consultants (or their respective Immediate Family Members) which, in each case, are approved by Holdings or the Company in good faith;

(12) (a) investments by any of the Investors in securities of any Parent Entity of Holdings, Holdings or any Restricted Subsidiary (and payment of out-of-pocket expenses incurred by such Investors in connection therewith) so long as the investment is being offered generally to other investors on the same or more favorable terms and (b) payments to any Investors in respect of securities or loans of Holdings or any of its Restricted Subsidiaries contemplated in the foregoing subclause (a) or that were acquired from Persons other than any Parent Entity of Holdings, Holdings or any Restricted Subsidiary, in each case, in accordance with the terms of such securities or loans;

(13) the entry into, performance under, and the making of payments to any future, current or former officer, director, employee, manager, consultant or independent contractors (or their respective Immediate Family Members) of Holdings, any of its Restricted Subsidiaries or any Parent Entity of Holdings pursuant to any management equity plan or equity option plan or any other management or employee benefit plan or agreement or any equity subscription or equityholder agreement; and any employment agreements, equity option plans and other compensatory and severance arrangements (and any successor plans thereto) and any health, disability and similar insurance or benefit plans or supplemental executive retirement benefit plans or arrangements with any such officers, directors, employees, managers or consultants (or their respective Immediate Family Members) that are, in each case, in the ordinary course of business or as otherwise approved by Holdings or the Company in good faith;

(14) transactions with a Person that is an Affiliate of Holdings (excluding any Unrestricted Subsidiary) arising solely because Holdings or Restricted Subsidiary owns any Equity Interest in, or controls, such Person;

(15) the entering into of, or payments by Holdings, any Parent Entity of Holdings and their respective Subsidiaries pursuant to, tax sharing agreements among Holdings, any such Parent Entity of Holdings and their respective Subsidiaries on customary terms, to the extent that such payments are permitted under clause (12)(b) of “—Limitation on Restricted Payments,” *provided* such payments do not exceed the excess (if any) of the amount of taxes they would have paid on a stand-alone basis over the amount of such taxes they actually pay directly to governmental authorities;

(16) any lease entered into between Holdings or any Restricted Subsidiary, as lessee and any Affiliate of Holdings, as lessor, which is approved by Holdings or the Company in good faith;

(17) intellectual property licenses entered into in the ordinary course of business or consistent with past practice or industry norm;

(18) any transaction between Holdings or any Restricted Subsidiary and any Person that would constitute an Affiliate Transaction solely because a director of which is also a director of Holdings, the Company or any Parent Entity of Holdings;

(19) pledges of Equity Interests of Unrestricted Subsidiaries;

(20) the existence and performance of agreements and transactions with any Unrestricted Subsidiary that were entered into prior to the designation of a Restricted Subsidiary as such Unrestricted Subsidiary to the extent that the transaction was permitted at the time that it was entered into with such Restricted Subsidiary (and not entered into in contemplation of such designation) and transactions entered into by an Unrestricted Subsidiary with an Affiliate prior to the redesignation of any such Unrestricted Subsidiary as a Restricted Subsidiary (and not entered into in contemplation of such designation);

(21) payments to and from, and transactions with, any joint ventures or Unrestricted Subsidiaries for the purchase or sale of goods, products, parts and services entered into in the ordinary course of business in a manner consistent with prudent business practice followed by companies in the industry of Holdings and its Subsidiaries;

(22) the issuances or transfer of Capital Stock or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment arrangements, equity options and equity ownership plans or similar employee benefit plans approved by the Board of Holdings or any Parent Entity of Holdings, as the case may be, in good faith, and the granting and performing of customary registration rights;

(23) any contribution of capital to Holdings;

(24) the formation and maintenance of any consolidated group or subgroup for tax, accounting or cash pooling or management purposes in the ordinary course of business;

(25) transactions undertaken in good faith (as certified by a responsible financial or accounting officer of Holdings or the Company in an Officer's Certificate) for the purpose of improving the consolidated tax efficiency of Holdings and its Subsidiaries and not for the purpose of circumventing any covenant set forth in the Indenture;

(26) a transaction with a Person who was not an Affiliate of Holdings or any Restricted Subsidiary before such transaction was entered into but becomes an Affiliate solely as a result of such transaction;

(27) equity repurchases, retirements, redemptions or other acquisitions or retirements of Capital Stock by any Parent Entity of Holdings or Holdings permitted under "—Limitation on Restricted Payments" and any actions by Holdings, the Company and its Restricted Subsidiaries to permit the same;

(28) purchases of the Senior Secured Notes by Affiliates of Holdings to the extent permitted under the Indenture and the holding of such Senior Secured Notes and the payments and other transactions contemplated under the Indenture in respect thereof; and

(29) transactions effected as part of any Receivables Facility that are otherwise permitted under the Indenture.

Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

Holdings will not, and will not permit any of its Restricted Subsidiaries that is not the Company or a 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 such Restricted Subsidiary to:

(1) (a) pay dividends or make any other distributions to Holdings, the Company or any of its Restricted Subsidiaries that is a 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 Holdings, the Company or any of its Restricted Subsidiaries that is a Guarantor;

(2) make loans or advances to Holdings, the Company or any of its Restricted Subsidiaries that is a Guarantor; or

(3) sell, lease or transfer any of its properties or assets to Holdings, the Company or any of its Restricted Subsidiaries that is a Guarantor,

except (in each case) for such encumbrances or restrictions existing under or by reason of:

(a) contractual encumbrances or restrictions (i) in effect on the Issue Date and (ii) pursuant to the Senior Credit Agreement, the Existing Senior Notes and the related documentation and related Hedging Obligations and, in each case, any similar contractual encumbrances or restrictions;

(b) the Indenture, the Senior Secured Notes, the Guarantees, the Notes Security Documents and the Equal Priority Intercreditor Agreement;

(c) purchase money obligations for property acquired in the ordinary course of business or consistent with past practice or industry norm or in connection with Financing Lease Obligations;

(d) applicable law or any applicable rule, regulation or order;

(e) any agreement or other instrument of a Person, or relating to Indebtedness or Capital Stock of a Person, which Person is acquired by or merged, consolidated or amalgamated with or into Holdings or any Restricted Subsidiary, or any other transaction entered into in connection with any such acquisition, merger, consolidation or amalgamation, in existence at the time of such acquisition or at the time it merges, consolidates or amalgamates with or into Holdings or any Restricted Subsidiary or assumed in connection with the acquisition of assets from such Person (but, in each 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 and its Subsidiaries, or the property or assets of the Person and its Subsidiaries, so acquired or redesignated;

(f) contracts or agreements for the sale, transfer, lease, license or other disposition of assets, including any restriction with respect to a Subsidiary of Holdings pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all 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 the assets securing such Indebtedness;

(h) restrictions on cash 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 practice or industry norm or restrictions on cash or other deposits permitted under “—Limitation on Restricted Payments” or “—Liens” or arising in connection with any Permitted Liens or Permitted Investments;

(i) other Indebtedness, Disqualified Stock or Preferred Stock of any Subsidiary that is not the Company or a Guarantor that is permitted to be incurred subsequent to the Issue 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 or arrangements and other similar agreements, or arrangements relating to such joint ventures or similar agreements;

(k) customary provisions contained in leases, sub-leases, service agreements, product sales, 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 past practice or industry norm or that in the judgment of Holdings or the Company would not materially impair the Company's ability to make payments under the Senior Secured Notes when due;

(l) restrictions or conditions contained in any trading, netting, operating, construction, service, supply, purchase, sale or other agreement to which Holdings or any of its Restricted Subsidiaries is a party entered into in the ordinary course of business or consistent with past practice or industry norm; *provided* that such agreement prohibits the encumbrance of solely the property or assets of Holdings or such Restricted Subsidiary that are the subject of such agreement, the payment rights arising thereunder or the proceeds thereof and does not extend to any other asset or property of Holdings or such Restricted Subsidiary or the assets or property of another Restricted Subsidiary;

(m) any encumbrance or restriction with respect to a Subsidiary which was previously an Unrestricted Subsidiary pursuant to or by reason of an agreement that such Subsidiary is a party to or entered into before the date on which such Subsidiary became a Restricted Subsidiary; *provided* that such agreement was not entered into in anticipation of an Unrestricted Subsidiary becoming a Restricted Subsidiary and any such encumbrance or restriction does not extend to any assets or property of Holdings or any other Restricted Subsidiary other than the assets and property of such Subsidiary;

(n) other Indebtedness, Disqualified Stock or Preferred Stock permitted to be incurred subsequent to the Issue Date pursuant to the provisions of the covenant described under "—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock"; *provided* that, in the case of other Indebtedness, Disqualified Stock or Preferred Stock of Holdings, the Company or any Restricted Subsidiary that is a Guarantor, either (i) in the judgment of Holdings or the Company, such incurrence will not materially impair the Company's ability to make payments under the Senior Secured Notes when due, (ii) 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 or (iii) such encumbrances and restrictions either are not materially more restrictive taken as a whole than those contained in the Senior Credit Agreement or the Senior Secured Notes as in effect on the Issue Date or generally represent market terms at the time of incurrence or issuance and are imposed solely on such Restricted Subsidiary and its Subsidiaries;

(o) negative pledges and restrictions on Liens in favor of any holder of Indebtedness permitted under the Indenture, but solely to the extent any negative pledge relates to the property financed by or the subject of such Indebtedness;

(p) restrictions created in connection with any Receivables Facility that, in the good faith determination of the Company, are necessary or advisable to effect such Receivables Facility; and

(q) 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 (p) above; *provided* that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of Holdings or the Company, 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.

For purposes of determining compliance with this covenant, (i) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock shall not be deemed a restriction on the ability to make distributions on Capital Stock and (ii) the subordination of loans and advances made to Holdings or a Restricted Subsidiary, to other Indebtedness incurred by Holdings or such Restricted Subsidiary shall not be deemed a restriction on the ability to make loans or advances.

Additional Secured Note Guarantees

Holdings will not permit any of its Domestic Subsidiaries that is a Wholly Owned Subsidiary (and any Domestic Subsidiary that is a non-Wholly Owned Subsidiary if such non-Wholly Owned Subsidiary guarantees any Indebtedness referred to in clause (i) or (ii) below of the Company or any other Guarantor), other than a Guarantor or a Receivables Subsidiary, to guarantee the payment of (i) any Credit Facility permitted under clause (1) of the second paragraph under “—Limitation on Indebtedness and Issuance of Disqualified Stock and Preferred Stock” or (ii) capital markets debt securities of the Company or any other Guarantor in an aggregate principal amount in excess of \$25.0 million unless:

(1) such Restricted Subsidiary within 30 days executes and delivers a supplemental indenture substantially in the form of an exhibit to the Indenture providing for a Guarantee by such Restricted Subsidiary and joinders to the Notes Security Documents, the Equal Priority Intercreditor Agreement or new intercreditor agreements and Notes Security Documents, together with any actions, filings and agreements to the extent required by (and within the time periods as set forth in) the Notes Security Documents to create or perfect the security interests for the benefit of the Holders in the Collateral of such Subsidiary, except that with respect to a guarantee of Indebtedness of the Company or any Guarantor, if such Indebtedness is by its express terms subordinated in right of payment to the Senior Secured Notes or such 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 Senior Secured Notes; and

(2) such Restricted Subsidiary waives and will not in any manner whatsoever claim or take the benefit or advantage of, any rights of reimbursement, indemnity or subrogation or any other rights against Holdings or any other Restricted Subsidiary as a result of any payment by such Restricted Subsidiary under its Guarantee;

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. Holdings or the Company may elect, in its sole discretion, to cause any Subsidiary that is not otherwise required to be a Guarantor to become a Guarantor, in which case such Subsidiary shall not be required to comply with the 30-day period described in clause (1) above.

Each Guarantee shall be released in accordance with the provisions of the Indenture described under “Guarantees.”

Reports and Other Information

The Indenture will provide that so long as any Senior Secured Notes are outstanding, the Company will furnish to the Holders (with a copy to the Trustee):

(1) (a) annual and quarterly consolidated financial statements presented in accordance with GAAP, plus a “Management’s Discussion and Analysis of Financial Condition and Results of

Operations,” (b) with respect to the annual and quarterly statements, accompanied with a separate presentation of consolidated EBITDA and Adjusted EBITDA of the Company substantially consistent with the presentation thereof in this offering circular and derived from such financial information, and (c) with respect to the annual financial statements only, a report on the annual financial statements by the Company’s independent registered public accounting firm; and

(2) within 10 Business Days after the occurrence of an event required to be therein reported, such other information containing substantially the same information that would be required to be contained in filings with the SEC on Form 8-K under Items 1.01, 1.02, 1.03, 2.01, 2.05, 2.06, 4.01, 4.02, 5.01 and 5.02(b) and (c) (other than with respect to information contemplated by Item 402 of Regulation S-K promulgated by the SEC) as in effect on the Issue Date if Holdings were required to file such reports; *provided, however*, that no such current 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 Company (or Holdings or any of the Company’s Subsidiaries) and any director, manager or executive officer of the Company (or Holdings or any of the Company’s Subsidiaries);

provided, however, that (i) in no event shall such reports be required to comply with Rule 3-05, Rule 3-10, or Article 11 of Regulation S-X promulgated by the SEC or contain separate financial statements for the Company, the Guarantors or other Subsidiaries the shares of which are pledged to secure the Senior Secured Notes or any Guarantee that would be required under (a) Rule 3-09 of Regulation S-X, (b) Rule 3-10 of Regulation S-X or (c) Rule 3-16 of Regulation S-X, respectively, promulgated by the SEC, (ii) in no event shall such reports be required to comply with Regulation G under the Exchange Act or Item 10(e) of Regulation S-K promulgated by the SEC with respect to any non-GAAP financial measures contained therein, (iii) no such reports referenced under clause (2) above shall be required to be furnished if Holdings or the Company determines in its good faith judgment that such event is not material to the Holders or the business, assets, operations or financial position of the Company and its Restricted Subsidiaries, taken as a whole, (iv) in no event shall such reports be required to include any information that is not otherwise similar to information included in this offering circular, other than with respect to reports provided under clause (2) above and (v) in no event shall reports referenced in clause (2) above 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 to a current report on Form 8-K except for (x) agreements evidencing material Indebtedness and (y) within the time period provided in Item 9.01 of Form 8-K, historical and *pro forma* financial statements to the extent readily available and, in any case with respect to *pro forma* financial statements, to include only *pro forma* revenues, Consolidated EBITDA and Capital Expenditures in lieu thereof.

All such annual financial statements shall be furnished within 120 days after the end of the fiscal year to which they relate, and all such quarterly financial statements shall be furnished within 60 days after the end of the fiscal quarter to which they relate.

At any time that any of the Company’s Subsidiaries are Unrestricted Subsidiaries and if any such Unrestricted Subsidiary or group of Unrestricted Subsidiaries, if taken together as one Subsidiary, would constitute a Significant Subsidiary of the Company, then the quarterly and annual financial statements required by the preceding paragraph will include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, in the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” or other comparable section, of the financial condition and results of operations of the Company and Restricted Subsidiaries separate from the financial condition and results of operations of such Unrestricted Subsidiaries of the Company.

The Company will make available such information and such reports (as well as the details regarding the conference call described below) to any Holder and, upon request, to any beneficial

owner of the Senior Secured Notes, securities analysts providing analysis of investment in the Senior Secured Notes and market makers, in each case by posting such information on its website, on Intralinks or any comparable password-protected online data system which will require a confidentiality acknowledgment, and will make such information readily available to any Holder, beneficial owners of Senior Secured Notes, any prospective investor in the Senior Secured Notes, any securities analyst (to the extent providing analysis of investment in the Senior Secured Notes) or any market maker in the Senior Secured Notes who agrees to treat such information as confidential or accesses such information on Intralinks or any comparable password-protected online data system which will require a confidentiality acknowledgment; *provided* that the Company shall post such information thereon and make readily available any password or other login information to any such Holder, beneficial owner of Senior Secured Notes, prospective investor, securities analyst or market maker; *provided, further, however*, the Company may deny access to any competitively-sensitive information otherwise to be provided pursuant to this paragraph to any such Holder, prospective investor, security analyst or market maker that is a competitor of the Company and its Subsidiaries to the extent that the Company determines in good faith that the provision of such information to such Person would be competitively harmful to the Company and its Subsidiaries; and *provided, still further*, that such Holders, prospective investors, security analysts or market makers shall agree to (i) treat all such reports (and the information contained therein) and information as confidential, (ii) not use such reports and the information contained therein for any purpose other than their investment or potential investment in the Senior Secured Notes (but shall be authorized to trade the Company's securities) and (iii) not publicly disclose any such reports (and the information contained therein). The Company will hold a quarterly conference call for all Holders and securities analysts (to the extent providing analysis of investment in the Senior Secured Notes) to discuss such financial information no later than 10 Business Days after distribution of such financial information.

In addition, to the extent not satisfied by the foregoing, the Company shall furnish to prospective investors, upon their request, any information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act so long as the Senior Secured Notes are not freely transferable under the Securities Act.

The Indenture will permit the Company to satisfy its obligations in this “—Reports and Other Information” covenant with respect to financial information relating to the Company by furnishing financial information relating to any Parent Entity of the Company instead of the Company; *provided* that to the extent financial information related to such Parent Entity is provided, such information is accompanied by consolidating information, which may be unaudited, that explains in reasonable detail the differences between the information of such Parent Entity, on the one hand, and the information relating to the Company and its Subsidiaries on a stand-alone basis, on the other hand.

The Company will be deemed to have furnished the reports referred to clauses (1) and (2) of the first paragraph of this covenant if the Company or any Parent Entity of the Company has filed reports containing such information with the SEC.

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 Company will be deemed to have satisfied its obligations with respect thereto at such time and any Default or Event of Default with respect thereto shall be deemed to have been cured.

Notwithstanding the foregoing, if at any time the Company or any Parent Entity of the Company has made a good faith determination to file a registration statement with the SEC with respect to an initial public offering of such entity's Capital Stock, the Company will not be required to disclose any information or take any actions that, in the good faith view of the Company, would violate applicable securities laws or the SEC's “gun jumping” rules.

In addition, notwithstanding the foregoing, the financial statements, other information and documents required to be provided by this covenant shall be, rather than those of the Company, those of Holdings if Holdings and its Subsidiaries (other than the Company and its Subsidiaries; such Subsidiaries at Holdings being referred to as “Holdings’ Subsidiaries”) conduct, transact or otherwise engage, or commit to conduct, transact or engage, in any business or operation, other than its direct and indirect ownership of all of the Capital Stock in, and its management of, the Company and operations incidental thereto); *provided* that, if the financial information so furnished relates to Holdings, such information is accompanied by consolidating information, which may be unaudited, that explains in reasonable detail the differences between the information of the Company and the Company’s Subsidiaries, on the one hand, and the information relating to Holdings and Holdings’ Subsidiaries on a stand-alone basis, on the other hand. To the extent financial information, including any financial statements, of Holdings are substituted for those of the Company in reliance on the foregoing sentence, the references in the Indenture to any financial statements of the Company shall be deemed to refer to the financial statements of Holdings.

Delivery of such reports, information and documents to the Trustee shall be for informational purposes only and the Trustee’s receipt of such shall not constitute actual or constructive notice of any information contained therein or determinable from information contained therein, including the Company’s compliance with any of its covenants under the Indenture or the Senior Secured Notes (as to which the Trustee shall have no duty to monitor and shall be entitled to rely exclusively on Officer’s Certificates). Neither the Trustee nor the Collateral Agent shall be obligated to monitor or confirm, on a continuing basis or otherwise, the Company’s compliance with the covenants or with respect to any reports or other documents filed with the SEC or participate in any conference calls.

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 Senior Secured Notes;

(2) default for 30 days or more in the payment when due of interest on or with respect to the Senior Secured Notes;

(3) failure by the Company or any Guarantor for 60 days after receipt of written notice given (a) to the Company (with a copy to the Trustee) by the Holders of not less than 30% in aggregate principal amount of the then outstanding Senior Secured Notes or (b) to the Company by the Trustee 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, the Senior Secured Notes or the Notes Security Documents; *provided* that in the case of a failure to comply with the Indenture provisions described under “—Certain Covenants—Reports and Other Information,” such period of continuance of such default or breach shall be 120 days after receipt of such written notice;

(4) default under any mortgage, indenture or instrument under which there is issued or by which there is evidenced any Indebtedness for money borrowed by Holdings or any Restricted Subsidiary other than any Receivables Subsidiary or the payment of which is guaranteed by Holdings or any of its Restricted Subsidiaries (other than Indebtedness owed to Holdings or a Restricted Subsidiary or pursuant to any Receivables Facility), whether such Indebtedness or guarantee now exists or is created after the issuance of the Senior Secured 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 final 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 its stated final maturity (after giving effect to any applicable grace periods), or the maturity of which has been so accelerated, is in the aggregate equal to \$100.0 million (or its foreign currency equivalent);

(5) failure by Holdings, the Company or any Significant Subsidiary (or group of Restricted Subsidiaries that taken together as of the date of the most recent audited financial statements of Holdings would constitute a Significant Subsidiary) to pay final judgments aggregating in excess of \$100.0 million (net of amounts covered by insurance policies issued by 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 Holdings, the Company or any Significant Subsidiary;

(7) the Guarantee of Holdings or any Guarantor that is a Significant Subsidiary (or group of Subsidiary Guarantors that taken together as of the date of the most recent audited financial statements of Holdings would constitute a Significant Subsidiary) shall for any reason (except as contemplated by the express terms thereof or the Indenture) cease to be in full force and effect or be declared null and void or any responsible officer of such Guarantor (or the responsible officers of any group of Subsidiary Guarantors that taken together as of the date of the most recent audited financial statements of Holdings 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 Collateral Agent to maintain possession of certificates delivered to it representing securities pledged under the Notes 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 Senior Secured Notes; or

(9) the Company or any Subsidiary Guarantor that is a Significant Subsidiary (or any group of Subsidiary Guarantors that, taken together (as of the latest audited consolidated financial statements for the Company and its Restricted Subsidiaries) 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.

If any Event of Default (other than of a type specified in clause (6) above) occurs and is continuing under the Indenture, the Holders of at least 30% in aggregate principal amount of the then outstanding Senior Secured Notes by written notice to the Company and Trustee, or the Trustee by written notice to the Company, may declare the principal, premium, if any, interest and any other monetary obligations on all the then outstanding Senior Secured Notes to be due and payable immediately.

Upon the effectiveness of such declaration, such principal 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, all outstanding Senior Secured Notes will become due and payable immediately without further action or notice. The Indenture will provide that if a Default occurs and is continuing and is actually known to a responsible officer of the Trustee, the Trustee must send to each Holder notice of the Default within 90 days after it is actually known to a responsible officer of the Trustee. 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 in good faith determines that withholding notice is in their interest.

The Indenture will provide that the Holders of not less than a majority in aggregate principal amount of the then outstanding Senior Secured Notes by written notice to the Trustee and the Company may on behalf of the Holders of all of the Senior Secured Notes waive any existing Default or Event of Default and its consequences under the Indenture (except a continuing Default in the payment of principal of, premium, if any, or interest on any Secured Note held by a non-consenting Holder (including in connection with an Asset Sale Offer or a Change of Control Offer)) and rescind any acceleration and its consequences with respect to the Senior Secured Notes, *provided* such rescission would not conflict with any judgment of a court of competent jurisdiction. In the event of any Event of Default specified in clause (4) above, such Event of Default and all consequences thereof (excluding any resulting payment default, other than as a result of acceleration of the Senior Secured 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 the Company delivers an Officer's Certificate to the Trustee stating that:

- (1) the Indebtedness or guarantee that is the basis for such Event of Default has been discharged; or
- (2) the requisite 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, neither the Trustee nor the Collateral Agent will be under any obligation to exercise any of the rights or powers under the Indenture at the request or direction of any of the Holders unless the Holders have offered to the Trustee and the Collateral Agent, as applicable, indemnity or security satisfactory to the Trustee and the Collateral Agent, as applicable, against any loss, liability or expense. Except to enforce the right to receive payment of principal, premium (if any) or interest when due, no Holder may pursue any remedy with respect to the Indenture or the Senior Secured Notes unless:

- (1) such Holder has previously given the Trustee written notice that an Event of Default is continuing;
- (2) Holders of at least 30% in aggregate principal amount of the then outstanding Senior Secured Notes have requested the Trustee to pursue the remedy;
- (3) Holders have offered and, if requested, provided to the Trustee indemnity or security satisfactory to the Trustee 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 or indemnity; and

(5) Holders of a majority in principal amount of the then outstanding Senior Secured Notes have not given the Trustee a direction inconsistent with such request within such 60-day period.

In addition, as described above under the caption “—Security,” the exercise of remedies with respect to the Collateral is subject to the terms of the Equal Priority Intercreditor Agreement.

These limitations do not apply, however, to a suit instituted by a Holder for the enforcement of payment of the principal of, premium, if any, or interest on such Holder’s Secured Note on or after the respective due date expressed in such Secured Note.

Subject to certain restrictions, under the Indenture the Holders of a majority in principal amount of the total outstanding Senior Secured Notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or Collateral Agent or of exercising any trust or power conferred on the Trustee and Collateral Agent. The Trustee and Collateral Agent, however, may refuse to follow any direction that conflicts with law or the Indenture or the Notes Security Documents, as applicable, or that the Trustee or Collateral Agent determines is unduly prejudicial to the rights of any other Holder (it being understood that the Trustee and Collateral Agent does not have an affirmative duty to ascertain whether or not such direction is unduly prejudicial to such Holders) or that would involve the Trustee or Collateral Agent in personal liability.

The Indenture will provide that the Company is required to deliver to the Trustee annually a statement regarding compliance with the Indenture, and the Company is required, within 30 days, upon becoming aware of any Default, to deliver to the Trustee a statement specifying such Default, its status and the actions that the Company is taking or proposes to take with respect thereto.

Any notice of any continuing Default or Event of Default, notice of acceleration or instruction to the Trustee or the Collateral Agent, as applicable, to provide a notice of Default or Event of Default, notice of acceleration or other notice to take any other action (a “*Noteholder Direction*”) provided by any one or more Holders (each a “*Directing Holder*”) must be accompanied by a written representation from each such Holder of Senior Secured Notes delivered to the Company, the Trustee and the Collateral Agent, as applicable, that such Holder is not (or, in the case such Holder is DTC, or its nominee, that such Holder is being instructed solely by beneficial owners that have represented to such Holder that they are not) Net Short (a “*Position Representation*”), which representation, in the case of a Noteholder Direction relating to the delivery of a notice of Default or Event of Default shall be deemed a continuing representation until the resulting Event of Default is cured or otherwise ceases to exist or the Senior Secured Notes are accelerated. In addition, each Directing Holder is deemed, at the time of providing a Noteholder Direction, to covenant to provide the Company with such other information as the Company may reasonably request from time to time in order to verify the accuracy of such Holder’s Position Representation within five Business Days of request therefor (a “*Verification Covenant*”). In any case in which the Holder is DTC, or its nominee, any Position Representation or Verification Covenant required hereunder shall be provided by the beneficial owner of the Senior Secured Notes in lieu of DTC, or its nominee, and DTC shall be entitled to conclusively rely on such Position Representation and Verification Covenant in delivering its direction to the Trustee or the Collateral Agent, as applicable.

If, following the delivery of a Noteholder Direction, but prior to acceleration of the Senior Secured Notes, the Company determines in good faith that there is a reasonable basis to believe a Directing Holder was, at any relevant time, in breach of its Position Representation and provides to the Trustee and the Collateral Agent, as applicable, an Officer’s Certificate stating that the Company has initiated litigation in a court of competent jurisdiction seeking a determination that such Directing Holder was, at such time, in breach of its Position Representation, and seeking to invalidate any Event of Default that resulted from the applicable Noteholder Direction, the cure period with respect to such Default shall be

automatically stayed and the cure period with respect to such Event of Default shall be automatically reinstituted and any remedy stayed pending a final and nonappealable determination of a court of competent jurisdiction on such matter. If, following the delivery of a Noteholder Direction, but prior to acceleration of the Senior Secured Notes, the Company provides to the Trustee and the Collateral Agent, as applicable, an Officer's Certificate stating that a Directing Holder failed to satisfy its Verification Covenant, the cure period with respect to such Default shall be automatically stayed and the cure period with respect to any Event of Default that resulted from the applicable Noteholder Direction shall be automatically reinstituted and any remedy stayed pending satisfaction of such Verification Covenant. Any breach of the Position Representation shall result in such Holder's participation in such Noteholder Direction being disregarded; and, if, without the participation of such Holder, the percentage of Senior Secured Notes held by the remaining Holders that provided such Noteholder Direction would have been insufficient to validly provide such Noteholder Direction, such Noteholder Direction shall be void ab initio (other than any indemnity or security such Directing Holder may have offered the Trustee or the Collateral Agent), with the effect that such Event of Default shall be deemed never to have occurred, acceleration voided and the Trustee and the Collateral Agent, as applicable, shall be deemed not to have received such Noteholder Direction or any notice of such Default or Event of Default.

Notwithstanding anything in the preceding two paragraphs to the contrary, any Noteholder Direction delivered to the Trustee or the Collateral Agent during the pendency of an Event of Default as the result of a bankruptcy or similar proceeding shall not require compliance with the foregoing paragraphs. For the avoidance of doubt, the Trustee and the Collateral Agent shall be entitled to conclusively rely on any Noteholder Direction delivered to it in accordance with the Indenture, shall have no duty to inquire as to or investigate the accuracy of any Position Representation, enforce compliance with any Verification Covenant, verify any statements in any Officer's Certificate delivered to it, or otherwise make calculations, investigations or determinations with respect to Derivative Instruments, Net Shorts, Long Derivative Instruments, Short Derivative Instruments or otherwise. Neither the Trustee nor the Collateral Agent shall have any liability to the Company, any Holder or any other Person in acting in good faith on a Noteholder Direction.

No Personal Liability of Directors, Officers, Employees, Incorporators, Members, Partners and Stockholders

No director, officer, employee, incorporator, member, partner or stockholder of the Company or any Guarantor or any of their parent companies or entities (other than the Company in respect of the Senior Secured Notes and each Guarantor in respect of its Guarantee) shall have any liability for any obligations of the Company or the Guarantors under the Senior Secured Notes, the Guarantees, the Indenture, the Notes Security Documents or the Equal Priority Intercreditor Agreement or for any claim based on, in respect of, or by reason of such obligations or their creation. Each Holder by accepting a Secured Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Senior Secured Notes. Such waiver may not be effective to waive liabilities under the federal securities laws.

Legal Defeasance and Covenant Defeasance

The obligations of the Company and the Guarantors under the Indenture, the Senior Secured Notes, the applicable Notes Security Documents and the Guarantees will terminate (other than certain obligations) and will be released upon payment in full of all of the Senior Secured Notes. The Company may, at its option and at any time, elect to have all of its obligations discharged with respect to the Senior Secured Notes and the applicable Notes Security Documents and have each Guarantor's obligation discharged with respect to its Guarantee, and have the Liens on the Collateral securing the

Senior Secured Notes Obligations terminated and released ("*Legal Defeasance*") and cure all then existing Events of Default except for:

(1) the rights of Holders to receive payments in respect of the principal of, premium, if any, and interest on the Senior Secured Notes when such payments are due solely out of the trust created pursuant to the Indenture;

(2) the Company's obligations with respect to Senior Secured Notes concerning issuing temporary Senior Secured Notes, registration of such Senior Secured Notes, mutilated, destroyed, lost or stolen Senior Secured 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 Collateral Agent, and the Company's obligations in connection therewith; and

(4) the Legal Defeasance provisions of the Indenture.

In addition, the Company may, at its option and at any time, elect to have its obligations and those of each Guarantor released with respect to substantially all of the restrictive covenants that are described in the Indenture, the Senior Secured Notes, the Guarantees and the Notes Security Documents, as applicable ("*Covenant Defeasance*"), and thereafter any omission to comply with such obligations shall not constitute a Default or Event of Default with respect to the Senior Secured Notes. In the event Covenant Defeasance occurs, certain events (not including bankruptcy, receivership, rehabilitation and insolvency events pertaining to the Company) described under "—Events of Default and Remedies" will no longer constitute a Default or an Event of Default with respect to the Senior Secured Notes.

In order to exercise either Legal Defeasance or Covenant Defeasance with respect to the Senior Secured Notes:

(1) the Company or any Guarantor must irrevocably deposit or cause to be deposited with the Trustee as trust funds in trust solely for the benefit of the Holders, cash in U.S. dollars, Government Securities, or a combination thereof, in such amounts as will be sufficient without consideration of any reinvestment of interest to pay the principal, premium, if any, and accrued interest due on the Senior Secured Notes to the date of maturity or redemption, as the case may be, of such principal, premium, if any, or interest on such Senior Secured Notes and the Company must specify whether such Senior Secured 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 applicable Redemption Date (any such amount, the "*Applicable Premium Deficit*") only required to be deposited with the Trustee on or prior to the applicable Redemption Date. 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, Holdings or the Company shall have delivered to the Trustee an Opinion of Counsel confirming that, subject to customary assumptions and exclusions,

(a) Holdings or the Company has received from, or there has been published by, the U.S. Internal Revenue Service a ruling, or

(b) since the issuance of the Senior Secured Notes, 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 will not recognize income, gain or loss for U.S. federal income tax purposes, as applicable, 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, Holdings or the Company shall have delivered to the Trustee an Opinion of Counsel confirming that, subject to customary assumptions and exclusions, the beneficial owners will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(4) no Default (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 material instrument (other than the Indenture) to which, the Company or any Guarantor is a party or by which the Company or any Guarantor is bound (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);

(6) Holdings or the Company shall have delivered to the Trustee an Officer's Certificate stating that the deposit was not made by the Company with the intent of defeating, hindering, delaying or defrauding any creditors of the Company or any Guarantor or others; and

(7) Holdings or the Company 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.

Upon a Legal Defeasance or Covenant Defeasance in accordance with the provisions of the Indenture, the Trustee will advise the Collateral Agent that the Senior Secured Notes will cease to constitute "Equal Priority Obligations" (or such similar term) under the Equal Priority Intercreditor Agreement.

The Liens securing the Senior Secured Notes will be released, as provided under the caption "~~—Security—Release of Collateral,~~" upon a Legal Defeasance or Covenant Defeasance in accordance with the provisions described above.

Satisfaction and Discharge

The Indenture will be discharged (other than certain obligations to the Trustee and Collateral Agent that expressly survive pursuant to the Indenture) and will cease to be of further effect as to all

Senior Secured Notes and the Liens on the Collateral securing the Senior Secured Notes, the Indenture and the Guarantees will terminate and be released, when either:

(1) all Senior Secured Notes theretofore authenticated and delivered, except lost, stolen or destroyed Senior Secured Notes which have been replaced or paid and Senior Secured Notes for whose payment money has theretofore been deposited in trust, have been delivered to the Trustee for cancellation; or

(2) (a) all Senior Secured 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 may 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 Company and the Company 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, cash in U.S. dollars, Government Securities or a combination thereof, in such amounts as will be sufficient without consideration of any reinvestment of interest to pay and discharge the entire indebtedness on the Senior Secured 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 applicable Redemption Date. 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) the Company has paid or caused to be paid all sums payable by it under the Indenture; and (c) the Company has delivered irrevocable instructions to the Trustee to apply the deposited money toward the payment of the Senior Secured Notes at maturity or the Redemption Date, as the case may be.

In addition, the Company must deliver an Officer's Certificate and an Opinion of Counsel (which Opinion of Counsel may be subject to customary assumptions and exclusions) to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

Upon satisfaction and discharge in accordance with the provisions of the Indenture, the Trustee will advise the Collateral Agent that it will cease to be a party to the Equal Priority Intercreditor Agreement on behalf of the Holders, and the Senior Secured Notes will cease to constitute "Equal Priority Obligations" (or such similar term) under the Equal Priority Intercreditor Agreement.

The Liens securing the Senior Secured Notes will be released, as provided under the caption "—Security—Release of Collateral," upon the satisfaction and discharge of the Indenture in accordance with the provisions described above.

Amendment, Supplement and Waiver

Except as provided in the next two succeeding paragraphs, the Indenture, any Guarantee, the Senior Secured Notes, the Notes Security Documents or the Equal Priority Intercreditor Agreement may be amended or supplemented with the consent of the Holders of at least a majority in principal amount of the Senior Secured Notes then outstanding, other than Senior Secured Notes beneficially owned by Holdings or its Affiliates (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, the Senior Secured Notes), and any existing Default or Event of Default or compliance with any provision of the Indenture, the Senior Secured Notes, the Notes Security Documents or the Equal Priority Intercreditor Agreement issued thereunder may be waived with the consent of the Holders of at least a majority in principal amount of the Senior Secured Notes

then outstanding, other than Senior Secured Notes beneficially owned by Holdings or its Affiliates (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, the Senior Secured Notes).

