Confidential Treatment Requested by Clear Secure, Inc.
Pursuant to 17 C.F.R. Section 200.83
As submitted confidentially to the Securities and Exchange Commission on May 21, 2021.
This draft registration statement has not been publicly filed with the Securities and Exchange Commission and all information herein remains strictly confidential.

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 1
TO
FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Clear Secure, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**7372**	**86-2643981**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

65 East 55th Street, 17th Floor
New York, New York 10022
(646) 723-1404
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Matthew Levine, Esq.
General Counsel and Chief Privacy Officer
65 East 55th Street, 17th Floor
New York, New York 10022
(646) 723-1404
(Name, address, including zip code, and telephone number, including area code, of agent for service)

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1285 Avenue of the Americas	**125 Broad Street**
New York, New York 10019-6064	**New York, New York 10004**
(212) 373-3000	**(212) 558-4000**

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☐
		Emerging growth company	☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☐

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price per Share	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee(3)
Class A common stock, par value $0.00001 per share		$	$	$

(1) Includes additional shares that the underwriters have the option to purchase. See "Underwriting."
(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.
(3) To be paid in connection with the initial filing of the registration statement.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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Subject to completion, dated May 21, 2021

PROSPECTUS

Shares

Clear Secure, Inc.

Class A Common Stock

This is the initial public offering of shares of Class A common stock of Clear Secure, Inc., a Delaware corporation. We are offering shares of Class A common stock.

Prior to this offering, there has been no public market for the Class A common stock. It is currently estimated that the initial public offering price per share will be between $ and $.

Following this offering, Clear Secure, Inc. will have four classes of authorized common stock. The Class A common stock offered hereby and the Class C common stock will have one vote per share. The Class B common stock and the Class D common stock will have 20 votes per share. Alclear Investments, LLC, an entity controlled by Ms. Caryn Seidman-Becker, our co-founder and Chief Executive Officer, and Alclear Investments II, LLC, an entity controlled by Mr. Kenneth Cornick, our co-founder, President and Chief Financial Officer, will collectively hold all of our issued and outstanding Class B common stock and Class D common stock immediately after this offering and will control more than a majority of the combined voting power of our outstanding shares of common stock. As a result, they will be able to control any action requiring the general approval of our stockholders, including the election of our board of directors, the adoption of amendments to our certificate of incorporation and by-laws and the approval of any merger or sale of substantially all of our assets. Also as a result, we believe we are eligible for, but do not intend to take advantage of, the "controlled company" exemptions to the corporate governance rules for New York Stock Exchange-listed companies.

We intend to contribute the net proceeds from this offering to Alclear Holdings, LLC ("Alclear") in exchange for a number of Alclear non-voting common units ("Alclear Units") equal to the number of shares of Class A common stock we issue in this offering, and to cause Alclear to use such contributed amount to pay offering expenses and for general corporate purposes.

We intend to apply to list the Class A common stock on the New York Stock Exchange (the "NYSE") under the symbol "YOU."

We are also an "emerging growth company" as defined under the U.S. federal securities laws, and as such may elect to comply with reduced public company reporting requirements. See "Prospectus Summary—Implications of Being an Emerging Growth Company."

Investing in our Class A common stock involves risks. See "Risk Factors" on page 24 *to read about factors you should consider before buying shares of our Class A common stock.*

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total
Initial public offering price	$	$
Underwriting discounts and commissions[(1)]	$	$
Proceeds, before expenses, to Clear Secure, Inc.	$	$

(1) See "Underwriting" for additional information regarding the underwriters' compensation and reimbursement of expenses.

The underwriters may also exercise their option to purchase up to an additional shares of Class A common stock from us at the initial public offering price, less underwriting discounts and commissions, within 30 days after the date of this prospectus.

The underwriters expect to deliver the shares against payment in New York, New York on , 2021.

Goldman Sachs & Co. LLC **J.P. Morgan** **Allen & Company LLC**

The date of this prospectus is , 2021.

The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

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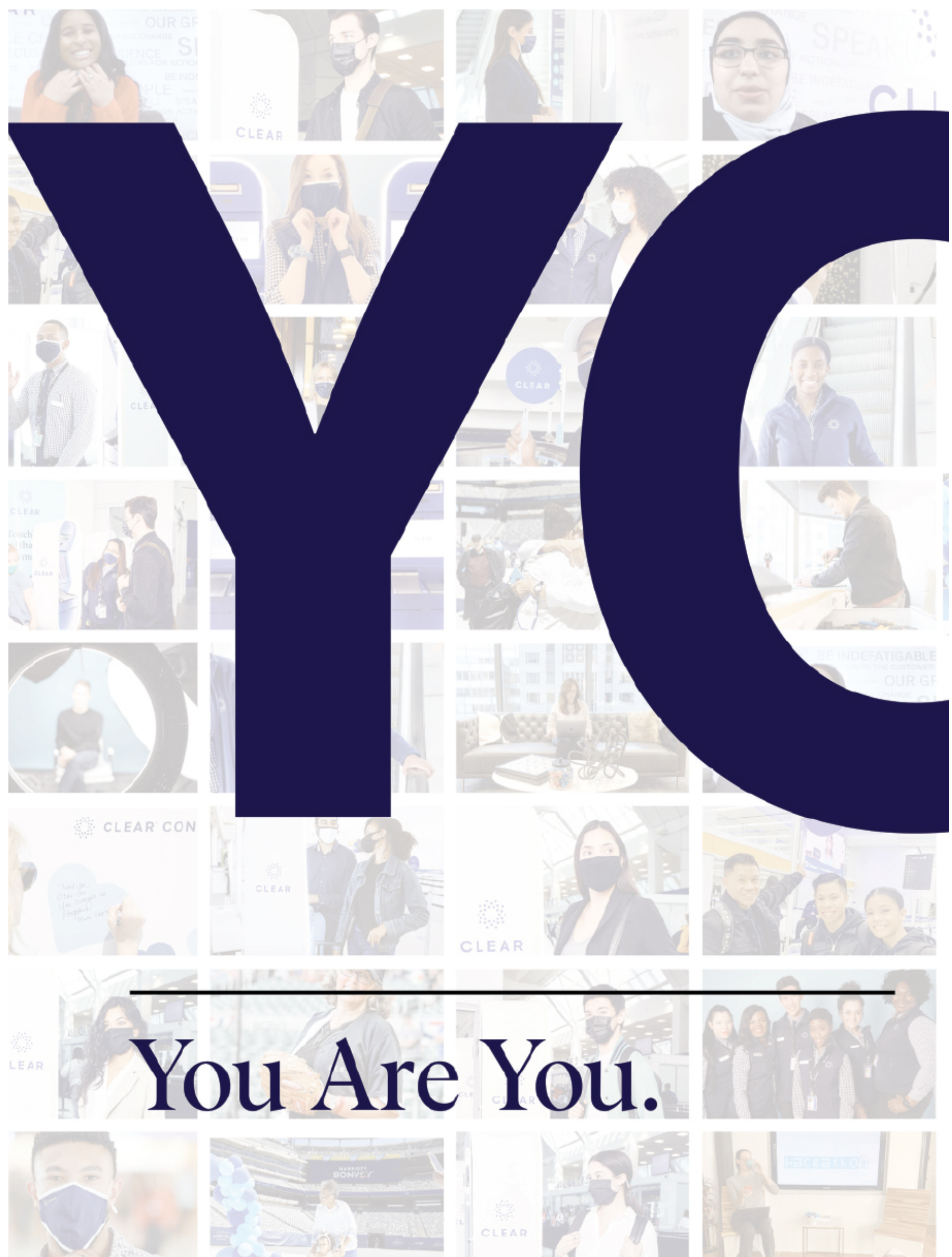

CLEAR

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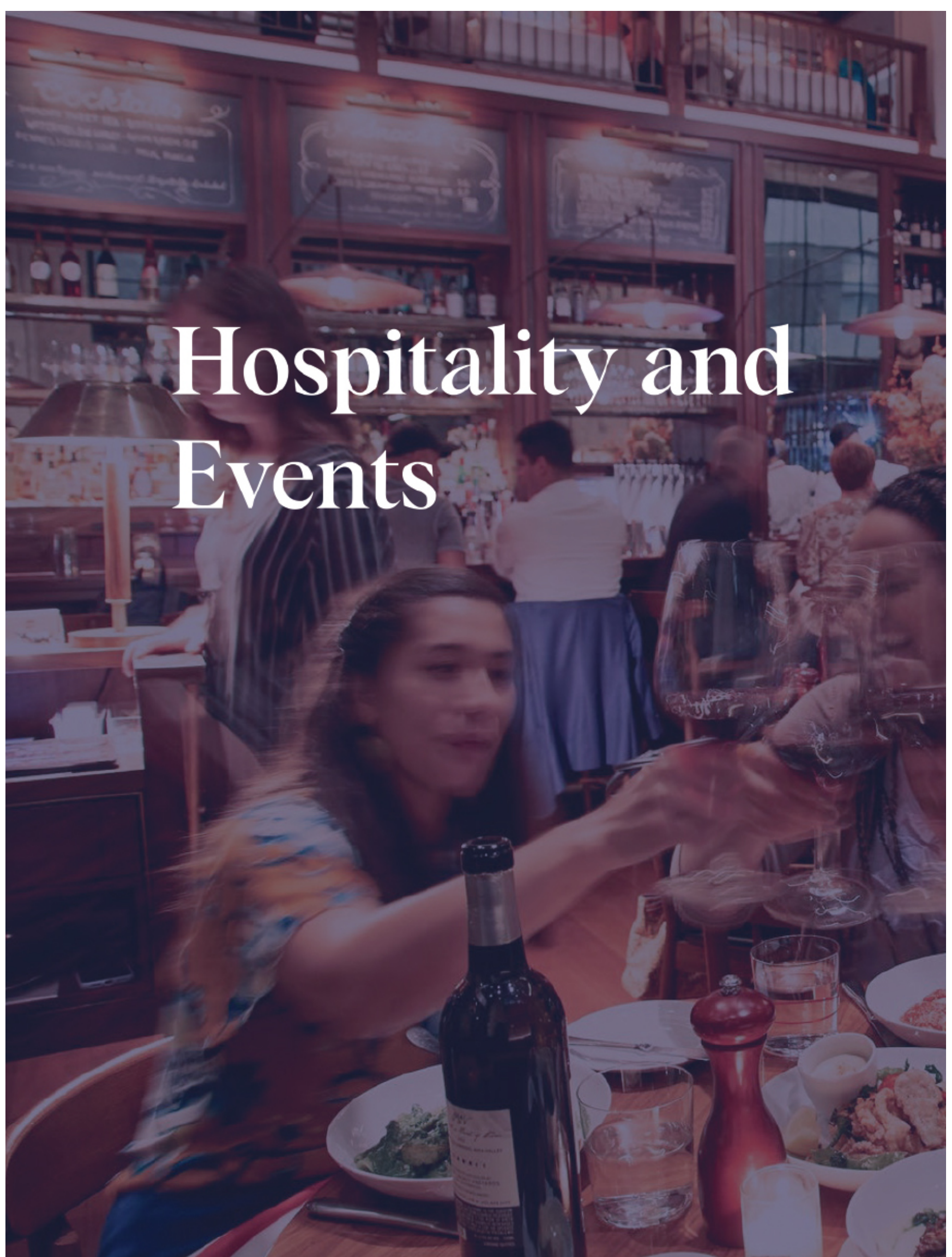