The Indenture will provide that, without the consent of each affected Holder, an amendment or waiver may not, with respect to any Senior Secured Notes held by a non-consenting Holder:

- (1) reduce the percentage of the aggregate principal amount of such Senior Secured 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 Secured Note or reduce the premium payable upon the redemption of such Senior Secured Notes or change the date at which such Senior Secured Notes may be redeemed as described under “—Optional Redemption”; *provided* that any amendment to the minimum notice requirement may be made with the consent of the Holders of a majority in aggregate principal amount of the Senior Secured Notes then outstanding;
- (3) reduce the rate of or change the time for payment of interest on any Secured Note;
- (4) waive a Default or Event of Default in the payment of principal of or premium, if any, or interest on the Senior Secured Notes, except a rescission of acceleration of the Senior Secured Notes by the Holders of at least a majority in aggregate principal amount of the Senior Secured Notes then outstanding and a waiver of the payment default that resulted from such acceleration, or in respect of a covenant or provision contained in the Indenture or any Guarantee which cannot be amended or modified without the consent of all affected Holders;
- (5) make any Secured 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 or the rights of Holders to receive payments of principal of or premium, if any, or interest on the Senior Secured Notes;
- (7) make any change in these amendment and waiver provisions (except pursuant to the second succeeding paragraph, which relates to amendments permitted without the consent of any Holders);
- (8) amend the contractual right expressly set forth in the Indenture or the Senior Secured Notes of any Holder to institute suit for enforcement of any payment of principal, premium, if any, or interest on such Holder's Senior Secured Notes on or after the due dates therefor;
- (9) make any change to or modify the ranking of the Senior Secured Notes that would adversely affect the Holders; or
- (10) except as expressly permitted by the Indenture, modify the Guarantee of Holdings or any Significant Subsidiary in any manner adverse in any material respect to the Holders.

Notwithstanding the foregoing, without the consent of the Holders of at least 66 2/3% in aggregate principal amount of the Senior Secured Notes then outstanding, no amendment or waiver may (A) make any change in any Notes Security Document, the Equal Priority Intercreditor Agreement 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 Senior Secured Notes Obligations or (B) change or alter the priority of Liens securing the Senior Secured Notes Obligations in any material portion of the Collateral in any way materially adverse, taken as a whole, to the Holders, other than, in each case, as provided under the terms of the Indenture, the Notes Security Documents or the Equal Priority Intercreditor Agreement.

Notwithstanding the foregoing, the Company and any Guarantor (with respect to a Guarantee or the Indenture to which it is a party) may (i) together with the Trustee, amend or supplement the

Indenture, any Guarantee or Senior Secured Notes, and (ii) together with the Collateral Agent, amend or supplement any Notes Security Document or the Equal Priority Intercreditor Agreement, in each case, without the consent of any Holder:

(1) to cure any ambiguity, omission, mistake, defect or inconsistency, as set forth in an Officer's Certificate;

(2) to provide for uncertificated Senior Secured Notes in addition to or in place of certificated Senior Secured Notes;

(3) to comply with the covenant described under "—Certain Covenants—Merger, Consolidation or Sale of All or Substantially All Assets";

(4) to provide for the assumption of the Company'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 (including to secure the Senior Secured Notes or the Guarantees) or that does not adversely affect the legal rights under the Indenture of any such Holder in any material respect;

(6) to add covenants for the benefit of the Holders or to surrender any right or power conferred upon the Company or any Guarantor;

(7) to provide for the issuance of Additional Senior Secured Notes in accordance with the terms of the Indenture;

(8) to comply with requirements of the SEC in order to effect or maintain the qualification of the Indenture under the Trust Indenture Act, if applicable;

(9) to evidence and provide for the acceptance and appointment under the Indenture of a successor Trustee, Collateral Agent or a successor paying agent thereunder pursuant to the requirements thereof;

(10) to provide for the issuance of exchange notes or private exchange notes, which are identical to exchange notes except that they are not freely transferable;

(11) to add a Guarantor or a Guarantee of a Parent Entity of Holdings or the Company under the Indenture, or to release any such Guarantor or Guarantee if at the time of such release such Guarantor is not otherwise required by the Indenture to be a Guarantor;

(12) to conform the text of the Indenture, the Guarantees, the Senior Secured Notes, the Notes Security Documents or the Equal Priority Intercreditor Agreement, as applicable, to any provision of this "Description of Senior Secured Notes" to the extent that such provision in this "Description of Senior Secured Notes" was intended to be a verbatim recitation of a provision of the Indenture, the Senior Secured Notes, the Guarantees, the Notes Security Documents or the Equal Priority Intercreditor Agreement, as applicable, as set forth in an Officer's Certificate;

(13) to comply with the rules of any applicable securities depositary;

(14) to make any amendment to the provisions of the Indenture relating to the transfer and legending of Senior Secured Notes as permitted by the Indenture, including, without limitation to facilitate the issuance and administration of the Senior Secured Notes; *provided, however*, that (i) compliance with the Indenture as so amended would not result in Senior Secured Notes being transferred in violation of the Securities Act or any applicable securities law and (ii) such amendment does not materially and adversely affect the rights of Holders to transfer Senior Secured Notes;

(15) to add additional assets as Collateral, and to mortgage, pledge, hypothecate or grant any other Lien for the benefit of the Holders of the Senior Secured Notes, as additional security for the payment and performance of all or any portion of the Obligations with respect to the Senior Secured Notes and Guarantees, 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 pursuant to the Indenture, any of the Notes Security Documents or otherwise;

(16) to make, complete or confirm any grant of Collateral permitted or required by the Indenture or any Notes Security Documents, or to release the Collateral in accordance with the terms of the Indenture, the Equal Priority Intercreditor Agreement and the Notes Security Documents; and

(17) to provide for the accession of any parties to the Notes Security Documents (and other amendments that are administrative or ministerial in nature) in connection with an Incurrence of additional Secured Indebtedness permitted 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.

Notices

Notices given by publication will be deemed given on the first date on which publication is made, notices given by first-class mail, postage prepaid, will be deemed given five calendar days after mailing and notices given otherwise in accordance with the procedures of DTC will be deemed given on the date sent to DTC.

Concerning the Trustee and Collateral Agent

The Indenture will contain certain limitations on the rights of the Trustee and Collateral Agent, should either become a creditor of the Company 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 same entity may serve as both the Trustee and the Collateral Agent. The Trustee and Collateral Agent will be permitted to engage in other transactions; however, if it acquires any conflicting interest (as defined in the Trust Indenture Act) it must eliminate such conflict within 90 days, apply to the SEC for permission to continue or resign as Trustee or Collateral Agent, as applicable.

The Indenture will provide that the Holders of a majority in principal amount of the then outstanding Senior Secured Notes will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or Collateral Agent, as applicable, subject to certain exceptions. The Indenture will provide that in case an Event of Default occurs and is continuing thereunder, written notice of which has been delivered to the Trustee or Collateral Agent, as applicable, the Trustee or Collateral Agent, as applicable, will be required, in the exercise of the rights and powers vested in it under the Indenture, to use the degree of care of a prudent person under the circumstances in the conduct of his own affairs. Neither the Trustee nor the Collateral Agent, as applicable, will be under any obligation to exercise any of its rights or powers under the Indenture at the request or direction of any Holder of the Senior Secured Notes, unless such Holder shall have offered to the Trustee and/or Collateral Agent, as applicable, security and indemnity satisfactory to it against any loss, liability or expense.

Neither the Trustee nor the Collateral Agent assumes any responsibility for the accuracy or completeness of the information concerning Holdings or its affiliates or any other party contained in this

offering circular or the related documents or for any failure to disclose events that may have occurred and may affect the significance or accuracy of such information. Neither the Trustee nor any paying agent shall be responsible for determining whether any Asset Sale has occurred or any Asset Sale Offer with respect to the Senior Secured Notes is required, and whether any Change of Control has occurred or whether any Change of Control Offer with respect to the Senior Secured Notes is required. None of the Trustee, the Collateral Agent or any paying agent shall be responsible for monitoring the Company's rating status, making any request upon any Rating Agency, or determining whether any rating event with respect to the Senior Secured Notes has occurred. The Trustee will have no duty to take notice of any Event of Default, Covenant Suspension Event or Reversion Date, unless specifically notified in a writing stating that such an event has occurred and describing the circumstances thereof.

The Indenture will provide that neither the Trustee nor the Collateral Agent shall be responsible for the existence, genuineness, value or protection of any Collateral (except for the safe custody of Collateral in its possession and for trust monies actually received), for the legality, effectiveness or sufficiency of any Notes Security Document, or for the creation, perfection, priority, sufficiency or protection of any Lien on Collateral.

Each Holder, by acceptance of the benefits of the Notes Security Documents, hereby irrevocably agrees that the Collateral Agent may, without any further consent of any Holder, enter into any intercreditor agreement (i) with the collateral agent or other representatives of holders of Indebtedness secured by Liens permitted by clause (35) of "Permitted Liens" or Refinancing Indebtedness that is intended to be secured on a pari passu basis with the Liens securing the Obligations and/or (ii) with the collateral agent or other representatives of the holders of Indebtedness secured by Liens permitted by clause (35) of "Permitted Liens" or Refinancing Indebtedness that is intended to be secured on a junior basis to the Liens securing the Obligations, in each case, to the extent contemplated hereby and where such Indebtedness is secured by Permitted Liens. The Collateral Agent may rely exclusively on a certificate of a responsible officer of the Issuer as to whether any such other Liens are permitted. Any such intercreditor agreement entered into by the Collateral Agent in accordance with the terms of this Agreement shall be binding on the Secured Parties.

Governing Law

The Indenture, the Senior Secured Notes, the Guarantees, the Notes Security Documents and the Equal Priority Intercreditor Agreement will be governed by and construed in accordance with the laws of the State of New York.

The Indenture will provide that the Company, the Guarantors and the Trustee irrevocably waive, and each Holder of a Secured Note by its acceptance thereof irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to the Indenture, the Senior Secured Notes or any transaction contemplated thereby.

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 on a consolidated basis in accordance with GAAP, but excluding from such consolidation any Unrestricted Subsidiary as if such Unrestricted Subsidiary were not an Affiliate of such Person.

"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 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.

“Affiliate” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. 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, means 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 ownership of voting securities, by agreement or otherwise.

“Applicable Calculation Date” means the applicable date of calculation for (1) the Consolidated Secured Debt Ratio, (2) the Consolidated Total Debt Ratio, (3) the Fixed Charge Coverage Ratio, (4) Consolidated EBITDA, (5) any Restricted Payment, (6) any Permitted Investment, (7) the incurrence of any Indebtedness, (8) any Asset Sale, (9) Consolidated Total Assets or (10) any Default or Event of Default. When calculating the availability under any basket or ratio under the Indenture, in each case in connection with a Limited Condition Acquisition, the date of determination of such basket or ratio and of any Default or Event of Default shall, at the option of Holdings or the Company (which election may be made on the date of such acquisition), be the date the definitive agreements for such Limited Condition Acquisition are entered into and such baskets or ratios shall be calculated 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”* after giving effect to such Limited Condition Acquisition and the other transactions to be entered into in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) as if they occurred at the beginning of the applicable period for purposes of determining the ability to consummate any such Limited Condition Acquisition, and, for the avoidance of doubt, (a) if any of such baskets or ratios are exceeded as a result of fluctuations in such basket or ratio (including due to fluctuations in Consolidated EBITDA of the Company or the target company) subsequent to such date of determination and at or prior to the consummation of the relevant Limited Condition Acquisition, such baskets or ratios will not be deemed to have been exceeded as a result of such fluctuations solely for purposes of determining whether the Limited Condition Acquisition and the related transactions to be entered into are permitted hereunder and (b) such baskets or ratios shall not be tested at the time of consummation of such Limited Condition Acquisition or related transactions; *provided* that (i) if any ratios improve or baskets increase as a result of such fluctuations, such improved ratios or baskets may be utilized and (ii) if Holdings or the Company elects to have such determinations occur at the time of entry into such definitive agreement, any such transactions (including any incurrence of Indebtedness and the use of proceeds thereof) shall be deemed to have occurred on the date the definitive agreements are entered and outstanding thereafter for purposes of calculating any baskets or ratios under the Indenture after the date of such agreement and before the consummation of such Limited Condition Acquisition unless and until such Limited Condition Acquisition has been abandoned, as determined by Holdings or the Company, prior to the consummation thereof. For the avoidance of doubt, if Holdings or the Company has exercised its option under the second sentence of this definition and any Default or Event of Default occurs following the date on which the definitive acquisition agreements for the applicable Limited Condition Acquisition were entered into and prior to or on the date of the consummation of such Limited Condition Acquisition, any such Default or Event of Default shall be deemed to not have occurred or be continuing for purposes of determining whether any action being taken in connection with such Limited Condition Acquisition is permitted under the Indenture.

“Applicable Laws” means, as to any Person, any international, foreign, provincial, territorial, federal, state, municipal, and local law (including common law and environmental laws), statute,

regulation, by-law, ordinance, treaty, rule, order, code, regulation, decree, guideline, judgment, consent decree, writ, injunction, settlement agreement, governmental requirement and administrative or judicial precedents enacted, promulgated or imposed or entered into or agreed by any governmental authority, in each case applicable to or binding on such Person or any of its property or assets or to which such Person or any of its property or assets is subject.

“Applicable Measurement Period” means the most recently completed four consecutive fiscal quarters of the Company ending on or immediately preceding the Applicable Calculation Date for which internal financial statements are available; *provided* that prior to the first date financial statements have been furnished pursuant to the covenant described under *“—Certain Covenants—Reports and Other Information,”* the Applicable Measurement Period in effect will be the period of four consecutive fiscal quarters of the Company ended September 30, 2023.

“Applicable Premium” means, with respect to any Secured Note on any Redemption Date, the greater of:

(1) 1.0% of the principal amount of such Secured Note; and

(2) the excess, if any, of (a)(i) the sum of the present value at such Redemption Date of (A) the redemption price of such Secured Note at , 2026 (such redemption price being set forth in the table appearing above under the caption *“—Optional Redemption”*) *plus* (B) all required remaining scheduled interest payments due on such Secured Note through , 2026, discounted to such Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate as of such Redemption Date plus 50 basis points, minus (ii) accrued but unpaid interest to, but excluding, the Redemption Date, over (b) the principal amount of such Secured Note.

Calculation of the Applicable Premium will be made by the Company or on behalf of the Company by such Person as the Company shall designate; *provided* that such calculation or the correctness thereof shall not be a duty or obligation of the Trustee.

“Asset Sale” means:

(1) the sale, conveyance, transfer or other disposition, whether in a single transaction or a series of related transactions, of property or assets (including by way of a Sale and Lease-Back Transaction) of Holdings 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 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 obsolete, damaged, unnecessary, unsuitable or used, surplus or worn out property, equipment, rights or other assets in the ordinary course of business, or any disposition of inventory or goods (or other property or assets) held for sale or no longer used or useful, or economically practicable to maintain, in the conduct of, the business of Holdings and its Subsidiaries;

(b) the disposition of all or substantially all of the assets of Holdings 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 disposition, issuance or sale in connection with 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 any Permitted Investment;
- (d) any disposition of property or assets or issuance or sale of Equity Interests of any Restricted Subsidiary (other than the Company) in any transaction or series of related transactions with an aggregate fair market value at the time of such disposition, issuance or sale of less than the greater of (i) \$70.0 million and (ii) 7.5% of Consolidated EBITDA of the Company for the Applicable Measurement Period;
- (e) any disposition of property or assets, or issuance of securities by a Restricted Subsidiary to Holdings or by Holdings or a Restricted Subsidiary to another Restricted Subsidiary;
- (f) to the extent allowable under Section 1031 of the Code or any comparable or successor provision, any exchange of like property (excluding any boot thereon) for use in a Similar Business;
- (g) the lease, assignment, sub-lease, license or sub-license of any real or personal property in the ordinary course of business;
- (h) any issuance, sale or pledge of Equity Interests in, or Indebtedness or other securities of, an Unrestricted Subsidiary;
- (i) foreclosures, condemnation, expropriation, forced disposition, eminent domain or any similar action with respect to assets or the granting of Liens not prohibited by the Indenture (including any Permitted Lien), 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) any financing transaction with respect to property owned, built or acquired by Holdings or any Restricted Subsidiary after the Issue Date, including Sale and Lease-Back Transactions (other than Permitted Sale and Lease-Back Transactions) and asset securitizations permitted by the Indenture;
- (k) any surrender, termination or waiver of any contract rights or surrender, waiver, settlement, modification, compromise or release of any contract rights, litigation claims or any other claims of any kind (including in tort) in the ordinary course of business;
- (l) the sale, lease, assignment, license, sublease, sublicense or discount, forgiveness or write off of inventory, equipment, accounts receivable, notes receivable or other current assets in the ordinary course of business or the conversion of accounts receivable to notes receivable; or other dispositions of accounts receivable in connection with the collection or compromise thereof;
- (m) the licensing or sub-licensing of intellectual property or other general intangibles in the ordinary course of business or that is immaterial;
- (n) the unwinding of any Hedging Obligations or Cash Management Obligations;
- (o) sales, transfers and other dispositions of Investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture arrangements and similar binding arrangements;
- (p) any abandonment, cancellation or ceasing to maintain or ceasing to enforce, intellectual property rights that are no longer used, useful or necessary for or are no longer economical, not in the best interest of or material for the operation of the business of Holdings and its Restricted Subsidiaries (including by allowing any registrations or any applications for registration thereof to lapse), in each case in the ordinary course of business or in the reasonable business judgment of Holdings or the Company;

(q) the issuance of directors' qualifying shares and shares issued to foreign nationals or other third parties as required by applicable law;

(r) dispositions constituting Liens permitted under the covenant described under "—Certain Covenants—Liens";

(s) the disposition of any assets (including Equity Interests) (i) acquired in a transaction permitted under the Indenture, which assets are not used or useful in the core or principal business of Holdings and its Restricted Subsidiaries, or (ii) made in connection with the approval of any applicable antitrust authority or otherwise necessary or advisable in the good faith determination of Holdings or the Company to consummate any acquisition permitted under the Indenture;

(t) dispositions of property to the extent that (i) such property is exchanged for credit against the purchase price of similar replacement property or (ii) an amount equal to the Net Proceeds of such disposition are promptly applied to the purchase price of such replacement property; and

(u) sales or transfers of accounts receivable, or participations therein and related assets, in connection with any Receivables Facility.

In the event that a transaction (or any portion thereof) meets the criteria of a permitted Asset Sale and would also be a permitted Restricted Payment or Permitted Investment, Holdings or the Company, 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.

"Bank Collateral Agent" means Goldman Sachs Lending Partners LLC, as collateral agent under the Senior Credit Agreement, and its successors and permitted assigns thereunder.

"Bank Lender" means any lender or holder or agent or arranger of Indebtedness under the Senior Credit Agreement.

"Board" with respect to a Person means the board of directors (or similar body) of such Person or any committee thereof duly authorized to act on behalf of such board of directors (or similar body).

"Business Day" means each day which is not a Legal Holiday.

"Capital Expenditures" means (1) all expenditures (whether paid in cash or accrued as liabilities) by the Company and its Restricted Subsidiaries during such period that, in conformity with GAAP, are or are required to be included as additions during such period to property, plant or equipment reflected in the consolidated balance sheet of the Company and its Restricted Subsidiaries, (2) all capitalized research and development costs during such period and (3) all fixed asset additions financed through Financing Lease Obligations incurred by the Company and its Restricted Subsidiaries and recorded on the balance sheet in accordance with GAAP during such period.

"Capital Stock" means:

- (1) in the case of a corporation, corporate stock;
- (2) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited);
- (3) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock; 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;

but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such securities include any right of participation with Capital Stock.

“Cash Equivalents” means:

(1) U.S. dollars, Canadian dollars, euro, pounds sterling or any national currency of any participating member state of the EMU;

(2) other currencies held by Holdings and its Restricted Subsidiaries from time to time in the ordinary course of business;

(3) securities issued or directly and fully and unconditionally guaranteed or insured by the U.S. government or any agency or instrumentality thereof the securities of which are unconditionally guaranteed as a full faith and credit obligation of such government with maturities of 24 months or less from the date of acquisition;

(4) certificates of deposit, time deposits and eurodollar time deposits with maturities of two years or less from the date of acquisition, demand deposits, bankers' acceptances with maturities not exceeding one year and overnight bank deposits, in each case with any commercial bank having capital and surplus of not less than \$100.0 million (or the U.S. dollar equivalent as of the date of determination);

(5) repurchase obligations for underlying securities of the types described in clauses (3) and (4) above and clause (11) below entered into with any financial institution meeting the qualifications specified in clause (4) above;

(6) commercial paper and variable or fixed rate notes rated investment grade by Moody's or S&P (or, if at any time neither Moody's nor S&P shall be rating such obligations, an equivalent rating from another Rating Agency) and in each case maturing within 24 months after the date of acquisition thereof, or investment grade commercial paper and investment grade variable or fixed rate notes issued or guaranteed by any lender or bank holding company owning any lender under the Senior Credit Agreement;

(7) marketable short-term money market and similar securities having a rating of at least P-2 or A-2 from either Moody's or S&P, respectively (or, if at any time neither Moody's nor S&P shall be rating such obligations, an equivalent rating from another Rating Agency);

(8) Indebtedness or Preferred Stock issued by Persons with a rating of A or higher from S&P or A-2 or higher from Moody's (or, if at any time neither S&P nor Moody's shall be rating such obligations, an equivalent rating from another Rating Agency) with maturities of 24 months or less from the date of acquisition;

(9) Investments with average maturities of 24 months or less from the date of acquisition in money market funds rated AAA- (or the equivalent thereof) or better by S&P or Aaa3 (or the equivalent thereof) or better by Moody's (or, if at any time neither S&P nor Moody's shall be rating such obligations, an equivalent rating from another Rating Agency);

(10) readily marketable direct obligations issued by any foreign government or any political subdivision or public instrumentality thereof, in each case having an investment grade rating from either Moody's or S&P (or, if at any time neither Moody's nor S&P shall be rating such obligations, an

equivalent rating from another Rating Agency) with maturities of 24 months or less from the date of acquisition;

(11) securities issued by any state, commonwealth, province or territory of the United States of America or any political subdivision or taxing authority of any such state, commonwealth, province or territory or any public instrumentality thereof or any political subdivision or taxing authority of any such state, commonwealth or territory or any public instrumentality thereof having maturities of not more than 24 months from the date of acquisition thereof and, at the time of acquisition, having an investment grade rating from either Moody's or S&P, respectively (or, if at any time neither Moody's nor S&P shall be rating such obligations, an equivalent rating from another Rating Agency);

(12) in the case of Investments by any Restricted Subsidiary that is a Foreign Subsidiary or Investments made in a country outside the United States of America, Investments for short-term cash management purposes of comparable tenor and credit quality to those described in the foregoing clauses (1) through (11) customarily utilized in countries in which such Foreign Subsidiary operates, denominated in U.S. dollars or another currency customarily utilized in such countries; and

(13) investment funds investing 90% of their assets in securities of the types described in clauses (1) through (12) above.

Notwithstanding the foregoing, Cash Equivalents shall include amounts denominated in currencies other than those set forth in clauses (1) and (2) above, *provided* that such amounts are converted into any currency or securities listed in clauses (1) through (3) as promptly as practicable and in any event within 10 Business Days following the receipt of such amounts.

"Cash Management Obligations" means (1) obligations of Holdings or any of its Restricted Subsidiaries in respect of any overdraft and related liabilities arising from treasury, depository, cash pooling arrangements and cash management or treasury services or any automated clearing house transfers of funds, (2) other obligations in respect of netting services, employee credit or purchase card programs and similar arrangements and (3) obligations in respect of any other services related, ancillary or complementary to the foregoing (including any overdraft and related liabilities arising from treasury, depository, cash pooling arrangements and cash management services, corporate credit and purchasing cards and related programs or any automated clearing house transfers of funds).

"Change of Control" means the occurrence of any one or more of the following events after the Issue Date:

(1) the sale, lease or transfer, in one or a series of related transactions, of all or substantially all of the assets of Holdings and its Subsidiaries, taken as a whole, to any Person other than any Permitted Holders;

(2) at any time prior to the consummation of a Qualified Public Offering of Holdings or the Company, Holdings ceases to own 100% of the Capital Stock of the Company other than the Capital Stock issued or issuable pursuant to the Company Stock Option Plan; or

(3) Holdings or the Company 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 one or more Permitted Holders) or (b) Persons (other than any one or more Permitted Holders) that are together a group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision) (but excluding any employee benefit plan of such Person or group or any entity acting in its capacity as trustee, agent or other fiduciary or administrator for such plan), including any group acting for the purpose of acquiring, holding or disposing of Equity Interests of Holdings (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, amalgamation or other business combination or purchase of beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act, or any successor provision) of more than 50% of the total voting power of the Voting Stock of Holdings, unless the Permitted Holders otherwise have the right (pursuant to contract, proxy or otherwise), directly or indirectly, to designate, nominate or appoint directors (or similar position) having a majority of the aggregate votes on the Board of Holdings.

Notwithstanding the preceding or any provision of Rule 13d-3 of the Exchange Act, or any successor provision, (i) a Person or group shall not be deemed to beneficially own securities subject to an equity or asset purchase agreement, merger agreement or similar agreement (or voting or option or similar agreement related thereto) until the consummation of the transactions contemplated by such agreement, (ii) if any group includes one or more Permitted Holders, the issued and outstanding Voting Stock of Holdings beneficially owned, directly or indirectly, by any Permitted Holders that are part of such group shall not be treated as being beneficially owned by any other member of such group for purposes of determining whether a Change of Control has occurred and (iii) a Person or group will not be deemed to beneficially own the Voting Stock of another Person as a result of its ownership of 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 of such Parent Entity. For purposes of this definition and any related definition to the extent used for purposes of this definition, at any time when 50% or more of the total voting power of the Voting Stock of Holdings is directly or indirectly owned by a Parent Entity, all references to Holdings shall be deemed to refer to its ultimate Parent Entity (but excluding any Permitted Holders (other than any Permitted Parent)) that directly or indirectly owns such Voting Stock.

"Code" means the Internal Revenue Code of 1986, as amended, or any successor thereto.

"Collateral" means all the "Collateral" (or equivalent term) as defined in any Notes Security Documents, the Mortgaged Properties and all other property that is subject or purported to be subject to any Lien in favor of the Collateral Agent for the benefit of the holders of the Senior Secured Notes pursuant to any Notes Security Document, but in any event excluding all Excluded Assets.

"Company Stock Option Plan" means the Amwins Group, Inc. 2012 Stock Incentive Plan, and any successor plan.

"Consolidated Depreciation and Amortization Expense" means with respect to any Person for any period, the total amount of depreciation and amortization expense, including the amortization of deferred financing fees or costs, debt issuance costs, commissions, fees and expenses, capitalized expenditures, intangible assets established through recapitalization or purchase accounting, accelerated depreciation and amortization from the write-off or write-down of tangible or intangible assets (other than the write-down of current assets), and the accretion or amortization or write-off of original issue discount resulting from the incurrence of Indebtedness at less than par or premium resulting from the issuance of indebtedness at above par, of such Person for such period on a consolidated basis and as determined in accordance with GAAP.

"Consolidated EBITDA" means, with respect to any Person for any period, the Consolidated Net Income of such Person for such period,

(1) increased, without duplication and to the extent deducted (or, in the case of subclause (n) below, not included) in determining such Consolidated Net Income, by:

(a) expenses for taxes based upon income, profits or capital, including state, franchise and other similar taxes and foreign withholding taxes paid or accrued during such period; *plus*

(b) Fixed Charges of such Person for such period; *plus*

- (c) Consolidated Depreciation and Amortization Expense of such Person for such period; *plus*
- (d) any extraordinary losses and any non-cash charges (other than the write-down of current assets, except to the extent of non-cash charges taken in respect of purchase accounting adjustments), including with respect to stock based compensation, goodwill or other asset impairments, impacts of fair value accounting, valuation of derivatives, losses on foreign currency translation, write-offs or deferred financing costs and debt issuance costs, non-cash expenses in respect of options, profits interests and similar interests and non-cash charges in respect of capitalized research and development and organizational costs; *plus*
- (e) any fees and expenses incurred in connection with any Equity Issuance, any proposed or actual issuance or incurrence of any Indebtedness, any proposed or actual acquisitions, investments, asset sales or divestitures permitted under the Indenture, any proposed or actual transfer of Equity Interests of Holdings, including any financing fees, merger and acquisition fees (including fees paid to the Investors permitted under “—Certain Covenants—Transactions with Affiliates”); *plus*
- (f) the amount of monitoring, management or similar fees, transaction related fees, indemnities and reimbursement of reasonable costs and expenses to the extent otherwise permitted under “—Certain Covenants—Transactions with Affiliates”; *plus*
- (g) the amount of any non-recurring cash charges incurred during such period in respect of restructurings, facilities closings, headcount reductions or other similar actions, including severance charges in respect of employee terminations or relocation costs, or with respect to the startup costs, recruiting, acquisition, integration, retention or relocation of employees, deducted in computing Consolidated Net Income, and any restructuring, integration or similar charges incurred during such period in connection with any acquisition permitted by the Indenture; *provided* that such amounts permitted under this subclause (g) shall not exceed 20.0% of Consolidated EBITDA (prior to giving effect to this subclause (g)) for any such four-quarter period; *plus*
- (h) all losses during such period resulting from the sale or disposition of any assets of such Person or any of its Restricted Subsidiaries outside the ordinary course of business; *plus*
- (i) all losses during such period resulting from the discontinuation of any operations of such Person or any of its Restricted Subsidiaries to the extent permitted or required under Regulation S-X of the Securities Act; *plus*
- (j) any loss on extinguishment or modification of debt; *plus*
- (k) any loss (including fair value adjustments) related to earn-out arrangements in connection with acquisitions; *plus*
- (l) an amount equal to the accrued profit sharing income attributable to the underwriting profits of the American Longshore Mutual Association, Ltd. computed in accordance with a monthly accrual based revenue recognition procedure less any such profit sharing income included in Consolidated Net Income pursuant to a cash or modified cash basis of revenue recognition; *plus*
- (m) the amount equal to the noncontrolling interest expense for income during such period solely to the extent the expense arises as a result of noncontrolling interests in Subsidiaries of the Company; *plus*
- (n) the amount of reasonably identifiable and factually supportable “run rate” cost savings, operating expense reductions, and other synergies that are projected by Holdings or the Company in good faith to result from actions either taken or expected to be taken within 12 months after the determination to take such action, net of the amount of actual benefits realized

prior to or during such period from such actions (which cost savings, operating expense reductions, and synergies shall be calculated on a *pro forma* basis as though such cost savings, operating expense reductions, or synergies had been realized on the first day of such period), in an amount not to exceed 10.0% of Consolidated EBITDA (prior to giving effect to such amounts permitted under this subclause (n)) for such four-quarter period; *plus*

(o) the amount of any other non-cash charges incurred for such period in an amount not to exceed 10.0% of Consolidated EBITDA (prior to giving effect to such amounts permitted under this subclause (o)) for such four-quarter period; *plus*

(p) charges, losses or expenses to the extent paid for, reimbursed, indemnified or insured by a third party (or reasonably expected to be so paid or reimbursed within 365 days after the end of such four-quarter period); *plus*

(q) Receivables Fees and the amount of loss on sale of receivables and related assets to the Receivables Subsidiary in connection with a Receivables Facility, to the extent deducted (and not added back) in computing Consolidated Net Income; and

(2) decreased by, without duplication and to the extent not deducted in determining such Consolidated Net Income, the sum of

(a) all cash payments made during such period on account of reserves, restructuring charges (other than restructuring charges in amounts specified in subclause (1)(g) above) and other non-cash charges added to such Consolidated Net Income pursuant to subclause (1)(d) above in a previous period; *plus*

(b) any extraordinary gains and all non-cash items of income for such period, including with respect to gains on foreign currency translation; *plus*

(c) any gains on extinguishment or modification of debt (including as a result of acquisition of Indebtedness under the Senior Credit Agreement by the Company); *plus*

(d) all gains during such period resulting from the discontinuation of any operations of Holdings or any Restricted Subsidiary to the extent permitted or required under Regulation S-X of the Securities Act; *plus*

(e) any gain (including fair value adjustments) related to earn-out arrangements in connection with acquisitions.

For the avoidance of doubt, impacts of non-cash purchase accounting (fair value accounting) will not be taken into account in the computation of Consolidated EBITDA, including without limitation any revenue that would have been recognized by an acquired Person but for the application of non-cash purchase accounting rules.

“*Consolidated Interest Expense*” means, with respect to any Person for any period, the sum, without duplication, of:

(1) the consolidated cash interest expense of such Person for such period, determined on a consolidated basis in accordance with GAAP, with respect to all outstanding Indebtedness of such Person to the extent included in the calculation of Consolidated Total Indebtedness (but, including in any event, (a) all commissions, discounts and other cash fees and charges owed with respect to letters of credit and bankers’ acceptance financing, (b) the cash interest component of Financing Lease Obligations, and (c) net cash payments, if any, made (less net cash payments, if any, received) pursuant to obligations under Hedging Agreements for any such Indebtedness, but in any event excluding:

(i) the accretion or amortization of original issue discount resulting from the incurrence of Indebtedness at less than par,

- (ii) amortization or write-off of deferred financing costs, debt issuance costs, commissions, fees and expenses,
- (iii) any expenses resulting from discounting of Indebtedness in connection with the application of recapitalization accounting or purchase accounting,
- (iv) penalties or interest relating to taxes and any other amounts of non-cash interest resulting from the effects of the acquisition method of accounting or pushdown accounting,
- (v) any accretion or accrual of, or accrued interest on, discounted liabilities not constituting Indebtedness during such period,
- (vi) 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,
- (vii) any one-time cash costs associated with breakage in respect of Hedging Agreements for interest rates and any interest in respect of Indebtedness not otherwise included in the definition of “Consolidated Total Indebtedness” (other than as described in clauses (a) through (c) in the parenthetical to clause (1) above),
- (viii) any interest in respect of items excluded from Indebtedness in the last proviso to the definition thereof,
- (ix) all additional interest or liquidated damages then owing pursuant to any registration rights agreement and any comparable “additional interest” or liquidated damages with respect to other securities designed to compensate the holders thereof for a failure to publicly register such securities,
- (x) expensing of bridge, arrangement, structuring, commitment or other financing fees or closing payments,
- (xi) any prepayment, redemption, repurchase, defeasance, acquisition or similar premium, make-whole, breakage, penalty or inducement or other loss in connection with the early repayment or refinancing or the modification of Indebtedness paid or payable during such period,
- (xii) any lease, rental or other expense in connection with a Non-Financing Lease Obligation,
- (xiii) any capitalized interest, whether paid in cash or otherwise,
- (xiv) Receivables Fees, commissions, discounts, yield and other fees and charges (including any interest expense) related to any Receivables Facility, and
- (xv) any other non-cash interest expense, including capitalized interest, whether paid or accrued; *less*

(2) interest income of such Person and its Restricted Subsidiaries for such period;

provided that, notwithstanding anything to the contrary, Consolidated Interest Expense shall include pay-in-kind interest on Indebtedness, or accretion of principal on Indebtedness issued at a discount to par (other than *de minimis* discount), of any Person (other than Holdings or any Restricted Subsidiary) that is guaranteed by Holdings or any Restricted Subsidiary.

For purposes of this definition, interest on a Financing 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 Financing Lease Obligation in accordance with GAAP.

“*Consolidated Lease Expense*” means, for any period, all rental expenses of any Person during such period in respect of Non-Financing Lease Obligations for real or personal property (including in

connection with any Sale and Lease-Back Transaction), but excluding real estate taxes, insurance costs and common area maintenance charges and net of sublease income; *provided* that Consolidated Lease Expense shall not include (1) obligations under vehicle leases entered into in the ordinary course of business, (2) all such rental expenses associated with assets acquired pursuant to an acquisition (or other Investment) to the extent that such rental expenses relate to Non-Financing Lease Obligations (a) in effect at the time of (and immediately prior to) such acquisition and (b) related to periods prior to such acquisition, (3) Financing Lease Obligations, all as determined on a consolidated basis in accordance with GAAP and (4) the effects from applying purchase accounting.

For purposes of this definition, interest on a Financing 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 Financing Lease Obligation in accordance with GAAP.

“Consolidated Net Income” means, with respect to any Person for any period, the aggregate of the Net Income, attributable to such Person and its Restricted Subsidiaries for such period, on a consolidated basis, and otherwise determined in accordance with GAAP; *provided, however*, that, without duplication, there shall be excluded (a) the income of any Restricted Subsidiary to the extent that the declaration or payment of dividends or similar distributions by its Restricted Subsidiary of that income is not at the time permitted by operation of the terms of its charter or any agreement, instrument, judgment, decree, statute, rule or governmental regulation applicable to such Restricted Subsidiary, (b) the income or loss of any Person (including any Unrestricted Subsidiary) accrued prior to the date it becomes a Restricted Subsidiary or is merged into or consolidated into the Company or any other Restricted Subsidiary or the date that such Person’s assets are acquired by the Company or any other Restricted Subsidiary, (c) the income of any Person (other than a Restricted Subsidiary) in which any other Person (other than the Company or its Restricted Subsidiaries or any director or foreign national holding qualifying shares in accordance with applicable law) has a joint interest, except to the extent of the amount of dividends or other distributions actually paid to the Company, subject to the preceding subclause (a), or a Restricted Subsidiary by such Person during such period, it being understood and agreed that the income of any Restricted Subsidiary that is not a Wholly Owned Subsidiary, subject to the preceding subclauses (a) and (b), shall be included to the extent of the proportionate equity interest owned by the Company or a Restricted Subsidiary and (d) any gains attributable to sales of assets outside of the ordinary course of business.

Notwithstanding the foregoing, for the purpose of the covenant described under “—Certain Covenants—Limitation on Restricted Payments” only (other than clause (3)(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 Holdings and its Restricted Subsidiaries, any repurchases and redemptions of Restricted Investments from Holdings and its Restricted Subsidiaries, any repayments of loans and advances which constitute Restricted Investments by Holdings or any of its Restricted Subsidiaries, any sale of the equity of an Unrestricted Subsidiary, any distribution or dividend from an Unrestricted Subsidiary or the sale or transfer of assets from an Unrestricted Subsidiary to Holdings or a Restricted Subsidiary, in each case only to the extent such amounts increase the amount of Restricted Payments permitted under such covenant pursuant to clause (3)(d) thereof.

“Consolidated Secured Debt Ratio” means, as of any date of determination, the ratio of (1) Consolidated Total Indebtedness of the Company and its Restricted Subsidiaries that is secured by Liens on any assets or property of the Company and its Restricted Subsidiaries, as of the Applicable Calculation Date to (2) the Consolidated EBITDA of the Company and its Restricted Subsidiaries for the Applicable Measurement Period, in each case with such *pro forma* adjustments to Consolidated Total Indebtedness (including as to the incurrence, retirement or extinguishment of Indebtedness), Cash Equivalents and Consolidated EBITDA as are appropriate and consistent with the *pro forma* adjustment provisions set forth in the definition of “Fixed Charge Coverage Ratio.”

“*Consolidated Total Assets*” means, as of any date of determination, the total amount of all assets of the Company and its Restricted Subsidiaries, determined on a consolidated basis in accordance with GAAP as of such date.

“*Consolidated Total Debt Ratio*” means, as of any date of determination, the ratio of (1) Consolidated Total Indebtedness of the Company and its Restricted Subsidiaries as of the Applicable Calculation Date to (2) the Consolidated EBITDA of the Company and its Restricted Subsidiaries for the Applicable Measurement Period, in each case with such *pro forma* adjustments to Consolidated Total Indebtedness (including as to the incurrence, retirement or extinguishment of Indebtedness), Cash Equivalents and Consolidated EBITDA as are appropriate and consistent with the *pro forma* adjustment provisions set forth in the definition of “Fixed Charge Coverage Ratio.”

“*Consolidated Total Indebtedness*” means, as at any date of determination, an amount equal to the sum of (1) the aggregate principal amount of all outstanding Indebtedness of the Company and its Restricted Subsidiaries on a consolidated basis consisting of (x) Indebtedness for borrowed money, unreimbursed drawings under letters of credit, Obligations in respect of Financing Lease Obligations and third-party debt obligations evidenced by promissory notes and similar instruments and (y) guarantees of Indebtedness of any Person (other than the Company or any Restricted Subsidiary) of the type described in clause (x) (and excluding, for the avoidance of doubt, (a) all undrawn amounts under revolving credit facilities, (b) Hedging Obligations, (c) performance bonds or any similar instruments and (d) Non-Financing Lease Obligations) *minus* (2) all unrestricted cash and cash equivalents of the Company and its Restricted Subsidiaries.

“*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.

“*Credit Facilities*” means, with respect to Holdings or any of its Restricted Subsidiaries, one or more debt facilities, including the Senior Credit Agreement, or other financing arrangements (including, without limitation, commercial paper facilities or indentures) providing for revolving credit loans, term loans, letters of credit or other indebtedness, including any notes, mortgages, guarantees, collateral documents, instruments and agreements executed in connection therewith, and any amendments, supplements, modifications, extensions, renewals, restatements or refundings thereof and any indentures or credit facilities or commercial paper facilities that exchange, replace, refund, refinance, extend, renew, restate, amend, supplement or modify any part of the loans, notes, other credit facilities or commitments thereunder, including any such exchanged, replacement, refunding, refinancing, extended, renewed, restated, amended, supplemented or modified facility 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 issuance 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, investors or other holders.

“Declined Proceeds” means the aggregate amount of any Net Proceeds that are declined by Holders of the Senior Secured Notes or holders of Equal Priority Obligations in connection with an Asset Sale Offer made by the Company or any Restricted Subsidiary in accordance with “—Repurchase at the Option of Holders—Asset Sales.”

“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.

“Derivative Instrument” with respect to a Person, means any contract, instrument or other right to receive payment or delivery of cash or other assets to which such Person or any Affiliate of such Person that is acting in concert with such Person in connection with such Person’s investment in the Senior Secured Notes (other than a Screened Affiliate) is a party (whether or not requiring further performance by such Person), the value and/or cash flows of which (or any material portion thereof) are materially affected by the value and/or performance of the Senior Secured Notes and/or the creditworthiness of the Company.

“Designated Non-cash Consideration” means the fair market value of consideration that is not deemed to be Cash Equivalents and that is received by Holdings or a Restricted Subsidiary in connection with an Asset Sale that is so designated as Designated Non-cash Consideration pursuant to an Officer’s Certificate, setting forth the basis of such valuation, less the amount of cash or Cash Equivalents received in connection with a subsequent sale, redemption or repurchase of, or collection or payment on, such Designated Non-cash Consideration.

“Disqualified Stock” means, with respect to any Person, any Capital Stock of such Person which, by its terms, or by the terms of any security into which it is convertible or for which it is putable or exchangeable, or upon the happening of any event or condition, (1) matures or is mandatorily redeemable (other than solely for Capital Stock of such Person that would not otherwise constitute Disqualified Stock) pursuant to a sinking fund obligation or otherwise, other than solely as a result of a change of control, asset sale, casualty, eminent domain or condemnation event, or (2) is redeemable at the option of the holder thereof (other than solely for Capital Stock of such Person that would not otherwise constitute Disqualified Stock) other than solely as a result of a change of control, asset sale, casualty, eminent domain or condemnation event, in whole or in part, in each case prior to the date 91 days after the earlier of the maturity date of the Senior Secured Notes or the date the Senior Secured Notes are no longer outstanding; *provided, however*, that if such Capital Stock is issued to any plan for the benefit of employees of Holdings or its respective Subsidiaries or by any such plan to such employees, such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by Holdings or its respective Subsidiaries in order to satisfy applicable statutory or regulatory obligations; *provided, further*, that any Capital Stock held by any future, current or former officer, director, employee or consultant (or their respective Immediate Family Members) of Holdings, any of its Subsidiaries or any Parent Entity of Holdings or any other entity in which Holdings or a Restricted Subsidiary has an Investment and is designated in good faith as an “affiliate” by the Board of Holdings or the Company shall not constitute Disqualified Stock solely because it may be required to be repurchased by Holdings or its Subsidiaries pursuant to any equityholders’ agreement, management equity plan, equity option plan or any other management or employee benefit plan or agreement or in order to satisfy applicable statutory or regulatory obligations.

“Domestic Subsidiary” means any Restricted Subsidiary that is organized or existing under the laws of the United States, any state thereof or the District of Columbia (which, for the avoidance of doubt, excludes any Restricted Subsidiary organized under the laws of the Commonwealth of Puerto Rico).

“*DTC*” means The Depository Trust Company.

“*EMU*” means economic and monetary union as contemplated in the Treaty on European Union.

“*Equal Priority Collateral Agent*” means (1) the Collateral Agent, in the case of the Senior Secured Notes, (2) the Bank Collateral Agent, in the case of the Senior Credit Agreement, and (3) in the case of any other series of Equal Priority Debt, the trustee, agent or representative of the holders of such series of Equal Priority Debt who is appointed as a representative of such series of Equal Priority Debt (for purposes related to the administration of the applicable security documents related thereto) pursuant to the indenture, credit agreement or other agreement governing such series of Equal Priority Debt.

“*Equal Priority Debt*” means any Indebtedness that is (or is intended by the Company to be) secured by Liens on all or a portion of the Collateral that are *pari passu* in priority with the Liens on all or a portion of the Collateral that secure the Senior Secured Notes Obligations. For the avoidance of doubt, “Equal Priority Debt” includes Indebtedness incurred under the Senior Credit Agreement and the Senior Secured Notes, in each case, as of the Issue Date, and excludes Obligations that are unsecured or secured (or intended to be secured) by a lien that is junior in priority to Liens on Collateral securing Equal Priority Debt.

“*Equal Priority Documents*” means, collectively, the Indenture, the Senior Secured Notes, the Notes Security Documents, the Equal Priority Intercreditor Agreement, the Senior Credit Agreement and the indenture, credit agreement or other agreement governing other Equal Priority Debt and the security documents related to the foregoing.

“*Equal Priority Intercreditor Agreement*” means (a) the intercreditor agreement entered into between the Bank Collateral Agent, the Collateral Agent, the Company and the Guarantors on the Issue Date (as the same may be modified, the “*Issue Date Equal Priority Intercreditor Agreement*”), (b) another intercreditor agreement substantially in the form of the Issue Date Equal Priority Intercreditor Agreement among the Collateral Agent and one or more debt representatives for holders of one or more classes of Equal Priority Obligations or (c) a customary intercreditor agreement in form and substance reasonably acceptable to the Collateral Agent, the Company and one or more of such debt representatives, in each case, with such modifications thereto as the Collateral Agent, the Company and such debt representative(s) may agree, in each case, as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms of the Indenture and thereof. Upon the request of the Company and delivery of an Officer’s Certificate, the Collateral Agent will execute and deliver an Equal Priority Intercreditor Agreement with one or more debt representatives for Indebtedness after the Issue Date that is permitted to be incurred under the Indenture as Equal Priority Debt.

“*Equal Priority Obligations*” means Equal Priority Debt and all other Obligations in respect thereof.

“*Equal Priority Representative*” means (1) the Trustee, in the case of the Senior Secured Notes, (2) the administrative agent under the Senior Credit Agreement, in the case of the Senior Credit Agreement, and (3) in the case of any other series of Equal Priority Debt, the trustee, agent or representative of the holders of such series of Equal Priority Debt who is appointed as a representative of such series of Equal Priority Debt (for purposes related to the administration of the applicable security documents related thereto) pursuant to the indenture, credit agreement or other agreement governing such series of Equal Priority Debt.

“*Equal Priority Secured Parties*” means the Equal Priority Collateral Agents, the Equal Priority Representatives, the holders of the Senior Secured Notes, the lenders and other secured parties under the Senior Credit Agreement, and any other holders of any series of Equal Priority Obligations.

“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 common equity or Preferred Stock of Holdings, the Company or any Parent Entity of Holdings (excluding Disqualified Stock), other than:

- (1) public offerings with respect to Holdings’, the Company’s or such Parent Entity’s common equity registered on Form S-8;
- (2) issuances to any Subsidiary of Holdings; 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.

“Event of Default” has the meaning set forth under “—Events of Default and Remedies.”

“Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

“Excluded Contribution” means net cash proceeds, the fair market value of marketable securities or Qualified Proceeds received by Holdings from:

- (1) contributions to its common equity capital, and
- (2) the sale or issuance (other than to a Subsidiary of Holdings or to any management equity plan or equity option plan or any other management or employee benefit plan or agreement of Holdings) of Capital Stock (other than Disqualified Stock) of Holdings,

in each case designated as Excluded Contributions pursuant to an Officer’s Certificate of Holdings or the Company within 10 Business Days of the date such capital contributions are made or the date such Equity Interests are sold or issued, as the case may be, which are excluded from the calculation set forth in clause (3) of the first paragraph under “—Certain Covenants—Limitation on Restricted Payments.”

“Exempt Entity” means any non-Guarantor.

“Existing Senior Notes” means the Company’s 4.875% Senior Notes due 2029.

“Existing Senior Notes Indenture” means the Indenture, dated as of July 19, 2021, among the Company, the guarantors party thereto and the Trustee, governing the Company’s Existing Senior Notes.

“fair market value” means, with respect to any Investment, asset, property or liability, the fair market value of such Investment, asset, property or liability as determined by Holdings or the Company in good faith.

“Financing 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 on the Issue Date. At the time any determination thereof is to be made, the amount of the liability in respect of a financing or capital lease would be the amount required to be reflected as a liability on such balance sheet (excluding the footnotes thereto) in accordance with GAAP as in effect on the Issue Date.

“Fixed Charge Coverage Ratio” means, with respect to any Person for any Applicable Measurement Period, the ratio of Consolidated EBITDA of such Person for such Applicable

Measurement Period to the Fixed Charges of such Person for such Applicable Measurement Period. In the event that Holdings or any Restricted Subsidiary incurs, assumes, guarantees, redeems, repays, retires or extinguishes any Indebtedness or issues or redeems Disqualified Stock or Preferred Stock subsequent to the commencement of such Applicable Measurement Period but on or prior to the relevant Applicable 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 such Applicable Measurement Period.

For purposes of calculating the Fixed Charge Coverage Ratio: (1) acquisitions that have been made by the Company and its Restricted Subsidiaries, including through the purchase of assets or stock, mergers, liquidations or consolidations and including any related financing transactions, during the Applicable Measurement Period or subsequent to such Applicable Measurement Period and on or prior to the Applicable Calculation Date shall be calculated on a *pro forma* basis as if they had occurred at the beginning of such Applicable Measurement Period; (2) the Consolidated EBITDA attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses disposed of prior to the Applicable Calculation Date, shall be excluded; (3) the Fixed Charges attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses disposed of prior to the Applicable Calculation Date, shall be excluded, but only to the extent that the obligations giving rise to such Fixed Charges will not be obligations of the Company or any of its Subsidiaries following the Applicable Calculation Date; and (4) interest on any Indebtedness that is revolving credit Indebtedness calculated on a *pro forma* basis shall be calculated based upon the average daily balance of such Indebtedness during the Applicable Measurement Period. 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 Applicable Calculation Date had been the applicable rate for the entire period (taking into account any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement or other similar agreement with respect to exposure to interest rates applicable to such Indebtedness if such interest rate agreement has a remaining term in excess of twelve months).

“*Fixed Charges*” means, with respect to any Person for any period, the sum (without duplication) of:

- (1) Consolidated Interest Expense of such Person for such period;
- (2) all cash dividends or other distributions paid (excluding items eliminated in consolidation) on any series of Preferred Stock during such period; and
- (3) all cash dividends or other distributions paid (excluding items eliminated in consolidation) on any series of Disqualified Stock during such period.

“*Foreign Sub Holdco*” shall mean a Subsidiary, substantially all the assets of which consist of Equity Interests and/or Indebtedness issued by one or more direct or indirect Foreign Subsidiaries that are treated as corporations for U.S. federal income tax purposes; provided that such Subsidiary holds (directly or indirectly) at least 65% of the outstanding voting Equity Interests in each such Foreign Subsidiary.

“*Foreign Subsidiary*” means, with respect to any Person, any Restricted Subsidiary of such Person that is not a Domestic Subsidiary and any Restricted Subsidiary of such Foreign Subsidiary.

“*GAAP*” means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in

such other statements by such other entity as have been approved by a significant segment of the accounting profession, as in effect from time to time; *provided* that (a) all terms of an accounting or financial nature used in the Indenture 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 Topic 825—*Financial Instruments*, or any successor thereto (including pursuant to the FASB Accounting Standards Codification), to value any Indebtedness of Holdings or any Subsidiary at “fair value,” as defined therein and (b) the amount of any Indebtedness under GAAP with respect to Financing Lease Obligations shall be determined in accordance with the definition of Financing Lease Obligations.

“*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 Government Securities or a specific payment of principal or of interest on any such 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 Government Securities or the specific payment of principal of or interest on the Government Securities evidenced by such depository receipt.

“*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.

“*Guarantee*” means the guarantee by any Guarantor of the Company’s Obligations under the Indenture and the Senior Secured Notes.

“*Guarantor*” means Holdings, each Subsidiary Guarantor and their respective successors and assigns, in each case, until the Guarantee of such Person has been released in accordance with the provisions of the Indenture.

“*Hedging Agreement*” means (1) any and all 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 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 (any such master agreement, together with any related schedules, a “*Master Agreement*”), including any such obligations or liabilities under any Master Agreement.

“*Hedging Obligations*” means, with respect to any Person, the obligations of such Person under any Hedging Agreements.

“*holder*” means, with reference to any Indebtedness or other Obligations, any holder or lender of, or trustee or collateral agent or other authorized representative with respect to, such Indebtedness or Obligations, and, in the case of Hedging Obligations, any counterparty to such Hedging Obligations.

“*Holder*” means the Person in whose name a Secured Note is registered on the registrar’s books.

“*Holdings*” means Amwins Holding Company, LLC.

“*Immediate Family Members*” means with respect to any individual, such individual’s estate, heirs, legatees, distributees, child, stepchild, grandchild or more remote descendant, parent, stepparent, grandparent, spouse, former spouse, qualified domestic partner, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law (including adoptive relationships) and any trust, partnership or other bona fide estate-planning vehicle the only beneficiaries of which are any of the foregoing individuals or any private foundation or fund that is controlled by any of the foregoing individuals or any donor-advised fund of which any such individual is the donor.

“*Indebtedness*” means, with respect to any Person, without duplication:

(1) any indebtedness (including principal and premium) of such Person, whether or not contingent:

- (a) in respect of borrowed money;
- (b) evidenced by bonds, notes, debentures or similar instruments or letters of credit or bankers’ acceptances (or, without duplication, reimbursement agreements in respect thereof);
- (c) representing the balance deferred and unpaid of the purchase price of any property (including Financing Lease Obligations), except (i) any such balance that constitutes an obligation in respect of a commercial letter of credit, a trade payable or similar obligation to a trade creditor, in each case accrued in the ordinary course of business, (ii) any earn-out obligations until after 30 days of becoming due and payable, has not been paid and such obligation has become a liability on the balance sheet of such Person in accordance with GAAP and (iii) any obligations resulting from take-or-pay contracts entered into the ordinary course of business; or
- (d) representing any net Hedging Obligations;

if and to the extent that any of the foregoing indebtedness in clauses (a) through (d) (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet (excluding the footnotes thereto) of such Person prepared in accordance with GAAP; *provided* that Indebtedness of any Parent Entity of Holdings appearing on the balance sheet of Holdings solely by reason of pushdown accounting under GAAP shall be excluded;

(2) to the extent not otherwise included, any obligation by such Person to be liable for, or to pay, as obligor, guarantor or otherwise, on the obligations of the type referred to in clause (1) of a third Person (whether or not such items would appear upon the balance sheet of such obligor or guarantor), other than by endorsement of negotiable instruments for collection in the ordinary course of business; and

(3) to the extent not otherwise included, the obligations of the type referred to in clause (1) of a third Person secured by a Lien on any asset owned by such first Person, whether or not such Indebtedness is assumed by such first Person; *provided, however*, that the amount of such Indebtedness will be the lesser of: (a) the fair market value of such assets at such date of determination, and (b) the amount of such Indebtedness of such other Person;

provided, however, that notwithstanding the foregoing, Indebtedness shall be deemed not to include (a) Contingent Obligations incurred in the ordinary course of business, (b) Non-Financing Lease Obligations or other obligations under or in respect of straight-line leases, operating leases or Sale and Lease-Back Transactions (except resulting Financing Lease Obligations), (c) prepaid or deferred revenue, (d) purchase price holdbacks arising in the ordinary course of business in respect of a portion of the purchase price of an asset to satisfy warrants or other unperformed obligations of the seller of such asset, (e) trade accounts payable, deferred revenues, liabilities associated with customer prepayments and deposits and other accrued obligations (including transfer pricing), in each case incurred in the ordinary course of business, (f) customary obligations under employment agreements and deferred compensation arrangements, (g) non-compete or consulting obligations and (h) Indebtedness of any Parent Entity of Holdings appearing on the balance sheet of Holdings or any Restricted Subsidiary solely by reason of push-down accounting under GAAP.

“Independent Financial Advisor” means an accounting, appraisal, investment banking firm or consultant to Persons engaged in Similar Businesses of nationally recognized standing that is, in the good faith judgment of Holdings or the Company, qualified to perform the task for which it has been engaged.

“Investment Grade Rating” means a rating equal to or higher than Baa3 (or the equivalent) by Moody’s and BBB- (or the equivalent) by S&P or an equivalent rating by any other Rating Agency.

“Investment Grade Securities” means:

- (1) securities issued or directly and fully guaranteed or insured by the U.S. 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 Holdings and its Subsidiaries,
- (3) investments in any fund that invests at least a 95% 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, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of loans (including guarantees), advances or capital contributions (excluding accounts receivable, trade credit, advances to customers, commission, travel and similar advances to officers, employees, managers and consultants, in each case made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities issued by any other Person and investments that are required by GAAP to be classified on the balance sheet (excluding the footnotes) of Holdings in the same manner as the other investments included in this definition to the extent such transactions involve the transfer of cash or other property. 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 Holdings’ equity interest in such Subsidiary) of the fair market value of the net assets of a Subsidiary of Holdings at the time that such Subsidiary is designated an Unrestricted Subsidiary; *provided, however*, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, Holdings shall be deemed to continue to have a permanent “Investment” in an Unrestricted Subsidiary in an amount (if positive) equal to:

- (a) Holdings’ “Investment” in such Subsidiary at the time of such redesignation; less
- (b) the portion (proportionate to Holdings’ equity interest in such Subsidiary) of the fair market value of the net assets of such Subsidiary at the time of such redesignation;

(2) any property transferred to or from an Unrestricted Subsidiary shall be valued at its fair market value at the time of such transfer, in each case as determined in good faith by Holdings or the Company; and

(3) if Holdings 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 Holdings 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 or Cash Equivalents by Holdings or a Restricted Subsidiary in respect of such Investment.

“Investors” means, collectively, Dragoneer Investment Group, LLC, Genstar Capital, SkyKnight Capital, L.P. and Public Section Pension Investment Board and each of their respective general partners, directors, managing members, officers or members of management or any Affiliate (including any fund, partnership or other investment fund managed, advised or controlled by such Investor, but not including, however, any operating portfolio companies of any of the foregoing) other than Holdings and its Restricted Subsidiaries.

“Issue Date” means , 2024, the date of issuance of the Senior Secured Notes.

“Joint Venture” means a joint venture, partnership or similar arrangement, whether in corporate, partnership or other legal form.

“Legal Holiday” means a Saturday, a Sunday or a day on which the Trustee or commercial banking institutions are not required to be open in the State of New York or in the place of payment.

“Lien” means, with respect to any asset, any mortgage, lien (statutory or otherwise), pledge, hypothecation, charge, security interest, preference, priority or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction; *provided* that in no event shall an operating lease be deemed to constitute a Lien.

“Limited Condition Acquisition” means any acquisition, including by way of merger, consolidation or amalgamation, by Holdings or one or more of its Restricted Subsidiaries whose consummation is not conditioned upon the availability of, or on obtaining, third party financing; *provided* that Consolidated Net Income (and any other financial term derived therefrom, other than for purposes of calculating any ratios in connection with the Limited Condition Acquisition), shall not include any Consolidated Net Income of or attributable to the target company or assets associated with any such Limited Condition Acquisition unless and until the closing of such Limited Condition Acquisition shall have actually occurred.

“Long Derivative Instrument” means, as to any Person, a Derivative Instrument (i) the value of which to such Person generally increases, and/or the payment or delivery obligations of such Person under which generally decrease, with positive changes in the financial performance and/or position of the Company and/or (ii) the value of which to such person generally decreases, and/or the payment or delivery obligations of such person under which generally increase, with negative changes in the financial performance and/or position of the Company.

“Management Investors” means, at any time, (i) any current or former directors, officers, management and/or employees of Holdings, the Company or any of the Subsidiaries (or any of their respective predecessors) and any of their respective Immediate Family Members and (ii) any Person owned or controlled by, or formed for the benefit of, any of the foregoing, in each case holding, beneficially or of record, a profit participation or other Equity Interest in Holdings.

“Market Capitalization” means an amount equal to (1) the total number of issued and outstanding shares of common Equity Interests of the Company or any Parent Entity of the Company on the date of the declaration of a Restricted Payment permitted pursuant to clause (7) of the second paragraph under *“—Certain Covenants—Limitation on Restricted Payments”* multiplied by (2) the arithmetic mean of the closing prices per share of such common Equity Interests on the principal securities exchange on which such common Equity Interests are traded for the 30 consecutive trading days immediately preceding the date of declaration of such Restricted Payment.

“Moody’s” means Moody’s Investors Service, Inc. and any successor to its rating agency business.

“Mortgaged Properties” means the property on which Mortgages are required pursuant to *“—Security.”*

“Mortgages” means, collectively, the deeds of trust, trust deeds, hypothecs and mortgages made by the Company or any Guarantor in favor or for the benefit of the Collateral Agent for the benefit of the Trustee and the holders of the Senior Secured Notes, and any other mortgages, deeds of trust, trust deeds and hypothecs executed and delivered pursuant to *“—Security”* and *“—Certain Covenants—Additional Secured Note Guarantees.”*

“Net Income” means, with respect to any Person, the net income (loss) attributable to such Person, determined on a consolidated basis in accordance with GAAP and before any reduction in respect of dividends on Preferred Stock (other than dividends on Disqualified Stock).

“Net Proceeds” means the aggregate cash proceeds and the fair market value of any Cash Equivalents received by Holdings or any of its Restricted Subsidiaries in respect of any Asset Sale, including any cash or Cash Equivalents received upon the sale or other disposition of any Designated Non-cash Consideration received in any Asset Sale, net of the direct costs relating to such Asset Sale and the sale or disposition of such Designated Non-cash Consideration, including legal, accounting and investment banking fees, payments made in order to obtain a necessary consent or required by applicable law, and brokerage and sales commissions, any relocation expenses incurred as a result thereof, other fees and expenses, including title and recordation expenses, taxes paid or payable as a result thereof or any transactions occurring or deemed to occur to effectuate a payment under the Indenture (including in connection with any repatriation of funds, and after taking into account any available tax credits or deductions and any tax sharing arrangements), amounts required to be applied to the repayment of principal, premium, if any, and interest on Senior Indebtedness, Indebtedness of a Restricted Subsidiary or Indebtedness secured by a Lien on such assets and, in each case, required (other than required by clause (1) of the second paragraph of *“—Repurchase at the Option of Holders—Asset Sales”*) to be paid as a result of such transaction, any costs associated with unwinding any related Hedging Obligations in connection with such transactions and any deduction of appropriate amounts to be provided by Holdings or any of its Restricted Subsidiaries as a reserve in accordance with GAAP against any liabilities associated with the asset disposed of in such transaction, retained by Holdings or any of its Restricted Subsidiaries after such sale or other disposition thereof, including pension and other post-employment benefit liabilities and liabilities related to environmental matters or against any indemnification obligations associated with such transaction and the *pro rata* portion of the net cash proceeds thereof attributable to minority interests and not available for distribution to or for the account of Holdings or a Wholly Owned Subsidiary as a result thereof.

“Net Short” means, with respect to a Holder or beneficial owner, as of a date of determination, either (i) the value of its Short Derivative Instruments exceeds the sum of (x) the value of its Senior Secured Notes plus (y) the value of its Long Derivative Instruments as of such date of determination or (ii) it is reasonably expected that such would have been the case were a Failure to Pay or Bankruptcy Credit Event (each as defined in the 2014 ISDA Credit Derivatives Definitions) to have occurred with respect to the Company or any Guarantor immediately prior to such date of determination.

“Non-Financing Lease Obligations” means a lease obligation that is not required to be accounted for as a financing or capital lease on both the balance sheet and the income statement for financial reporting purposes in accordance with GAAP as in effect on the Issue Date. For avoidance of doubt, a straight-line or operating lease shall be considered a Non-Financing Lease Obligation.

“Notes Security Documents” means all security agreements, pledge agreements, control agreements, collateral assignments, security deeds, deeds to secure debt, deeds of trust, deeds of hypothec, hypothecations, collateral agency agreements, debentures, Mortgages or other instruments or other pledges, grants or transfers for security or agreements related thereto executed and delivered by the Company or any Guarantor creating or perfecting (or purporting to create or perfect) a Lien upon Collateral (including, without limitation, financing statements under the Uniform Commercial Code) in favor of the Collateral Agent on behalf of itself, the Trustee and the holders of the Senior Secured Notes to secure the Senior Secured Notes and the Guarantees, in each case, as amended, modified, renewed, restated, supplemented or replaced, in whole or in part, from time to time, in accordance with its terms and the provisions described under “—Security.”

“Obligations” means any principal, interest (including any interest accruing 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 is an allowed claim under applicable state, federal or foreign law), premium, penalties, fees, indemnifications, reimbursements (including reimbursement obligations with respect to letters of credit and bankers' acceptances), damages and other liabilities, and guarantees of payment of such principal, interest, premium, penalties, fees, indemnifications, reimbursements, damages and other liabilities, payable under the documentation governing any Indebtedness.

“Officer” means, with respect to any Person, the Chairman of the Board, the Chief Executive Officer, the Chief Financial Officer, the President, any Executive Vice President, Senior Vice President or Vice President, the Treasurer, the Controller, any Managing Director, Director or Manager or the Secretary of (1) such Person or (2) if such Person is owned or managed by a single entity, of such entity, or any other individual designated as an “Officer” for purposes of the Indenture by the Board of the Company or such other Person, as the case may be.

“Officer’s Certificate” means a certificate signed on behalf of Holdings or the Company by an Officer of Holdings or the Company or on behalf of any other Person, as the case may be, that meets the requirements set forth in the Indenture.

“Opinion of Counsel” means a written opinion from legal counsel (which opinion may be subject to customary assumptions and exclusions). The counsel may be an employee of or counsel to Holdings or any of its Subsidiaries, or other counsel who is reasonably acceptable to the Trustee.

“Parent Entity” means any Person that, with respect to another Person, owns 50% or more of the total voting power of the Voting Stock of such other Person.

“Permitted Asset Swap” means the substantially concurrent purchase and sale or exchange of Related Business Assets or a combination of Related Business Assets and cash or Cash Equivalents between Holdings or any of its Restricted Subsidiaries and another Person; *provided* that any cash or

Cash Equivalents received must be applied in accordance with the “—Repurchase at the Option of Holders—Asset Sales” covenant.

“*Permitted Holders*” means each of (1) the Investors, (2) the Management Investors, (3) any Permitted Parent and (4) any group (within the meaning of Section 13(d)(3) of the Exchange Act or any successor provision) the members of which include any of the Permitted Holders specified in clauses (1), (2) or (3) above (a “*Permitted Holder Group*”); *provided* that, in the case of any Permitted Holder Group, no Person or other group (other than the Permitted Holders specified in clauses (1), (2) or (3) above or the last sentence of this definition) own, directly or indirectly, more than 50% of the total voting power of the Voting Stock of Holdings or any Parent Entity of Holdings held by such Permitted Holder Group. Any Person or group (within the meaning of Section 13(d)(3) of the Exchange Act or any successor provision) whose acquisition of beneficial ownership of Voting Stock constitutes a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the Indenture will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

“*Permitted Investments*” means:

(1) any Investment in Holdings or any of its Restricted Subsidiaries (including guarantees of obligations of any Restricted Subsidiary);

(2) any Investment in cash, Cash Equivalents or Investment Grade Securities;

(3) any Investment by Holdings 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, product line or line of business, including research and development and related assets in respect of any product) that is engaged in a Similar Business 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 merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets (or such division, business unit, product line or line of business) to, or is liquidated into, Holdings 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, consolidation, amalgamation, transfer or conveyance;

(4) any Investment in securities or other assets not constituting cash, Cash Equivalents or Investment Grade Securities and received in connection with an Asset Sale made pursuant to the provisions of “—Repurchase at the Option of Holders—Asset Sales” or any other disposition of assets not constituting an Asset Sale;

(5) any Investment existing on the Issue Date or made pursuant to binding commitments in effect on the Issue Date to the extent described in this offering circular, or an Investment consisting of any extension, modification, replacement, reinvestment or renewal of any such Investment existing on the Issue Date or binding commitment in effect on the Issue 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 Issue 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 Holdings or any of its Restricted Subsidiaries:

(a) in exchange for any other Investment or accounts receivable held by Holdings or any such Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization or recapitalization of Holdings of such other Investment or accounts receivable;

(b) in satisfaction of judgments against other Persons;

(c) as a result of a foreclosure by Holdings or any of its Restricted Subsidiaries with respect to any secured Investment or other transfer of title with respect to any secured Investment; or

(d) received in compromise or resolution of (i) obligations of trade creditors, suppliers or customers that were incurred in the ordinary course of business or consistent with past practice or industry norm of Holdings or any Restricted Subsidiary, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor, supplier or customer, or (ii) litigation, arbitration or other disputes;

(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) any Investment in a Similar Business 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 (i) \$370.0 million and (ii) 40.0% of Consolidated EBITDA of the Company for the Applicable Measurement Period (the greater of such amounts, the “*Similar Basket Amount*”) at the time of such Investment (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value); *provided, however*, that if any Investment pursuant to this clause (8) is made in any Person that is not a Restricted Subsidiary 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) for so long as such Person continues to be a Restricted Subsidiary;

(9) Investments the payment for which consists of Equity Interests (exclusive of Disqualified Stock) of Holdings or any Parent Entity of Holdings; *provided, however*, that such Equity Interests will not increase the amount available for Restricted Payments under clause (3) of the first paragraph under the covenant described in “—Certain Covenants—Limitations on Restricted Payments”;

(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” and Contingent Obligations incurred in the ordinary course of business or consistent with past practice or industry norm and the creation of Liens on the assets or properties of Holdings 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 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), (8), (12)(b) and (20) of such paragraph);

(12) Investments consisting of extensions of trade credit, purchases and acquisitions of inventory, supplies, material, equipment, intellectual property or other similar assets, or the lease or sublease of any asset, the licensing or sublicensing or contribution of intellectual property pursuant to joint marketing arrangements with other Persons;

(13) additional 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 (without giving effect to the sale of an Unrestricted Subsidiary to the extent the proceeds of such sale do not consist of cash or marketable securities), not to exceed the greater of (a) \$370.0 million and (b) 40.0% of Consolidated EBITDA of the Company for the Applicable Measurement Period at the time of such Investment (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value); *provided, however*, that if any Investment pursuant to this clause (13) is made in any Person that is not a Restricted Subsidiary 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) for so long as such Person continues to be a Restricted Subsidiary;

(14) loans and advances to, or guarantees of Indebtedness of, former, current or future officers, directors, employees, managers and consultants not in excess of the greater of (i) \$46.0 million and (ii) 5.0% of Consolidated EBITDA of the Company for the Applicable Measurement Period outstanding at the time such loan, advance or guarantee is made or incurred;

(15) loans and advances to officers, directors, employees, managers and consultants for business-related travel expenses, moving expenses and other similar expenses or payroll advances, in each case incurred in the ordinary course of business or consistent with past practice or industry norm or to fund such Person's purchase of Equity Interests of Holdings or any Parent Entity of Holdings;

(16) Investments made to acquire, purchase, repurchase, redeem or retire Capital Stock of Holdings or any Parent Entity of Holdings owned by any employee equity ownership plan or key employee ownership plan of Holdings or any such Parent Entity;

(17) Investments consisting of purchases and acquisitions of assets or services in the ordinary course of business or consistent with past practice or industry norm;

(18) repurchases of any Senior Secured Notes;

(19) Investments in the ordinary course of business or consistent with past practice or industry norm consisting of Uniform Commercial Code Article 3 endorsements for collection or deposit and Uniform Commercial Code Article 4 customary trade arrangements with customers;

(20) Investments of assets related to non-qualified deferred payment plans;

(21) advances, loans, rebates and extensions of credit (including the creation of receivables) to suppliers, customers and vendors, and performance guarantees, in each case in the ordinary course of business or consistent with past practice or industry norm;

(22) Investments consisting of earnest money deposits required in connection with a purchase agreement or other acquisition;

(23) capitalization or forgiveness of any Indebtedness owed to Holdings or any Restricted Subsidiary by Holdings or any Restricted Subsidiary;

(24) Investments of a Person existing at the time such Person becomes a Restricted Subsidiary of Holdings or at the time such Person merges, amalgamates or consolidates with or into Holdings or any of its Restricted Subsidiaries, in either case, in compliance with the Indenture; *provided* that such Investments were not made by such Person in connection with, or in anticipation or contemplation of, such Person becoming a Restricted Subsidiary of Holdings or such merger, amalgamation or consolidation;

(25) Investments other than in the form of cash or Cash Equivalents in connection with tax planning and reorganization activities;

(26) Investments consisting of loans and advances to any Parent Entity of Holdings, and any Subsidiaries of such Parent Entity in connection with the reimbursement of expenses incurred on behalf of Holdings and its Restricted Subsidiaries in the ordinary course of business or consistent with past practice or industry norm;

(27) Investments arising as a result of Permitted Sale and Lease-Back Transactions;

(28) contributions in connection with compensation arrangements to a “rabbi” trust for the benefit of former, current or future officers, directors, employees, managers, partners, members, consultants, independent contractors or other service providers or other grantor trust subject to claims of creditors in the case of a bankruptcy of Holdings or any of its Restricted Subsidiaries;

(29) any Investment in any Subsidiary or any joint venture in connection with intercompany cash management arrangements or related activities arising in the ordinary course of business or consistent with past practice or industry norm;

(30) loans to any Parent Entity of Holdings that could otherwise be made as a permitted Restricted Payment under the Indenture to any Parent Entity of Holdings, so long as the amount of such loan is deducted from the amount available to be made as a Restricted Payment under clause (3) of the first paragraph of “—Certain Covenants—Limitation on Restricted Payments” or an applicable clause in the second paragraph of “—Certain Covenants—Limitation on Restricted Payments”;

(31) advances of payroll payments to employees, consultants or independent contractors or other advances of salaries or compensation to officers, employees, managers, consultants or independent contractors, in each case in the ordinary course of business or consistent with past practice or industry norm;

(32) guarantees by Holdings or any Restricted Subsidiary of leases or subleases (other than Financing Lease Obligations), Indebtedness permitted to be incurred under the Indenture or of other obligations that do not constitute Indebtedness, in each case entered into in the ordinary course of business or consistent with past practice or industry norm;

(33) Investments in the ordinary course of business consisting of endorsements for collections or deposit and customary trade arrangements with customers, vendors, suppliers, licensors, sublicensors, licensees and sublicensees;

(34) Capital Expenditures permitted or not restricted under the Indenture;

(35) deposits in the ordinary course of business to secure the performance of operating leases or utility contracts, or in connection with obligations in respect of tenders, statutory obligations, surety, stay and appeal bonds, bids, licenses, leases, government contracts, trade contracts, performance and return-of-money bonds, completion guarantees and other similar obligations (exclusive of obligations for the payment of borrowed money) incurred in the ordinary course of business;

(36) Investments made in the ordinary course of business in connection with (a) obtaining, maintaining or renewing client and customer contracts and (b) loans or advances made to, and guarantees with respect to obligations of, independent operators, distributors, suppliers, licensors, sublicensors, licensees and sublicensees;

(37) Investments resulting from pledges and deposits constituting Permitted Liens;

(38) acquisitions by Holdings of obligations of one or more former, current or future officers, directors, employees, managers or consultants of any Parent Entity of Holdings, Holdings or its Subsidiaries in connection with such Person's acquisition of Capital Stock of any Parent Entity of Holdings, so long as no cash is actually advanced by Holdings or any of its Subsidiaries to such Person in connection with the acquisition of any such obligations;

(39) guarantee obligations of Holdings or any Restricted Subsidiary in respect of letters of support, guarantees or similar obligations issued, made or incurred for the benefit of any Restricted Subsidiary to the extent required by law or in connection with any statutory filing or the delivery of audit opinions performed in jurisdictions other than within the United States;

(40) guarantee obligations of Holdings or any Restricted Subsidiary in connection with the provision of credit card payment processing services;

(41) Investments in Unrestricted Subsidiaries or Joint Ventures having an aggregate fair market value, taken together with all other Investments pursuant to this clause (41) that are at the time outstanding, not to exceed the greater of (i) \$231.0 million and (ii) 25.0% of Consolidated EBITDA of the Company for the Applicable Measurement Period at the time of such Investment (with fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value) *provided, however*, that if any Investment pursuant to this clause (41) is made in any Person that is not a Restricted Subsidiary 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 (41) for so long as such Person continues to be a Restricted Subsidiary;

(42) Investments relating to a Receivables Subsidiary that, in the good faith determination of the Company are necessary or advisable to effect any Receivables Facility or any repurchase obligation in connection therewith; and

(43) so long as no Event of Default has occurred and is continuing (or would result therefrom) any other Investment; *provided* that on a *pro forma* basis after giving effect to such Investment and the incurrence of any Indebtedness the net proceeds of which are used to make such Investment, the Consolidated Total Debt Ratio would be equal to or less than 6.25 to 1.00.