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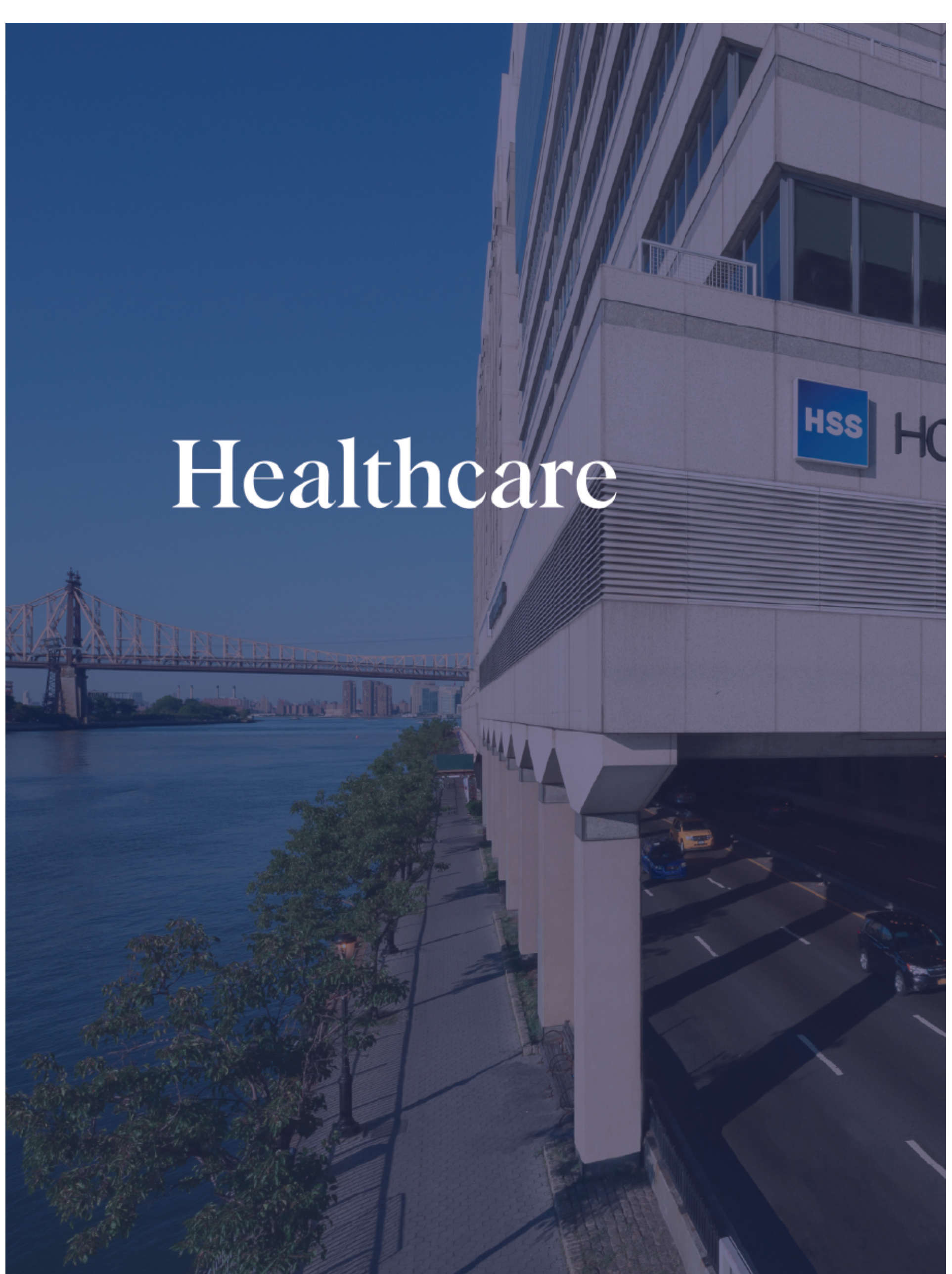

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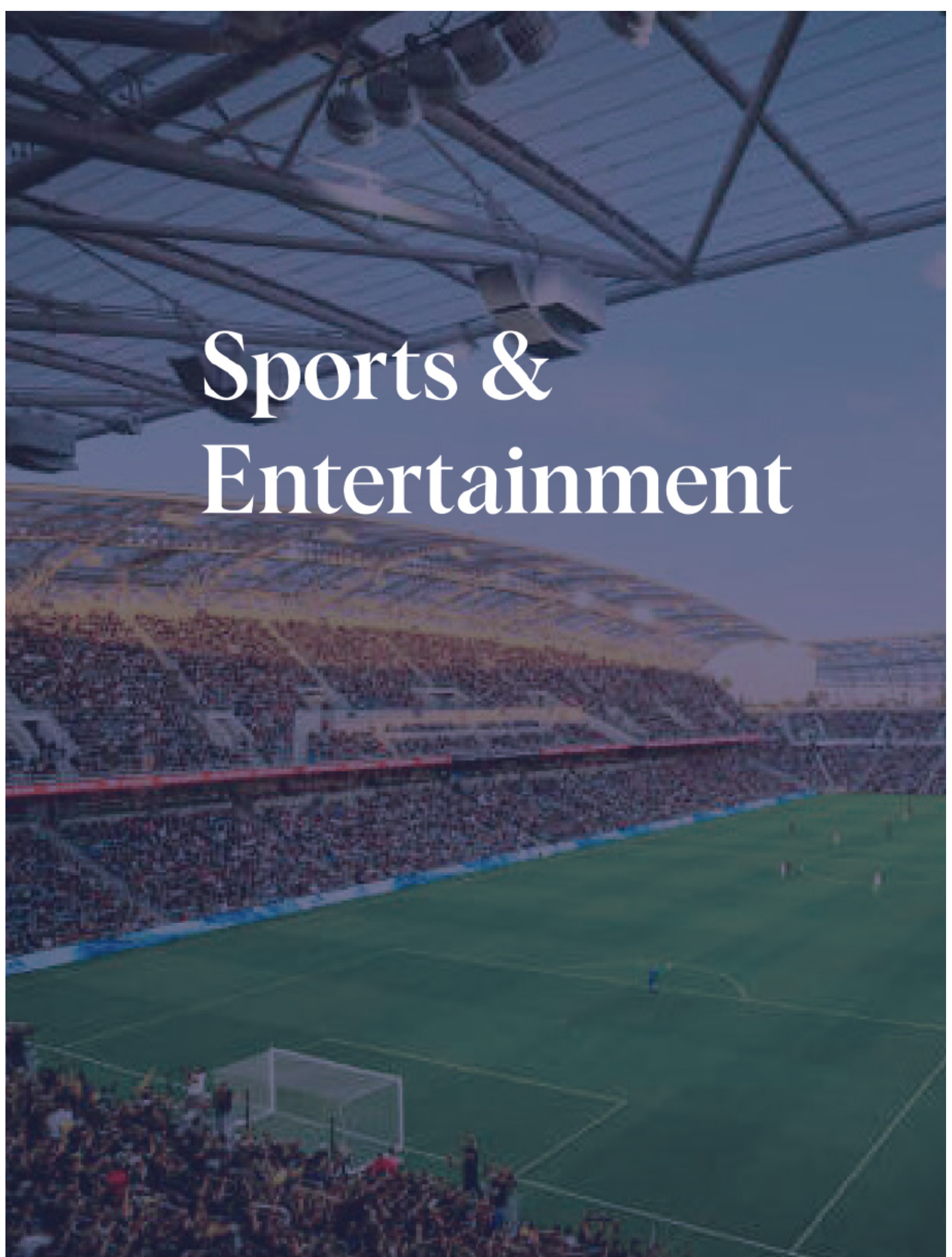

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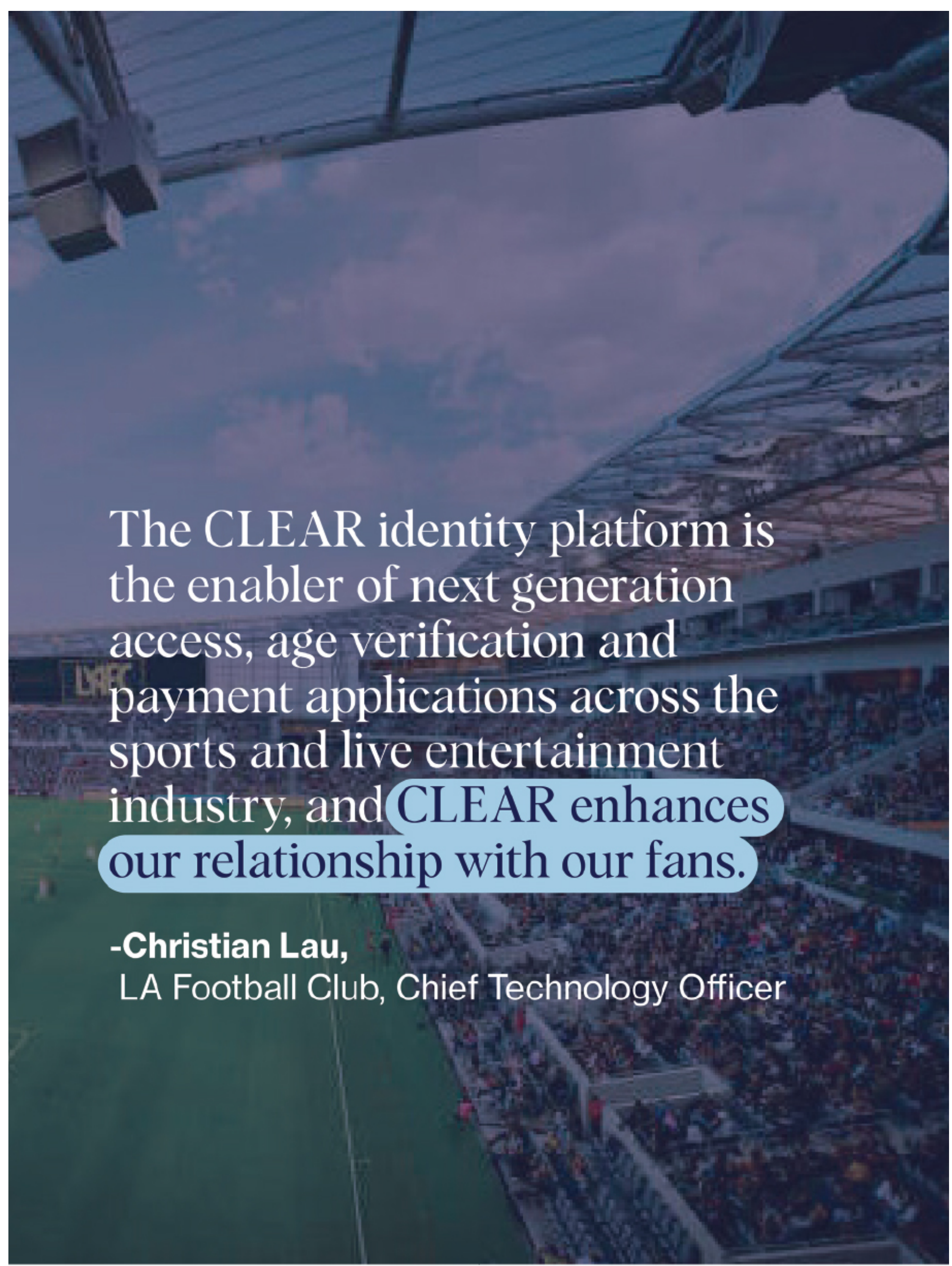