"Permitted Liens" means, with respect to any Person:

(1) Liens incurred or pledges, deposits or security (a) made in connection with the Federal Employers Liability Act or any other workers' compensation laws, unemployment insurance, employers' health tax and other types of social security or similar legislation, (b) securing insurance premiums, insurance premium financing arrangements (*provided* that such Liens are limited to the applicable unearned insurance premiums), other liabilities (including in respect of reimbursement and indemnified obligations) to insurance carriers under insurance or self-insurance arrangements (including, in respect of deductibles, co-payment, co-insurance, self-insured retention amounts and premiums and adjustments thereof), (c) securing the performance of tenders, public or statutory obligations, surety, stay, indemnity, warranty, release, customs and appeal bonds, bids, licenses, leases (other than Financing Lease Obligations), contracts (including government contracts and trade contracts (other than for Indebtedness)), performance, performance and completion, completion and return-of-money bonds or guarantees, government contracts, financial assurances and completion obligations and other similar obligations, (d) securing contested taxes or import duties or the payment of rent, (e) securing surety or appeal bonds or other similar bonds required in respect of judicial proceedings and (f) securing letters of credit, bank guarantees or similar items issued or posted to support the payment of or for the benefit of items in the foregoing clauses (a), (b), (c), (d) and (e) above, in each case incurred in the ordinary course of business or consistent with past practice or industry norm;

(2) Liens in respect of property or assets of any Person imposed by law or regulation, such as landlords', carriers', warehousemen's, repairmen's, construction contractors' and mechanics' Liens, contractors', supplier of materials', architects' and other similar Liens, in each case so long as such Liens secure amounts not overdue for a period of more than 60 days or, if more than 60 days overdue either (a) no action has been taken to enforce such Lien, (b) such amount is being contested in good faith by appropriate proceedings for which appropriate reserves have been established by such Person in accordance with GAAP or the equivalent accounting principles in the relevant local jurisdiction or (c) with respect to which the failure to make payment could not reasonably be expected to have a material adverse effect on Holdings or its Restricted Subsidiaries, as a whole;

(3) Liens for taxes, assessments or other governmental charges (including any Lien imposed by any pension authority or similar Liens) or claims that are not yet subject to penalties for nonpayment or overdue by more than 60 days, or if more than 60 days overdue either (a) that are being contested in good faith by appropriate proceedings or (b) with respect to which Holdings or the Company determines in good faith that the failure to make payment could not reasonably be expected to have a material adverse effect on Holdings or its Restricted Subsidiaries, as a whole;

(4) easements or reservations of, or rights of others for, rights-of-way, licenses, special assessments, survey exceptions, restrictions (including zoning restrictions), minor title defects, servitudes, drains, sewers, trackage rights, exceptions or irregularities in title, encroachments, protrusions and other similar charges, electric lines, telegraph, telephone and cable television lines and other similar purposes, or encumbrances or restrictions on the use of real property or Liens incidental to the conduct of the business of such Person or to the ownership of its properties, which in each case do not and could not reasonably be expected to have a material adverse effect on Holdings or its Restricted Subsidiaries, as a whole, and that were not incurred in connection with and do not secure any Indebtedness;

(5) Liens securing Indebtedness permitted to be incurred pursuant to clause (4), (12)(a), (12)(b), (13), (14), (15), (18) and (19) 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 Indebtedness permitted to be incurred pursuant to such clause (4) extend only to the assets purchased with the proceeds of such Indebtedness, Disqualified Stock or Preferred Stock or that are the subject of the Financing Lease Obligation, as applicable, the proceeds and products thereof and customary security deposits, contract rights and payment intangibles and other assets related thereto, (b) Liens securing Refinancing Indebtedness permitted to be incurred pursuant to such clause (13) extend only to the same assets as the assets securing the Indebtedness being refinanced, plus improvements, accessions, proceeds or dividends or distributions in respect thereof, (c) Liens securing Indebtedness permitted to be incurred pursuant to such clauses (14) and (19) extend only to the property or assets acquired and (d) Liens securing Indebtedness permitted to be incurred pursuant to such clause (18) extend only to the assets of Subsidiaries that are not Guarantors;

(6) Liens existing on the Issue Date or pursuant to agreements in existence on the Issue Date other than Liens securing the Senior Credit Agreement and Liens described in clause (32) of this definition;

(7) Liens on property or Capital Stock or other assets of a Person at the time such Person becomes a Subsidiary; *provided, however*, such Liens (other than Liens to secure Indebtedness of the type permitted to be incurred pursuant to clause (14) or (19) of the second paragraph under “—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock”) are not created or incurred in connection with, or in contemplation of, such other Person becoming such a Subsidiary; *provided further, however*, that such Liens may not extend to any other property owned by Holdings or any of its Restricted Subsidiaries (other than after-acquired

property that is (a) affixed or incorporated into the property covered by such Lien, (b) after-acquired property subject to a Lien securing such Indebtedness, the terms of which Indebtedness require or include a pledge of after-acquired property (it being understood that such requirement shall not be permitted to apply to any property to which such requirement would not have applied but for such acquisition) and (c) the proceeds and products thereof);

(8) Liens on property or other assets at the time Holdings or a Restricted Subsidiary acquired such property or other assets, including any acquisition by means of a merger, consolidation or amalgamation with or into Holdings or any of its Restricted Subsidiaries; *provided, however*, that such Liens (other than Liens to secure Indebtedness of the type permitted to be incurred pursuant to clause (14) or (19) of the second paragraph under “—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock”) are not created or incurred in connection with, or in contemplation of, such acquisition, merger, consolidation or amalgamation; *provided further, however*, that the Liens may not extend to any other property or assets owned by Holdings or any of its Restricted Subsidiaries (other than after-acquired property that is (a) affixed or incorporated into the property covered by such Lien, (b) after-acquired property subject to a Lien securing such Indebtedness, the terms of which Indebtedness require or include a pledge of after-acquired property (it being understood that such requirement shall not be permitted to apply to any property to which such requirement would not have applied but for such acquisition) and (c) the proceeds and products thereof);

(9) Liens securing Obligations relating to any Indebtedness or other obligations of Holdings or a Restricted Subsidiary owing to the Company or a Guarantor 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”;

(10) Liens securing Hedging Obligations; *provided* that with respect to Hedging Obligations relating to Indebtedness, such Indebtedness is permitted under the Indenture;

(11) Liens in favor of issuers of letters of credit, bank guarantees or bankers’ acceptances or similar obligations issued or created for the account of Holdings or any of its Restricted Subsidiaries in the ordinary course of their respective businesses or consistent with past practice or industry norm or Liens on goods or inventory or proceeds of any Person, the purchase, shipment or storage of which is financed by a documentary letter of credit or bankers’ acceptance issued or created for the account of such Person;

(12) Liens arising out of any licenses, sublicenses or cross-licenses (including intellectual property) granted to others in the ordinary course of business or consistent with past practice or industry norm;

(13) Liens arising from (a) Uniform Commercial Code or Personal Property Security Act (or equivalent statute) financing statements regarding operating leases, consignments or other obligations not constituting Indebtedness or (b) precautionary Uniform Commercial Code (or equivalent statute) financing statements, other applicable personal property or movable property security registry financing statements or similar filings made in respect of Non-Financing Lease Obligations, consignment arrangements or bailee arrangements entered into by Holdings or any of its Restricted Subsidiaries;

(14) Liens in favor of Holdings or any Restricted Subsidiary;

(15) Liens on vehicles or equipment of Holdings or any of its Restricted Subsidiaries granted in the ordinary course of business or consistent with past practice or industry norm;

(16) Liens to secure any modification, refinancing, refunding, extension, renewal or replacement (or successive modification, refinancing, refunding, extensions, renewals or replacements) as a whole,

or in part, of any Indebtedness secured by any Lien referred to in clauses (5), (6), (7), (8), (9), (14), (17), (27), (32), (34), (35) and (39) of this definition; *provided, however*, that (a) such new Lien shall be limited to all or part of the same property that secured the original Lien (plus accessions, additions and improvements on such property, customary security deposits and other assets, including (i) after-acquired property that is affixed or incorporated into the property covered by such Lien, (ii) after-acquired property subject to a Lien securing such Indebtedness, the terms of which Indebtedness require or include a pledge of after-acquired property (it being understood that such requirement shall not be permitted to apply to any property to which such requirement would not have applied but for such acquisition) and (iii) the proceeds and products thereof) 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 accreted value, if applicable) or, if greater, committed amount of the Indebtedness described under clauses (5), (6), (7), (8), (9), (14), (17), (27), (32), (34), (35) and (39) at the time the original Lien became a Permitted Lien under the Indenture, and (ii) an amount necessary to pay any fees, expenses, underwriting discounts, defeasance costs and commissions, including premiums and accrued and unpaid interest, related to such modification, refinancing, refunding, extension, renewal or replacement; *provided*, any amounts incurred under this clause (16) as Refinancing Indebtedness of clauses (5) or (23) of this definition shall reduce the amount available under such clauses (5) and (23), as applicable;

(17) other Liens securing Indebtedness which Indebtedness, taken together with Indebtedness secured by Liens pursuant to clause (16) above in respect of a refinancing of Indebtedness previously secured under this clause (17) does not exceed, except as contemplated by clause (13) of “—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock,” at the time of incurrence the greater of (i) \$416.0 million and (ii) 45.0% of Consolidated EBITDA of the Company for the Applicable Measurement Period; *provided that*, if such Liens are consensual Liens that are secured by the Collateral, then the Company will have the holders of the Indebtedness or other obligations secured thereby (or a representative, agent or trustee on their behalf) enter into the Equal Priority Intercreditor Agreement, providing that the Liens on the Collateral (other than cash and Cash Equivalents) securing such Indebtedness or other obligations shall rank, at the option of the Company, either equal in priority (but without regard to the control of remedies) with, or junior in priority to, the Liens on the Collateral (other than cash and Cash Equivalents) securing the Senior Secured Notes Obligations, but in any event shall not be required to enter into an intercreditor agreement if such Liens are on Collateral consisting solely of cash and Cash Equivalents;

(18) Liens on deposits made or other security provided in the ordinary course of business or consistent with past practice or industry norm to secure liability to insurance carriers;

(19) Liens securing judgments, attachments, decrees or awards for the payment of money in circumstances not constituting an Event of Default under clause (5) under the caption “—Events of Default and Remedies”;

(20) 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 or to secure the performance of leases of real property;

(21) Liens (a) of a collection bank arising under Section 4-210 of the Uniform Commercial Code on items in the course of collection, (b) attaching to commodity trading accounts or other commodity brokerage accounts incurred in the ordinary course of business and (c) in favor of a banking institution arising as a matter of law encumbering deposits (including the right of set-off) and which are within the general parameters customary in the banking industry;

(22) Liens deemed to exist in connection with Investments in repurchase agreements permitted under “—Certain Covenants—Limitation on Restricted Payments” or the definition of “Permitted

Investments”; *provided* that such Liens do not extend to any assets other than those that are the subject of such repurchase agreement;

(23) Liens securing Obligations permitted to be incurred under 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”;

(24) Liens securing Obligations owed by Holdings or any Restricted Subsidiary to any lender, agent or arranger under the Credit Facilities or any Affiliate of such a lender, agent or arranger in respect of any Hedging Obligations or Cash Management Obligations;

(25) Liens that are contractual rights of setoff or rights of pledge (a) relating to the establishment of depository relations with banks not given in connection with the incurrence of Indebtedness, (b) relating to pooled deposit or sweep accounts to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of Holdings and its Restricted Subsidiaries or consistent with past practice or (c) relating to purchase orders and other agreements entered into with customers of Holdings or any of its Restricted Subsidiaries in the ordinary course of business or consistent with past practice;

(26) (a) Liens on Capital Stock in joint ventures or similar arrangements securing obligations of such joint ventures or similar arrangements or pursuant to any joint venture or similar agreement and (b) to the extent constituting Liens, transfer restrictions, purchase options, rights of first refusal, tag or drag, put or call or similar rights of minority holders or joint venture partners, in each case under partnership, limited liability company, joint venture or similar organizational documents;

(27) Liens (a) solely on any earnest money deposits of cash or Cash Equivalents made by Holdings or any of its Restricted Subsidiaries in connection with any letter of intent or purchase agreement or to secure any letter of credit, bank guarantee or similar instrument issued or posted in respect thereof and (b) consisting of an agreement to dispose of any property in a transaction permitted under “—Repurchase at the Option of Holders—Asset Sales”;

(28) Liens on Capital Stock of an Unrestricted Subsidiary securing Indebtedness of such Unrestricted Subsidiary;

(29) (a) Liens arising out of conditional sale, title retention (including any security or quasi-security arising under any retention of title, extended retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods or, in the case of an extended retention of title arrangement, receivables resulting from the sale of such goods supplied to Holdings or any of its Restricted Subsidiaries in the ordinary course of business and on the supplier’s standard or usual terms and not arising as a result of any default or omission by Holdings or any of its Restricted Subsidiaries), consignment or similar arrangements for the sale or purchase of goods or property and bailee arrangements entered into by Holdings or any Restricted Subsidiary in the ordinary course of business or consistent with past practice or industry norm and (b) Liens arising by operation of applicable law under Article 2 of the Uniform Commercial Code (or any similar provision under any other Applicable Law) in favor of a seller or buyer of goods;

(30) (a) Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto or (b) deposits made or other security provided to secure liabilities to insurance carriers under insurance or self-insurance arrangements in the ordinary course of business or consistent with past practice;

(31) Liens with respect to property or assets of any non-Guarantor Subsidiaries securing Indebtedness of such Subsidiaries that was permitted by the Indenture to be incurred;

(32) Liens securing the Senior Secured Notes (other than any Additional Senior Secured Notes) and related Guarantees and Liens arising under the Notes Security Documents;

(33) Liens on property subject to Sale and Lease-Back Transactions permitted by the Indenture, security deposits, related contract rights and payment intangibles related thereto;

(34) Liens on (a) cash and Cash Equivalents in connection with the defeasance, satisfaction, discharge or redemption of Indebtedness, *provided* such defeasance, satisfaction, discharge or redemption is not prohibited by the Indenture and (b) any amounts held by a trustee in the funds and accounts under an indenture securing any revenue bonds issued for the benefit of Holdings or any Restricted Subsidiary, or under any indenture to defease or to satisfy, discharge or redeem Indebtedness;

(35) Liens securing any Obligations in respect of any Indebtedness permitted to be incurred pursuant to the covenant “—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock,” *provided, however*, that, at the time of incurrence of such Indebtedness secured under this clause (35) and after giving *pro forma* effect thereto, the Consolidated Secured Debt Ratio would be no greater than 5.50 to 1.00;

(36) statutory Liens incurred or pledges or deposits made in favor of a governmental authority to secure the performance of obligations of Holdings or any of its Subsidiaries under environmental laws to which Holdings or any of its Subsidiaries or any assets of Holdings or any of its Subsidiaries is subject, in each case incurred or made in the ordinary course of business or consistent with past practice or industry norm;

(37) any interest or title of a lessor under leases (other than leases constituting Financing Lease Obligations) entered into by Holdings or any of its Restricted Subsidiaries in the ordinary course of business or consistent with past practice;

(38) Liens securing rental payments under agreements for Financing Lease Obligations, which Financing Lease Obligations are permitted to be so secured;

(39) Liens relating to future escrow arrangements securing Indebtedness, including (i) Liens on escrowed proceeds from the issuance of Indebtedness for the benefit of the related holders of debt securities or other Indebtedness (or the underwriters, arrangers, trustee or collateral agent thereof) and (ii) Liens on cash or Cash Equivalents set aside at the time of the incurrence of any Indebtedness, in either case to the extent such cash or Cash Equivalents prefund the payment of interest or premium or discount on such Indebtedness (or any costs related to the issuance of such Indebtedness) and are held in an escrow account or similar arrangement to be applied for such purpose;

(40) (a) 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, (b) Liens on Equity Interests in joint ventures; *provided* that any such Lien is in favor of a creditor of such joint venture and such creditor is not an Affiliate of any partner to such joint venture and (c) purchase options, call, and similar rights of, and restrictions for the benefit of, a third party with respect to Equity Interests held by Holdings or any of its Subsidiaries in joint ventures; and

(41) Liens on securities that are the subject of repurchase agreements constituting Cash Equivalents under clause (5) of the definition thereof; and

(42) Liens on accounts receivable and related assets, incurred in connection with a Receivables Facility.

For purposes of determining compliance with this definition, (A) a Lien need not be incurred solely by reference to one category of Permitted Liens (or any portion thereof) described in this definition but is permitted to be incurred in part under any combination thereof and of any other available exemption, (B) in the event that a Lien (or any portion thereof) meets the criteria of one or more of the categories of Permitted Liens (or any portion thereof), Holdings or the Company may, in its sole discretion, divide, classify or reclassify, or later divide, classify or reclassify (as if incurred at such later time), such Lien (or any portion thereof) in any manner that complies with this definition and (C) in the event that a portion of Indebtedness secured by a Lien could be classified as secured in part pursuant to clause (35) above (giving *pro forma effect* to the incurrence of all such Indebtedness), Holdings or the Company, in its sole discretion, may classify such portion of such Indebtedness (and any Obligations in respect thereof) as having been secured pursuant to clause (35) above and thereafter the remainder of the Indebtedness or other obligations as having been secured pursuant to one or more of the other clauses of this definition. For purposes of this definition, the term “Indebtedness” shall be deemed to include interest on such Indebtedness.

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 or deferred financing costs, the payment of interest in the form of additional Indebtedness with the same terms or in the form of common stock of Holdings, the payment of dividends on Preferred Stock in the form of additional shares of Preferred Stock of the same class, accretion of original issue discount or deferred financing costs or liquidation preference and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies or increases in the value of property securing Indebtedness described in clause (3) of the definition of “Indebtedness.”

“*Permitted Parent*” means (1) any Parent Entity of Holdings or the Company formed not in connection with, or in contemplation of, a transaction that (but for the application to such Person of clause (3) of the definition of Permitted Holders) would constitute a Change of Control and (2) any Public Company (or Wholly Owned Subsidiary of such Public Company), except to the extent (and until such time as) any Person or group is deemed to be or becomes a beneficial owner of Voting Stock of such Public Company representing more than 50% of the total voting power of the Voting Stock of such Public Company (as determined in accordance with the provisions of the final paragraph of the definition of “Change of Control”).

“*Permitted Receivables Financing*” means any Receivables Financing of a Receivables Subsidiary that meets the following conditions: (1) the Board of the Company or Holdings shall have determined in good faith that such Receivables Financing (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to the Company and the Restricted Subsidiaries, (2) all sales of accounts receivable and related assets by the Company or any Restricted Subsidiary to the Receivables Subsidiary are made at fair market value and (3) the financing terms, covenants, termination events and other provisions thereof shall be market terms at the time the Receivables Financing is first introduced (as determined in good faith by the Company) and may include Standard Securitization Undertakings.

“*Permitted Sale and Lease-Back Transaction*” means any Sale and Lease-Back Transaction that Holdings or the Company elects, on or prior to the date of closing thereof, to treat as an “Asset Sale.”

“*Person*” means any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

“Preferred Stock” means any Equity Interest with preferential rights of payment of dividends or upon liquidation, dissolution, or winding up.

“Public Company” means any Person with a class or series of Voting Stock that is traded on the New York Stock Exchange, the NASDAQ, the Luxembourg Stock Exchange, the London Stock Exchange or any other comparable stock exchange or similar market.

“Qualified Proceeds” means assets that are used or useful in, or Capital Stock of any Person engaged in, a Similar Business; *provided* that the fair market value of any such assets or Capital Stock shall be determined by Holdings or the Company in good faith.

“Qualified Public Offering” means the initial underwritten public offering of common Equity Interests of Holdings, any Parent Entity of Holdings or the Company (whether pursuant to an effective registration statement filed with the SEC in accordance with the Securities Act or under the laws of another jurisdiction) that results in at least \$100.0 million of net cash proceeds to (i) Holdings, any Parent Entity of Holdings or the Company and (ii) the Investors and other equity holders of Holdings, any Parent Entity of Holdings or the Company (to the extent the share of such proceeds payable to the Investors and such other equity holders of Holdings, any Parent Entity of Holdings or the Company is consistent in all material respects with the share of the proceeds for an initial underwritten public offering of common Equity Interests customarily received by the existing equityholders of comparable issuers).

“Rating Agencies” means Moody’s and S&P or if Moody’s or S&P or both shall not make a rating on the Senior Secured Notes publicly available, a nationally recognized statistical rating agency or agencies, as the case may be, selected by Holdings or the Company which shall be substituted for Moody’s or S&P or both, as the case may be.

“Receivables Facility” means any of one or more receivables financing facilities as amended, supplemented, modified, extended, renewed, restated or refunded from time to time, the Obligations of which are non-recourse (except for customary representations, warranties, covenants and indemnities made in connection with such facilities) to the Company or any of the Restricted Subsidiaries (other than a Receivables Subsidiary) pursuant to which the Company or any of the Restricted Subsidiaries sells its accounts receivable to either (i) a Person that is not a Restricted Subsidiary or (ii) a Restricted Subsidiary or Receivables Subsidiary that in turn funds such purchase by selling its accounts receivable to a Person that is not a Restricted Subsidiary or by borrowing from such a Person or from another Receivables Subsidiary that in turn funds itself by borrowing from such a Person.

“Receivables Fees” means 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 Restricted Subsidiary in connection with, any Receivables Facility.

“Receivables Financing” means any transaction or series of transactions that may be entered into by the Company or any of its Subsidiaries pursuant to which the Company or any of its Subsidiaries may sell, contribute, convey or otherwise transfer to (i) a Receivables Subsidiary (in the case of a transfer by the Company or any of its Subsidiaries), and (ii) any other Person (in the case of a transfer by a Receivables Subsidiary), or may grant a security interest in, any accounts receivable (whether now existing or arising in the future) of the Company or any of its Subsidiaries, and any assets related thereto including, without limitation, all collateral securing such accounts receivable, all contracts and all guarantees or other obligations in respect of such accounts receivable, proceeds of such accounts receivable and other assets which are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitization transactions involving accounts receivable and any Hedge Agreements entered into by the Company or any such Subsidiary in connection with such accounts receivable.

“Receivables Repurchase Obligation” means any obligation of a seller of receivables in a Receivables Facility to repurchase receivables arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, off set or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

“Receivables Subsidiary” means a Restricted Subsidiary that is a Wholly Owned Subsidiary of the Company (or another Person formed for the purposes of engaging in a Receivables Facility with the Company in which the Company or any Subsidiary of the Company or Holdings makes an Investment and to which the Company or any Subsidiary of the Company or Holdings transfers accounts receivable and related assets) which engages in no activities other than in connection with the financing of accounts receivable of the Company and its Subsidiaries or Holdings and all proceeds thereof and all rights (contractual or other), collateral and other assets relating thereto, and any business or activities incidental or related to such business, and which is designated by the Board of the Company or Holdings (as provided below) as a Receivables Subsidiary and:

(a) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (i) is guaranteed by the Company or any other Subsidiary of the Company (excluding guarantees of obligations (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings), (ii) is recourse to or obligates the Company or any other Subsidiary of the Company in any way other than pursuant to Standard Securitization Undertakings, or (iii) subjects any property or asset of the Company or any other Subsidiary of the Company, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings,

(b) with which neither the Company nor any other Subsidiary of the Company has any material contract, agreement, arrangement or understanding other than on terms which the Company reasonably believes to be no less favorable to the Company or such Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Company, and

(c) to which neither the Company nor any other Subsidiary of the Company has any obligation to maintain or preserve such entity’s financial condition or cause such entity to achieve certain levels of operating results.

“Related Business Assets” means assets (other than cash or Cash Equivalents) used or useful in a Similar Business; *provided* that any assets received by Holdings or a Restricted Subsidiary in exchange for assets transferred by Holdings or a Restricted Subsidiary shall not be deemed to be Related Business Assets if they consist of securities of a Person, unless upon receipt of the securities of such Person, such Person would become a Restricted Subsidiary.

“Restricted Investment” means an Investment other than a Permitted Investment.

“Restricted Subsidiary” means, at any time, any direct or indirect Subsidiary of Holdings (including any Foreign Subsidiary and the Company) that is not then an Unrestricted Subsidiary; *provided, however*, that upon the occurrence of an Unrestricted Subsidiary ceasing to be an Unrestricted Subsidiary, such Subsidiary shall be included in the definition of “Restricted Subsidiary.”

“Retained Asset Sale Proceeds” means the Net Proceeds in respect of any Asset Sale not required to be applied to make a prepayment or to be reinvested under “—Repurchase at the Option of Holders—Asset Sales.”

“S&P” means S&P Global Ratings, a division of S&P Global Inc., and any successor to its rating agency business.

“Sale and Lease-Back Transaction” means any arrangement providing for the leasing by Holdings or any of its Restricted Subsidiaries of any real or tangible personal property, which property has been or is to be sold or transferred by Holdings or such Restricted Subsidiary to a third Person in contemplation of such leasing.

“Screened Affiliate” means any Affiliate of a Holder (i) that makes investment decisions independently from such Holder and any other Affiliate of such Holder that is not a Screened Affiliate, (ii) that has in place customary information screens between it and such Holder and any other Affiliate of such Holder that is not a Screened Affiliate and such screens prohibit the sharing of information with respect to the Company or its Subsidiaries, (iii) whose investment policies are not directed by such Holder or any other Affiliate of such Holder that is acting in concert with such Holder in connection with its investment in the Senior Secured Notes, and (iv) whose investment decisions are not influenced by the investment decisions of such Holder or any other Affiliate of such Holder that is acting in concert with such Holders in connection with its investment in the Senior Secured Notes.

“SEC” means the U.S. Securities and Exchange Commission.

“Secured Indebtedness” means any Indebtedness of Holdings or any of its Restricted Subsidiaries secured by a Lien.

“Secured Parties” means the Holders, the Trustee and the Collateral Agent.

“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

“Senior Credit Agreement” means that certain Amended and Restated Credit Agreement, dated as of February 19, 2021, by and among the Company, as borrower, Holdings, the lenders party thereto in their capacities as lenders thereunder and Goldman Sachs Lending Partners LLC, as Administrative Agent, Collateral Agent and Issuing Bank, and the other agents and other parties thereto, including any related notes, letters of credit, guarantees, collateral documents, instruments and agreements executed in connection therewith, and any appendices, exhibits, annexes or schedules to any of the foregoing (as the same may be in effect from time to time) and any amendments, supplements, modifications, extensions, renewals, restatements, refundings, exchanges or refinancings thereof (whether with the original agents and lenders or other agents or lenders or otherwise, and whether provided under the original credit agreement or other credit agreements or otherwise) and any indentures or credit facilities or commercial paper facilities with banks or other institutional lenders or investors that extend, replace, refund, renew, defense, exchange or refinance any part of the loans, notes, other credit facilities or commitments thereunder, including any such replacement, refunding, exchange or refinancing facility or indenture that increases the amount borrowable thereunder or alters the maturity thereof (*provided* that such increase in borrowings is permitted under “—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock” above).

“Senior Indebtedness” means:

(1) all Indebtedness of the Company or any Guarantor outstanding under the Senior Credit Agreement (or any guarantee thereof), the Senior Secured Notes, the Existing Senior Notes or the Guarantees (including interest accruing on or after the filing of any petition in bankruptcy or similar proceeding or for reorganization of the Company 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 is allowed in such proceedings)), and any and all other fees, expense reimbursement obligations, indemnification amounts, penalties, and other amounts (whether existing on the Issue Date or thereafter created or incurred) and all obligations of the Company 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 (a) Hedging Obligations (and guarantees thereof) and (b) Cash Management Obligations (and guarantees thereof) owing to a Bank Lender or any of its Affiliates (or any Person that was a Bank Lender or an Affiliate of such Bank Lender at the time the applicable agreement giving rise to such Hedging Obligation was entered into); *provided* that such Hedging Obligations and Cash Management Obligations are permitted to be incurred under the terms of the Indenture;

(3) any other Indebtedness of the Company 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 Senior Secured Notes or any related Guarantee; and

(4) all Obligations with respect to the items listed in the preceding clauses (1), (2) and (3);

provided, however, that Senior Indebtedness shall not include:

- (a) any obligation of such Person to Holdings 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.

“Senior Secured Notes Obligations” means Obligations in respect of the Senior Secured Notes, the Indenture, the Guarantees and the Notes Security Documents.

“Shared Collateral” means, at any time, Collateral in which the holders of two or more series of Equal Priority Obligations (or their respective representatives or collateral agents on behalf of such holders) hold, or purport to hold, a valid security interest or Lien at such time. If more than two series of Equal Priority Obligations are outstanding at any time and the holders of less than all series of Equal Priority Obligations hold or purport to hold, a valid security interest or Lien in any Collateral at such time, then such Collateral shall constitute Shared Collateral for those series of Equal Priority Obligations that hold, or purport to hold, a valid security interest or Lien in such Collateral at such time and shall not constitute Shared Collateral for any series which does not hold, or purport to hold, a valid security interest or Lien in such Collateral at such time.

“Short Derivative Instrument” means, as to any Person, a Derivative Instrument (i) the value of which to such Person generally decreases, and/or the payment or delivery obligations of such Person under which generally increase, with positive changes in the financial performance and/or position of the Company and/or (ii) the value of which to such person generally increases, and/or the payment or delivery obligations of such person under which generally decrease, with negative changes in the financial performance and/or position of the Company.

“Significant Subsidiary” means any Restricted Subsidiary that would be a “significant subsidiary” as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act, as such regulation is in effect on the Issue Date.

“Similar Business” means any business conducted or proposed to be conducted by Holdings and its Restricted Subsidiaries on the Issue Date or any business that is similar, complimentary, reasonably related, incidental or ancillary thereto or is a reasonable extension, development or expansion thereof.

“Standard Securitization Undertakings” means representations, warranties, covenants, indemnities and guarantees of performance entered into by the Company or any Subsidiary of the Company which the Company has determined in good faith to be customary in a Receivables Facility including, without limitation, those relating to the servicing of the assets of a Receivables Subsidiary, it being understood that any Receivables Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking.

“Subordinated Indebtedness” means, with respect to the Senior Secured Notes and the Guarantees,

(1) any Indebtedness of the Company which is by its terms subordinated in right of payment to the Senior Secured 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 Senior Secured Notes.

“Subsidiary” means, with respect to any Person:

(1) any corporation, association, or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof, and

(2) any partnership, joint venture, limited liability company or similar entity of which:

(a) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof whether in the form of membership, general, special or limited partnership or otherwise, and

(b) such Person or any Restricted Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

For the avoidance of doubt, 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 Holdings’ or any of its Restricted Subsidiaries’ financial statements. Unless the context requires otherwise, a Subsidiary refers to a Subsidiary of Holdings.

“Subsidiary Guarantor” means each Restricted Subsidiary of Holdings that executes the Indenture as a Guarantor on the Issue Date and each other Restricted Subsidiary of Holdings that thereafter executes a supplemental indenture to the Indenture as a Guarantor and guarantees the Senior Secured Notes in accordance with the terms of the Indenture.

“Trademarks” means (a) trademarks, service marks, trade names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, logos, Internet domain names, other source or business identifiers, and designs, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all registration and pending applications filed in

connection therewith, including registrations and pending applications in the United States Patent and Trademark Office (or any successor office) or any similar offices in any State of the United States, and all extensions or renewals thereof and (b) all goodwill associated therewith or symbolized thereby.

“Treasury Rate” means, as of any date of notice of redemption, the yield to maturity as of the date of such notice of U.S. Treasury securities with a constant maturity (as compiled and published in the most recent statistical release designated as “H.15” under the caption “Treasury constant maturities” or any successor publication which is published at least weekly by the Board of Governors of the Federal Reserve System (or companion online data resource published by the Board of Governors of the Federal Reserve System) and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity that has become publicly available at least two Business Days prior to the date of such notice (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 applicable Redemption Date to _____, 2026; *provided, however*, that if the period from the applicable Redemption Date to _____, 2026 is less than one year, the weekly average yield on actively traded U.S. Treasury securities adjusted to a constant maturity of one year will be used.

“Trust Indenture Act” means the Trust Indenture Act of 1939, as amended.

“Uniform Commercial Code” means the Uniform Commercial Code as in effect in the relevant jurisdiction from time to time. Unless otherwise specified, references to the Uniform Commercial Code herein refer to the New York Uniform Commercial Code.

“Unrestricted Subsidiary” means:

- (1) any Subsidiary of Holdings (other than the Company) which at the time of determination is an Unrestricted Subsidiary (as designated by Holdings or the Company, as provided below); and
- (2) any Subsidiary of an Unrestricted Subsidiary.

Holdings or the Company may designate any Subsidiary of Holdings (including any existing Subsidiary and any newly acquired or newly formed Subsidiary, but excluding the Company) 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, Holdings or any Restricted Subsidiary (other than solely any Subsidiary of the Subsidiary to be so designated); *provided* that

(1) such designation complies with the covenants described under “—Certain Covenants—Limitation on Restricted Payments”; and

(2) each of (a) the Subsidiary to be so designated and (b) its Subsidiaries has not at the time of designation, and does not thereafter, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable with respect to any Indebtedness pursuant to which the lender has recourse to any of the assets of Holdings or any Restricted Subsidiary (other than Equity Interests in the Unrestricted Subsidiary).

Holdings or the Company may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that, immediately after giving effect to such designation, no Event of Default shall have occurred and be continuing and all Indebtedness of such Unrestricted Subsidiary could be incurred by a Restricted Subsidiary pursuant to the covenant entitled “—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock” and all Liens encumbering the Capital Stock of such Unrestricted Subsidiary owned by Holdings or any Restricted Subsidiary would be Permitted Liens or the provisions of the covenant entitled “—Certain Covenants—Liens” shall otherwise be complied with.

Holdings or the Company shall notify the Trustee of any such designation by promptly filing with the Trustee a copy of the resolution of the Board of Holdings, the Company or any committee thereof giving effect to such designation and an Officer's Certificate certifying that such designation complied with the foregoing provisions.

At no time shall Holdings, the Company or any Restricted Subsidiary transfer any Intellectual Property (as defined in the Notes Security Documents) that is material to the business of Holdings, the Company and the Subsidiaries, taken as a whole ("*Material Intellectual Property*") to any Unrestricted Subsidiary, nor shall any Subsidiary that owns Material Intellectual Property be designated as an Unrestricted Subsidiary.

"*Voting Stock*" of any Person as of any date means the Capital Stock of such Person that is at the time generally entitled, without regard to contingencies, to vote in the election of the Board of such Person. To the extent that a partnership agreement, limited liability company agreement or other agreement governing a partnership or limited liability company provides that the members of the Board of such partnership or limited liability company (or, in the case of a limited partnership whose business and affairs are managed or controlled by its general partner, the Board of the general partner of such limited partnership) is appointed or designated by one or more Persons rather than by a vote of Voting Stock, each of the Persons who are entitled to appoint or designate the members of such Board will be deemed to own a percentage of Voting Stock of such partnership or limited liability company equal to (a) the aggregate votes entitled to be cast on such Board by the members of such Board which such Person or Persons are entitled to appoint or designate divided by (b) the aggregate number of votes of all members of such Board.

"*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 (calculated to the nearest one-twelfth) 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.

"*Wholly Owned Subsidiary*" of any Person means a Subsidiary of such Person, 100% of the outstanding Capital Stock of which (other than directors' qualifying shares) shall at the time be owned by such Person or by one or more Wholly Owned Subsidiaries of such Person.

BOOK-ENTRY, DELIVERY AND FORM

The Senior Secured Notes are being offered and sold to qualified institutional buyers in reliance on Rule 144A (each, a “Rule 144A Note”). The Senior Secured Notes also may be offered and sold in offshore transactions in reliance on Regulation S (“Regulation S Notes”). Except as set forth below, the Senior Secured Notes will be issued in registered, global form in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. Rule 144A Notes initially will be represented by global notes in fully registered form without interest coupons (collectively, the “Restricted Global Notes”). Regulation S Notes initially will be represented by temporary global notes in registered, global form without interest coupons (each, a “Temporary Regulation S Global Note”). Each Temporary Regulation S Global Note will be exchangeable for a single permanent note in registered, global form (each, a “Permanent Regulation S Global Note” and, together with the Temporary Regulation S Global Notes, a “Regulation S Global Note” and, together with the Restricted Global Notes, the “Global Notes”) after the expiration the “distribution compliance period” (as defined in Regulation S). Prior to such time, a beneficial interest in the Temporary Regulation S Global Note may be transferred to a person who takes delivery in the form of an interest in the Restricted Global Note only upon receipt by the Trustee of a written certification from the transferor to the effect that such transfer is being made to a person whom the transferor reasonably believes is a qualified institutional buyer, or QIB, in a transaction meeting the requirements of Rule 144A. Beneficial interests in a Restricted Global Note may be transferred to a person who takes delivery in the form of an interest in a Regulation S Global Note whether before, on or after such time, only upon receipt by the Trustee of a written certification to the effect that such transfer is being made in accordance with Regulation S. The Global Notes will be deposited upon issuance with the Trustee, as custodian for The Depository Trust Company (“DTC”), and registered in the name of DTC or its nominee, in each case for credit to an account of a direct or indirect participant in DTC as described below.

The Global Notes (and any notes issued in exchange therefor) will be subject to certain restrictions on transfer set forth therein and in the Indenture and will bear the legend regarding such restrictions set forth under the heading “Transfer Restrictions.” Subject to such restrictions, QIBs or non-U.S. purchasers may elect to take physical delivery of a Certificated Security (as defined below under “Certificated Securities”) instead of holding their interests through the Global Notes, which certificated notes will be ineligible to trade through DTC (collectively referred to as the “Non-Global Purchasers”) only in the limited circumstances described below. Upon the transfer to a QIB of any Certificated Security initially issued to a Non-Global Purchaser, such Certificated Security will, unless the transferee requests otherwise or the Global Notes have previously been exchanged in whole for Certificated Securities, be exchanged for an interest in the Global Notes. For a description of the restrictions on transfer of Certificated Securities and any interest in the Global Notes, see “Transfer Restrictions.”

The Global Notes

We expect that, pursuant to procedures established by DTC, (i) upon the issuance of the Global Notes, DTC or its custodian will credit, on its internal system, the principal amount at maturity of the individual beneficial interests represented by such Global Notes to the respective accounts of persons who have accounts with such depository (“Participants”) and (ii) ownership of beneficial interests in the Global Notes will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to interests of Participants) and the records of Participants (with respect to interests of persons other than Participants). Such accounts initially will be designated by or on behalf of the Initial Purchasers and ownership of beneficial interests in the Global Notes will be limited to Participants or persons who hold interests through Participants. Holders may hold their interests in the Global Notes directly through DTC if they are Participants in such system, or indirectly through organizations that are Participants in such system.

So long as DTC or its nominee is the registered owner or holder of the Global Notes, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the notes represented by such Global Notes for all purposes under the Indenture. No beneficial owner of an interest in the Global Notes will be able to transfer that interest except in accordance with DTC's procedures, in addition to those provided for under the Indenture with respect to the notes. Any notices required to be given to the holders while the notes are Global Notes will be given to DTC.

Payments of the principal of, and premium (if any) and interest (including additional interest, if any) on, the Global Notes will be made to DTC or its nominee, as the case may be, as the registered owner thereof. None of the Company, the Trustee or any paying agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interest.

We expect that DTC or its nominee, upon receipt of any payment of principal of, and premium (if any) and interest (including additional interest, if any) on the Global Notes, will credit Participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of the Global Notes as shown on the records of DTC or its nominee. We also expect that payments by Participants to owners of beneficial interests in the Global Notes held through such Participants will be governed by standing instructions and customary practice, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such Participants.

Transfers between Participants in DTC will be effected in the ordinary way through DTC's same-day funds system in accordance with DTC rules and will be settled in same-day funds. If a holder requires physical delivery of a Certificated Security for any reason, including to sell Notes to persons in states that require physical delivery of the Senior Secured Notes, or to pledge such securities, such holder must transfer its interest in a Global Note, in accordance with the normal procedures of DTC and with the procedures set forth in the Indenture.

DTC has advised us that it will take any action permitted to be taken by a holder of Notes (including the presentation of Notes for exchange as described below) only at the direction of one or more Participants to whose account the DTC interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of Notes as to which such Participant or Participants has or have given such direction. However, if there is an event of default under the Indenture, DTC will exchange the Global Notes for Certificated Securities, which it will distribute to its Participants and which include a legend as set forth under the heading "Transfer Restrictions."

DTC has advised us as follows: DTC is a limited-purpose trust company organized under New York banking law, 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 New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds and provides asset servicing for issues of U.S. and non-U.S. equity, corporate and municipal debt issues that Participants deposit with DTC. DTC also facilitates the post-trade settlement among Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Participants' accounts. This eliminates the need for physical movement of securities certificates. Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Access to the DTC system is also available to indirect Participants such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Participant, either directly or indirectly.

Although DTC has agreed to the foregoing procedures in order to facilitate transfers of interests in the Global Notes among Participants of DTC, it is under no obligation to perform such procedures, and such procedures may be discontinued at any time. None of the Company, the Trustee or any paying agent will have any responsibility for the performance by DTC or its Participants or indirect Participants of their respective obligations under the rules and procedures governing their operations.

Certificated Securities

A beneficial interest in a Global Note is exchangeable for certificated Notes in fully registered form without interest coupons ("Certificated Securities") only in the following limited circumstances:

- DTC notifies us that it is unwilling or unable to continue as depository for the Global Note and we fail to appoint a successor depository within 90 days of such notice,
- if the Company elects to issue Certificated Securities, or
- there shall have occurred and be continuing an event of default with respect to the Senior Secured Notes under the Indenture and DTC shall have requested the issuance of Certificated Securities.

Certificated Securities may not be exchanged for beneficial interests in any Global Note unless the transferor first delivers to the Trustee a written certificate (in the form provided in the Indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such Notes. See "Transfer Restrictions." In no event shall the Regulation S Global Note be exchanged for Certificated Securities prior to (a) the expiration of the distribution compliance period and (b) the receipt of any certificates required under the provisions of Regulation S.

The laws of some states require that certain persons take physical delivery in definitive form of securities that they own. Consequently, the ability to transfer the Senior Secured Notes will be limited to such extent.

Exchanges between Regulation S Notes and Restricted Global Notes

Prior to the expiration of the distribution compliance period, beneficial interests in the Regulation S Global Note may be exchanged for beneficial interests in the Restricted Global Note only if:

- (1) such exchange occurs in connection with a transfer of the Senior Secured Notes pursuant to Rule 144A; and
- (2) the transferor first delivers to the Trustee a written certificate (in the form provided in the Indenture) to the effect that the Senior Secured Notes are being transferred to a person:
 - (a) who the transferor reasonably believes to be a qualified institutional buyer within the meaning of Rule 144A;
 - (b) purchasing for its own account or the account of a qualified institutional buyer in a transaction meeting the requirements of Rule 144A; and
 - (c) in accordance with all applicable securities laws of the states of the United States and other jurisdictions.

Beneficial interests in a Restricted 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 Trustee a written certificate (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Rule 903 or 904 of Regulation S or Rule 144 (if available).

Transfers involving exchanges of beneficial interests between the Regulation S Global Notes and the Restricted Global Notes will be effected by DTC by means of an instruction originated by the Trustee through the DTC deposit/withdrawal at custodian system. Accordingly, in connection with any such transfer, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S Global Note and a corresponding increase in the principal amount of the Restricted Global Note or vice versa, as applicable. Any beneficial interest in one of the Global Notes that is transferred to a person who takes delivery in the form of an interest in the other Global Note will, upon transfer, cease to be an interest in such Global Note and will become an interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Global Note for so long as it remains such an interest. The policies and practices of DTC may prohibit transfers of beneficial interests in the Temporary Regulation S Global Note prior to the expiration of the distribution compliance period.

TRANSFER RESTRICTIONS

The issuance and sale of the Senior Secured Notes have not been registered under the Securities Act or any other applicable securities laws and, unless so registered, the Senior Secured Notes may not be offered, sold, pledged or otherwise transferred within the United States or to or for the account of any U.S. person, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws. The Senior Secured Notes are being offered and issued only (a) to “qualified institutional buyers” (as defined in Rule 144A under the Securities Act), or QIBs, in a private transaction in reliance upon an exemption from the registration requirements of the Securities Act 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 Senior Secured Notes (and in the case of clause (7), each transferee of the Senior Secured Notes) will be deemed to represent, warrant, and agree as follows (terms used in this paragraph that are defined in Rule 144A or Regulation S under the Securities Act are used herein as defined therein):

(1) It (A) (i) is a QIB, (ii) is acquiring the Senior Secured Notes for its own account or for the account of a QIB and (iii) is aware that the Initial Purchasers are selling the Senior Secured Notes to it in reliance on Rule 144A or (B) is not a U.S. person and is acquiring the Senior Secured Notes in an offshore transaction pursuant to Regulation S.

(2) It understands that the Senior Secured Notes are being offered in a transaction not involving any public offering in the United States within the meaning of the Securities Act, that the Senior Secured Notes have not been and will not be registered under the Securities Act and that (A) if in the future it decides to offer, resell, pledge or otherwise transfer any of the Senior Secured Notes, such Senior Secured Notes may be offered, resold, pledged or otherwise transferred only (i) for so long as the Senior Secured Notes are eligible for resale under Rule 144A, to a person whom the seller reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) outside the United States in a transaction complying with the provisions of Rule 904 under the Securities Act, (iii) pursuant to an exemption from registration under the Securities Act, including provided by Rule 144 (if available and provided that prior to such transfer, the Trustee is furnished with an opinion of counsel acceptable to the Company that such transfer is in compliance with the Securities Act), (iv) pursuant to an effective registration statement under the Securities Act or (v) to us or any of our subsidiaries, in each of cases (i) through (v) in accordance with any applicable securities laws of any State of the United States, and that (B) it will, and each subsequent holder is required to, notify any subsequent purchaser of the Senior Secured Notes from it of the resale restrictions referred to in clause (A) above.

(3) It understands that the Senior Secured Notes will, unless otherwise agreed by the Company and the holder thereof, bear a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE HOLDER:

(1) REPRESENTS THAT (A) IT IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE “SECURITIES ACT”) (A “QIB”) OR (B) IT IS NOT A U.S. PERSON, IS NOT ACQUIRING THIS SECURITY FOR THE ACCOUNT OR FOR THE BENEFIT OF A U.S. PERSON AND IS ACQUIRING THIS SECURITY IN AN OFF-SHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT,

(2) AGREES THAT IT WILL NOT, WITHIN THE TIME PERIOD REFERRED TO UNDER RULE 144(d)(1) UNDER THE SECURITIES ACT AS IN EFFECT ON THE DATE OF THE TRANSFER OF THIS SECURITY RESELL OR OTHERWISE TRANSFER THIS SECURITY EXCEPT (A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, (B) TO A PERSON WHOM THE HOLDER REASONABLY BELIEVES IS A QIB PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB, IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT OR AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, (C) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (D) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE AND PROVIDED THAT PRIOR TO SUCH TRANSFER, THE COMPANY AND THE TRUSTEE ARE FURNISHED WITH AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY THAT SUCH TRANSFER IS IN COMPLIANCE WITH THE SECURITIES ACT) OR (E) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND, IN EACH CASE, IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, AND

(3) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY OR AN INTEREST HEREIN IS TRANSFERRED (OTHER THAN A TRANSFER PURSUANT TO CLAUSE (2)(D) OR (2)(E) ABOVE) A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

IN CONNECTION WITH ANY TRANSFER OF THIS SECURITY OR ANY INTEREST HEREIN WITHIN THE TIME PERIOD REFERRED TO ABOVE, THE HOLDER MUST CERTIFY TO THE TRUSTEE THE MANNER OF SUCH TRANSFER. AS USED HEREIN THE TERMS "OFFSHORE TRANSACTION," "UNITED STATES" AND "U.S. PERSON" HAVE THE MEANING GIVEN TO THEM BY RULE 902 OF REGULATION S UNDER THE SECURITIES ACT.

(4) If such purchaser is an acquirer in a transaction that occurs outside the United States within the meaning of Regulation S, you acknowledge that until the expiration of the "40-day distribution compliance period" within the meaning of Rule 903 of Regulation S under the Securities Act, any offer or sale of these Notes shall not be made by such purchaser to a U.S. person or for the account or benefit of a U.S. person within the meaning of Rule 902 under the Securities Act, except in compliance with applicable securities laws.

(5) It (a) is able to act on its own behalf in the transactions contemplated by this offering circular, (b) has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its prospective investment in the Senior Secured Notes, and (c) (or the account for which it is acting) has the ability to bear the economic risks of its prospective investment in the Senior Secured Notes and can afford the complete loss of such investment.

(6) It acknowledges that (a) none of the Company, the Trustee, the Initial Purchasers or any person acting on behalf of any of the foregoing has made any statement, representation or warranty, express or implied, to it with respect to the Company or the offer or sale of any Senior Secured Notes, other than the information we have included in this offering circular, and (b) any information it desires concerning the Company, the Senior Secured Notes or any other matter relevant to its decision to acquire the Senior Secured Notes (including a copy of the offering circular) is or has been made available to it.

(7) (a) Either (i) no portion of the assets used by it to purchase or hold the Senior Secured Notes or any interest therein constitutes assets of any (A) employee benefit plan that is subject to Title I of ERISA, (B) plan, individual retirement account or other arrangement that is subject to Section 4975 of the Code (plans subject to such sections of ERISA and the Code, "ERISA Plans") or provisions

under any other federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code (collectively, "Similar Laws"), or (C) entity whose underlying assets are considered to include "plan assets" of any such plan, account or arrangement or (ii) the purchase and holding of the Senior Secured Notes or any interest therein will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a similar violation under any applicable Similar Laws and (b) each purchaser or transferee that is or is acquiring a note or any interest therein with the assets of an ERISA Plan (including an entity whose assets are "plan assets" of an ERISA Plan) will be deemed to represent and warrant that none of the Company, the Guarantors and the Initial Purchasers ("Transaction Parties") nor any of their affiliates, has provided any investment recommendation or investment advice on which it, or any fiduciary or other person investing the assets of the ERISA Plan ("Plan Fiduciary"), has relied in connection with its decision to invest in the Senior Secured Notes, and they are not otherwise acting as a fiduciary, as defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the ERISA Plan or the Plan Fiduciary in connection with the ERISA Plan's acquisition of Senior Secured Notes; and (ii) the Plan Fiduciary is exercising its own independent judgment in evaluating the transaction.

(8) It acknowledges that the Trustee will not be required to accept for registration of transfer any Senior Secured Notes acquired by it, except upon presentation of evidence satisfactory to us and the Trustee that the restrictions set forth herein have been complied with.

CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES

The following is a summary of certain United States federal income tax consequences of the purchase, ownership and disposition of the Senior Secured Notes. This summary deals only with Senior Secured Notes that are held as capital assets by a U.S. holder or a non-U.S. holder (as each term is defined below) that acquires the Senior Secured Notes upon original issuance at their initial offering price.

A “U.S. holder” means a beneficial owner of the Senior Secured Notes that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation that is organized under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust that (i) is subject to the primary supervision of a court within the United States and under the control of one or more U.S. persons, or (ii) has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person.

A “non-U.S. holder” means a beneficial owner of the Senior Secured Notes (other than an entity treated as a partnership for United States federal income tax purposes) that is not, for United States federal income tax purposes, a U.S. holder.

This summary is based on provisions of the Internal Revenue Code of 1986, as amended (the “Code”), and regulations, rulings and judicial decisions as of the date hereof. Those authorities may be changed, perhaps retroactively, to result in United States federal income tax consequences different from those summarized below. This summary does not address all aspects of United States federal income taxes and does not deal with foreign, state, local or other tax considerations that may be relevant to U.S. holders or non-U.S. holders (collectively, “holders”) in light of their personal circumstances. In addition, it does not represent a detailed description of the applicable United States federal income tax consequences of holders that are subject to special treatment under United States federal income tax laws, such as financial institutions, regulated investment companies, real estate investment trusts, controlled foreign corporations, passive foreign investment companies, individual retirement and other tax deferred accounts, dealers or traders in securities or currencies, life insurance companies, S corporations, partnerships or other pass-through entities (or investors therein), tax-exempt organizations, U.S. expatriates, non-U.S. trusts and estates that have U.S. beneficiaries, persons holding Senior Secured Notes in an integrated or conversion transaction or as a position in a constructive sale or straddle, U.S. holders whose functional currency is other than the U.S. dollar, or accrual method taxpayers that for U.S. federal income tax purposes are required to accelerate the recognition of any item of gross income as to their Senior Secured Notes as a result of such income being recognized on an applicable financial statement. This summary also does not address U.S. federal estate and gift tax consequences.

If a partnership (or other entity treated as a partnership for United States federal income tax purposes) holds Senior Secured Notes, the tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership.

You should consult your own tax advisors concerning the United States federal income tax consequences of the purchase, ownership and disposition of the Senior Secured Notes, as well as the consequences arising under other United States federal tax laws and the laws of any other taxing jurisdiction.

Possible Alternative Treatment

We may be obligated to pay amounts in excess of the stated interest or principal on the Senior Secured Notes, as described under “Description of Senior Secured Notes—Repurchase at the Option of Holders—Change of Control” and “Description of Senior Secured Notes—Optional Redemption.” These potential payments may implicate the provisions of certain Treasury regulations relating to contingent payment debt instruments. Under the applicable Treasury regulations, certain contingencies do not cause a debt instrument to be treated as a contingent payment debt instrument if such contingencies, as of the date of issuance, are remote or incidental. We intend to take the position that the foregoing contingencies are remote or incidental, and, accordingly, we do not intend to treat the Senior Secured Notes as contingent payment debt instruments. Our position that such contingencies are remote or incidental is binding on a holder, unless such holder discloses its contrary position in the manner required by applicable Treasury regulations. Our position is not, however, binding on the Internal Revenue Service (the “IRS”). If the IRS were to challenge this position successfully, a U.S. holder might have inclusions in income that differ materially in timing or amount or be required to accrue ordinary interest income on the Senior Secured Notes at a rate in excess of the stated interest rate. In addition, holders may have to treat as ordinary interest income, rather than capital gain, any gain realized on the taxable disposition of Senior Secured Notes before the resolution of the contingency. The remainder of this discussion assumes the Senior Secured Notes will not be treated as contingent payment debt instruments. Holders should consult their own tax advisors regarding the possible application of the contingent payment debt instrument rules to the Senior Secured Notes.

Certain U.S. Federal Income Tax Considerations for U.S. Holders

Stated Interest

Any stated interest payments on Senior Secured Notes to a U.S. holder will be taxable as ordinary interest income at the time they accrue or are received, in accordance with the U.S. holder’s regular method of tax accounting for U.S. federal income tax purposes. It is expected, and the remainder of this discussion assumes, the Senior Secured Notes will not be issued with more than a de minimis amount of original issue discount or premium for U.S. federal income tax purposes.

Dispositions

Generally, a sale, exchange, redemption, retirement or other taxable disposition of Senior Secured Notes will result in taxable gain or loss to a U.S. holder equal to the difference, if any, between the amount realized on the disposition (excluding amounts attributable to any accrued and unpaid stated interest, which will be taxable as ordinary income to the extent not previously included in income) and the U.S. holder’s adjusted tax basis in the Senior Secured Notes. The amount realized will equal the sum of any cash and the fair market value of any other property received on the disposition. A U.S. holder’s adjusted tax basis in Senior Secured Notes will generally equal the cost of such Senior Secured Notes to such U.S. holder. Such gain or loss will generally be capital gain or loss and will be long-term capital gain or loss if the Senior Secured Notes are held for more than one year. Non-corporate U.S. holders may be taxed at favorable rates on long-term capital gains. The deductibility of capital losses is subject to limitations.

Net Investment Income Tax

Certain U.S. holders who are individuals, estates or trusts are required to pay an additional 3.8% tax on some or all of their net investment income in excess of certain threshold amounts. Net investment income will generally include interest on the Senior Secured Notes and capital gain from the sale or other taxable disposition of the Senior Secured Notes.

Certain U.S. Federal Tax Considerations for Non-U.S. Holders

Interest

Subject to the discussion below of backup withholding and FATCA (as defined below), U.S. federal income tax (including withholding tax) generally will not apply to a non-U.S. holder in respect of any payment of interest on the Senior Secured Notes, provided such payment is not effectively connected with such non-U.S. holder's conduct of a trade or business in the United States and such non-U.S. holder:

- does not own actually or constructively 10% or more of the total combined voting power of all classes of the voting stock of Amwins Group, Inc. within the meaning of section 871(h)(3) of the Code and the applicable Treasury regulations thereunder;
- is not a controlled foreign corporation that is related to Amwins Group, Inc. within the meaning of section 881(c)(3)(C) of the Code;
- is not a bank whose receipt of interest on the Senior Secured Notes is described in section 881(c)(3)(A) of the Code; and
- either (1) such non-U.S. holder provides identifying information (i.e., name and address) to the applicable withholding agent on IRS Form W-8BEN or W-8BEN-E (or successor form) and certifies, under penalty of perjury, that such non-U.S. Holder is not a U.S. person or (2) a financial institution holding the Senior Secured Notes on behalf of such non-U.S. holder certifies, under penalty of perjury, that it has received such a certification from the beneficial owner and, when required, provides the withholding agent with a copy. Special certification rules apply to non-U.S. holders that are pass-through entities rather than corporations or individuals.

If a non-U.S. holder does not satisfy the requirements described above, payments of interest made to such non-U.S. Holder will be subject to a 30% U.S. federal withholding tax, unless such non-U.S. Holder provides the applicable withholding agent with a properly executed (1) applicable IRS Form W-8BEN or W-8BEN-E (or successor form) claiming an exemption from or reduction in withholding under an applicable income tax treaty or (2) IRS Form W-8ECI (or successor form) stating that interest paid on the Note is not subject to withholding tax because it is effectively connected with such non-U.S. holder's conduct of a trade or business in the United States (in which case such interest will be subject to regular graduated U.S. tax rates as discussed below).

The certifications described above must be provided to the applicable withholding agent prior to the payment of interest and must be updated periodically. Non-U.S. holders that do not timely provide the applicable withholding agent with the required certification, but that qualify for a reduced rate under an applicable income tax treaty, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

Dispositions

Subject to the discussions of backup withholding and FATCA below, any gain realized on the sale, exchange, retirement or other taxable disposition of the Senior Secured Notes by a non-U.S. Holder generally will not be subject to United States federal income tax unless:

- the gain is effectively connected with the conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, is attributable to a United States permanent establishment) by the non-U.S. holder, in which case such gain will generally be subject to United States federal income tax (and possibly branch profits tax) as described above; or
- the non-U.S. holder is an individual who is present in the United States for 183 days or more in the taxable year of that disposition and certain other conditions are met, in which case, unless

an applicable income tax treaty provides otherwise, such non-U.S. holder will generally be subject to a 30% United States federal income tax on any gain recognized, which may be offset by certain United States source losses.

Effectively Connected Interest or Gain

If a non-U.S. holder is engaged in a trade or business in the United States and interest on the Senior Secured Notes or gain from the disposition of the Senior Secured Notes is effectively connected with the conduct of that trade or business (and, if an applicable income tax treaty requires, is attributable to a permanent establishment maintained by the non-U.S. holder), such non-U.S. holder will, subject to any applicable income tax treaty, be subject to U.S. federal income tax on such interest or gain on a net income basis in generally the same manner as if such non-U.S. holder were a U.S. holder. In addition, if such non-U.S. holder is a foreign corporation, it may be subject to a branch profits tax equal to 30% (or a lower applicable treaty rate) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments.

Information Reporting and Backup Withholding

U.S. Holders

A U.S. holder may be subject to information reporting and backup withholding (currently at the rate of 24%) as to payments of stated interest and payments of the gross proceeds from the sale or other taxable disposition (including a retirement or redemption) of the Senior Secured Notes. Certain U.S. holders (including corporations) are generally not subject to information reporting and backup withholding. A U.S. holder will be subject to backup withholding if such U.S. holder is not otherwise exempt and such U.S. holder:

- fails to furnish its correct taxpayer identification number (“TIN”), which, for an individual, is ordinarily his or her social security number;
- is notified by the IRS that it is subject to backup withholding because it has previously failed to properly report payments of interest or dividends;
- fails to certify, under penalties of perjury, that it has furnished a correct TIN and that the IRS has not notified the U.S. Holder it is subject to backup withholding; or
- otherwise fails to comply with applicable requirements of the backup withholding rules.

Non-U.S. Holders

In general, a non-U.S. holder will not be subject to backup withholding (currently at the rate of 24%) with respect to payments of interest if such non-U.S. holder provides to the applicable withholding agent the statement described above under “—Certain U.S. Federal Tax Considerations for Non-U.S. Holders—Interest” or the non-U.S. holder otherwise establishes an exemption, provided the applicable withholding agent does not have actual knowledge or reason to know such non-U.S. holder is a U.S. person. A non-U.S. holder may, however, be subject to information reporting requirements as to payments of interest on the Senior Secured Notes. Copies of information returns reporting such interest payments and any withholding may also be made available to the tax authorities in the country in which non-U.S. holder resides under the provisions of a treaty or agreement.

Proceeds from the sale, exchange, retirement, redemption or other taxable disposition of the Senior Secured Notes made to or through a foreign office of a foreign broker without certain specified connections to the United States will generally not be subject to information reporting or backup withholding. A non-U.S. holder may be subject to backup withholding and/or information reporting as to

the proceeds of the sale, exchange, retirement, redemption or other taxable disposition of Senior Secured Notes within the United States or conducted through certain U.S.-related financial intermediaries, unless the payor receives the statement described above under “—Certain U.S. Federal Tax Considerations for Non-U.S. Holders—Interest” and does not have actual knowledge or reason to know such non-U.S. holder is a U.S. person, or such non-U.S. holder otherwise establishes an exemption.

General—U.S. Holders and Non-U.S. Holders

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a credit against a holder’s U.S. federal income tax liability, and may entitle a holder to a refund, provided the required information is timely furnished to the IRS.

Additional Withholding Requirements

Under Sections 1471 through 1474 of the Code (commonly referred to as “FATCA”), a 30% United States federal withholding tax may apply to interest paid on the Senior Secured Notes and the gross proceeds from the disposition of Senior Secured Notes (unless the applicable withholding agent relies on proposed Treasury regulations that eliminate FATCA withholding on payments of gross proceeds), in each case paid to (i) a foreign financial institution (as specifically defined in the Code) that does not provide sufficient documentation, typically on IRS Form W-8BEN-E, evidencing either (x) an exemption from FATCA or (y) its compliance (or deemed compliance) with FATCA (which may alternatively be in the form of compliance with an intergovernmental agreement with the United States) in a manner that avoids withholding, or (ii) a non-financial foreign entity (as specifically defined in the Code) that does not provide sufficient documentation, typically on IRS Form W-8BEN-E, evidencing either (x) an exemption from FATCA or (y) adequate information regarding certain substantial United States beneficial owners of such entity. If an interest payment is both subject to withholding under FATCA and subject to the withholding tax discussed above under “—Certain U.S. Federal Tax Considerations for Non-U.S. Holders—Interest,” the withholding under FATCA may be credited against, and therefore reduce, such other withholding tax. You should consult your own tax advisors about these rules.

Under proposed Treasury Regulations, this withholding tax will not apply to the gross proceeds from the sale or other disposition of the Senior Secured Notes. The preamble to these proposed Treasury Regulations states that taxpayers may rely on them pending their finalization. Investors should consult their own tax advisors regarding these rules and whether they may be relevant to their ownership and disposition of the Senior Secured Notes.

PLAN OF DISTRIBUTION

The Company, the Guarantors and Goldman Sachs & Co. LLC, as representative of the Initial Purchasers named below, have entered into a purchase agreement with respect to the Senior Secured Notes. Subject to certain conditions, each Initial Purchaser has severally agreed to purchase the principal amount of Senior Secured Notes indicated in the following table.

<u>Initial Purchasers</u>	<u>Principal Amount of Senior Secured Notes</u>
Goldman Sachs & Co. LLC	\$
Barclays Capital Inc.	
J.P. Morgan Securities LLC	
Wells Fargo Securities, LLC	
Morgan Stanley & Co. LLC	
Total	<u>\$750,000,000</u>

The Initial Purchasers are committed to take and pay for all of the Senior Secured Notes being offered, if any are taken. The initial offering price is set forth on the cover page of this offering circular. After the Senior Secured Notes are released for sale, the Initial Purchasers may change the offering price and other selling terms. The offering of the Senior Secured Notes by the Initial Purchasers is subject to receipt and acceptance and subject to the Initial Purchasers' right to reject any order in whole or in part.

The Senior Secured Notes have not been and will not be registered under the Securities Act. Each Initial Purchaser has agreed that it will only offer or sell the Senior Secured Notes (A) to qualified institutional buyers in reliance on Rule 144A under the Securities Act, and (B) outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act. Terms used above have the meanings given to them by Rule 144A and Regulation S under the Securities Act. Sales of any Senior Secured Notes made outside of the United States may be made by affiliates of the Initial Purchasers.

In connection with sales outside the United States, the Initial Purchasers have agreed that they will not offer, sell or deliver the Senior Secured Notes to, or for the account or benefit of, U.S. persons (i) as part of the Initial Purchasers' distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering or the date the Senior Secured Notes are originally issued. The Initial Purchasers will send to each dealer to whom it sells such Senior Secured Notes during such 40-day period a confirmation or other notice setting forth the restrictions on offers and sales of the Senior Secured Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, with respect to Senior Secured Notes initially sold pursuant to Regulation S, until 40 days after the later of the commencement of this offering or the date the Senior Secured Notes are originally issued, an offer or sale of such Senior Secured Notes within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

The Company has agreed in the purchase agreement, subject to certain exceptions, that for a period of 120 days after the date of this offering circular, neither it, nor any of its subsidiaries or other affiliates over which it exercises management or voting control, nor any person acting on its behalf will, without the prior written consent of Goldman Sachs & Co. LLC, offer, sell, contract to sell or otherwise dispose of any securities that are substantially similar to the Senior Secured Notes.

The Senior Secured Notes are a new issue of securities with no established trading market. The Company has been advised by the Initial Purchasers that the Initial Purchasers intend to make a market in the Senior Secured Notes but are not obligated to do so and may discontinue market making at any time without notice. No assurance can be given as to the liquidity of the trading market for the Senior Secured Notes.

In connection with the offering, the Initial Purchasers may purchase and sell Senior Secured Notes in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the Initial Purchasers of a greater number of Senior Secured Notes than they are required to purchase in the offering. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the Senior Secured Notes while the offering is in progress.

The Initial Purchasers also may impose a penalty bid. This occurs when a particular Initial Purchaser repays to the Initial Purchasers a portion of the discount received by it because Goldman Sachs & Co. LLC or its affiliates have repurchased Senior Secured Notes sold by or for the account of such Initial Purchaser in stabilizing or short covering transactions.

These activities by the Initial Purchasers, as well as other purchases by the Initial Purchasers for their own accounts, may stabilize, maintain or otherwise affect the market price of the Senior Secured Notes. As a result, the price of the Senior Secured Notes may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the Initial Purchasers at any time. These transactions may be effected in the over-the-counter market or otherwise.

We expect that the delivery of the Senior Secured Notes will be made to investors on or about _____, 2024 which will be the _____ U.S. business day following the date of this offering circular (such settlement being referred to as “T+_____”). Under Rule 15c6-1 under the Exchange Act, trades in the secondary market are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Senior Secured Notes prior to the second U.S. business day before the settlement date will be required, by virtue of the fact that the Senior Secured 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 Senior Secured Notes who wish to trade the Senior Secured Notes prior to the second U.S. business day before the settlement date should consult their advisors.

The Company and the Guarantors have agreed to indemnify the several Initial Purchasers against certain liabilities, including liabilities under the Securities Act.

Notice to Prospective Investors in the European Economic Area

Prohibition of Sales to EEA Retail Investors

The Senior Secured 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, “MiFID II”); or (ii) a customer within the meaning of Directive 2016/97/EU (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, the “EU 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 Senior Secured Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Senior Secured Notes. Consequently, no key information document required by Regulation (EU) No. 1286/2014 (as amended, the “EU PRIIPs Regulation”) for offering or selling the Senior Secured Notes or otherwise making them available to retail investors in the EEA has been prepared and, therefore, offering or selling the Senior Secured Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation. This offering circular has been prepared on the basis that any offer of the Senior Secured 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 the Senior Secured Notes. This offering circular is not a prospectus for the purposes of the Prospectus Regulation.

Notice to Prospective Investors in the United Kingdom

Prohibition of Sales to UK Retail Investors

The Senior Secured 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 UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, the “EUWA”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the “FSMA”) and any rules or regulations made under the FSMA to implement 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 UK domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA (the “UK 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 Senior Secured Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Senior Secured Notes. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (as may be amended or superseded from time to time, the “UK PRIIPs Regulation”) for offering or selling the Senior Secured Notes or otherwise making them available to retail investors in the UK has been prepared and, therefore, offering or selling the Senior Secured Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation. This offering circular has been prepared and, therefore, offering or selling the Senior Secured Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation. This offering circular has been prepared on the basis that any offer of the Senior Secured Notes in the UK will be made pursuant to an exemption under the UK Prospectus Regulation and the FSMA from the requirement to publish a prospectus for offers of the Senior Secured Notes. This offering circular does not constitute a prospectus for the purposes of the UK Prospectus Regulation and is therefore not an approved prospectus for the purposes of, and as defined by, the UK Prospectus Regulation (or Section 85 of the FSMA) and has not been approved by the Financial Conduct Authority or any other competent authority.

In addition, this offering circular is for distribution only to persons who (i) 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”); (ii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc.”) of the Financial Promotion Order; (iii) are outside the UK; or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale

of any Senior Secured Notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “relevant persons”). This offering circular 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 Hong Kong

This offering circular has not been approved by or registered with the Securities and Futures Commission of Hong Kong or the Registrar of Companies of Hong Kong. The Senior Secured Notes will not be offered or sold in Hong Kong other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the Senior Secured Notes 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 securities laws of Hong Kong) has been issued or will be issued in Hong Kong or elsewhere other than with respect to Senior Secured Notes 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 and any rules made under that Ordinance.