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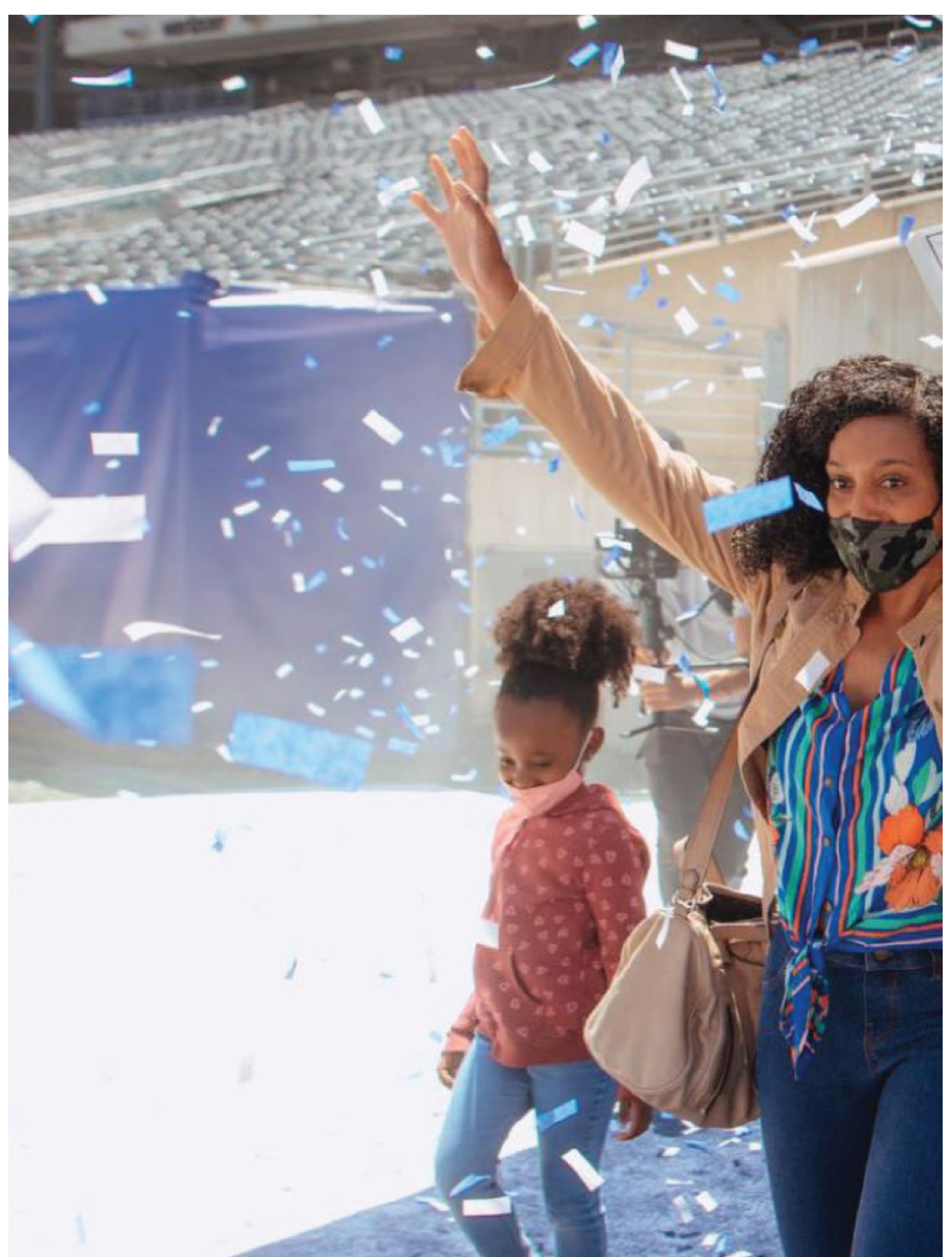

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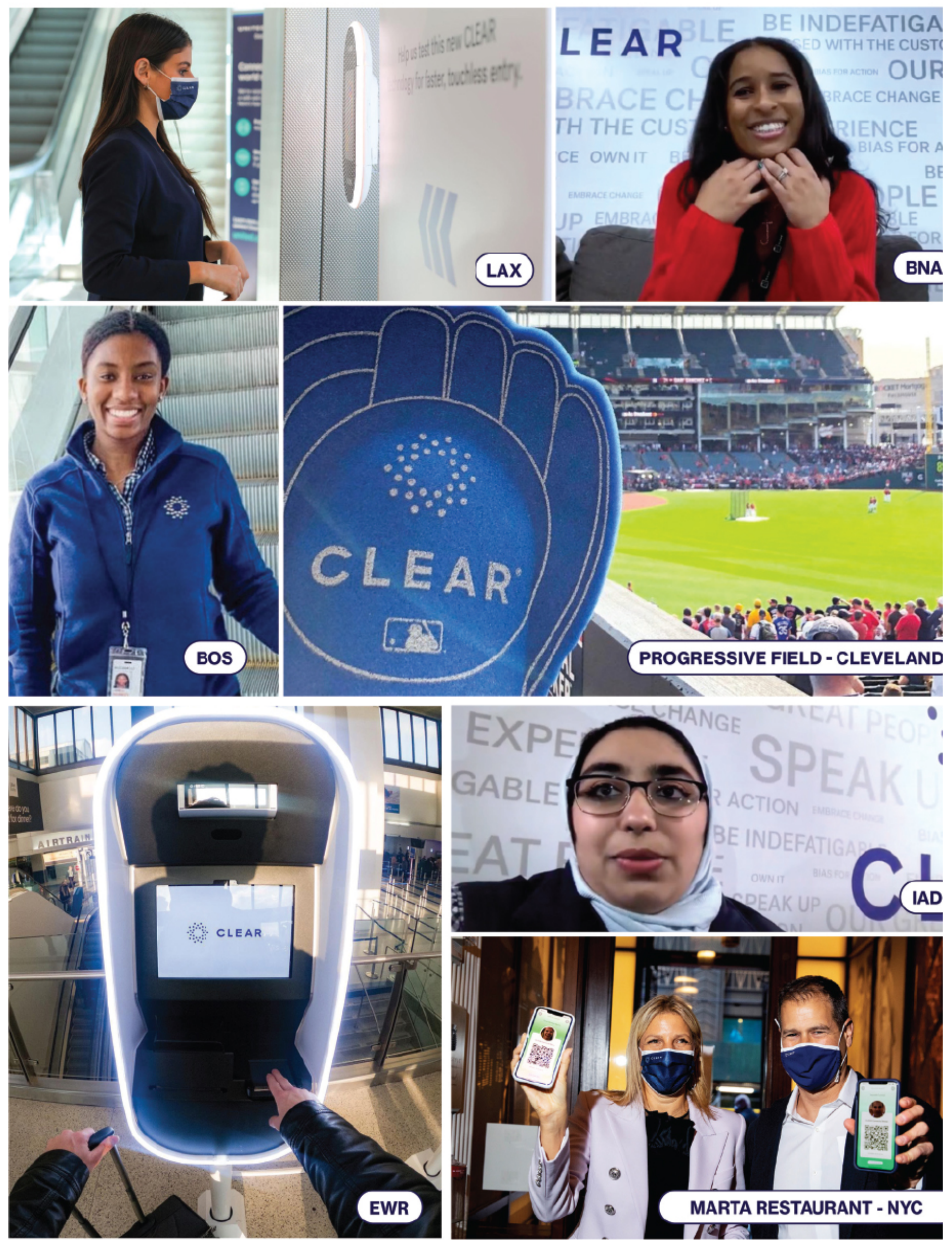
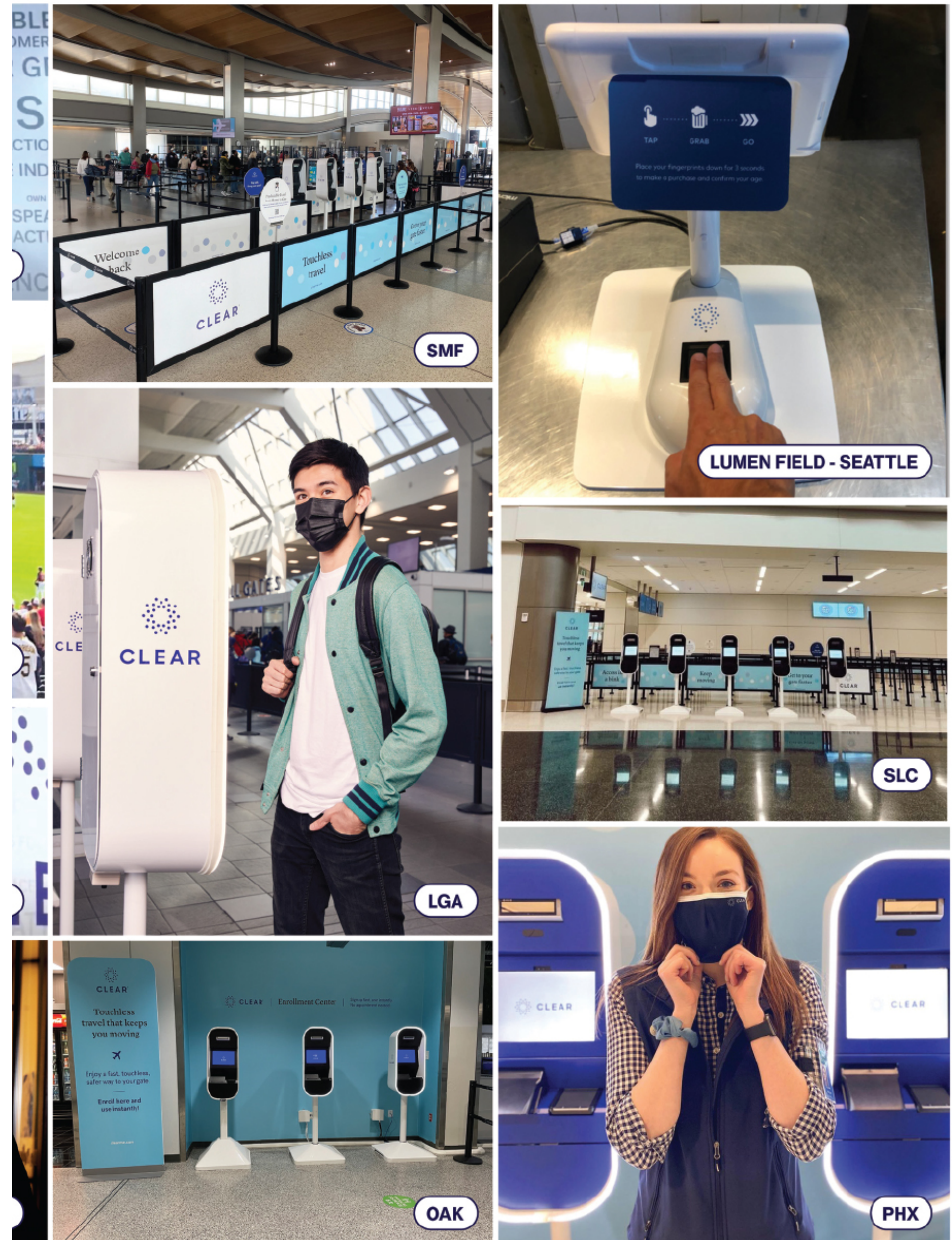

LAX
BNA
BOS
CLEAR
PROGRESSIVE FIELD - CLEVELAND
CLEAR
EWR
IAD
MARTA RESTAURANT - NYC


Welcome back
CLEAR
Touchless travel
SMF
TAP
GRAB
GO
LUMEN FIELD - SEATTLE
CLEAR
LGA
SLC
CLEAR
Touchless travel that keeps you moving
OAK
CLEAR
PHX

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Through and including , 2021 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

We have not, and the underwriters have not, authorized anyone to provide any information or to make any representations other than those contained in this prospectus or in any free writing prospectuses we have prepared. We and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give to you. We are offering to sell, and seeking offers to buy, shares of Class A common stock only in jurisdictions where offers and sales are permitted. You should assume that the information appearing in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of the Class A common stock. Our business, financial condition, results of operations and prospects may have changed since that date.

For investors outside the United States: neither we nor the underwriters have done anything that would permit this offering or possession or distribution of this prospectus or any free writing prospectus we may provide to you in connection with this offering in any jurisdiction where

action for that purpose is required, other than in the United States. You are required to inform yourselves about and to observe any restrictions relating to this offering and the distribution of this prospectus and any such free writing prospectus outside of the United States.

INDUSTRY AND MARKET DATA

Unless otherwise indicated, we obtained the market and competitive position data used throughout this prospectus from various sources, including our own research and estimates, surveys or studies conducted by third parties and industry or general publications and forecasts. Industry publications, surveys and forecasts generally state that they have obtained information from sources believed to be reliable, but there can be no assurance as to the accuracy and completeness of such information. While we believe that each of these surveys, studies, publications and forecasts is reliable, neither we nor the underwriters have independently verified such data and neither we nor the underwriters make any representation as to the accuracy of such information. Similarly, we believe our internal research and estimates are reliable but they have not been verified by any independent sources. In addition, while we believe that the industry and market information included herein is generally reliable, such information is inherently imprecise. While we are not aware of any misstatements regarding the industry and market data presented herein, our estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under the headings "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" in this prospectus. These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties and by us.

TRADEMARKS

This prospectus contains references to our trademarks, trade names and service marks, such as "CLEAR" and "CLEAR Plus", and to those belonging to other entities. Solely for convenience, trademarks, trade names and service marks referred to in this prospectus may appear without the ®, ™ or SM symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensor to these trademarks, trade names and service marks. We do not intend our use or display of other companies' trademarks, trade names or service marks to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

BASIS OF PRESENTATION

Unless we state otherwise or the context otherwise requires, the terms "we," "us," "our," "CLEAR" and the "Company" refer to Clear Secure, Inc., a Delaware corporation, and its consolidated subsidiaries after giving effect to the reorganization transactions described under "Prospectus Summary—Corporate History and Organizational Structure." Also, unless we state otherwise or the context otherwise requires, all information in this prospectus gives effect to the reorganization transactions described under "Prospectus Summary—Corporate History and Organizational Structure." "Alclear" refers to Alclear Holdings, LLC, a Delaware limited liability company and a consolidated subsidiary of ours following the reorganization transactions.

Following this offering, Alclear will be the predecessor of Clear Secure, Inc. for financial reporting purposes. Immediately following the reorganization transactions described under "Prospectus Summary—Corporate History and Organizational Structure," Clear Secure, Inc. will be a holding company and its sole material asset will be its equity interest in Alclear. As the sole managing member of Alclear, Clear Secure, Inc. will operate the business and control the strategic decisions and day-to-day operations of Alclear and will also have a substantial financial interest in Alclear. As a result, we will consolidate the financial results of Alclear, and a portion of our net income (loss) will be allocated to the non-controlling interest to reflect the entitlement of the CLEAR Post-IPO Members (as defined below) to a portion of Alclear's net income (loss). In addition, because Alclear will be under common control before and after the reorganization transactions, we will account for the reorganization transactions as a reorganization of entities under common control and will initially measure the interests

of the CLEAR Pre-IPO Members in the assets and liabilities of Alclear at their carrying amounts as of the date of the completion of the reorganization transactions.

All consolidated financial statements presented in this prospectus have been prepared in U.S. dollars in accordance with generally accepted accounting principles in the United States of America ("GAAP"). All financial information presented in this prospectus is derived from the consolidated financial statements included elsewhere in this prospectus and has been presented in accordance with GAAP, except for the presentation of Adjusted EBITDA and Free Cash Flow, which are non-GAAP financial measures. We define "Adjusted EBITDA" as net income (loss) adjusted for income taxes, interest (income) expense, depreciation and amortization, losses on asset disposals, equity-based compensation expense, mark to market of warrant liability and other income. We define "Free Cash Flow" as net cash provided by (used in) operating activities adjusted for purchases of property and equipment plus the value of share repurchases over fair value. These non-GAAP measures are discussed in more detail in the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures."

Throughout this prospectus, we provide a number of key performance indicators used by management. We review several operating metrics, including these key performance indicators, to evaluate our business, measure our performance, identify trends affecting our business, formulate financial projections and make strategic decisions. We believe these key performance indicators are useful to investors both because they allow for greater transparency with respect to key metrics used by management in its financial and operational decision-making, and they may be used by investors to help analyze the performance of our business. These performance indicators are discussed in more detail in the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Performance Indicators." Except as otherwise specified, the following are key performance indicators used throughout this prospectus:

- "Total Cumulative Enrollments" means the number of enrollments since inception as of the end of the period. An "Enrollment" is defined as any member who has registered for the CLEAR platform since inception and has a profile (including limited time free trials regardless of conversion to paid membership) net of duplicate and/or purged accounts. This includes CLEAR Plus (our consumer aviation subscription service) members who have completed enrollment with CLEAR and have ever activated a payment method, plus associated family accounts.
- "Total Cumulative Platform Uses" means the number of individual engagements across CLEAR use cases, including in-airport verifications, since inception as of the end of the period. We also include airport lounge access verifications, sports and entertainment venue verifications and Health Pass surveys, which are currently immaterial, since inception as of the end of the period.
- "Annual CLEAR Plus Net Member Retention" means one minus the CLEAR Plus net member churn on a rolling 12 month basis. We define "CLEAR Plus net member churn" as total cancellations net of winbacks in the trailing 12 month period divided by the average CLEAR Plus members as of the beginning of each month within the same 12 month period. Winbacks are defined as reactivated members who have been cancelled for at least 60 days. Active CLEAR Plus members are defined as members who have completed enrollment with CLEAR and have activated a payment method for our in-airport CLEAR Plus service, including their registered family plan members. Active CLEAR Plus members include those in a grace period of up to 45 days after a billing failure during which time we attempt to collect updated payment information.
- "Total Bookings" means our total revenue plus the change in deferred revenue during the period. Total Bookings in any particular period reflect sales to new and renewing CLEAR Plus subscribers plus any accrued billings to partners.

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PROSPECTUS SUMMARY

This summary highlights selected information that is presented in greater detail elsewhere in this prospectus. This summary does not contain all of the information that you should consider before investing in our Class A common stock. Before making an investment decision, you should read this entire prospectus carefully, including the discussion under the heading "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," and the consolidated financial statements and related notes thereto contained elsewhere in this prospectus. This prospectus includes forward looking-statements that involve risks and uncertainties. See "Cautionary Note Regarding Forward-Looking Statements" for more information.

Our Vision

With CLEAR, you are always you. We believe your identity should enable a frictionless and safe journey—both physically and digitally. Your secure identity is foundational to enabling frictionless everyday experiences, connecting you to the cards in your wallet and transforming the way you live, work and travel. All powered by our platform.

Our History

We launched CLEAR in 2010 to create a frictionless travel experience while enhancing homeland security.