Notice to Prospective Investors Singapore

This offering circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Senior Secured Notes may not be offered or sold or caused to be made the subject of an invitation for subscription or purchase, and neither this offering circular nor any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Senior Secured Notes may be circulated, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. Where the Senior Secured Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (i) 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
- (ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or trust has acquired the Senior Secured Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;

- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Solely for the purposes of its obligations pursuant to Sections 309(B)(1)(a) and 309(B)(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “SFA”), we have determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Senior Secured 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).

Notice to Prospective Investors Japan

The Senior Secured 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; the FIEA) and each Initial Purchaser has represented and agreed that it will not offer or sell any Senior Secured Note, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or 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, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Notice to Prospective Investors Canada

The Senior Secured Notes may be sold in Canada only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Senior Secured 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 circular (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor.

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 underwriter conflicts of interest in connection with this offering.

Other Relationships

The Initial Purchasers may offer and sell Senior Secured Notes through certain of their affiliates. The Initial Purchasers and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. An affiliate of Goldman Sachs & Co. LLC, one of the Initial Purchasers, is the Administrative Agent and the Collateral Agent under our credit agreement for our senior secured credit facilities. Certain of the Initial Purchasers and their respective affiliates have provided, and may in the future provide, a variety of these services to the Company and to persons and entities with relationships with the Company, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Initial Purchasers and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities or instruments of the Company (directly, as collateral securing other obligations or otherwise) or persons and entities with relationships with the Company. The Initial Purchasers and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long or short positions in such assets, securities and instruments.

LEGAL MATTERS

Robinson, Bradshaw & Hinson, P.A., Charlotte, North Carolina, will pass upon certain legal matters for us in connection with the offering of the Senior Secured Notes. Certain members of Robinson, Bradshaw & Hinson, P.A. beneficially owned less than 1% of the outstanding units of Amwins Holding as of the date of this offering circular. Milbank LLP will pass upon certain legal matters for the Initial Purchasers in connection with the offering of the Senior Secured Notes.

INDEPENDENT ACCOUNTANTS

The consolidated financial statements as of December 31, 2022 and 2021, and for each of the three years in the period ended December 31, 2022 included in this offering circular, have been audited by PricewaterhouseCoopers LLP, independent accountants, as stated in their report appearing herein.

WHERE YOU CAN FIND MORE INFORMATION

We are not currently subject to the information requirements of Sections 13(a) or 15(d) of the Exchange Act, and will not be subject to these requirements as a result of this offering. We have agreed, so long as we are not subject to these information requirements, to make available to holders and beneficial owners of the Senior Secured Notes and prospective purchasers designated by such holders and beneficial owners the information required to be delivered pursuant to the Indenture that will govern the Senior Secured Notes offered hereby and Rule 144A(d)(4) under the Securities Act in order to permit compliance with Rule 144A in connection with resales of such Senior Secured Notes.

You should rely only upon the information provided in this offering circular. We have not authorized anyone to provide you with different information. You should not assume that the information in this offering circular is accurate as of any date other than the date of this offering circular.

INDEX TO FINANCIAL STATEMENTS

	<u>Page</u>
<i>Audited Consolidated Financial Statements</i>	
Report of Independent Auditors	F-2
Consolidated Balance Sheets as of December 31, 2022 and 2021	F-4
Consolidated Statements of Operations for Years Ended December 31, 2022, 2021 and 2020	F-5
Consolidated Statements of Comprehensive Income for Years Ended December 31, 2022, 2021 and 2020	F-6
Consolidated Statements of Stockholders' Equity (Deficit) for Years Ended December 31, 2022, 2021 and 2020	F-7
Consolidated Statements of Cash Flows for Years Ended December 31, 2022, 2021 and 2020	F-8
Notes to Consolidated Financial Statements	F-9
<i>Unaudited Consolidated Financial Statements</i>	
Consolidated Balance Sheets at September 30, 2023 (Unaudited) and December 31, 2022	F-36
Consolidated Statements of Operations (Unaudited) for the Nine Months Ended September 30, 2023 and 2022	F-37
Consolidated Statements of Comprehensive Income (Unaudited) for the Nine Months Ended September 30, 2023 and 2022	F-38
Consolidated Statements of Stockholders' Deficit (Unaudited) for the Nine Months Ended September 30, 2023 and 2022	F-39
Consolidated Statements of Cash Flows (Unaudited) for the Nine Months Ended September 30, 2023 and 2022	F-40
Notes to Consolidated Financial Statements (Unaudited)	F-41

Report of Independent Auditors



Report of Independent Auditors

To the Management and Board of Directors of Amwins Group, Inc.

Opinion

We have audited the accompanying consolidated financial statements of Amwins Group, Inc. and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the related consolidated statements of operations, of comprehensive income, of stockholder's equity (deficit) and of cash flows for each of the three years in the period ended December 31, 2022, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1 to the consolidated financial statements, the Company changed the manner in which it accounts for leases in 2022. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

PricewaterhouseCoopers LLP, Two Commerce Square, 2001 Market Street, Suite 1800, Philadelphia, Pennsylvania 19103-7042
T: (267) 330 3000, www.pwc.com/us

Report of Independent Auditors (Continued)



Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue on auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises Management's Discussion and Analysis of Financial Condition and Results of Operations and an Adjusted and Pro Forma Adjusted EBITDA Reconciliation (not presented here), but does not include the consolidated financial statements and our auditors' report thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

PRICEWATERHOUSE COOPERS LLP

Philadelphia, Pennsylvania
April 6, 2023

AMWINS GROUP, INC. AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF AMERICAN WHOLESALE INSURANCE HOLDING
COMPANY, LLC)
CONSOLIDATED BALANCE SHEETS
December 31, 2022 and 2021

(in thousands of dollars, except share data)

	<u>2022</u>	<u>2021</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 529,242	\$ 321,434
Premium cash—restricted	1,437,604	1,258,964
Premiums receivable, net	2,494,555	2,104,585
Prepaid expenses and other current assets	220,206	204,756
Total current assets	4,681,607	3,889,739
Fixed assets, net	184,387	128,735
Goodwill	1,603,140	1,582,533
Other identifiable intangible assets, net	740,117	791,788
Right of use assets	163,141	—
Other noncurrent assets	221,859	45,450
Total assets	<u>\$7,594,251</u>	<u>\$6,438,245</u>
Liabilities and Stockholder's Deficit		
Current liabilities		
Current portion of long-term debt	\$ 18,111	\$ 18,111
Premiums payable	3,227,550	2,792,189
Other current liabilities	713,854	601,586
Total current liabilities	3,959,515	3,411,886
Long-term debt, net	3,276,644	3,294,677
Operating lease liability	168,716	—
Other noncurrent liabilities	317,651	298,776
Total liabilities	<u>7,722,526</u>	<u>7,005,339</u>
Stockholder's Deficit		
Amwins Group, Inc. stockholder's deficit		
Common stock, \$.01 par value; 28,000,000 authorized, 25,753,786		
and 25,588,368 issued and outstanding	245	244
Distributions in excess of capital	(540,466)	(641,752)
Accumulated other comprehensive income (loss)	62,985	(4,866)
Retained earnings	340,565	70,910
Total Amwins Group, Inc. stockholder's deficit	(136,671)	(575,464)
Noncontrolling interests	8,396	8,370
Total stockholder's deficit	<u>(128,275)</u>	<u>(567,094)</u>
Total liabilities and stockholder's deficit	<u>\$7,594,251</u>	<u>\$6,438,245</u>

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

AMWINS GROUP, INC. AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF AMERICAN WHOLESALE INSURANCE HOLDING
COMPANY, LLC)
CONSOLIDATED STATEMENTS OF OPERATIONS
Years Ended December 31, 2022, 2021 and 2020

(in thousands of dollars)

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Revenues			
Commissions and fees	\$2,078,414	\$1,771,099	\$1,384,220
Other income	99,450	70,622	100,753
Total revenues	<u>2,177,864</u>	<u>1,841,721</u>	<u>1,484,973</u>
Expenses			
Employee compensation and benefits	1,314,530	1,078,893	867,543
Other operating expense	196,161	179,223	158,345
Gain on disposal	—	—	(203,076)
Depreciation and amortization of intangible assets	123,886	108,924	82,514
Total operating expenses	<u>1,634,577</u>	<u>1,367,040</u>	<u>905,326</u>
Operating income	543,287	474,681	579,647
Interest expense	148,248	135,993	136,936
Loss on extinguishment of debt	—	42,384	—
Nonoperating expense	1,374	7,254	482
Income before income taxes	393,665	289,050	442,229
Income tax expense	120,194	84,755	125,885
Net income	<u>273,471</u>	<u>204,295</u>	<u>316,344</u>
Less: Net income attributable to noncontrolling interests	3,816	5,499	4,295
Net income attributable to Amwins Group, Inc.	<u>\$ 269,655</u>	<u>\$ 198,796</u>	<u>\$ 312,049</u>

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

AMWINS GROUP, INC. AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF AMERICAN WHOLESALE INSURANCE HOLDING
COMPANY, LLC)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Years Ended December 31, 2022, 2021 and 2020

<i>(in thousands of dollars)</i>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Net income	\$273,471	\$204,295	\$316,344
Other comprehensive income (loss), net of taxes			
Net gain (loss) on cash-flow hedging derivative, net of tax of \$27,946, \$6,385, and (\$2,176)	83,598	18,602	(4,956)
Foreign currency translation adjustments, net of tax of \$(2, 123), \$(97), and \$183	(15,555)	(4,139)	2,705
Other	9	(43)	(87)
Other comprehensive income (loss), net of taxes	<u>68,052</u>	<u>14,420</u>	<u>(2,338)</u>
Total comprehensive income	341,523	218,715	314,006
Less: Comprehensive income attributable to noncontrolling interests	<u>4,017</u>	<u>3,198</u>	<u>3,607</u>
Total comprehensive income attributable to Amwins Group, Inc.	<u>\$337,506</u>	<u>\$215,517</u>	<u>\$310,399</u>

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

AMWINS GROUP, INC. AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF AMERICAN WHOLESAL INSURANCE HOLDING COMPANY, LLC)
CONSOLIDATED STATEMENTS OF STOCKHOLDER'S EQUITY (DEFICIT)
Years Ended December 31, 2022, 2021 and 2020

	Common Stock		Distributions	Accumulated	Retained	Total Amwins	Noncontrolling	Total
	Shares	Par Value	in Excess of Capital	Other Comprehensive (Loss) Income	Earnings	Group, Inc. Stockholder's Equity (Deficit)	Interests	Stockholder's Equity (Deficit)
<i>(in thousands of dollars, except share data)</i>								
Balances, December 31, 2019	21,092,323	\$200	\$(207,091)	\$(19,937)	\$ 281,261	\$ 54,433	\$ 9,547	\$ 63,980
Net income	—	—	—	—	312,049	312,049	4,295	316,344
Other comprehensive loss	—	—	—	(1,650)	—	(1,650)	(688)	(2,338)
Issuance of common stock for contingent consideration on prior acquisitions	33,328	—	12,477	—	—	12,477	—	12,477
Issuance of common stock and exercise of warrant	1,574,713	16	1,476	—	—	1,492	—	1,492
Repurchase of stock options	—	—	(2,432)	—	—	(2,432)	—	(2,432)
Share based compensation expense	—	—	27,302	—	—	27,302	—	27,302
Dividends declared	—	—	(634,880)	—	(414,842)	(1,049,722)	(3,443)	(1,053,165)
Other	61,757	—	(617)	—	—	(617)	(542)	(1,159)
Balances, December 31, 2020	22,762,121	216	(803,765)	(21,587)	178,468	(646,668)	9,169	(637,499)
Net income	—	—	—	—	198,796	198,796	5,499	204,295
Other comprehensive income	—	—	—	16,721	—	16,721	(2,301)	14,420
Issuance of common stock for acquisitions and contingent consideration on prior acquisitions	2,722,531	27	571,115	—	—	571,142	—	571,142
Issuance of common stock and exercise of warrant	62,561	1	2,676	—	—	2,677	—	2,677
Repurchase of stock options	—	—	(4,192)	—	—	(4,192)	—	(4,192)
Share based compensation expense	—	—	37,695	—	—	37,695	—	37,695
Dividends declared	—	—	(443,568)	—	(306,354)	(749,922)	(2,727)	(752,649)
Other	41,155	—	(1,713)	—	—	(1,713)	(1,270)	(2,983)
Balances, December 31, 2021	25,588,368	244	(641,752)	(4,866)	70,910	(575,464)	8,370	(567,094)
Net income	—	—	—	—	269,655	269,655	3,816	273,471
Other comprehensive income	—	—	—	67,851	—	67,851	201	68,052
Issuance of common stock for acquisitions and contingent consideration on prior acquisitions	27,487	—	8,140	—	—	8,140	—	8,140
Issuance of common stock and exercise of warrant	102,749	1	620	—	—	621	—	621
Repurchase of stock options	—	—	(4,078)	—	—	(4,078)	—	(4,078)
Share based compensation expense	—	—	98,487	—	—	98,487	—	98,487
Dividends declared	—	—	—	—	—	—	(3,982)	(3,982)
Other	35,182	—	(1,883)	—	—	(1,883)	(9)	(1,892)
Balances, December 31, 2022	25,753,796	\$245	\$(540,466)	\$ 62,985	\$ 340,565	\$ (136,671)	\$ 8,396	\$ (128,275)

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

AMWINS GROUP, INC. AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF AMERICAN WHOLESALE INSURANCE HOLDING
COMPANY, LLC)
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended December 31, 2022, 2021 and 2020

(in thousands of dollars)

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Cash flows from operating activities			
Net income	\$ 273,471	\$ 204,295	\$ 316,344
Adjustments to reconcile net income to net cash provided by operating activities			
Amortization of intangible assets	72,186	66,061	46,242
Depreciation	51,700	42,863	36,272
Gain on disposal	—	—	(203,076)
Share based compensation expense	98,487	37,695	27,945
Deferred income taxes	(2,914)	5,192	1,683
Other	6,090	13,218	6,945
Changes in operating assets and liabilities			
Premiums receivable	(436,684)	(330,587)	(215,669)
Prepaid expenses and other current assets	(26,547)	1,530	(9,324)
Other noncurrent assets	(63,777)	1,588	(12,674)
Premiums payable	492,149	455,770	262,206
Other current liabilities	86,250	29,395	121,694
Other noncurrent liabilities	20,783	2,491	5,519
Net cash provided by operating activities	<u>571,194</u>	<u>529,511</u>	<u>384,107</u>
Cash flows from investing activities			
Cash paid for acquisition of businesses, net of cash and restricted cash acquired of \$5,601, \$102,841 and \$4,694	(31,767)	(288,452)	1,483
Proceeds from disposal, net of cash and restricted cash disposed of \$38,818	—	—	226,180
Purchases of property and equipment	(75,071)	(52,144)	(57,229)
Other	(524)	3,316	3,342
Net cash (used in) provided by investing activities	<u>(107,362)</u>	<u>(337,280)</u>	<u>173,776</u>
Cash flows from financing activities			
Issuance of common stock	621	2,676	1,239
Payment of earnouts	(8,267)	(21,089)	(26,784)
Repurchase/exercise of stock options	(4,078)	(4,192)	(2,432)
Repayments on capital lease obligations	(3,485)	(2,859)	(2,460)
Deferred financing fees	—	(17,450)	(14,265)
Dividends paid	(15,991)	(766,010)	(997,739)
Borrowings on long-term debt	—	3,372,520	304,540
Repayments on long-term debt	(25,965)	(2,655,451)	(19,651)
Net cash used in financing activities	<u>(57,165)</u>	<u>(91,855)</u>	<u>(757,552)</u>
Effect of exchange rates changes on cash, cash equivalents and restricted cash	(20,219)	(5,813)	7,751
Net increase (decrease) in cash, cash equivalents and restricted cash	<u>386,448</u>	<u>94,563</u>	<u>(191,918)</u>
Cash, cash equivalents and restricted cash			
Beginning of period	<u>1,580,398</u>	<u>1,485,835</u>	<u>1,677,753</u>
End of period	<u>\$1,966,846</u>	<u>\$ 1,580,398</u>	<u>\$1,485,835</u>
Supplemental disclosures of cash flow information			
Cash paid for			
Income taxes	\$ 109,810	\$ 143,869	\$ 67,753
Interest	138,611	152,207	124,412
Supplemental disclosures of noncash transactions			
Issuance of common stock and warrant for acquisitions and contingent consideration on prior acquisitions	8,140	571,142	12,477

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

AMWINS GROUP, INC. AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF AMERICAN WHOLESALE INSURANCE HOLDING
COMPANY, LLC)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022, 2021 and 2020

1. Summary of Significant Accounting Policies

General

The operations of Amwins Group, Inc. and its subsidiaries (the “Company”) consist primarily of wholesale distribution of specialty insurance products through retail agents and brokers in the United States of America and abroad. The operating companies conduct business in the capacity of wholesale insurance brokers, managing general underwriters and third-party administrators.

The Company reports its results of operations through the following six segments: Amwins Brokerage, which distributes a broad range of property and casualty (“P&C”) insurance products nationally to retail insurance agents and brokers; Amwins Access, which distributes small business and personal lines P&C insurance products nationally, primarily through binding authority contracts where the insurance company has contracted with the Company to underwrite and distribute these policies on their behalf; Specialty Underwriting, which is comprised of numerous insurance programs for specific industry classes, trade groups and niche insurance products, and where the insurance company has contracted with the Company to provide the underwriting services for these programs on their behalf; Amwins Group Benefits, which distributes a range of specialty group benefit products to employer groups or associations nationally through retail insurance agents and brokers and also provides related administrative services to carriers; Amwins International, which distributes specialty insurance and reinsurance products to clients worldwide through offices in 12 countries in Europe, Latin America, Bermuda and Asia and operates a leading Lloyd’s brokerage operation in London; and Group Support which provides management and administrative services to support the Company.

Basis of Presentation

American Wholesale Insurance Holding Company, LLC (“Holdco”) owns all of the outstanding capital stock of the Company. There are no operating activities at Holdco. For substantially all equity transactions of Holdco, including equity instruments issued as compensation and units issued as consideration for business combinations, Holdco and the Company enter into contemporaneous equity transactions in which the Company issues common shares or other equity interests to Holdco valued at the same value as Holdco’s equity transactions. The accompanying Consolidated Statements of Stockholder’s Equity reflect the equity transactions between Holdco and the Company that resulted from Holdco’s equity transactions with employees and third parties.

In April 2015, Public Sector Pension Investment Board (“PSP”), a Canadian pension investment manager, acquired approximately 31% of Holdco’s equity (the “PSP Recapitalization”) primarily from New Mountain Capital, LLC (“NMC”) and the employee and other unit holders of Holdco. Since PSP only acquired approximately 31% of the equity of the Company, push-down accounting was not permitted at that time. Therefore, stockholder’s equity was not written up to fair value at the time of this recapitalization.

In November 2016, a private equity fund managed by Dragoneer Investment Group, LLC (“Dragoneer”) acquired all of NMC’s remaining holdings in Holdco. Since Dragoneer only acquired approximately 35% of the equity of the Company, push-down accounting was not permitted at that time. Therefore, stockholder’s equity was not written up to fair value at the time of this transaction.

AMWINS GROUP, INC. AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF AMERICAN WHOLESALE INSURANCE HOLDING
COMPANY, LLC)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022, 2021 and 2020

These financial statements have been prepared on a going concern basis. The stockholder's deficit at December 31, 2022 is the result of the prescribed accounting related to the recapitalization transactions described above. The Company generated operating income for the years ended December 31, 2022, 2021 and 2020, is in compliance with its debt covenants as of December 31, 2022 and expects to remain in compliance with the covenants during 2023.

Certain amounts reported in prior years in the financial statements have been reclassified to conform to the current year's presentation.

Use of Estimates

The Consolidated Financial Statements are prepared in accordance with accounting principles generally accepted in the United States. The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates. Estimates are used when accounting for various items, such as the provision for cancellations, valuation of derivative financial instruments and related hedge designation, valuation of intangible assets, valuation of asset impairment, depreciation, amortization, loss reserves related to rent-a-captive arrangements, income taxes, the valuation of earnout obligations and the valuation and recognition of equity-based compensation.

Consolidation

The accompanying Consolidated Financial Statements include the Company and its majority owned subsidiaries (50% or greater ownership). Investments in partially owned entities in which the Company's ownership is less than 50% and for which it has the ability to exercise significant influence over operating and financing decisions and is not the primary beneficiary are accounted for using the equity method of accounting. Investments in unconsolidated entities are included in other assets, and the Company's share of income or loss is recorded in other income. The Company records income attributable to noncontrolling interest in the Consolidated Statements of Operations for any non-owned portion of consolidated subsidiaries. Noncontrolling interest is recorded within the equity section, but separate from Amwins Group, Inc.'s equity on the Consolidated Balance Sheets. All significant intercompany transactions are eliminated through consolidation.

In the preparation of the Consolidated Financial Statements as of December 31, 2022, the Company evaluated all material subsequent events or transactions that occurred after the balance sheet date through the date on which the financial statements were available to be issued, which was April 6, 2023, for potential recognition in the Company's Consolidated Financial Statements and/or disclosure in the notes thereto.

Revenue Recognition

Commission income and fees from the sale of property and casualty insurance products are recorded as of the effective date of the insurance coverage or the date the coverage is bound, whichever is later, as the performance obligation to arrange the specified service is satisfied.

AMWINS GROUP, INC. AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF AMERICAN WHOLESALE INSURANCE HOLDING
COMPANY, LLC)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022, 2021 and 2020

Commission adjustments are recognized upon notification from insurance carriers and recorded in the period in which the policy is endorsed or cancelled. Commission income and fees from the sale of benefits insurance products are recognized as earned over the policy period, which typically corresponds to the monthly billing cycle based on eligibility. The Company carries a reserve for policy cancellations which is periodically evaluated and adjusted as necessary based upon historical cancellation experience. The provision for cancellations and allowance for uncollectible premiums was \$30.7 million and \$29.5 million at December 31, 2022 and 2021, respectively. Commission revenue is reported net of commission expense incurred to the retail brokers and agents which is recognized on the same basis as the Company's revenue.

Other income includes contingent commissions, interest income and miscellaneous income, net of contingent commissions paid and payable to the Company's retail producers. Contingent commissions are recognized to the extent future reversal is not probable. Variable consideration from carriers is estimated on a contract-by-contract basis. Those guaranteed as a set percentage of premium are accrued monthly over the contract period. Those based on volume of business or percentage of growth and those based on the underlying profitability of the business are estimated and recognized when it is probable that a significant reversal in revenue previously recognized will not occur. Contingent commission expense due to the Company's retail producers is generally recognized based on the timing of the revenue earned from placing business for these retailers.

Interest income is recorded as earned. The Company earns interest income on the premiums between the time they are collected from retail agents and brokers and the time they are remitted to the insurance carriers. This activity is part of the normal operations and accordingly is reported in revenues. Miscellaneous income includes underwriting income from rent-a-captive arrangements and other miscellaneous income.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Premium Cash—Restricted

In its capacity as an insurance broker, the Company collects premiums from insureds and, after deducting its commissions and/or fees, remits these premiums to insurance carriers. Unremitted insurance premiums are held in a fiduciary capacity until disbursed by the Company and are restricted as to use by laws in the states and foreign jurisdictions in which the Company's subsidiaries operate. The Company invests these funds in cash and money market accounts.

Premiums Receivable

Premiums receivable consist of amounts due from retail insurance agents and brokers for insurance policies sold. Premium receivables are not collateralized; however, the Company can request cancellation from the insurer if amounts are not paid and therefore has minimal credit risk for uncollected premiums receivable. Premiums receivable are presented net of the provision for cancellations and allowance for uncollectible premiums receivable.

AMWINS GROUP, INC. AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF AMERICAN WHOLESALE INSURANCE HOLDING
COMPANY, LLC)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022, 2021 and 2020

Premiums Payable

Premiums payable represent amounts due to insurance carriers for their portion of insurance premiums, net of the commissions to the retail agent and the Company. Premiums payable are recognized when the related premiums receivable are recognized. The Company generally remits payment to insurance carriers when the related amounts are collected from retail insurance agents and brokers or policyholders.

Fixed Assets

Fixed assets are carried at cost, less accumulated depreciation, in the accompanying Consolidated Balance Sheets. The Company periodically reviews long-lived assets for impairment whenever events or changes in business circumstances indicate that the carrying value of the assets may not be recoverable. Under those circumstances, if the fair value were less than the carrying amount of the asset, a loss would be recognized for the difference. Depreciation for fixed assets is computed using the straight-line method over the following estimated useful lives:

<u>Class of asset</u>	<u>Useful life</u>
Computer and office equipment	3 to 5 years
Software	3 to 5 years
Furniture and fixtures	3 to 5 years
Leasehold improvements	Shorter of the lease term or useful life of the asset

Software includes the cost of developed software to be used internally. The Company expenses all internal-use software costs incurred in the preliminary project stage and capitalizes certain direct costs associated with the development and purchase of internal-use software within fixed assets. The Company has capitalized \$23.2 million, \$14.3 million and \$12.8 million of such costs during 2022, 2021 and 2020, respectively.

Goodwill and Other Intangible Assets

Goodwill represents the excess purchase price paid for acquired businesses over the estimated fair value of the identifiable assets and liabilities. Goodwill and intangible assets that are not subject to amortization are tested for impairment annually, or more frequently if events or changes in circumstances indicate that the asset might be impaired. The Company classifies goodwill and certain trade names as indefinite lived intangible assets not subject to amortization.

The Company reviews for goodwill impairment by first assessing qualitative factors to determine whether any impairment may exist. If the Company believes, as a result of the qualitative assessment, that it is more likely than not that the fair value of the reporting unit is less than its carrying value, a quantitative two-step test is required; otherwise, no further testing is required. For the quantitative test, the Company compares the fair value of each reporting unit with its carrying value to determine if there is a potential impairment of goodwill. Based on the aggregation of its business components, the Company's reporting units correspond to its reportable segments as defined above. If the fair value of the reporting unit is less than its carrying value, an impairment loss would be recorded to the extent that the fair value of the goodwill within the reporting unit is less than its carrying value. Fair value is

AMWINS GROUP, INC. AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF AMERICAN WHOLESALE INSURANCE HOLDING
COMPANY, LLC)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022, 2021 and 2020

estimated using an income and market approach which includes consideration of multiples of revenues, earnings before interest, income taxes, depreciation and amortization ("EBITDA") and estimated discounted future cash flows.

No goodwill impairment was recorded during the years ended December 31, 2022, 2021 or 2020. The Company performed a qualitative analysis as of December 31, 2022, 2021 and 2020, which did not indicate that it was more likely than not that the carrying values of the reporting units exceeded fair value.

For non amortizable trade names, the Company reviews for impairment by first assessing qualitative factors to determine whether any impairment may exist. If the Company believes, as a result of the qualitative assessment, that it is more likely than not that the fair value of the nonamortizable trade name is less than its carrying value, a quantitative two-step test is required; otherwise, no further testing is required. For the quantitative test, the Company compares the fair value of the nonamortizable trade name with its carrying value to determine if there is a potential impairment. If the estimated fair value is less than the carrying amount of the nonamortizable trade name, then an impairment charge is recorded to reduce the asset to its estimated fair value. The estimated fair value is determined on the basis of discounted future cash flows.

No nonamortizable trade name impairment was recorded during the years ended December 31, 2022, 2021 or 2020. The Company performed a qualitative analysis as of December 31, 2022, 2021 and 2020, which did not indicate that it was more likely than not that the carrying values of the nonamortizable trade name exceeded fair value.

Other identifiable intangible assets include purchased customer relationships, carrier relationships, trade names and noncompete agreements. Purchased customer relationships are amortized based on the expected undiscounted cash flows over the related estimated lives and contract periods, which range from 6 to 20 years. Trade names and noncompete agreements are amortized using the straight-line method over their estimated useful lives (5 to 8 years for trade names and 3 to 5 years for noncompete agreements). Purchased carrier relationships are being amortized on a straight-line basis over the related estimated life of 40 years. Purchased customer relationships obtained from acquired businesses are records and files that contain information regarding retail insurance customers and their accounts that are essential to maintaining that relationship. Purchased carrier relationships represent the estimated value of the program management services contract between the Company and a mutual insurance company. The Company expects the cash flows associated with the purchased carrier relationship to continue for a minimum of 40 years. Intangible assets with finite lives are periodically reviewed to ensure that no conditions exist indicating they may be impaired. No impairments have been recorded for the years ended December 31, 2022, 2021 or 2020.

Equity-Based Compensation

Equity-based compensation cost is measured at the grant date based on the fair value of the award and is recognized as expense on a straight-line basis over the requisite service period, which is the vesting period. If the vesting terms are not met, no compensation cost is recognized and any previously recognized compensation cost is reversed. The Company uses the "modified prospective"

AMWINS GROUP, INC. AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF AMERICAN WHOLESALE INSURANCE HOLDING
COMPANY, LLC)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022, 2021 and 2020

method to account for equity-based compensation. The Company uses the alternative transition method to determine the accounting of the income tax effects of payments made related to stock-based compensation.

The fair value of common stock for options granted was estimated by management using a market-based valuation methodology. A market approach was generally used to estimate the Company's enterprise value by using adjusted EBITDA multiplied by relevant market multiples. The Company did not obtain contemporaneous valuations by an unrelated valuation specialist because the Company had a reliable measure of fair value as a result of acquisitions and market transactions, negotiated at arm's-length prices with third parties throughout the period, which included equity consideration, to support the fair value of its common stock.

Derivatives

The Company recognizes all of its derivative instruments as either assets or liabilities in the balance sheet at fair value. Gains and losses resulting from changes in fair value must be recognized currently in earnings unless specific hedge criteria are met. If a derivative is designated as a hedge, depending upon the nature of the hedge, a change in its fair value is either offset against the change in the fair value of the hedged assets, liabilities, or firm commitments through earnings or recognized in accumulated other comprehensive income ("AOCI") until the hedged item is recognized in earnings. Any difference between fair value of the hedge and the item being hedged, known as the ineffective portion, is immediately recognized in earnings in other operating expense.

Income Taxes

The Company records income tax expense using the asset and liability method of accounting for deferred income taxes. Deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities. Deferred tax assets and liabilities at the end of each period are determined using the currently enacted tax rate expected to be in effect when taxes are actually paid or recovered.

Valuation allowances may be recorded to reduce deferred tax assets to the amounts management concludes are more likely than not to be realized.

The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such positions are then measured based on the largest benefit that has a greater than 50% likelihood of being realized upon settlement. See Note 9 for additional information.

AMWINS GROUP, INC. AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF AMERICAN WHOLESALE INSURANCE HOLDING
COMPANY, LLC)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022, 2021 and 2020

Fair Value of Financial Instruments

Fair value accounting establishes a framework for measuring fair value, which is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). This framework includes a fair value hierarchy that prioritizes the inputs to the valuation technique used to measure fair value.

The classification of a financial instrument within the valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability on the measurement date. The three levels of the hierarchy in order of priority of inputs to the valuation technique are defined as follows:

- | | |
|---------|---|
| Level 1 | Valuation is based upon quoted prices for identical instruments traded in active markets. Level 1 assets and liabilities include equity securities traded in an active exchange market. |
| Level 2 | Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities. |
| Level 3 | Valuation is determined using model-based techniques with significant assumptions not observable in the market. These unobservable assumptions reflect the Company's own estimates of assumptions that market participants would use in pricing the asset or liability. Valuation techniques include the use of third-party pricing services, option pricing models, discounted cash flow models and similar techniques |

The carrying amount of cash and cash equivalents, premium cash, premiums receivable, premiums payable and accounts payable and accrued expenses approximate fair value as of December 31, 2022 and 2021, due to the short maturity of these instruments. Fair value information for the Company's debt and derivatives is disclosed in Notes 7 and 8, respectively.

Foreign Currency

The functional currency for most of the Company's foreign operations is the applicable local currency. For those operations, assets and liabilities are translated into U.S. Dollars using period-end exchange rates, income and expenses are translated at average monthly exchange rates and equity accounts are translated at historical rates. Net changes resulting from such translations are recorded as a component of translation adjustments in other comprehensive income on the Company's Consolidated Balance Sheets.

Foreign currency transactions are transactions denominated in a currency other than the entity's functional currency. At each balance sheet date, each entity remeasures the recorded balances related to foreign-currency transactions using the period-end exchange rate. Gains or losses arising from the remeasurement of these balances are recorded in other operating expense in the Consolidated Statements of Operations. Certain intercompany loans are determined not to be of a long-term investment nature. The Company records foreign currency gains and losses from such loans in the Statements of Operations.

AMWINS GROUP, INC. AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF AMERICAN WHOLESALE INSURANCE HOLDING
COMPANY, LLC)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022, 2021 and 2020

Recently Issued Accounting Pronouncements

Changes to accounting principles generally accepted in the United States of America (U.S. GAAP) are established by the FASB in the form of accounting standards updates (ASU's) to the FASB's Accounting Standards Codification.

The Company considers the applicability and impact of all ASU's. ASU's not listed below were assessed and determined to be either not applicable or are expected to have minimal impact on the Company's consolidated financial position and results of operations.

In March 2020, the FASB issued new accounting guidance related to reference rate reform. This ASU provides practical expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. This ASU is effective immediately and may be applied prospectively to contract modifications made and hedging relationships entered into or evaluated on or before December 31, 2024. The Company expects to adopt this standard during the second quarter of 2023. This ASU is not expected to have a material impact on the Company's Consolidated Financial Statements.

Recently Adopted Accounting Pronouncements

In February 2016, the FASB issued new accounting guidance related to leases, which requires that the Company recognize the assets and liabilities for the rights and obligations created by leased assets. The new guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018 for public companies and December 15, 2021 for private entities. The Company adopted this new accounting guidance effective January 1, 2022 using the modified retrospective method; thus prior period information will not be restated.

A lease is defined as a contract that conveys the right to control the use of an asset for a period of time in exchange for consideration. Leases are classified as finance leases if the lease transfers ownership, has a purchase option, is for a majority of the asset's underlying life or the total present value of lease payments is substantially all the fair value of the asset. All other leases are classified as operating leases. The Company's computer equipment leases are deemed finance leases. Lease liabilities are the present value of the remaining future fixed payments over the lease term using the Company's incremental borrowing rate at the time of the lease commencement. Options to extend leases are not included in the lease term until the Company is reasonably certain those options will be exercised. The incremental borrowing rate is the rate of interest the Company would have to pay to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment. Right of use assets are the initial amount of the lease liability, plus any initial direct costs incurred, less lease incentives received. Any variable lease payments are recognized when incurred.

The Company has elected the package of practical expedients which permits us not to reassess our prior conclusions about lease identification, lease classification and initial direct costs. We also elected the practical expedients to not separate lease and non-lease components, to use hindsight when determining lease terms and to not recognize right-of-use assets and lease liabilities for short term leases.

AMWINS GROUP, INC. AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF AMERICAN WHOLESALE INSURANCE HOLDING
COMPANY, LLC)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022, 2021 and 2020

Upon the adoption of this new guidance, the Company recognized a lease liability of approximately \$183 million and a corresponding right-of-use asset of approximately \$156 million, including the reclassification of approximately \$27 million of unamortized lease incentives.

2. Acquisitions and Disposals

The acquisitions described below were recorded by allocating the cost of the assets acquired and liabilities assumed, based on their estimated fair values as of the date of the respective acquisition. The excess of the cost of the acquisition over the net of amounts assigned to the fair value of the assets acquired and the liabilities assumed was recorded as goodwill.

The purchase prices for acquisitions may include varying combinations of common units of Holdco, cash funded by our existing cash flow and borrowings under our senior secured revolving credit facility and, for certain of these acquisitions, an obligation to pay earn-out payments in common units, cash or both.

2022 Acquisitions

During 2022, we acquired two books of business (customer accounts) and all the equity of Business Risk Partners, LLC, a managing general underwriter and program administrator that provides specialty commercial insurance products. The aggregate purchase price for these acquisitions was approximately \$49.1 million.

Depending on the acquisition date and the complexity of the underlying valuation work, certain amounts included in the Company's Consolidated Financial Statements may be provisional and thus subject to further adjustments within the permitted measurement period. The Company continues to evaluate certain assets and liabilities related to acquisitions completed during the recent periods. Changes to amounts recorded as assets or liabilities may result in a corresponding adjustment to goodwill.

2021 Acquisitions

During 2021, the Company acquired two books of businesses (customer accounts) and all the equity or assets of four businesses: Worldwide Facilities Holdings LLC, a wholesale insurance distribution business (April 1, 2021); Equisure, Inc, a general agent specializing in insurance for equine and canine risk in which we had a 50% interest prior to the acquisition (April 30, 2021); CBIZ M.T. Donahoe & Associates, LLC, a general agent specializing in employee and individual benefits and services (June 1, 2021); and National Truck Underwriting Managers, LLC, a wholesale insurance broker specializing in insurance products for companies operating in the trucking business (August 1, 2021). The aggregate purchase price for these acquisitions was approximately \$977.2 million in cash and equity, including our estimated earn-out obligations.