Following 9/11, there was a dire need for safer and easier experiences in the aviation industry and biometrics helped solve this requirement by building an unbreakable link between you and your identity. Travelers were eager to return to the skies but demanded predictable and safe experiences. CLEAR's secure identity platform—which uses biometrics (e.g., eyes, face and fingerprints) to automate the identity verification process through CLEAR lanes in airports—helped make the travel experience safer AND easier as well as more predictable AND trusted for both our members and partners.

Since our inception, we envisioned a wide range of consumer applications that would be subject to similar secular trends. Today, consumers expect frictionless experiences in different facets of their lives, and businesses are seeking to create safer and more seamless customer and employee journeys. This is now known as the convenience economy. We believe COVID-19 has further accelerated these trends.

Our Business

Since 2010 we have been expanding our network, investing in our technology platform, strengthening our operations and developing our people to consistently deliver increased value to members and partners, resulting in the growth and trust of the CLEAR brand.

We have built an extensive physical footprint with a nationwide network of airports, stadiums and businesses to offer members frictionless, trusted experiences as they move and transact throughout the day in both physical and digital environments. As of May 15, 2021, our expansive network of partners and use cases provide our members with access to our nationwide network of 38 airports, 27 sports and entertainment partners and 66 Health Pass-enabled partners and events (some of which have multiple locations), as well as a growing number of offices, restaurants, theatres, casinos and theme parks. The continued expansion of our partnerships enable our partners to integrate with CLEAR and our members to use CLEAR in new places and in new ways.

Our technology platform delivers an elegant, consumer-centric front-end user experience. Our flexible technology stack is highly secure, scalable, and modular to enable our partners to seamlessly integrate with our platform. Securing data and protecting member privacy has been our member pledge since our founding. The U.S. Department of Homeland Security (the "DHS") has certified our information security program at a FISMA High Rating (the highest designation according to the Federal Information Security Modernization Act).

Today, our owned and operated businesses such as CLEAR Plus (our consumer aviation subscription service) and our mobile applications are the largest users of our platform. We have enabled 61 million Total Cumulative Platform Uses across 64 airports and live sports and entertainment partners as of March 31, 2021. Our approximately 1,400 hospitality and security focused ambassadors and field managers on the ground as of May 15, 2021 bring our technology to life and work to deliver exceptional member experience everyday.

Our network, technology platform, operational expertise and ambassadors have helped us achieve our trusted brand and an average 2020 net promoter score ("NPS") of 75. We use NPS to help measure our member experience and satisfaction. NPS scores are measured with a single question survey asking, "How likely are you to recommend CLEAR to a colleague or friend?" on a scale of 1-10, with a higher score being more desirable. NPS is calculated by subtracting the percentage of "detractors" (score 0-6) from "promoters" (score 9-10) with a possible score range between negative 100 and 100. Our members know when they see the CLEAR brand to expect a frictionless, fast and secure experience. Similarly, our partners trust CLEAR to enable them to deliver the same frictionless, fast and easy experiences to their own customers. Both our members and partners are passionate about CLEAR.

Our business model is powered by network effects and characterized by efficient member acquisition and high member retention rates. Our largest CLEAR Plus member acquisition channel is in-airport (representing 72% and 62% of member acquisitions for the year ended December 31, 2020 and 2019, respectively), where our prominent branding and expansive physical footprint allow prospective members to engage with CLEAR's brand, ambassadors and technology firsthand. Our passionate member base further drives viral, word of mouth marketing and high annual member retention rates. As we add partners, products and locations, our platform becomes more valuable to our members. In turn, as we grow membership, our platform is more valuable to our existing and prospective partners. This is evident in our accelerated growth rate since inception—it took seven years to reach our first million members, but less than one year to reach each of our second, third, fourth and fifth million members —and our approximately 16 times Lifetime Value relative to our Customer Acquisition Cost for CLEAR Plus members who joined during 2019. For our definitions of "Lifetime Value" and "Customer Acquisition Cost" and information about how we calculate these metrics, see "—Our Member Acquisition and Retention Strategy."

We believe our brand and growing network will create transformational experiences across large parts of our members' daily lives, much as credit card networks ushered in digitization of payments. With our operational expertise, member and partner scale, strong consumer brand, robust technology stack, secure identity platform and compelling financial profile, we believe we are uniquely positioned to solve the large and growing need to deliver safer, frictionless experiences to consumers and businesses. We intend to continue to expand the number of places and ways our members can use CLEAR, in turn increasing utility, engagement and membership.

COVID-19

Beginning in early 2020, the COVID-19 global health pandemic had a significant and horrific impact on people's health, safety, and economic well-being. It also had a material adverse impact on the global and domestic travel industries, resulting from government instituted legal restrictions on travel, shelter-in-place orders and mandated quarantine periods to prevent the spread of the disease.

We responded swiftly and aggressively to the COVID-19 operating environment by eliminating marketing spend and reducing operating expenses while caring for and supporting our team, our members and our partners. At the same time we accelerated investments in our platform, including our healthcare vertical, and developed our Health Pass product, which connects our members' identity to a digital health credential, giving them control over and access to their healthcare information.

We are proud of the resilience of our business and grateful for the commitment of our team through this challenging period. While United States domestic airline passenger volumes declined 60% in 2020 as compared to 2019, our Total Cumulative Enrollments increased 12.3% year-on-year to 5.2 million and we maintained Annual CLEAR Plus Net Member Retention of 78.8% (compared to 86.2% in 2019). While our Total Bookings declined 10.6% year-on-year, from $236.0 million to $211.0 million, and we

incurred net losses of $54.2 million and $9.3 million in 2019 and 2020, respectively, our total revenue increased 20% from $192.3 million in 2019 to $230.8 million in 2020.

Our Network Effects

Our platform is multi-faceted and a powerful network of networks. We started in airports and witnessed accelerating member growth in both new markets and existing markets as our network expanded. As we launched new use cases in existing markets, we saw accelerated growth and improved retention. The ability to use CLEAR in more locations in more ways increases our utility to our members. The larger our member base becomes, the more valuable our platform becomes to our current and prospective partners who utilize our platform to better realize their business objectives. As a result, our growth strategy is focused on simultaneously growing our CLEAR members while continuing to add valuable partners to our network and expanding the functionality and availability of our platform.

Our member base includes paying members and platform members. Paying members subscribe to our CLEAR Plus consumer aviation subscription service, which enables access to predictable and fast experiences through dedicated entry lanes in airport security checkpoints across the nation as well as our broader network.

Platform members include members who enrolled through our mobile app and formerly paying CLEAR Plus members. Platform members can use CLEAR anywhere in our network outside of our CLEAR Plus service.

Typically new platform members are driven to enroll by one of our partners who integrate with CLEAR to enable frictionless experiences for their customers.

Platform members are also driven to enroll directly to access our expanding portfolio of free mobile applications. Today these include CLEAR Pass for U.S. Customs and Border Protection (“CBP”) Mobile Passport Control (international arrivals), Health Pass (which includes validation of COVID testing results and digitization of vaccine status), and Home to Gate (end-to-end frictionless travel journeys).

Our Offerings

Secure Identity Platform

Our secure identity platform is a multi-layered infrastructure consisting of both our front-end, including enrollment, verification and linking, and our robust, secure and scalable back-end. To engage with our platform, members simply enroll one time through our fast, secure and easy enrollment process.

We have a deep organizational commitment to preserving our members’ privacy and ensuring members have ultimate control of their personal information. This commitment has been core to our member pledge since our founding over 11 years ago. We have a comprehensive information security program and a robust cybersecurity posture that uses industry best practices with administrative, technical and physical safeguards to protect against anticipated threats or hazards to the security, confidentiality or integrity of our platform’s systems and information. Our information security core tenets include the application of encryption at rest and in transit, firewalls, multi-factor authentication, granular role-based access control, physical and personnel security (including training), intrusion detection and data loss prevention. We have a commitment to members being in control of their own information and never sell member data.

We have been certified at the highest level of security by our government regulators. The DHS has certified CLEAR’s information security program at a FISMA High Rating (the highest designation according to the Federal Information Security Modernization Act).

Consumer Subscription Service

CLEAR Plus

CLEAR Plus is our consumer aviation subscription service, which enables access to predictable and fast experiences through dedicated entry lanes in airport security checkpoints across the nation as

well as our broader network. With CLEAR Plus, members use our touchless biometric verification technology to validate their identity and travel credentials. Our team of hospitality and security focused ambassadors help bring our technology to life by delivering a frictionless journey alongside excellent service.

TSA PreCheck® Application Program

In January 2020, we were selected by the Transportation Security Administration ("TSA") as an awardee in the TSA Biometric PreCheck® Expansion Services and Vetting Program. We will leverage our marketing expertise, operational footprint and ambassador network to handle subscription renewal processing and new enrollments for the TSA PreCheck® program, as well as offer a CLEAR/TSA PreCheck® bundled subscription for customers who are new to both CLEAR and to TSA PreCheck ®. We will provide the ability to renew TSA PreCheck® memberships on our website and complete new enrollments in-airport through our ambassador network. This program is expected to launch in the second half of 2021.

Nationwide Physical Network

We have built an extensive physical footprint with a nationwide network of use cases including airports, stadiums and businesses to offer members frictionless, trusted experiences as they move and transact throughout the day in both physical and digital environments. As of May 15, 2021, members can access our nationwide network of 38 airports, 27 sports and entertainment partners and 66 Health Pass-enabled partners and events (some of which have multiple locations), as well as a growing number of offices, restaurants, theatres, casinos and theme parks.

Mobile

We also engage with our members via two mobile apps: the flagship CLEAR app and CLEAR Pass for CBP Mobile Passport Control.

CLEAR App

The CLEAR app is our primary consumer-facing digital product which facilitates new user enrollment and member engagement from their mobile device. Features of the CLEAR mobile app include:

- **Enroll in CLEAR and manage your membership** —enrolling as a CLEAR member is a quick and easy process that can be handled directly through the CLEAR app via facial biometric recognition technology and validating a government-issued identification. This one-time enrollment can be completed in minutes and gives members access to our offerings and an easy upgrade path to CLEAR Plus at our airport locations.
- **Home to Gate**—members can have a predictable day-of-travel experience by inputting their flight number to access helpful information to assist their journey from the time they leave their home until they board the plane. Home to Gate integrates flight departure times, traffic data, security screening, gate number and terminal walking times to their exact gate.
- **Health Pass**—a free digital health credential service that uses CLEAR's established biometric platform to connect members' verified identity with health attributes such as COVID-19 test results, vaccination status, and health screening responses. Health Pass provides a critical solution to help individuals and businesses return to pre-COVID-19 normal.
- **Touchless Access**—we also enable touchless access to select partner services and venues, including airport lounges and event venues.

CLEAR Pass for CBP Mobile Passport Control

CLEAR Pass for CBP Mobile Passport Control is a free-to-use mobile app that streamlines entry to the United States. The app enables digital submission of certain U.S. Customs and Border Protection forms and U.S. entry via the mobile passport control lane, helping the CBP and travelers streamline the passport control process into an effortless and convenient journey.

Partner Integrations

We have built extensive software development kits ("SDKs") and application programming interface ("API") capabilities to enable our partners to seamlessly integrate directly with our platform. We have designed these capabilities with the goal of allowing our platform to enable better, faster and more frictionless experiences for our partners' customers, while enabling our partners to continue to control and manage the direct relationship with their customer under their own brand.

Our Value Proposition to Members and Partners

For our members, we have built a consumer-centric user experience that helps eliminate friction in their lives. We started with their travel journey and are expanding into their daily interactions in the physical and digital worlds. For our partners, we believe our rapidly expanding membership base and our platform strengthens their customer relationships and can elevate the experience they deliver daily to customers and employees.

Why Our Members Love Us

We are obsessed with our members' experience and seek to continually enhance the value we deliver to them through our platform as reflected by our strong member growth and our average 2020 NPS score of 75. We provide the following key benefits to our members:

- *We seek to transform manual experiences into seamless end-to-end journeys* .
- *We expand how and where our members can use CLEAR* .
- *We invest in innovation*.
- *Our ambassadors bring CLEAR to life for our members* .
- *Trust and privacy are the foundation of CLEAR* .

Why Our Partners Love Us

Our platform is designed to enable our partners to further their business objectives, better serve their customers' needs and elevate their customers' experiences. By transforming the end-to-end consumer journey, we believe CLEAR enables our partners to capture not just a greater share of their customers' wallet, but a greater share of their overall lives. We benefit our partners in a variety of ways, including:

- *We are a committed partner for innovation*.
- *We have a large, highly engaged and growing CLEAR member base* .
- *Our brand is trusted*.
- *Security is paramount*.
- *We significantly benefit the airport communities in which we operate* .
- *We operate our own direct-to-consumer offering, creating strong alignment with our partners* .

Our Member Acquisition and Retention Strategy

We have focused our member acquisition strategy around delivering exceptional experiences to build brand trust as well as driving network effects by adding new partners, products and locations to increase our value proposition.

Our largest CLEAR Plus member acquisition channel is our highly efficient in-airport channel, where our prominent branding and expansive physical footprint allows prospective members to engage with CLEAR's brand, ambassadors and technology firsthand. Our expanding portfolio of free mobile applications attracts new platform members directly to our platform and creates enhanced value for our CLEAR Plus members. As a result, we expect our platform member acquisition costs to remain low.

We measure our CLEAR Plus member Lifetime Value and Customer Acquisition Cost in an effort to measure the efficiency of our member acquisition and retention strategy. Lifetime Value is calculated by estimating the cumulative dollar contribution over the estimated lifetime of a CLEAR Plus member. To estimate retention rates we use an average of CLEAR Plus Net Member Retention between 2019 and 2020. We estimate the dollar contribution as the annual revenue per member less estimated direct costs to service that member including revenue share, credit card fees, and member service expense to process that member in a CLEAR lane. Customer Acquisition Cost is calculated by dividing total 2019 airport-related marketing spend, inclusive of commissions, by total new paying CLEAR Plus members who joined during 2019. On this basis, we achieved a Lifetime Value to Customer Acquisition Cost ratio of approximately 16 times for members who joined during 2019, which is the last year available for which we can measure renewals.

Our Competitive Advantages

Trusted and Extensible Brand with Passionate Member Base

From our founding, we have been obsessed with the CLEAR member experience. We have been expanding our network, investing in our technology platform, strengthening our operations and developing our people to consistently deliver increased value to members and partners, resulting in our trusted and valued brand. Our average 2020 NPS of 75 is a reflection of the passion our members have for CLEAR, particularly our CLEAR lanes and our approximately 1,400 hospitality and security focused ambassadors and field managers. Our passionate member base drives viral, word of mouth marketing and high annual retention rates. This is evident in our accelerated growth rate since inception and our approximately 16 times Lifetime Value relative to our Customer Acquisition Cost for CLEAR Plus members who joined during 2019. It took seven years to reach our first million members, but less than one year to reach each of our second, third, fourth and fifth million members. Our strong brand has enabled our expansion into new markets such as live sports and entertainment venues as well as digital health.

Operational Expertise at Scale

Today, our owned and operated businesses such as CLEAR Plus and mobile applications are the largest users of our platform. Operating and scaling our own consumer-facing service, CLEAR Plus, over the past 11 years has given us experience and capabilities that are hard to replicate, and an environment for innovation that benefits all of our partners. We have significant expertise implementing and seamlessly operating our platform's combination of pod hardware, biometric technology and physical human interactions across 65 regulated or complex environments such as airports and live sporting events. We also manage a growing ambassador and field manager workforce of approximately 1,400 who are deployed across our expansive network of locations to implement our platform and continue to build our brand reputation. We combine our on-the-ground operational expertise with strong customer acquisition and retention, digital marketing, software and mobile application development and cybersecurity capabilities.

Platform Originated in High Security Aviation Environment

We started in aviation security, a regulated environment requiring a robust physical and information security posture. By building our platform in this context, we invested in, and were held accountable for, industry leading security, scalability and reliability. Our comprehensive information security program uses industry best practices with administrative, technical and physical safeguards to protect against anticipated threats or hazards to the security, confidentiality or integrity of CLEAR systems and information. We are certified as Qualified Anti-Terrorism Technology under the Support Anti-Terrorism by Fostering Effective Technologies Act of 2002 ("SAFETY Act") and FISMA High Rating compliant which governs requirements for protecting sensitive data by the DHS. We continue to operate in aviation security today, and we use a single platform across all our use cases, both for our owned and operated businesses, such as CLEAR Plus, and for the experiences offered by our partners. As such, we bring our high standards of security, scalability, and reliability to every environment in which members engage with CLEAR.

Innovative and Scalable Platform

We believe that the significant investments we have made in our technology platform are a key differentiator for our business. Our approximately 180 person technology team leads platform innovation inside CLEAR. We have spent more than 11 years to create our scalable and secure back-end and our easy-to-use consumer front-end. The scalability of our platform is demonstrated by our ability to quickly launch new features. For example, in 2020 we were able to rapidly develop and launch Health Pass given the strength and modularity of CLEAR. We have also developed SDK and API capabilities to enable our partners to leverage our innovation and enable better experiences for their customers.

Powerful Network Effects

The power of network effects on our business model became evident as we added additional locations and our membership growth accelerated. Given the lengthy airport sales cycle and scarcity of airport real estate, it took us seven years to build a critical mass of airports to attract the first million members. Once we achieved this scale, the power of national network effects began to take hold. As the likelihood that a domestic traveler would have access to a CLEAR lane increased, the value proposition of our CLEAR Plus offering increased substantially. While it took seven years to reach the first million members, it took less than one year to reach each of our second, third, fourth and fifth million members. In 2015, we embarked on a strategy to add additional local CLEAR lanes at stadiums and live entertainment venues. This strategy created a second local network effect, increasing the value proposition of CLEAR Plus within a given city and meaningfully improving our member retention. The combination of these two powerful network effects drives both member growth and retention which we believe ultimately fuels our revenue growth. Over the past five years, our strategy expanded as our platform's capabilities have evolved. Our investment in our platform and products and the expanding scale of our membership have accelerated the addition of new partners that are further accelerating our membership growth and increasing verifications.

Attractive Growth While Maintaining Disciplined Capital Allocation

We have consistently focused on growth by investing in our secure identity platform, expanding our nationwide network and partnerships, adding talented team members and continuing to innovate. We are disciplined capital allocators and have achieved our current scale on net invested capital of approximately $50 million. Our business model is powered by network effects and characterized by efficient member acquisition and high retention rates. Our largest CLEAR Plus member acquisition channel is in-airport (representing 72% and 62% of member acquisitions for the year ended December 31, 2020 and 2019, respectively), where our prominent branding and expansive physical footprint allow prospective members to engage with CLEAR's brand, ambassadors and technology firsthand. As we add partners, products and locations, our platform becomes more valuable to our members.

Led by Experienced, Visionary Team

CLEAR was purchased and relaunched in 2010 by Ms. Caryn Seidman-Becker, our Chief Executive Officer, and Mr. Kenneth Cornick, our President and Chief Financial Officer. CLEAR is still executing on the original vision today, with Ms. Seidman-Becker and Mr. Cornick continuing to lead the business 11 years later. They are substantial owners of CLEAR and operate the business with the goal of long-term value creation. Ms. Seidman-Becker's and Mr. Cornick's prior investment experience informs their efficient capital allocation strategy, and they have attracted a deeply experienced team to accelerate CLEAR's next phase of growth.

Our Opportunity

We believe that only *you* are *you*—your identity should enable a frictionless and safe journey wherever you are. Our platform allows members to use a single identity to move frictionlessly through a network of different experiences, both digital and physical, while partners can instantly turn on frictionless access and better experiences for the millions of members who use the CLEAR platform. We believe that our market opportunity is vast and supported by several significant long-term tailwinds driving demand for our platform.

Trends in Our Favor

- *Re-opening of and return to secular growth in the travel industry* : The COVID-19 pandemic resulted in a dramatic collapse in United States domestic airline passenger volumes in 2020. As the penetration of the COVID-19 vaccinations increases, we believe the travel industry will re-open and return to secular growth. Over the longer term, we believe the travel industry will resume growing at a rate above GDP growth, as it consistently did prior to 2020.
- *Expanded Airport Footprint and Travel Partner Network* : Compounding the anticipated rebound in travel post the COVID-19 pandemic, we have materially increased our airport footprint and added several large marketing partners in the last 24 months. Typically we experience outsized member growth when we launch new airports and marketing partnerships.
- *Increasing consumer expectations for seamless and customized experiences* : Today consumers in both their digital and physical experiences expect to dictate when, where and how they want a particular service. Today's consumer rewards brands who they believe are committed to elevating their experiences and according to Forbes, 83% of consumers admit to paying as much attention to how brands treat them as to the product they sell.
- *Increased consumer and regulatory focus on information privacy and transparency* : Privacy is an increasingly important priority for consumers, with heightened awareness of data sharing as digital technology adoption accelerates.
- *Acceleration of digital and contactless experiences* : COVID-19 has underscored the need for efficient and contactless interactions, with shifting priorities towards health and safety. Individuals are reassessing the way they interact, with 62% of consumers expected to increase their use of touchless technologies after the pandemic subsides, according to Capgemini.
- *Accelerating consumerization of healthcare* : Consumerization of healthcare is a technology-enabled trend that has been accelerated by the COVID-19 pandemic. Patients have more control than ever over how, where and when they seek care—both physically and digitally. Bolstered by regulation requiring greater interoperability of healthcare data, consumers' need for control with respect to their data and a desire for a better patient experience, we believe the demand for our secure identity solution in the healthcare sector is significant.