AMWINS GROUP, INC. AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF AMERICAN WHOLESALE INSURANCE HOLDING
COMPANY, LLC)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022, 2021 and 2020

The following table summarizes the estimated fair values of the aggregate assets and liabilities acquired as of the date of the acquisitions:

(in thousands of dollars)

Cash	\$ 33,706
Premium cash—restricted	69,136
Premiums receivable, net	142,715
Other current assets	10,979
Property and equipment	4,032
Other noncurrent assets	1,602
Goodwill	583,266
Customer relationships	448,119
Noncompete agreements	1,823
Tradename	6,522
Total assets acquired	<u>\$1,301,900</u>
Premiums payable	(208,094)
Other current liabilities	(30,625)
Deferred tax liability	(85,901)
Other noncurrent liabilities	(38)
Total liabilities assumed	<u>(324,658)</u>
Net assets acquired	<u>\$ 977,242</u>

2020 Acquisition

During 2020, the Company acquired a property and casualty wholesale insurance/reinsurance brokerage business for a purchase price of \$3.2 million in cash and equity, including our estimated earn-out obligation.

2020 Disposal

During 2020, the Company recognized a one-time net gain of \$203.1 million related to the disposal of a benefit claims adjudication business. Proceeds from the disposal were \$226.2 million, net of cash disposed.

The disposal did not qualify as discontinued operations as it did not represent a strategic shift that has had a major impact on the Company's operations or financial results.

AMWINS GROUP, INC. AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF AMERICAN WHOLESALE INSURANCE HOLDING
COMPANY, LLC)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022, 2021 and 2020

3. Fixed Assets

	December 31, 2022	December 31, 2021
	(in thousands of dollars)	
Original cost		
Computer and office equipment	\$ 54,989	\$ 52,674
Software	181,294	137,316
Furniture and fixtures	39,188	37,953
Leasehold improvements	108,300	88,212
Work in progress and other	30,309	12,212
	<u>\$414,080</u>	<u>\$328,367</u>
Net Carrying Value		
Computer and office equipment	\$ 21,205	\$ 16,846
Software	56,026	35,019
Furniture and fixtures	16,033	15,728
Leasehold improvements	60,855	48,946
Work in progress and other	30,268	12,196
	<u>\$184,387</u>	<u>\$128,735</u>

Depreciation expense for the years ended December 31, 2022, 2021, and 2020 was \$51.7 million, \$42.9 million, and \$36.3 million, respectively.

4. Goodwill

Changes in goodwill balances are as follows:

	Total (in thousands of dollars)
Balances at December 31, 2020	\$ 999,657
Goodwill acquired during the year	583,266
Foreign currency translation adjustments during the year	(390)
Balances at December 31, 2021	1,582,533
Goodwill acquired during the year	27,563
Goodwill related to purchase accounting adjustments	(2,852)
Foreign currency translation adjustments during the year	(4,104)
Balances at December 31, 2022	<u>\$1,603,140</u>

AMWINS GROUP, INC. AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF AMERICAN WHOLESALE INSURANCE HOLDING
COMPANY, LLC)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022, 2021 and 2020

5. Other Identifiable Intangible Assets

	December 31, 2022		December 31, 2021	
	Gross Carrying Value	Accumulated Amortization	Gross Carrying Value	Accumulated Amortization
	(in thousands of dollars)			
Nonamortized other identifiable intangible assets				
Trade name	\$ 12,211	\$ —	\$ 12,931	\$ —
Amortized other identifiable intangible assets				
Customer relationships	978,932	(287,113)	1,059,984	(321,750)
Carrier relationships	46,400	(18,940)	46,400	(17,816)
Noncompete agreements	11,762	(9,581)	35,682	(31,570)
Trade name	10,582	(4,136)	17,622	(9,695)
Other identifiable intangible assets	<u>\$1,059,887</u>	<u>\$(319,770)</u>	<u>\$1,172,619</u>	<u>\$(380,831)</u>

Changes in other identifiable intangible assets are as follows:

	Total (in thousands of dollars)
Balances at December 31, 2020	\$401,519
Other identifiable intangible assets acquired during the year	456,464
Purchase accounting adjustments	—
Amortization	(66,061)
Foreign currency translation adjustments during the year	(134)
Balances at December 31, 2021	791,788
Other identifiable intangible assets acquired during the year	21,508
Purchase accounting adjustments	158
Amortization	(72,186)
Foreign currency translation adjustments during the year	(1,151)
Balances at December 31, 2022	<u>\$740,117</u>

Amortization expense for other identifiable intangible assets for the years ended December 31, 2022, 2021 and 2020 was \$72.2 million, \$66.1 million, and \$46.2 million, respectively. Amortization expense for other identifiable intangible assets for the years ending December 31, 2023, 2024, 2025, 2026, and 2027 is estimated to be \$68.4 million, \$64.8 million, \$60.5 million, \$58.1 million and \$55.5 million, respectively.

AMWINS GROUP, INC. AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF AMERICAN WHOLESALE INSURANCE HOLDING
COMPANY, LLC)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022, 2021 and 2020

6. Other Current Liabilities

	December 31, 2022	December 31, 2021
	(in thousands of dollars)	
Accrued bonus	\$374,210	\$297,328
Other	339,644	304,258
	<u>\$713,854</u>	<u>\$601,586</u>

7. Borrowings

	December 31, 2022	2022 Year-end Rate	December 31, 2021	2021 Year-end Rate
	(in thousands of dollars)			
Senior secured term loan, net of discounts and issuance costs	\$2,516,039	6.63%	\$2,536,157	3.00%
Revolving line of credit, net of issuance costs	(2,114)	—	(2,788)	—
2029 Senior Notes, net of issuance costs	780,830	4.88	779,419	4.88
Total debt	3,294,755		3,312,788	
Less: Current portion	(18,111)		(18,111)	
Total long-term debt	<u>\$3,276,644</u>		<u>\$3,294,677</u>	

Future principal payments (undiscounted) as of December 31, 2022 are as follows:

	2023	2024	2025	2026	2027	Thereafter	Total Payments	Less Discount	Less Unamortized Debt Issuance Costs	Balance
	(in thousands of dollars)									
Senior secured term loan	\$25,965	\$25,965	\$25,965	\$25,965	\$25,965	\$2,416,252	\$2,546,077	\$(12,818)	\$(17,220)	\$2,516,039
2029 Senior Notes	—	—	—	—	—	790,000	790,000	—	(9,170)	780,830
Revolving line of credit	—	—	—	—	—	—	—	—	(2,114)	(2,114)
	<u>\$25,965</u>	<u>\$25,965</u>	<u>\$25,965</u>	<u>\$25,965</u>	<u>\$25,965</u>	<u>\$3,206,252</u>	<u>\$3,336,077</u>	<u>\$(12,818)</u>	<u>\$(28,504)</u>	<u>\$3,294,755</u>

On February 19, 2021, the Company amended and restated its senior secured credit facilities. As amended, the senior secured credit facilities consisted initially of term loans of \$1,995.0 million original principal amount and a \$300.0 million revolving credit facility (substantially all of which was available at close for additional borrowings).

The proceeds from these facilities were used to refinance the amounts outstanding under the Company's prior senior secured credit facilities initially put in place in January 2017 consisting of term loans of approximately \$1,986.6 million original principal amount and an undrawn \$125.0 million revolving credit facility, and to pay related transaction expenses. By amending the senior credit facilities, the Company was able to extend the maturity dates of these facilities, reduce its borrowing costs and expand certain of its operating covenants, among other things.

AMWINS GROUP, INC. AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF AMERICAN WHOLESALE INSURANCE HOLDING
COMPANY, LLC)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022, 2021 and 2020

On July 19, 2021, the Company completed the offering of \$790.0 million aggregate principal amount of 4.875% senior notes due 2029 (the “4.875% Senior Notes”) made in the United States to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”), and to non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act. In connection with the issuance of the 4.875% Senior Notes, the Company incurred incremental term loans under our senior secured credit facilities in the aggregate principal amount of \$600.0 million.

The Company used the net proceeds from the sale of the 4.875% Senior Notes to repay in full and redeem the Company’s 7.75% senior notes due 2026 (the “2026 Senior Notes”), consisting of \$650.0 million principal amount (and \$2.5 million of capitalized interest), and to pay a related redemption premium and all related transaction fees and expenses. The Company used the remaining net proceeds from the sale of the 4.875% Senior Notes, together with the net proceeds from our incremental term loans and cash on hand, to pay a dividend in September 2021 to Holdco (and Holdco’s owners), and to fund payments made or to be made to certain holders of stock options of the Company and unvested units of Holdco required in connection with such a dividend, in an aggregate amount of \$749.9 million.

In connection with the 2021 refinancing of our senior credit facilities, the issuance of the 4.875% Senior Notes and the repayment of the 2026 Senior Notes, the Company incurred \$18.6 million of third-party expenses (included in other operating expenses on the Consolidated Statements of Operations) and a \$42.4 million loss on extinguishment of debt consisting of a prepayment premium and expenses to write-off unamortized original issue discount and unamortized financing fees and expenses.

As of December 31, 2022, there was \$2,516 million of term loans outstanding under our senior secured credit facilities, net of a \$12.8 million original issue discount and \$17.2 million of financing fees, \$780.8 million of 4.875% Senior Notes outstanding after giving effect to \$9.2 million of financing fees, and no borrowings outstanding under our senior secured revolving credit facility (which carries debt issuance costs of \$2.1 million) other than undrawn letters of credit having an aggregate face amount of \$2.5 million. The senior secured term loans bear interest at the greater of 0.75% or LIBOR, plus a margin of 2.25%, and mature on February 19, 2028. As of December 31, 2022, these term loans bore interest at 6.63% per annum. The senior secured revolving credit facility bears interest at the greater of 0.0% or LIBOR, plus a margin of 2.25%, and matures on February 19, 2026.

The 4.875% Senior Notes are unsecured and accrue interest at an annual rate of 4.875%, payable semiannually in arrears on June 30 and December 31 of each year, beginning on December 31, 2021. The 4.875% Senior Notes will mature on June 30, 2029.

The aggregate fair value of the Company’s debt at December 31, 2022 and 2021 was \$3.2 billion and \$3.3 billion, respectively. The Company uses quoted market prices to estimate the fair value of its debt when available. When quoted market prices are not available, the estimated fair value of debt is based on discounted future cash flows using current credit market composite indices with similar terms and remaining maturities.

AMWINS GROUP, INC. AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF AMERICAN WHOLESALE INSURANCE HOLDING
COMPANY, LLC)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022, 2021 and 2020

8. Derivatives

Foreign Currency Hedges

The Company enters into foreign currency hedges to manage the exposure on forecasted insurance placement transactions denominated in non-functional currencies. The foreign currency hedges qualify as cash flow hedges. To the extent these derivatives are effective in offsetting the variability of the hedged cash flows, changes in the derivatives' fair value are not included in current earnings, but are included in AOCI. These changes in fair value will subsequently be reclassified into earnings when the forecasted transaction impacts earnings. In addition, if the forecasted transaction is no longer probable, the cumulative change in the derivatives' fair value will be recorded as other operating expense in the Consolidated Statements of Operations in the period it occurs. To the extent that a previously designated hedging transaction is no longer an effective hedge, any ineffectiveness measured in the hedging relationship is recorded in earnings in the period it occurs.

The Company had foreign currency hedges with an aggregate notional amount of \$261.6 million outstanding as of December 31, 2022, with scheduled maturities of \$98.4 million in 2023. The net unrealized loss, net of taxes, recorded in AOCI related to foreign currency hedges was \$11.4 million as of December 31, 2022. The Company expects to reclassify approximately \$5.2 million of the unrealized loss to earnings over the next 12 months

Interest Rate Swaps

The Company may enter into interest rate swaps from time to time as a part of its overall strategy to manage interest rate risk on its debt. The Company's use of derivative instruments to manage interest rate risk has been limited to interest rate swap agreements used to modify the interest characteristics for a portion of its outstanding variable rate debt. These interest rate swaps were designated as cash flow hedges and were structured so that they were expected to be highly effective.

The Company has entered into five-year interest rate swap agreements as a hedge against a portion of its variable rate term loans. The notional amount of the swaps is \$1.8 billion. The Company is paying interest at a weighted average fixed rate of 1.42% on the swaps. The Company is receiving interest at the greater of the one-month LIBOR-based variable rate and either 1.00%, with respect to \$850 million notional amount of the swaps, or 0.75%, with respect to \$900 million notional amount of the swaps. At December 31, 2022, the receiving weighted average interest rate is 4.38% on the swaps.

During the year ended December 31, 2022 and 2021, there was no ineffectiveness recorded in earnings related to the interest rate swap agreements. At December 31, 2022, the Company expects to reclassify \$38.9 million of gains, net of tax, on derivative instruments from AOCI to earnings during the next 12 months as interest receipts on the interest rate swaps occur. The interest rate swaps had a weighted average remaining maturity of 2.8 years at December 31, 2022.

Credit Risk

By entering into derivative instrument contracts, the Company is exposed to counterparty credit risk. Counterparty credit risk is the failure of the counterparty to perform under the terms of the derivative contract. When the fair value of a derivative contract is in an asset position, the counterparty

AMWINS GROUP, INC. AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF AMERICAN WHOLESALE INSURANCE HOLDING
COMPANY, LLC)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022, 2021 and 2020

has a liability to the Company, which creates credit risk for the Company. To mitigate the counterparty credit risk, the Company only enters into contracts with carefully selected financial institutions based upon their credit ratings and other factors.

The following summarizes the fair value of the Company's derivative financial instruments:

	December 31, 2022		December 31, 2021	
	Balance Sheet Classification	Fair Value	Balance Sheet Classification	Fair Value
	(in thousands of dollars)			
Derivative designated as hedging instruments				
Cash flow foreign currency hedges	Other current assets	\$ —	Other current assets	\$ 1,824
Cash flow interest rate swap	Other current assets	892	Other current assets	5,943
Cash flow foreign currency hedges	Other noncurrent assets	2,734	Other noncurrent assets	757
Cash flow interest rate swap	Other noncurrent assets	132 391	Other noncurrent assets	—
		<u>\$136,017</u>		<u>\$ 8,524</u>
Cash flow foreign currency hedges	Other current liabilities	\$ (9,137)	Other current liabilities	\$ (240)
Cash flow interest rate swap	Other current liabilities	—	Other current liabilities	(211)
Cash flow foreign currency hedges	Other noncurrent liabilities	(8,701)	Other noncurrent liabilities	(1,683)
		<u>\$ (17,838)</u>		<u>\$(2,134)</u>

9. Income Taxes

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted in response to the COVID-19 pandemic. The tax relief measures for businesses include a five-year net operating loss carryback, changes in the deductibility of interest, acceleration of alternative minimum tax credit refunds, payroll tax relief, and a technical correction to allow accelerated deductions for qualified improvement property. The Act also provides other non-tax benefits, including federal funding for a range of stabilization measures and emergency funding to assist those impacted by the pandemic. The Company took advantage of the technical correction to allow accelerated deductions for qualified improvement property.

For tax years beginning on or after January 1, 2022, the Tax Cuts and Jobs Act of 2017 ("TCJA") eliminates the option to currently deduct research and development expenses and requires taxpayers to capitalize and amortize them over five years for research activities performed in the United States and 15 years for research activities performed outside the United States pursuant to IRC Section 174. Although Congress is considering legislation that would repeal or defer this capitalization and amortization requirement, it is not certain that this provision will be repealed or otherwise modified. If the requirement is not repealed or replaced, it will increase our U.S. federal and state cash taxes and reduce cash flows in fiscal year 2023 and future years.

The FASB allows an accounting policy election of either recognizing deferred taxes for temporary differences expected to reverse as global intangible low tax income (GILTI) in future years or recognizing such taxes as a current-period expense when incurred. The Company has made a policy election to account for GILTI income tax as a current-period expense in the period when incurred.

AMWINS GROUP, INC. AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF AMERICAN WHOLESALE INSURANCE HOLDING
COMPANY, LLC)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022, 2021 and 2020

Income from continuing operations before income taxes consisted of the following:

	2022	2021	2020
	(in thousands of dollars)		
United States	\$337,376	\$235,985	\$402,446
Foreign	56,289	53,065	39,783
Income from continuing operations before income taxes	<u>\$393,665</u>	<u>\$289,050</u>	<u>\$442,229</u>

The components of income taxes from continuing operations shown in the Consolidated Statements of Operations are as follows:

	2022	2021	2020
	(in thousands of dollars)		
Current			
Federal	\$ 82,649	\$48,844	\$ 90,193
State	26,205	17,146	22,093
Foreign	15,691	13,901	12,219
	<u>124,545</u>	<u>79,891</u>	<u>124,505</u>
Deferred			
Federal	2,785	3,228	1,660
State	(4,978)	2,020	(1,715)
Foreign	(2,158)	(384)	1,435
	<u>(4,351)</u>	<u>4,864</u>	<u>1,380</u>
Net income tax expense	<u>\$120,194</u>	<u>\$84,755</u>	<u>\$125,885</u>

A reconciliation between the U.S. federal statutory rate and the effective rate is as follows:

(in thousands of dollars)	2022	Rate	2021	Rate	2020	Rate
Income tax expense computed at statutory rate	\$ 82,742	21.0%	\$60,700	21.0%	\$ 92,868	21.0%
State income taxes, net of federal benefit	16,042	4.1	14,870	5.1	15,205	3.4
Gain on disposal	—	—	—	—	10,631	2.4
Impact of foreign operations	1,834	0.5	4,452	1.5	2,876	0.7
Permanent differences—other	460	0.1	(510)	(0.2)	4,435	1.0
Nondeductible stock options	11,824	3.0	(3,116)	(1.1)	(2,543)	(0.6)
GILTI	1,539	0.4	3,121	1.1	2,508	0.6
Other	5,753	1.5	5,238	1.9	(95)	0.0
Total income tax expense	<u>\$120,194</u>	<u>30.6%</u>	<u>\$84,755</u>	<u>29.3%</u>	<u>\$125,885</u>	<u>28.5%</u>

- (1) The rate reconciliation calculates the tax impact of reconciling items as a percentage of income before income taxes.

AMWINS GROUP, INC. AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF AMERICAN WHOLESALE INSURANCE HOLDING
COMPANY, LLC)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022, 2021 and 2020

The significant items affecting our effective tax rate compared to the U.S. statutory rate of 21% include state income taxes, the impact of foreign operations and nondeductible expenses primarily related to equity-based compensation.

The significant components of deferred income taxes included on the Consolidated Balance Sheets are as follows:

<i>(in thousands of dollars)</i>	December 31, 2022	December 31, 2021
Deferred tax assets		
Net operating loss carryforwards	\$ 12,958	\$ 12,911
Commissions	4,231	4,461
Employee benefits	6,270	5,269
Accrued expenses	1,871	7,080
Stock options	3,336	3,311
Lease liability	39,436	—
Other	8,597	3,570
Gross deferred tax assets	76,699	36,602
Valuation allowance	(489)	(3,374)
Net deferred tax assets	76,210	33,228
Deferred tax liabilities		
Intangibles	(198,445)	(192,073)
Revenue recognition	—	(5,267)
Property and equipment	(21,112)	(20,833)
Right of use asset	(31,916)	—
Interest rate swap	(33,175)	(1,497)
Other	(9,144)	(7,062)
Gross deferred tax liabilities	(293,792)	(226,732)
Net deferred tax liabilities	\$(217,582)	\$(193,504)

The Company is required to recognize the financial statement effects of a tax position only when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. As a result, the Company has established a liability for certain tax benefits which the Company judges may not be sustained upon examination.

The unrecognized tax benefits were included in other non-current liabilities and deferred tax assets on the Consolidated Balance Sheets. Interest related to the unrecognized tax benefits is recorded in income tax expense (benefit) in the Consolidated Statements of Operations. As of December 31, 2022 and 2021, the Company's accrued interest and penalties related to uncertain tax positions were not significant.

Included in the balance of unrecognized tax benefits were potential benefits of \$16.0 million and \$11.3 million on December 31, 2022 and 2021, respectively, that, if recognized, would affect the effective tax rate on income. The Company does not anticipate that existing unrecognized tax benefits will significantly increase or decrease within the next 12 months.

AMWINS GROUP, INC. AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF AMERICAN WHOLESALE INSURANCE HOLDING
COMPANY, LLC)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022, 2021 and 2020

As of December 31, 2022, the Company has U.S. federal and state net operating loss (NOL) carryforwards. The federal NOL is limited by Section 382. The federal and state NOL's began expiring in 2022. Certain states now follow the federal provision, which permits an indefinite carryforward for NOLs generated after December 31, 2017.

The Company's open tax years that are subject to examination in the United States are 2019 through 2021. The open tax years subject to examination with respect to various state jurisdictions are 2018 through 2021. In addition, the statute of limitations with respect to the state's ability to adjust net operating losses generated before 2017 remain open to the extent of the losses generated for these periods. The Company is currently undergoing state income tax audits; we do not expect the results to be material.

The Company has tax filing requirements in various foreign tax jurisdictions, and the statute of limitations varies by jurisdiction. The statute of limitation for the material foreign jurisdictions remains open from 2017 forward. As of December 31, 2022, no foreign jurisdictions are under audit.

10. Stockholder's Equity

In 2020, the Company declared special dividends of \$1.05 billion (including \$57.7 million payable in future periods upon vesting of certain Holdco units) to Holdco (and Holdco's owners) and option holders whose exercise prices were lower than the dividend amount. The dividends were financed with cash on hand and the net proceeds from the additional 2026 Senior Notes and incremental senior secured term loans issued in December 2019 and September 2020. The dividends were recorded as a dividend declared of \$414.8 million charged to the Company's historical cumulative retained earnings through the dividend date, and as a return of capital of \$634.9 million charged to distributions in excess of capital.

In September 2021, the Company declared a special dividend of \$749.9 million (including \$10.4 million payable in future periods upon vesting of certain Holdco units) to Holdco (and Holdco's owners) and option holders whose exercise prices were lower than the dividend amount. The dividend was financed with a portion of the proceeds from the issuance of our 4.875% Senior Notes, the net proceeds from incremental term loans incurred under our senior secured credit facilities and cash on hand. The dividend was recorded as a dividend declared of \$306.3 million charged to the Company's historical cumulative retained earnings through the dividend date, and as a return of capital of \$443.6 million charged to distributions in excess of capital.

Equity Based Compensation and Incentive Plans

Warrants

Holdco grants profit-only units that are in most cases contingent on performance and/or time-based criteria to certain officers and employees of its subsidiaries. Correspondingly, the Company issues a warrant to Holdco in an amount designed to equate in value to such profits-only units. Profit-only units have different participation rights than Holdco's common units principally with respect to the point at which the unit holders begin to participate in unit value appreciation and distributions that Holdco may elect to make.

AMWINS GROUP, INC. AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF AMERICAN WHOLESALE INSURANCE HOLDING
COMPANY, LLC)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022, 2021 and 2020

The following table presents the status and changes of the Company's warrants:

	<u>Warrants</u>	<u>Weighted Average Grant Price</u>
Unvested Balance at December 31, 2019	175,526	\$ 29.84
Granted	2,412,893	129.28
Vested	(151,145)	34.65
Unvested Balance at December 31, 2020	2,437,274	127.98
Granted	296,663	220.71
Vested	(584,518)	128.98
Forfeited	(1,558)	104.33
Unvested Balance at December 31, 2021	2,147,861	140.54
Granted	423,523	149.86
Vested	(990,192)	108.41
Forfeited	(3,429)	209.99
Other	241	102.83
Unvested Balance at December 31, 2022	<u>1,578,004</u>	<u>\$163.02</u>

Nonvested Shares

Holdco grants service-based nonvested units to certain officers and employees of its subsidiaries. Correspondingly the Company issues nonvested shares to Holdco in an amount equal to the value of such units. Service-based nonvested shares are accounted for at historical cost, which equals the fair market value at the date of grant.

AMWINS GROUP, INC. AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF AMERICAN WHOLESALE INSURANCE HOLDING
COMPANY, LLC)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022, 2021 and 2020

The following table presents the status and changes of service-based nonvested shares:

	<u>Shares</u>	<u>Weighted Average Grant Price</u>
Unvested Balance at December 31, 2019	537,741	\$ 50.42
Special dividend adjustment	—	(20.99)
Granted	66,858	133.05
Vested	(56,741)	1.21
Forfeited	(1,694)	61.25
Special dividend adjustment	—	(23.48)
Forfeited	(14,839)	21.30
Vested	(20,629)	8.88
Unvested Balance at December 31, 2020	510,696	30.89
Granted	94,859	210.82
Vested	(68,318)	46.63
Forfeited	(2,780)	123.62
Special dividend adjustment	—	(28.34)
Forfeited	(1,790)	59.25
Vested	(20,460)	7.59
Other	25,726	34.25
Unvested Balance at December 31, 2021	537,933	41.78
Granted	42,138	251.76
Vested	(93,881)	17.44
Forfeited	(5,496)	65.71
Unvested Balance at December 31, 2022	<u>480,694</u>	<u>\$ 64.66</u>

Stock Options

The Company's 2002 Stock Option Plan (the "2002 Plan") provided for the granting of incentive and nonqualified common stock options to directors, officers, employees and consultants. Under the plan, 10-year stock options to purchase approximately 1,663,000 shares of common stock were granted through December 31, 2012, with an exercise price equal to the fair value of the Company's common stock at the date of grant. The 2002 Plan is no longer an active plan and no awards were granted after June 2012.

The Company's 2012 Stock Incentive Plan (the "2012 Plan"), the successor to the 2002 Stock Option Plan, provides for the granting of incentive and nonqualified common stock options to directors, officers, employees and consultants. The terms and conditions of grants are determined by the Compensation Committee of the Board of Directors in accordance with the terms of the 2012 Plan. Stock options are granted with an exercise price equal to the fair value of the Company's common stock at the date of grant; and those stock option awards generally vest ratably over five years and have a 10-year contractual term. The Company has reserved 1,130,879 common shares for issuance under the 2012 Plan. At December 31, 2022, approximately 762,000 stock options were outstanding under this plan.

AMWINS GROUP, INC. AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF AMERICAN WHOLESALE INSURANCE HOLDING
COMPANY, LLC)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022, 2021 and 2020

In January 2020, the Company modified its outstanding stock option awards by reducing the exercise price of outstanding stock option awards by an amount equivalent to \$20.99 per share for the special dividend paid in January 2020. For stock option awards which had exercise prices lower than the amount of the dividend paid, the stock option awards were reduced to \$0.01 per share and an aggregate cash payment of \$5.5 million was made for the remaining difference between the reduction in the exercise price and the dividend amount. The historical and prospective compensation expense for the modification of the stock option awards was not adjusted as the fair value of the stock options after the modification was not greater than the fair value of the stock option awards prior to the modification.

In October 2020, the Company modified its outstanding stock option awards by reducing the exercise price of outstanding stock option awards by an amount equivalent to \$23.48 per share for the special dividend paid in October 2020. For stock option awards which had exercise prices lower than the amount of the dividend paid, the stock option awards were reduced to \$0.01 per share and an aggregate cash payment of \$12.3 million was made for the remaining difference between the reduction in the exercise price and the dividend amount. The historical and prospective compensation expense for the modification of the stock option awards was not adjusted as the fair value of the stock options after the modification was not greater than the fair value of the stock option awards prior to the modification.

In September 2021, the Company modified its outstanding stock option awards by reducing the exercise price of outstanding stock option awards by an amount equivalent to \$28.34 per share for the special dividend paid in September 2021. For stock option awards which had exercise prices lower than the amount of the dividend paid, the stock option awards were reduced to \$0.01 per share and an aggregate cash payment of \$16.8 million was made for the remaining difference between the reduction in the exercise price and the dividend amount. The historical and prospective compensation expense for the modification of the stock option awards was not adjusted as the fair value of the stock options after the modification was not greater than the fair value of the stock option awards prior to the modification.

The fair value of each stock option award was estimated at the date of grant using a Black-Scholes option-pricing model with the following weighted-average assumptions:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Dividend yield	0%	0%	0%
Risk free interest rate	2.87%	1.08%	1.79%
Expected lives	6.5 years	6.5 years	6.4 years
Volatility	23.5%	22.4%	19.6%

The Black-Scholes model incorporates assumptions to value stock-based awards. The risk-free rate of interest for periods within the contractual life of the option is based on a U.S. government instrument over the contractual term of the equity instrument. Expected lives are based on the simplified method described under Staff Accounting Bulletin No. 110 ("SAB 110"). SAB 110 permits the use of the simplified method in Staff Accounting Bulletin No. 107 for employee option grants after December 31, 2007, for companies whose historical data about their employees' exercise behavior does not provide a reasonable basis for estimating the expected term of the options. The Company

AMWINS GROUP, INC. AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF AMERICAN WHOLESALE INSURANCE HOLDING
COMPANY, LLC)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022, 2021 and 2020

continued to use the simplified method to estimate the expected term for options granted after December 2007, as adequate historical experience is not available to provide a reasonable estimate. Volatility is based on an average of public companies with similar characteristics.

Information with respect to outstanding options is as follows:

	<u>Shares</u>	<u>Weighted Average Exercise Price</u>	<u>Remaining Contractual Term (Years)</u>	<u>Aggregate Intrinsic Value</u>
Balance at December 31, 2019	859,842	\$ 33.95		
Special dividend adjustment	—	(20.99)		
Repurchased	(700)	38.92		
Granted	64,750	137.62		
Forfeited	(1,450)	(44.59)		
Expired	(9,740)			
Special dividend adjustment	—	(23.48)		
Repurchased	(18,883)	2.72		
Granted	16,750	156.73		
Forfeited	(1,640)	11.86		
Expired	(29,557)	—		
Balance at December 31, 2020	879,372	21.50		
Repurchased	(5,660)	9.46		
Granted	46,750	185.33		
Forfeited	(15,208)	22.49		
Expired	(7,584)	—		
Special dividend adjustment	—	(28.34)		
Repurchased	(12,162)	1.59		
Granted	22,750	241.50		
Forfeited	(1,600)	121.82		
Expired	(25,389)	—		
Balance at December 31, 2021	881,269	27.01		
Repurchased	(20,977)	13.24		
Granted	100,750	269.79		
Forfeited	(5,495)	91.31		
Expired	(193,220)	—		
Balance at December 31, 2022	<u>762,327</u>	<u>\$ 65.86</u>		
Options exercisable at December 31, 2022	531,578	\$ 14.80	<u>3.27</u>	<u>\$149,948,020</u>
Weighted-average Black-Scholes fair value of options granted during the year		<u>\$ 84.22</u>		

For the years ended December 31, 2021 and 2020, the weighted average Black-Scholes fair value of each option granted was estimated at \$51.64 and \$30.99, respectively.

AMWINS GROUP, INC. AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF AMERICAN WHOLESALE INSURANCE HOLDING
COMPANY, LLC)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022, 2021 and 2020

The following table provides certain information about stock options outstanding at December 31, 2022:

Range of Exercise Prices	Outstanding Options			Options Exercisable	
	Number Outstanding at December 31 2022	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Outstanding at December 31 2022	Weighted Average Exercise Price
\$0.00—\$2.97	436,837	2.4 years	\$ —	431,162	\$ —
\$2.98—\$73.62	81,937	6.4 years	44.26	53,807	41.71
\$73.63—\$137.29	77,853	7.5 years	94.83	33,419	94.83
\$137.30—\$246.63	65,950	8.4 years	186.00	13,190	186.00
\$246.64—\$296.88	99,750	9.5 years	269.97	—	—
	<u>762,327</u>	<u>4.1 years</u>	<u>\$ 65.86</u>	<u>531,578</u>	<u>\$ 14.80</u>

The following table summarizes stock and liability-based compensation expense for the years ended December 31, 2022, 2021 and 2020, unrecognized compensation expense for non-vested awards at December 31, 2022, and the weighted-average period over which unrecognized compensation expense is expected to be recognized:

(in thousands of dollars)	Warrants	Service-Based Nonvested Shares	Stock Options	Other	Total
2022	\$86,766	\$ 8,902	\$ 2,819	\$ —	\$ 98,487
2021	26,323	9,583	1,789	(1,184)	36,511
2020	20,228	5,648	1,426	643	27,945

Unrecognized compensation expense at December 31, 2022:

\$76,002	\$39,092	\$11,402	\$ —	\$126,496
----------	----------	----------	------	-----------

Weighted-average period over which unrecognized compensation expense to be recognized:

3.1 years	6.2 years	3.9 years	0.0 years
-----------	-----------	-----------	-----------

For the years ended December 31, 2022, 2021 and 2020, the Company recognized a tax expense (benefit) related to stock-based compensation of \$12.2 million, (\$3.0 million), and (\$2.4 million), respectively.

AMWINS GROUP, INC. AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF AMERICAN WHOLESALE INSURANCE HOLDING
COMPANY, LLC)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022, 2021 and 2020

The following table presents the expected stock and liability-based compensation expense in future periods for outstanding awards as of December 31, 2022:

<i>(in thousands of dollars)</i>	Warrants	Service-Based Nonvested Shares	Stock Options	Total
2023	\$27,205	\$ 7,506	\$ 3,221	\$ 37,932
2024	26,386	6,742	2,981	36,109
2025	13,790	6,167	2,472	22,429
2026	5,743	5,538	1,918	13,199
2027	2,878	4,727	810	8,415
	<u>\$76,002</u>	<u>\$30,680</u>	<u>\$11,402</u>	<u>\$118,084</u>

11. Accumulated Other Comprehensive Income

The changes in the components of accumulated other comprehensive income, net of tax, for the years ended December 31, 2022 and 2021, were as follows:

<i>(in thousands of dollars)</i>	Foreign Currency Translation Adjustments	Net Gain on Cash-flow Hedging Derivatives	Other	Total
Balances at December 31, 2020	\$ (8,008)	\$(13,334)	\$(245)	\$(21,587)
Other comprehensive income (loss) before reclassifications	(1,838)	10,767	(251)	8,678
Amounts reclassified from accumulated other comprehensive income	—	7,835	208	8,043
Current-period other comprehensive income (loss)	(1,838)	18,602	(43)	16,721
Balances at December 31, 2021	<u>(9,846)</u>	<u>5,268</u>	<u>(288)</u>	<u>(4,866)</u>
Other comprehensive income (loss) before reclassifications	(15,755)	85,695	(210)	69,730
Amounts reclassified from accumulated other comprehensive income	—	(2,098)	219	(1,879)
Current-period other comprehensive income (loss)	(15,755)	83,597	9	67,851
Balances at December 31, 2022	<u>\$(25,601)</u>	<u>\$ 88,865</u>	<u>\$(279)</u>	<u>\$ 62,985</u>

12. Leases

The Company leases facilities and certain items of office equipment under noncancelable operating lease arrangements expiring on various dates through 2035. The facility leases generally contain renewal options and escalation clauses based on increases in the lessors' operating expenses and other charges.

AMWINS GROUP, INC. AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF AMERICAN WHOLESALE INSURANCE HOLDING
COMPANY, LLC)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022, 2021 and 2020

The following table presents amounts recorded on the Consolidated Balance Sheet classified as either operating or finance leases. Operating leases are presented separately on our consolidated balance sheet. For the finance leases, the right-of-use ('ROU') assets are included in fixed assets, net, and the liabilities are classified within other current liabilities and other non-current liabilities.

<i>(in thousands of dollars)</i>	December 31, 2022		
	Operating Leases	Finance Leases	Total Leases
Right-of-use assets	\$163,141	\$9,856	\$172,997
Current lease liabilities	29,456	3,752	33,208
Long-term lease liabilities	168,716	6,102	174,818

The following table presents amounts recorded on the Consolidated Statement of Operations:

<i>(in thousands of dollars)</i>	Year Ended December 31, 2022
Finance lease costs:	
Amortization of right-of-use assets	\$ 3,560
Interest on lease liabilities	24
Subtotal	3,584
Operating lease costs	39,896
Short term lease costs	1,394
Sublease income	(318)
Total lease costs, net	<u>\$44,556</u>

The total lease cost is recognized in different locations in the Consolidated Statements of Operations. Depreciation of the finance ROU assets is included in depreciation, while the interest cost component of these finance leases is included in interest expense. All other costs are included in operating expenses.

Supplemental cash flow information related to leases, is as follows:

<i>(in thousands of dollars)</i>	Year Ended December 31, 2022
Cash flows used in operating activities:	
Operating leases	\$ 39,029
Finance leases	25
Cash flows used in financing activities:	
Finance leases	3,461
Total lease payments	<u>\$ 42,515</u>
ROU assets obtained in exchange for lease liabilities:	
Operating leases	\$231,160
Finance leases	13,315

AMWINS GROUP, INC. AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF AMERICAN WHOLESALE INSURANCE HOLDING
COMPANY, LLC)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022, 2021 and 2020

Operating and finance leases have the following weighted-average terms and discount rates:

	December 31, 2022	
	Operating Leases	Finance Leases
Weighted-average term (in years)	7.23	3.06
Weighted-average discount rate	5.50%	0.22%

Maturities of lease liabilities for each of the next five years and thereafter are as follows:

<i>(in thousands of dollars)</i>	Operating Leases	Finance Leases	Total Leases
2023	\$ 38,531	\$3,767	\$ 42,298
2024	35,849	2,768	38,617
2025	34,572	2,302	36,874
2026	31,172	1,051	32,223
2027	25,511	—	25,511
Thereafter	74,527	—	74,527
Total minimum lease payments	240,162	9,888	250,050
Less: imputed interest	(41,990)	(34)	(42,024)
	<u>\$198,172</u>	<u>\$9,854</u>	<u>\$208,026</u>

As of December 31, 2022, there were additional payments for leases that have not yet commenced of \$70.5 million. These leases will commence in 2023 with lease terms of five to ten years.