Addressable Market

We believe we are well positioned to address the following significant market opportunities:

- *Aviation and Travel*: The domestic aviation market has penetrated a significant portion of the American adult population and has been a driving force in our growth trajectory since we launched our CLEAR Plus offering. A 2017 Airlines for America survey suggests that approximately 90 million American adults fly two times or more per year and approximately 31 million fly six times or more per year. Additionally, the Bureau of Transport Statistics reported over 810 million non-unique domestic travelers in 2019. We believe the scale of the domestic aviation and travel markets provides a substantial opportunity for us to use our platform to drive membership growth.
- *Hospitality*: Given our leadership in travel, the hospitality industry represents a natural extension for our platform. According to Cushman & Wakefield's U.S. Lodging Industry Overview, there were approximately 1.3 billion room nights occupied nationwide in 2019, representing a significant verification opportunity for our platform.
- *Live Sports and Entertainment* : The live sports and entertainment industry was the first major extension of our platform and is expected to be a driver of growth moving forward. According to ESPN, there were approximately 130 million sports attendees in 2019 across The National Football League ("NFL"), the National Basketball Association ("NBA"), Major League Baseball ("MLB") and the National Hockey League ("NHL"). Similarly, live music entertainment attracted nearly 60 million attendees in 2019 according to Statista. We believe that each of these attendance instances represent a verification opportunity for our platform.

- *Healthcare*: We believe our secure identity platform has multiple use cases in thousands of hospitals and doctors' offices nationwide including patient check-in, digital medical records, telehealth and verified identity. Based on data compiled by the Center for Disease Control and Prevention, or the "CDC," we estimate that there are over one billion healthcare visits in the United States annually. Our Health Pass product was our first example of connecting verified identity with health insights.
- *Location Access*: According to Forrester, there are approximately 115 million knowledge workers in North America. Our biometric identity platform has the potential to play a key role in enabling the frictionless return to the office for these knowledge workers.
- *Global Extensibility*: While we are domestically focused today, we believe our platform is applicable to potential members and partners around the world. As a result, we believe our global market opportunity is significantly larger than our domestic market opportunity.

Our Growth Strategies

We have a significant track record of member growth within our domestic aviation vertical, and our platform has numerous adjacencies for further expansion.

Key elements of our growth strategy include:

- *Grow CLEAR Plus Members*: We see growth opportunities in our CLEAR Plus member base. We are still in the early stages of growth as our airport footprint currently covers approximately 53% of the total TSA departure volume, as of May 15, 2021. As of March 31, 2021, our Total Cumulative Enrollments of 5.6 million represents about 4% Metropolitan Statistical Area ("MSA") penetration of our existing markets collectively. In Denver, one of our more developed markets, MSA penetration is about 10% and is still growing by approximately one percentage point per year. This implies we have a meaningful growth opportunity in our existing markets, as seen in Denver, where Total Bookings grew at a 44% compound annual growth rate ("CAGR") between 2014 and 2019 and profit margins expanded approximately 1800 basis points over the same time period. We believe we can continue to open CLEAR lanes in new airports and new CLEAR lanes in our existing airports. We also believe there are opportunities to develop new features such as touchless lounge access and bag drop to improve the member and partner experience.
- *Launch TSA PreCheck® enrollment program*: We believe our TSA PreCheck® enrollment award will drive significant growth for TSA's program and a meaningful incremental revenue opportunity to CLEAR as we manage renewal processing and new enrollments for TSA PreCheck® subscriptions. Our TSA PreCheck® award also offers a significant top-of-funnel opportunity to acquire new CLEAR Plus members as we intend to offer a CLEAR/TSA PreCheck® bundled product for customers who are new to both CLEAR and to TSA.
- *Expand our partnerships and distribution channels*: We intend to continue to pursue commercial partners as a means to broaden our distribution channel reach and accelerate member growth. These partnerships and channels are likely to include new airlines, credit card partners, professional sports leagues and teams, digital marketplaces and retail enterprises.
- *Expand into new verticals and products*: We have already made significant progress expanding from aviation into select new verticals, including travel and hospitality, live sports and entertainment and healthcare. We plan to continue investing in each of these verticals to increase the growth of our platform, member base and our network locations where our members can use and our partners can integrate with CLEAR. We believe we have a proven platform business with numerous natural adjacencies and as our member base and product portfolio grows, we believe we will have the opportunity to grow into new verticals. This portfolio includes, but is not limited to, payments, location access, ticketing, age validation and health profiles. We may also seek to expand our platform to include single sign-on in addition to our existing API and SDK integration capabilities, which may create new revenue streams through new business models.

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- *Acquisitions and corporate development opportunities*: We may opportunistically pursue selective acquisitions and other corporate development opportunities to complement our existing platform capabilities and further accelerate our growth and platform adoption.
- *International expansion*: Our platform is highly scalable and can be rapidly deployed in new markets. We believe that there is likely to be global demand for our secure identity platform. While in the near-term the North American market remains our highest priority, we may later consider extending our network into geographies outside of the United States.

Risk Factors Summary

Participating in this offering involves substantial risk. Our ability to execute our strategies is also subject to certain risks. The risks described under the heading "Risk Factors" immediately following this summary may cause us not to realize the full benefits of our competitive strengths or may cause us to be unable to successfully execute all or part of our strategies. Some of the more significant challenges and risks we face include the following:

- failure to add new members, retain existing members, increase CLEAR Plus memberships or increase the utilization of our platform;
- failure to add new partners, retain existing partners or profit from partner relationships;
- our inability to maintain the value and reputation of our brand;
- failure to successfully compete against existing and future competitors, and the highly competitive market in which we operate;
- risks associated with the increased adoption of new technological solutions and services, including third-party identity verification solutions and credential authentication solutions, at locations where we operate or may operate in the future;
- public confidence in, and acceptance of, identity platforms and biometrics generally, and our platform specifically;
- risks associated with our commercial agreements and strategic alliances, as well as potential indemnification obligations, and certain of our agreements with third parties;
- risks associated with our growth and ability to develop and introduce platform features and offerings;
- risks associated with any decline or disruption in the travel industry or a general economic downturn;
- risks associated with breaches of our information technology systems, protection of our intellectual property, technology and confidential information and failures by third-party technology and devices on which our business relies;
- our reliance on third-party technology and information systems to help complete critical business functions and our ability to find alternatives if such third-party technology and information systems fail;
- limitations of the SAFETY Act's liability protections;
- our ability to meet the standards set for our airport operations by governmental stakeholders; and
- failure to comply with the constantly evolving laws and regulations that we are subject to or may become subject to.

The above list is not exhaustive. See "Risk Factors" immediately following this "Prospectus Summary" for a more thorough discussion of these and other risks and uncertainties we face.

Implications of Being an Emerging Growth Company

We are an "emerging growth company," as defined in Section 2(a)(19) of the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act") and are eligible to take

advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies," including, but not limited to: (1) presenting only two years of audited financial statements in addition to any required unaudited interim financial statements with correspondingly reduced "Management's Discussion and Analysis of Financial Condition and Results of Operations" disclosure in this prospectus; (2) not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"); (3) having reduced disclosure obligations regarding executive compensation; (4) being exempt from the requirements to hold a non-binding advisory vote on executive compensation or seek stockholder approval of any golden parachute payments not previously approved; and (5) not being required to adopt certain accounting standards applicable to public companies until those standards would otherwise apply to private companies.

Although we are still evaluating our options under the JOBS Act, we may take advantage of some or all of the reduced regulatory and reporting requirements that will be available to us so long as we qualify as an "emerging growth company" and thus the level of information we provide may be different than that of other public companies. If we do take advantage of any of these exemptions, some investors may find our securities less attractive, which could result in a less active trading market for our Class A common stock, and the price of our Class A common stock may be more volatile. As an "emerging growth company" under the JOBS Act, we are permitted to delay the adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are made applicable to private companies. We are electing to take advantage of such extended transition period, and as a result, we will not comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies until the earlier of the date we (i) are no longer an "emerging growth company" or (ii) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates. Early adoption is permitted.

We could remain an "emerging growth company" until the earliest to occur of:

- the last day of the year following the fifth anniversary of this offering;
- the last day of the first year in which our annual gross revenues exceed an amount specified by regulation (currently $1.07 billion);
- the day we are deemed to be a "large accelerated filer" as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which would occur if the market value of our common stock held by non-affiliates exceeded $700.0 million as of the last business day of the second quarter of such year; and
- the date on which we have issued more than $1.0 billion in non-convertible debt securities during the preceding three-year period.

Corporate History and Organizational Structure

We were formed as a Delaware corporation on March 2, 2021. We currently conduct our business through Alclear and its subsidiaries. We will enter into a series of transactions to reorganize our capital structure in connection with this offering. These reorganization transactions are designed to create a capital structure that preserves our ability to conduct our business through Alclear and its subsidiaries, while permitting us to raise additional capital and provide access to liquidity through a public company. Multiple classes of securities at the public company level are necessary to achieve these objectives.

The Reorganization Transactions

Prior to the consummation of the reorganization transactions described below and this offering, all of Alclear's outstanding equity interests, including its Class A units, Class B units and profit units, are owned by the following persons, whom we refer to collectively as the "CLEAR Pre-IPO Members":

- Alclear Investments, LLC, an entity controlled by Ms. Seidman-Becker, whom we refer to as "Alclear Investments";

- Alclear Investments II, LLC, an entity controlled by Mr. Cornick, whom we refer to as "Alclear Investments II" and whom we refer to collectively with Alclear Investments as the "Founder Post-IPO Members";
- our other pre-IPO investors, including certain strategic alliance partners; and
- certain of our current and former employees, members of management, service providers and members of the board of managers of Alclear.