13. Subsequent Events

In February 2023, the Company incurred incremental senior secured term loans under its senior secured credit facilities in the aggregate principal amount of \$850.0 million. The Company used the proceeds from these incremental term loans and cash on hand to pay a dividend in March 2023 to Holdco (and Holdco's owners), and to fund payments made and to be made to certain holders of stock options of the Company and unvested units of Holdco required in connection with the dividend, in an aggregate amount of approximately \$924.8 million.

The incremental term loans bears interest at the greater of 0.75% or Term SOFR plus the Term SOFR adjustment of 0.10% per annum, plus a margin of 2.75%, and mature on February 19, 2028.

Amwins Group, Inc. and Subsidiaries
(A wholly owned subsidiary of American Wholesale Insurance Holding Company, LLC)
CONSOLIDATED BALANCE SHEETS

<i>(in thousands of dollars, except share data)</i>	September 30, 2023 (unaudited)	December 31, 2022
Assets		
Current assets		
Cash and cash equivalents	\$ 750,039	\$ 529,242
Premium cash—restricted	1,530,091	1,437,604
Premiums receivable, net	1,479,188	2,494,555
Prepaid expenses and other current assets	218,022	220,206
Total current assets	3,977,340	4,681,607
Fixed assets, net	221,243	184,387
Goodwill	1,604,263	1,603,140
Other identifiable intangible assets, net	695,651	740,117
Right of use assets	173,640	163,141
Other noncurrent assets	377,688	221,859
Total assets	<u>\$ 7,049,825</u>	<u>\$7,594,251</u>
Liabilities and Stockholder's Deficit		
Current liabilities		
Current portion of long-term debt	\$ 24,537	\$ 18,111
Premiums payable	2,487,907	3,227,550
Other current liabilities	663,876	713,854
Total current liabilities	3,176,320	3,959,515
Long-term debt, net	4,091,199	3,276,644
Operating lease liability	197,374	168,716
Other noncurrent liabilities	318,868	317,651
Total liabilities	<u>7,783,761</u>	<u>7,722,526</u>
Stockholder's Deficit		
Amwins Group, Inc. stockholder's deficit		
Common stock, \$.01 par value; 28,000,000 authorized, 25,810,790 and 25,753,786 issued and outstanding	245	245
Distributions in excess of capital	(1,025,241)	(540,466)
Accumulated other comprehensive income	64,601	62,985
Retained earnings	218,600	340,565
Total Amwins Group, Inc. stockholder's deficit	(741,795)	(136,671)
Noncontrolling interests	7,859	8,396
Total stockholder's deficit	<u>(733,936)</u>	<u>(128,275)</u>
Total liabilities and stockholder's deficit	<u>\$ 7,049,825</u>	<u>\$7,594,251</u>

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

Amwins Group, Inc. and Subsidiaries
(A wholly owned subsidiary of American Wholesale Insurance Holding Company, LLC)
CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<i>(in thousands of dollars)</i>				
Revenues				
Commissions and fees	\$571,476	\$499,276	\$1,769,305	\$1,545,650
Other income	50,919	19,480	133,009	57,314
Total revenues	<u>622,395</u>	<u>518,756</u>	<u>1,902,314</u>	<u>1,602,964</u>
Expenses				
Employee compensation and benefits	366,332	311,411	1,090,617	941,434
Other operating expense	57,223	34,914	158,383	133,318
Gain on disposal	—	—	(15,353)	—
Depreciation and amortization of intangible assets	<u>34,369</u>	<u>29,786</u>	<u>100,199</u>	<u>91,706</u>
Total operating expenses	<u>457,924</u>	<u>376,111</u>	<u>1,333,846</u>	<u>1,166,458</u>
Operating income	164,471	142,645	568,468	436,506
Interest expense	62,746	37,866	172,875	107,553
Nonoperating (income) expense	<u>(1,689)</u>	<u>332</u>	<u>(1,688)</u>	<u>1,023</u>
Income before income taxes	103,414	104,447	397,281	327,930
Income tax expense	<u>19,803</u>	<u>38,754</u>	<u>114,761</u>	<u>104,296</u>
Net income	<u>83,611</u>	<u>65,693</u>	<u>282,520</u>	<u>223,634</u>
Less: Net income attributable to noncontrolling interests	<u>746</u>	<u>247</u>	<u>1,696</u>	<u>3,321</u>
Net income attributable to Amwins Group, Inc.	<u>\$ 82,865</u>	<u>\$ 65,446</u>	<u>\$ 280,824</u>	<u>\$ 220,313</u>

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

Amwins Group, Inc. and Subsidiaries
(A wholly owned subsidiary of American Wholesale Insurance Holding Company, LLC)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

	Nine Months Ended September 30,	
	2023	2022
<i>(in thousands of dollars)</i>		
Net income	\$282,520	\$223,634
Other comprehensive income, net of taxes		
Net (loss) gain on cash-flow hedging derivative, net of tax of (\$2,565) and \$40,404	(1,438)	72,500
Foreign currency translation adjustments, net of tax of \$96 and (\$2,595)	3,092	(29,293)
Other	(19)	(18)
Other comprehensive income, net of taxes	1,635	43,189
Total comprehensive income	284,155	266,823
Less: Comprehensive income attributable to noncontrolling interests	1,715	2,734
Total comprehensive income attributable to Amwins Group, Inc.	\$282,440	\$264,089

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

Amwins Group, Inc. and Subsidiaries
(A wholly owned subsidiary of American Wholesale Insurance Holding Company, LLC)
CONSOLIDATED STATEMENTS OF STOCKHOLDER'S DEFICIT (UNAUDITED)

	Common Stock		Distributions	Accumulated		Retained	Total	Noncontrolling		Total
	Shares	Par Value	in Excess of Capital	Other Comprehensive (Loss) Income	Earnings	Awins Group, Inc. Stockholder's Deficit	Interests	Stockholder's Deficit		
<i>(in thousands of dollars, except share data)</i>										
Balances, December 31, 2021	25,588,368	\$244	\$ (641,752)	\$ (4,866)	\$ 70,910	\$(575,464)	\$ 8,370	\$(567,094)		
Net income	—	—	—	—	220,313	220,313	3,321	223,634		
Other comprehensive income (loss)	—	—	—	43,776	—	43,776	(587)	43,189		
Dividends declared	—	—	—	—	—	—	(2,920)	(2,920)		
Issuance of common stock for acquisitions and contingent consideration on prior acquisitions	3,234	—	(1,743)	—	—	(1,743)	—	(1,743)		
Compensation expense for restricted stock awards and stock options	—	—	37,947	—	—	37,947	—	37,947		
Other	34,827	—	148	—	—	148	(10)	138		
Balances, September 30, 2022	25,626,429	\$244	\$ (605,400)	\$38,910	\$ 291,223	\$(275,023)	\$ 8,174	\$(266,849)		
Balances, December 31, 2022	25,753,786	\$245	\$ (540,466)	\$62,985	\$ 340,565	\$(136,671)	\$ 8,396	\$(128,275)		
Net income	—	—	—	—	280,824	280,824	1,696	282,520		
Other comprehensive income	—	—	—	1,616	—	1,616	19	1,635		
Dividends declared	—	—	(521,993)	—	(402,789)	(924,782)	(2,186)	(926,968)		
Issuance of common stock for acquisitions and contingent consideration on prior acquisitions	3,180	—	1,004	—	—	1,004	—	1,004		
Compensation expense for restricted stock awards and stock options	—	—	38,879	—	—	38,879	—	38,879		
Other	53,824	—	(2,665)	—	—	(2,665)	(66)	(2,731)		
Balances, September 30, 2023	25,810,790	\$245	\$(1,025,241)	\$64,601	\$ 218,600	\$(741,795)	\$ 7,859	\$(733,936)		

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

Amwins Group, Inc. and Subsidiaries
(A wholly owned subsidiary of American Wholesale Insurance Holding Company, LLC)
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Nine Months Ended September 30,	
	2023	2022
<i>(in thousands of dollars)</i>		
Cash flows from operating activities		
Net income	\$ 282,520	\$ 223,634
Adjustments to reconcile net income to net cash provided by operating activities		
Amortization of intangible assets	51,666	54,476
Depreciation	48,533	37,230
Amortization of debt issue costs and debt discount	7,202	5,949
Change in estimated earnout payables, net of accretion	(1,261)	1,337
Gain on disposal	(15,353)	—
Share based compensation expense	38,879	37,947
Deferred income taxes	5,299	6,108
Other	(264)	(2,997)
Changes in operating assets and liabilities		
Premiums receivable	1,022,523	480,616
Prepaid expenses and other current assets	10,483	8,055
Other noncurrent assets	(522)	(23,284)
Premiums payable	(751,981)	(410,093)
Other current liabilities	(42,902)	(50,348)
Other noncurrent liabilities	2,468	3,913
Net cash provided by operating activities	<u>657,290</u>	<u>372,543</u>
Cash flows from investing activities		
Cash paid for acquisition of businesses, equity investments and contingent earnouts, net of cash and restricted cash acquired of \$2,808 and \$0	(174,268)	(2,188)
Proceeds from disposal, net of cash and restricted cash disposed of \$2,935	24,229	—
Purchases of property and equipment	(72,412)	(42,207)
Other	(8,870)	2,811
Net cash used in investing activities	<u>(231,321)</u>	<u>(41,584)</u>
Cash flows from financing activities		
Repayments on capital lease obligations	(2,890)	(2,490)
Deferred financing fees	(1,872)	—
Dividends paid	(921,675)	(11,590)
Borrowings on long-term debt	841,500	—
Repayments on long-term debt	(25,849)	(19,474)
Other	(1,839)	(5,176)
Net cash used in financing activities	<u>(112,625)</u>	<u>(38,730)</u>
Effect of exchange rates changes on cash, cash equivalents and restricted cash	(60)	(36,890)
Net increase in cash, cash equivalents and restricted cash	313,284	255,339
Cash, cash equivalents and restricted cash		
Beginning of period	1,966,846	1,580,398
End of period	<u>\$2,280,130</u>	<u>\$1,835,737</u>
Supplemental disclosures of cash flow information		
Cash paid for		
Income taxes	\$ 104,343	\$ 89,432
Interest	154,049	91,153
Supplemental disclosures of noncash transactions		
Issuance of common stock for acquisitions and contingent consideration on prior acquisitions	\$ 1,004	\$ 140

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

AMWINS GROUP, INC. AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF AMERICAN WHOLESALE INSURANCE HOLDING
COMPANY, LLC)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. Nature of operations

The operations of Amwins Group, Inc. and its subsidiaries (the “Company”) consist primarily of wholesale distribution of specialty insurance products through retail agents and brokers in the United States of America and abroad. The operating companies conduct business in the capacity of wholesale insurance brokers, managing general underwriters and third party administrators. The Company is a wholly owned subsidiary of American Wholesale Insurance Holding Company, LLC, which is referred to herein as “Holdco.”

2. Basis of Financial Reporting

The accompanying Consolidated Financial Statements include the Company and its majority owned subsidiaries (50% or greater ownership). The Consolidated Financial Statements are prepared in accordance with accounting principles generally accepted in the United States. Accordingly, certain information and footnote disclosures normally included in the Company’s annual consolidated financial statements have been condensed or omitted. The accompanying unaudited interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related notes for the year ended December 31, 2022. In preparation of the Company’s unaudited consolidated financial statements as of September 30, 2023, management evaluated all material subsequent events that occurred after the balance sheet date through the date on which the financial statements were issued, which was November 15, 2023, for potential recognition or disclosure therein.

Recently Adopted Accounting Pronouncements

Changes to accounting principles generally accepted in the United States of America (U.S. GAAP) are established by the FASB in the form of accounting standards updates (ASU’s) to the FASB’s Accounting Standards Codification.

The Company considers the applicability and impact of all ASU’s. ASU’s not listed below were assessed and determined to be either not applicable or expected to have minimal impact on the Company’s consolidated financial position and results of operations.

In March 2020, the FASB issued new accounting guidance related to reference rate reform. This ASU provides practical expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. This ASU is effective immediately and may be applied prospectively to contract modifications made and hedging relationships entered into or evaluated on or before December 31, 2024. This ASU did not have a material impact on the Company’s Consolidated Financial Statements

3. Acquisitions/Equity Method Investments & Disposals

The acquisitions described below were recorded by allocating the cost of the assets acquired and liabilities assumed, based on their estimated fair values as of the date of the respective acquisition. The excess of the cost of the acquisition over the net of amounts assigned to the fair value of the assets acquired and the liabilities assumed was recorded as goodwill.

AMWINS GROUP, INC. AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF AMERICAN WHOLESALE INSURANCE HOLDING
COMPANY, LLC)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

The purchase prices for acquisitions may include varying combinations of common units of Holdco, cash funded by our existing cash flow and borrowings under our senior secured revolving credit facility and, for certain of these acquisitions, an obligation to pay earn-out payments in common units, cash or both.

Depending on the acquisition date and the complexity of the underlying valuation work, certain amounts included in the Company's Consolidated Financial Statements may be provisional and thus subject to further adjustments within the permitted measurement period. The Company continues to evaluate certain assets and liabilities related to acquisitions completed during recent periods. Changes to amounts recorded as assets or liabilities may result in a corresponding adjustment to goodwill.

2023 Acquisitions/Equity Method Investments

In 2023, the Company acquired two books of business (customer accounts) and an international insurance and reinsurance broker that specializes in insurance placements for the energy and marine industries, and increased its ownership of an investment in a managing general agent for admitted-market homeowners insurance accounted for under the equity method of accounting. The aggregate purchase price for these transactions was approximately \$179.0 million in cash and equity, including our estimated earn-out obligations.

2023 Disposal

During the second quarter of 2023, the Company recognized a preliminary gain on disposal of an international brokerage business of \$15.4 million, subject to adjustment based on the final determination of net asset value of the business. Proceeds from the disposal were \$27.2 million.

The disposal did not qualify as discontinued operations as it did not represent a strategic shift that has had a major impact on the Company's operations or financial results.

AMWINS GROUP, INC. AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF AMERICAN WHOLESALE INSURANCE HOLDING
COMPANY, LLC)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

4. Fixed Assets

(in thousands of dollars)

	September 30, 2023	December 31, 2022
Original cost		
Computer and office equipment	\$ 58,051	\$ 54,989
Software	208,007	181,294
Furniture and fixtures	54,239	39,188
Leasehold improvements	157,680	108,300
Work in progress and other	17,229	30,309
	<u>\$495,206</u>	<u>\$414,080</u>
Net Carrying Value		
Computer and office equipment	\$ 18,581	\$ 21,205
Software	62,483	56,026
Furniture and fixtures	25,822	16,033
Leasehold improvements	97,186	60,855
Work in progress and other	17,171	30,268
	<u>\$221,243</u>	<u>\$184,387</u>

Depreciation expense for the three months ended September 30, 2023 and 2022 was \$17.3 million and \$12.1 million, respectively. Depreciation expense for the nine months ended September 30, 2023 and 2022 was \$48.5 million and \$37.2 million, respectively.

5. Goodwill

Changes in goodwill balances are as follows:

(in thousands of dollars)

	Total
Balances at December 31, 2022	\$1,603,140
Goodwill acquired during the year	6,078
Goodwill related to purchase accounting adjustments	76
Goodwill related to dispositions	(5,584)
Foreign currency translation adjustments during the year	553
Balances at September 30, 2023	<u>\$1,604,263</u>

AMWINS GROUP, INC. AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF AMERICAN WHOLESALE INSURANCE HOLDING
COMPANY, LLC)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

6. Other Identifiable Intangible Assets

	September 30, 2023		December 31, 2022	
	Gross Carrying Value	Accumulated Amortization	Gross Carrying Value	Accumulated Amortization
<i>(in thousands of dollars)</i>				
Nonamortized other identifiable intangible assets				
Trade name	\$ 12,281	\$ —	\$ 12,211	\$ —
Amortized other identifiable intangible assets				
Customer relationships	962,296	(312,899)	978,932	(287,113)
Carrier relationships	46,400	(19,784)	46,400	(18,940)
Noncompete agreements	4,713	(2,939)	11,762	(9,581)
Trade name	9,994	(4,411)	10,582	(4,136)
Other identifiable intangible assets	<u>\$1,035,684</u>	<u>\$(340,033)</u>	<u>\$1,059,887</u>	<u>\$(319,770)</u>

Changes in other identifiable intangible assets are as follows:

	Total
<i>(in thousands of dollars)</i>	
Balances at December 31, 2022	\$740,117
Other identifiable intangible assets acquired during the year	7,134
Amortization	(51,667)
Foreign currency translation adjustments during the year	67
Balances at September 30, 2023	<u>\$695,651</u>

Amortization expense for other identifiable intangible assets for the three months ended September 30, 2023 and 2022 was \$17.1 million and \$17.7 million, respectively. Amortization expense for other identifiable intangible assets for the nine months ended September 30, 2023 and 2022 was \$51.7 million and \$54.5 million, respectively. Amortization expense for other identifiable intangible assets for the years ending December 31, 2023 (remaining 3 months), 2024, 2025, 2026 and 2027 is estimated to be \$17.1 million, \$65.4 million, \$61.2 million, \$58.7 million and \$56.0 million, respectively.

7. Other Current Liabilities

	September 30, 2023	December 31, 2022
<i>(in thousands of dollars)</i>		
Accrued bonus	\$304,391	\$374,210
Deferred commissions	194,636	185,099
Other	164,849	154,545
	<u>\$663,876</u>	<u>\$713,854</u>

AMWINS GROUP, INC. AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF AMERICAN WHOLESALE INSURANCE HOLDING
COMPANY, LLC)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

8. Borrowings

<i>(in thousands of dollars)</i>	September 30, 2023	2023 Period-end Rate	December 31, 2022	2022 Year-end Rate
Senior secured term loan, net of discounts and issuance costs	\$3,335,456	7.82%	\$2,516,039	6.63%
Revolving line of credit, net of issuance costs	(1,609)	—	(2,114)	—
2029 Senior Notes, net of issuance costs	781,889	4.88	780,830	4.88
Total debt	4,115,736		3,294,755	
Less: Current portion	(24,537)		(18,111)	
Total long-term debt	<u>\$4,091,199</u>		<u>\$3,276,644</u>	

On February 19, 2021, the Company amended and restated its senior secured credit facilities. As amended, the senior secured credit facilities consisted initially of term loans of \$1,995.0 million original principal amount and a \$300.0 million revolving credit facility (substantially all of which was available at close for additional borrowings). The proceeds from these facilities were used to refinance the amounts outstanding under the Company's prior senior secured credit facilities initially put in place in January 2017 consisting of term loans of approximately \$1,986.6 million original principal amount and an undrawn \$125.0 million revolving credit facility, and to pay related transaction expenses. By amending the senior credit facilities, the Company was able to extend the maturity dates of these facilities, reduce its borrowing costs and expand certain of its operating covenants, among other things.

On July 19, 2021, the Company completed the offering of \$790.0 million aggregate principal amount of 4.875% senior notes due 2029 (the "2029 Senior Notes") made in the United States to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), and to non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act.

In connection with the issuance of the 2029 Senior Notes, the Company incurred incremental term loans under our senior secured credit facilities in the aggregate principal amount of \$600.0 million.

The Company used a portion of the net proceeds from the sale of the 2029 Senior Notes to repay in full and redeem the Company's 7.75% senior notes due 2026 having an outstanding balance of \$650.0 million principal amount (and \$2.5 million of capitalized interest), and to pay a related redemption premium and all related transaction fees and expenses. The Company used the remaining net proceeds from the sale of the 2029 Senior Notes, together with the net proceeds from our incremental term loans and cash on hand, to pay a dividend in September 2021 to Holdco (and Holdco's owners), and to fund payments made or to be made to certain holders of stock options of the Company and unvested units of Holdco required in connection with the dividend, in an aggregate amount of \$749.9 million.

In February 2023, the Company incurred additional incremental term loans under its senior secured credit facilities in the aggregate principal amount of \$850.0 million. The Company used

AMWINS GROUP, INC. AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF AMERICAN WHOLESALE INSURANCE HOLDING
COMPANY, LLC)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

the proceeds from these incremental term loans and cash on hand to pay a dividend in March 2023 to Holdco (and Holdco's owners), and to fund payments made and to be made to certain holders of stock options of the Company and unvested units of Holdco required in connection with the dividend, in an aggregate amount of approximately \$924.8 million.

As of September 30, 2023, there was \$3,335.5 million of term loans outstanding under our senior secured credit facilities, net of a \$18.4 million original issue discount and \$16.4 million of financing fees, \$781.9 million of 2029 Senior Notes outstanding after giving effect to \$8.1 million of financing fees, and no borrowings outstanding under our senior secured revolving credit facility (which carries debt issuance costs of \$1.6 million) other than undrawn letters of credit having an aggregate face amount of \$2.0 million.

The term loans outstanding under our senior secured credit facilities mature on February 19, 2028 and amortize in quarterly installments of approximately \$8.6 million with the balance payable on the maturity date. Term loans in the amount of \$2,526.6 million bear interest at the greater of 0.75% or one-month Term SOFR plus the Term SOFR adjustment of 0.11% per annum, plus a margin of 2.25%, and terms loans in the amount of \$843.6 million bear interest at the greater of 0.75% or Term SOFR plus the Term SOFR adjustment of 0.11% per annum, plus a margin of 2.75%. As of September 30, 2023, these term loans bore interest at a weighted average rate of 7.82% per annum. The revolving line of credit matures on February 19, 2026 and bears interest at the greater of 0.0% or one-month Term SOFR plus the Term SOFR adjustment of 0.11% per annum, plus a margin of 2.25%.

9. Derivatives

Foreign Currency Hedges

The Company enters into foreign currency hedges to manage the exposure on forecasted insurance placement transactions denominated in non-functional currencies. The foreign currency hedges qualify as cash flow hedges. To the extent these derivatives are effective in offsetting the variability of the hedged cash flows, changes in the derivatives' fair value are not included in current earnings, but are included in Accumulated Other Comprehensive Income (AOCI). These changes in fair value will subsequently be reclassified into earnings when the forecasted transaction impacts earnings. In addition, if the forecasted transaction is no longer probable, the cumulative change in the derivatives' fair value will be recorded as other operating expense in the Consolidated Statements of Operations in the period it occurs. To the extent that a previously designated hedging transaction is no longer an effective hedge, any ineffectiveness measured in the hedging relationship is recorded in earnings in the period it occurs.

The Company had foreign currency hedges with an aggregate notional amount of \$286.2 million outstanding as of September 30, 2023, with scheduled maturities of \$23.0 million in 2023. The unrealized loss, net of taxes, recorded in AOCI related to foreign currency hedges was \$5.1 million as of September 30, 2023. The Company expects to reclassify approximately \$5.3 million of unrealized losses to earnings over the next 12 months.

AMWINS GROUP, INC. AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF AMERICAN WHOLESALE INSURANCE HOLDING
COMPANY, LLC)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Interest Rate Swaps

The Company may enter into interest rate swaps from time to time as a part of its overall strategy to manage interest rate risk on its debt. The Company's use of derivative instruments to manage interest rate risk has been limited to interest rate swap agreements used to modify the interest characteristics for a portion of its outstanding variable rate debt.

The Company has entered into five-year interest rate swap agreements as a hedge against a portion of its variable rate term loans. These interest rate swaps were designated as cash flow hedges and were originally structured so that they were expected to be highly effective. As a result of the LIBOR reference rate transition, the Company engaged a third-party vendor to perform a statistical regression analysis on each interest rate swap. The results indicated that all hedge relationships would remain highly effective. As of September 30, 2023, all interest swaps continued to be highly effective.

The notional amount of outstanding swaps is \$1.7 billion. The Company is paying interest at a weighted average fixed rate of 1.34% on the swaps. The Company is receiving interest at the greater of the one-month SOFR-compound variable rate plus a spread adjustment of 0.11% per annum and either 1.00%, with respect to \$750 million notional amount of the swaps, or 0.75%, with respect to \$900 million notional amount of the swaps. At September 30, 2023, the receiving weighted average interest rate is 5.43% on the swaps.

During the nine months ended September 30, 2023 and 2022, there was no ineffectiveness recorded in earnings related to the interest rate swap agreements. At September 30, 2023, the Company expects to reclassify \$49.5 million of net gains, after tax, on derivative instruments from AOCI to earnings during the next 12 months as interest payments on the interest rate swaps occur. The interest rate swaps have a weighted average remaining maturity of 2.2 years at September 30, 2023.

Credit Risk

By entering into derivative instrument contracts, the Company is exposed to counterparty credit risk. Counterparty credit risk is the failure of the counterparty to perform under the terms of the derivative contract. When the fair value of a derivative contract is in an asset position, the counterparty has a liability to the Company, which creates credit risk for the Company. To mitigate the counterparty credit risk, the Company only enters into contracts with carefully selected financial institutions based upon their credit ratings and other factors.

AMWINS GROUP, INC. AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF AMERICAN WHOLESALE INSURANCE HOLDING
COMPANY, LLC)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

The following summarizes the fair value of the Company's derivative financial instruments:

	September 30, 2023		December 31, 2022	
	Balance Sheet Classification	Fair Value	Balance Sheet Classification	Fair Value
<i>(in thousands of dollars)</i>				
Derivative designated as hedging instruments				
Cash flow foreign currency hedges	Other current assets	\$ 255	Other current assets	\$ —
Cash flow interest rate swap	Other current assets	10,048	Other current assets	892
Cash flow foreign currency hedges	Other noncurrent assets	3,519	Other noncurrent assets	2,734
Cash flow interest rate swap	Other noncurrent assets	112,928	Other noncurrent assets	132,391
		<u>\$126,750</u>		<u>\$136,017</u>
Cash flow foreign currency hedges	Other current liabilities	\$ (7,331)	Other current liabilities	\$ (9,137)
Cash flow foreign currency hedges	Other noncurrent liabilities	(3,287)	Other noncurrent liabilities	(8,701)
		<u>\$ (10,618)</u>		<u>\$ (17,838)</u>

10. Income Taxes

Income tax expense for the three months ended September 30, 2023 totaled \$19.8 million resulting in an effective tax rate of 19.1%, as compared to income tax expense of \$38.8 million for three months ended September 30, 2022 resulting in an effective tax rate of 37.1%. Income tax expense for the nine months ended September 30, 2023 totaled \$114.8 million resulting in an effective tax rate of 28.9%, as compared to income tax expense of \$104.3 million for nine months ended September 30, 2022 resulting in an effective tax rate of 31.8%. The significant items affecting our effective tax rate compared to the U.S. statutory rate of 21% include state income taxes, the impact of foreign operations, gain on the sale of an international brokerage business and related foreign withholding taxes, research and development tax credits, certain nondeductible entertainment expenses, and stock compensation expenses.

11. Stockholder's Equity

Equity Based Compensation and Incentive Plans

Warrants

Holdco grants profit-only units that are in most cases contingent on performance and/or time-based criteria to certain officers and employees of its subsidiaries. Correspondingly, the Company issues a warrant to Holdco in an amount designed to equal to the value of the Holdco grant. Profit-only units have different participation rights than Holdco's common units principally with respect to the point at which the unit holders begin to participate in unit value appreciation and distributions that Holdco may elect to make.

AMWINS GROUP, INC. AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF AMERICAN WHOLESALE INSURANCE HOLDING
COMPANY, LLC)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

The following table presents the status and changes of the Company's warrants:

	<u>Warrants</u>	<u>Weighted Average Grant Price</u>
Unvested Balance at December 31, 2022	1,578,004	\$163.02
Granted	88,489	—
Vested	(407,720)	132.21
Forfeited	(2,497)	264.14
Unvested Balance at September 30, 2023	<u>1,256,276</u>	<u>\$161.40</u>

Nonvested Shares

Holdco grants service-based nonvested units to certain officers and employees of its subsidiaries. Correspondingly, the Company issues nonvested shares to Holdco in an amount equal to the value of the Holdco grant. Service-based nonvested shares are accounted for at historical cost, which equals the fair market value at the date of grant.

The following table presents the status and changes of service-based nonvested shares:

	<u>Shares</u>	<u>Weighted Average Grant Price</u>
Unvested Balance at December 31, 2022	480,694	\$ 64.66
Vested	(18,366)	25.53
Forfeited	(3,244)	45.50
Special dividend adjustment	—	(34.73)
Granted	59,068	284.43
Forfeited	(3,972)	70.11
Vested	(45,103)	17.43
Unvested Balance at September 30, 2023	<u>469,077</u>	<u>\$ 80.59</u>

Stock Options

The Company's 2012 Stock Incentive Plan (the "2012 Plan"), the successor to the 2002 Stock Option Plan, provides for the granting of incentive and nonqualified common stock options to directors, officers, employees and consultants. The terms and conditions of grants are determined by the Compensation Committee of the Board of Directors in accordance with the terms of the 2012 Plan. Stock options are granted with an exercise price equal to the fair value of the Company's common stock at the date of grant, and those stock option awards generally vest ratably over five years and have a 10-year contractual term. The Company has reserved 1,130,879 common shares for issuance under the 2012 Plan.

In March 2023, the Company modified its outstanding stock option awards by reducing the exercise price of outstanding stock option awards by an amount equal to \$34.73 per share to reflect the special dividend paid in March 2023. For stock option awards which had exercise prices lower than

AMWINS GROUP, INC. AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF AMERICAN WHOLESALE INSURANCE HOLDING
COMPANY, LLC)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

the amount of the dividend paid, the exercise price was reduced to \$0.01 per share, and the Company paid to the holders of these option awards an aggregate cash payment of \$16.9 million reflecting the difference between the reduction in the exercise price and the dividend amount. The historical and prospective compensation expense for the modification of the stock option awards was not adjusted as the fair value of the stock option awards after the modification was not greater than the fair value of the stock option awards prior to the modification.

The fair value of each stock option award was estimated at the date of grant using a Black-Scholes option-pricing model with the following weighted-average assumptions:

	<u>2023</u>
Dividend yield	0%
Risk free interest rate	3.34%
Expected lives	6.5 years
Volatility	24.4%

Information with respect to outstanding options is as follows:

	<u>Shares</u>	<u>Weighted Average Exercise Price</u>	<u>Remaining Contractual Term (Years)</u>	<u>Aggregate Intrinsic Value</u>
Balance at December 31, 2022	762,327	\$ 65.86		
Granted	49,300	315.33		
Expired	(6,000)	—		
Special dividend adjustment	—	(34.73)		
Granted	25,250	325.27		
Repurchased	(3,596)	—		
Forfeited	(1,600)	225.35		
Expired	(17,800)	—		
Balance at September 30, 2023	<u>807,881</u>	<u>\$ 75.57</u>		
Options exercisable at September 30, 2023	554,754	\$ 17.41	<u>3.06</u>	<u>\$191,283,037</u>
Weighted-average Black-Scholes fair value of options granted during the year		<u>\$105.35</u>		

AMWINS GROUP, INC. AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF AMERICAN WHOLESALE INSURANCE HOLDING
COMPANY, LLC)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

The following table provides certain information about stock options outstanding at September 30, 2023:

Range of Exercise Prices	Outstanding Options			Options Exercisable	
	Number Outstanding at September 30 2023	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Outstanding at September 30 2023	Weighted Average Exercise Price
\$0.00—\$1.55	446,528	2.1 years	\$ —	442,388	\$ —
\$1.56—\$55.12	86,628	6.3 years	37.37	54,478	36.42
\$55.13—\$211.90	101,425	7.4 years	123.80	44,155	103.96
\$211.91—\$257.17	85,000	8.6 years	230.63	13,733	224.65
\$257.18—\$362.22	88,300	9.5 years	290.50	—	—
	<u>807,881</u>	<u>4.7 years</u>	<u>\$ 75.57</u>	<u>554,754</u>	<u>\$ 17.41</u>

12. Accumulated Other Comprehensive Income

The changes in the components of accumulated other comprehensive income, net of tax, for the nine months ended September 30, 2023 and 2022, were as follows:

(in thousands of dollars)	Foreign Currency Translation Adjustments	Net Gain on Cash-flow Hedging Derivatives	Other	Total
Balances at December 31, 2021	\$ (9,846)	\$ 5,268	\$(288)	\$ (4,866)
Other comprehensive loss before reclassifications	(28,705)	68,980	(230)	40,045
Amounts reclassified from accumulated other comprehensive income	—	3,519	212	3,731
Current-period other comprehensive income	(28,705)	72,499	(18)	43,776
Balances at September 30, 2022	<u>\$(38,551)</u>	<u>\$ 77,767</u>	<u>\$(306)</u>	<u>\$ 38,910</u>
Balances at December 31, 2022	\$ (25,601)	\$ 88,865	\$(279)	\$ 62,985
Other comprehensive income (loss) before reclassifications	3,073	28,707	(53)	31,727
Amounts reclassified from accumulated other comprehensive income	—	(30,146)	35	(30,111)
Current-period other comprehensive income (loss)	3,073	(1,439)	(18)	1,616
Balances at September 30, 2023	<u>\$(22,528)</u>	<u>\$ 87,426</u>	<u>\$(297)</u>	<u>\$ 64,601</u>

13. Leases

The Company leases facilities and certain items of office equipment under noncancelable operating lease arrangements expiring on various dates through 2035. The facility leases generally contain renewal options and escalation clauses based on increases in the lessors' operating expenses and other charges.

AMWINS GROUP, INC. AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF AMERICAN WHOLESALE INSURANCE HOLDING
COMPANY, LLC)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

The following table presents amounts recorded on the Consolidated Balance Sheet classified as either operating or finance leases. Operating leases are presented separately on our consolidated balance sheet. For the finance leases, the right-of-use ('ROU') assets are included in fixed assets, net, and the liabilities are classified within other current liabilities and other non-current liabilities.

	September 30, 2023		
<i>(in thousands of dollars)</i>	Operating Leases	Finance Leases	Total Leases
Right-of-use assets	\$173,640	\$6,769	\$180,409
Current lease liabilities	28,098	2,948	31,046
Long-term lease liabilities	197,374	3,834	201,208

The following table presents amounts recorded on the Consolidated Statements of Operations:

	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2023
<i>(in thousands of dollars)</i>		
Finance lease costs:		
Amortization of right-of-use assets	\$ 886	\$ 2,882
Interest on lease liabilities	6	17
Subtotal	892	2,899
Operating lease costs	11,308	33,091
Short term lease costs	328	1,049
Sublease income	(78)	(233)
Total lease costs, net	<u>\$12,450</u>	<u>\$36,806</u>

The total lease cost is recognized in different locations in the Consolidated Statements of Operations. Depreciation of the finance lease ROU assets is included in depreciation, while the interest cost component of these finance leases is included in interest expense. All other costs are included in other operating expenses.

Supplemental cash flow information related to leases, is as follows:

	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2023
<i>(in thousands of dollars)</i>		
Cash flows used in operating activities:		
Operating leases	\$10,785	\$31,700
Finance leases	6	17
Cash flows used in financing activities:		
Finance leases	884	2,866
Total lease payments	<u>\$11,675</u>	<u>\$34,583</u>
ROU assets obtained in exchange for lease liabilities:		
Operating leases	\$10,463	\$56,054
Finance leases	99	581

AMWINS GROUP, INC. AND SUBSIDIARIES
(A WHOLLY OWNED SUBSIDIARY OF AMERICAN WHOLESALE INSURANCE HOLDING
COMPANY, LLC)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Operating and finance leases have the following weighted-average terms and discount rates:

	<u>September 30, 2023</u>	
	<u>Operating Leases</u>	<u>Finance Leases</u>
Weighted-average term (in years)	7.66	2.54
Weighted-average discount rate	6.60%	0.48%

Maturities of lease liabilities for each of the next five years and thereafter are as follows:

<i>(in thousands of dollars)</i>	<u>Operating Leases</u>	<u>Finance Leases</u>	<u>Total Leases</u>
2023 (3 months remaining)	\$ 10,296	\$ 875	\$ 11,171
2024	42,712	2,670	45,382
2025	41,950	2,204	44,154
2026	39,096	1,040	40,136
2027	33,032	36	33,068
Thereafter	124,955	—	124,955
Total minimum lease payments	292,041	6,825	298,866
Less: imputed interest	(66,569)	(43)	(66,612)
	<u>\$225,472</u>	<u>\$6,782</u>	<u>\$232,254</u>

As of September 30, 2023, there were additional payments for leases that have not yet commenced of \$38.1 million. These leases will commence in 2023 and 2024 with lease terms of two to ten years.

\$750,000,000

Amwins Group, Inc.

% Senior Secured Notes
Due 2029

PRELIMINARY OFFERING CIRCULAR



**Goldman Sachs & Co. LLC
Barclays
J.P. Morgan
Wells Fargo Securities
Morgan Stanley**