Subsequent to March 31, 2021 and prior to the completion of this offering, we will consummate an internal reorganization, which we refer to as the "reorganization transactions." In connection with the reorganization transactions, the following steps will occur:

- Alclear will have made cash distributions to certain CLEAR Pre-IPO Members in an aggregate estimated amount of $ for the purpose of funding tax obligations;
- we will become the sole managing member of Alclear;
- certain warrants issued by Alclear and held by certain of the CLEAR Pre-IPO Members will become exercisable prior to this offering and, subject to their terms, to the extent not exercised by the holders thereof at their discretion, will automatically be exercised for Class B units of Alclear;
- we will amend and restate Alclear's amended and restated operating agreement and provide that, among other things, all of Alclear's outstanding equity interests, including its Class A units, Class B units and profit units, will be reclassified into Alclear non-voting common units, which we refer to as "Alclear Units." The number of Alclear Units to be issued to each member of Alclear will be determined based on a hypothetical liquidation of Alclear and the initial public offering price per share of our Class A common stock in this offering;
- we will amend and restate our certificate of incorporation and will be authorized to issue four classes of common stock: Class A common stock, Class B common stock, Class C common stock and Class D common stock, which we refer to collectively as our "common stock." The Class A common stock and Class C common stock will each provide holders with one vote per share on all matters submitted to a vote of stockholders, and the Class B common stock and Class D common stock will each provide holders with 20 votes per share on all matters submitted to a vote of stockholders. The holders of Class C common stock and Class D common stock will not have any of the economic rights (including rights to dividends and distributions upon liquidation) provided to holders of Class A common stock and Class B common stock. These attributes are summarized in the following table:

Class of Common Stock	Votes	Economic Rights
Class A common stock	1	Yes
Class B common stock	20	Yes
Class C common stock	1	No
Class D common stock	20	No

  Shares of our common stock will generally vote together as a single class on all matters submitted to a vote of our stockholders;

- certain other warrants of Alclear are not exercisable at or prior to this offering and, upon completion of this offering, will either, in accordance with their terms, (i) be exchanged for new warrants representing the right to receive Class A common stock or (ii) remain at Alclear and continue to be exercisable for Alclear Units in accordance with their terms;
- the Founder Post-IPO Members will contribute a portion of their Alclear Units to us in exchange for Class B common stock;
- certain CLEAR Pre-IPO Members will contribute their Alclear Units to us in exchange for Class A common stock (the "Other Post-IPO Stockholders");

- outstanding restricted stock units ("RSUs") in Alclear will be substituted with restricted stock units representing the right to receive our Class A common stock following the applicable vesting date;
- we will form subsidiaries that will merge with and into certain entities that are treated as corporations for U.S. federal income tax purposes in which certain CLEAR Pre-IPO Members hold interests (the "Blocker Corporations" and the CLEAR Pre-IPO Members who hold interests in the Blocker Corporations, the "Blocker Stockholders"), and the surviving entities will then merge with and into us. We refer to these transactions as the "Mergers." As consideration for the Mergers, we will issue to the Blocker Stockholders shares of our Class A common stock. We refer to the Blocker Stockholders as the "Blocker Post-IPO Stockholders" and the Blocker Post-IPO Stockholders and the Other Post-IPO Stockholders collectively as the "Investor Post-IPO Stockholders." The number of shares of Class A common stock to be issued to the Blocker Post-IPO Stockholders will be based on the number of Alclear Units that we acquire;
- the remaining members of Alclear after giving effect to the reorganization transactions, other than us, whom we refer to collectively as the "CLEAR Post-IPO Members," will subscribe for and purchase shares of our common stock as follows, in each case at a purchase price of $0.00001 per share and in an amount equal to the number of Alclear Units held by each such CLEAR Post-IPO Member:
  - Alclear Investments will purchase shares of our Class D common stock at a purchase price of $0.00001 per share;
  - Alclear Investments II will purchase shares of our Class D common stock at a purchase price of $0.00001 per share; and
  - the other CLEAR Post-IPO Members will purchase an aggregate of shares of our Class C common stock at a purchase price of $0.00001 per share; and
- subject to certain restrictions, the Founder Post-IPO Members will be granted the right to exchange their Alclear Units, together with a corresponding number of shares of our Class D common stock, for, at our option, (i) shares of our Class B common stock or (ii) cash from a substantially concurrent public offering or private sale of Class A common stock (based on the market price of our Class A common stock in such public offering or private sale), and the other CLEAR Post-IPO Members will be granted the right to exchange their Alclear Units, together with a corresponding number of shares of our Class C common stock, for, at our option, (i) shares of our Class A common stock or (ii) cash from a substantially concurrent public offering or private sale of Class A common stock (based on the market price of our Class A common stock in such public offering or private sale). Each share of our Class B common stock and Class D common stock is convertible at any time, at the option of the holder, into one share of Class A common stock or Class C common stock, respectively. Furthermore, each share of our Class B common stock will automatically convert into one share of Class A common stock and each share of our Class D common stock will automatically convert into one share of our Class C common stock upon the occurrence of certain events as described in "Description of Capital Stock—Common Stock—Conversion, Transferability and Exchange."

  The following table sets forth the percentage of economic and voting interests of each class of investors in Clear Secure, Inc. as a result of the reorganization transactions and this offering based on an assumed initial public offering price of $ per share (the midpoint of the estimated

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public offering price range set forth on the cover page of this prospectus) and assuming the underwriters do not exercise their option to purchase additional shares in this offering from us:

Class of Common Stock	Economic Interest (%)	Voting Power (%)
Class A common stock*		
Class B common stock		
Class C common stock	0%	
Class D common stock	0%	

* Includes investors in this offering, which will have an approximately % of the economic interest and approximately % of the voting power in Clear Secure, Inc. following the reorganization transactions and this offering.

Clear Secure, Inc. will be the sole managing member of Alclear and, immediately after giving effect to the reorganization transactions and this offering, based on an assumed initial public offering price of $ per share (the midpoint of the estimated public offering price range set forth on the cover page of this prospectus) and assuming the underwriters do not exercise their option to purchase additional shares in this offering from us, Clear Secure, Inc. will own approximately % of the economic interests in Alclear and the Clear Post-IPO Members will own approximately % of the economic interests in Alclear.

See “Organizational Structure” for further details.

After the completion of this offering, we intend to contribute the net proceeds from this offering to Alclear in exchange for a number of Alclear Units equal to the contribution amount divided by the price paid by the underwriters for shares of our Class A common stock in this offering (Alclear Units at the midpoint of the estimated public offering price range set forth on the cover page of this prospectus or, if the underwriters exercise their option to purchase additional shares in full, Alclear Units), and we intend to cause Alclear to use such contributed amount to pay offering expenses and for general corporate purposes.

We estimate that the offering expenses (other than the underwriting discounts and commissions) will be approximately $ million. All of such offering expenses will be paid for or otherwise borne by Alclear.

See “Use of Proceeds” for further details.

The following diagram depicts our organizational structure following the reorganization transactions, this offering and the application of the net proceeds from this offering, including all of the transactions described above (assuming an initial public offering price of $ per share (the midpoint of the estimated public offering price range set forth on the cover page of this prospectus) and no exercise of the underwriters’ option to purchase additional shares). This chart is provided for illustrative purposes only and does not purport to represent all legal entities within our organizational structure:

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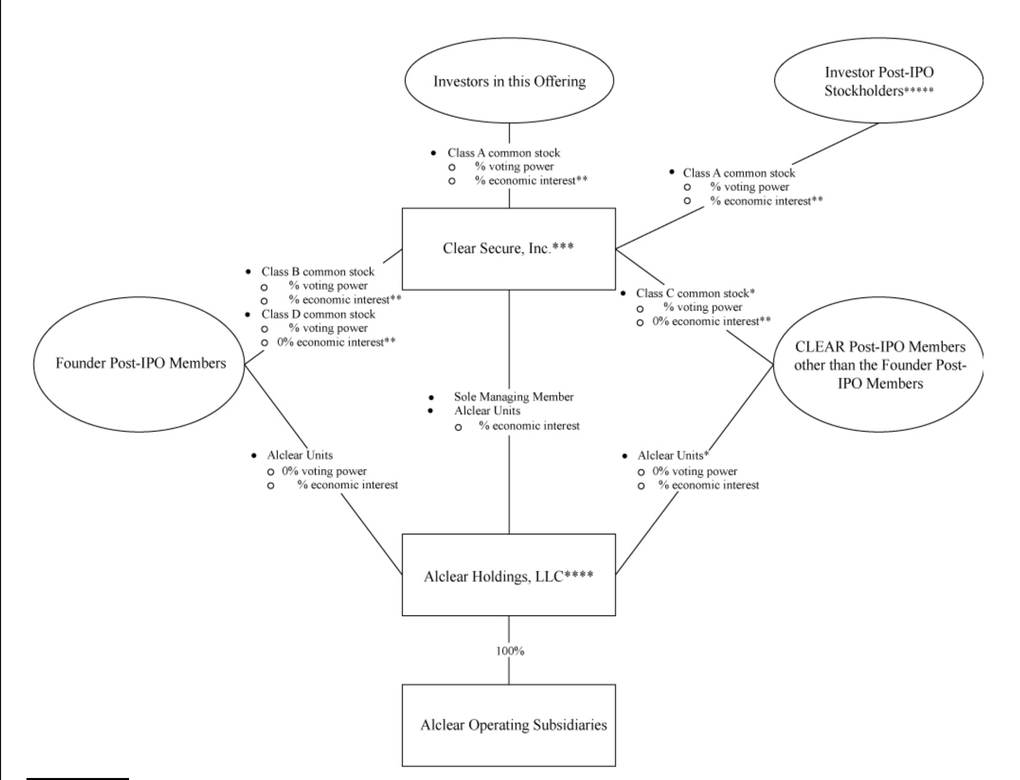

* Includes unvested Alclear Units and corresponding shares of Class C common stock.

** Represents economic interest in Clear Secure, Inc. and not Alclear Holdings, LLC.

*** Classified as a corporation for U.S. federal income tax purposes.

**** Classified as a partnership for U.S. federal income tax purposes.

***** The Investor Post-IPO Stockholders include the Blocker Post-IPO Stockholders.

In connection with the reorganization transactions, we will be appointed as the sole managing member of Alclear pursuant to Alclear's second amended and restated operating agreement. Because we will manage and operate the business and control the strategic decisions and day-to-day operations of Alclear and will also have a substantial financial interest in Alclear, we will consolidate the financial results of Alclear, and a portion of our net income (loss) will be allocated to the non-controlling interest to reflect the entitlement of the CLEAR Post-IPO Members to a portion of Alclear's net income (loss). In addition, because Alclear will be under common control before and after the reorganization transactions, we will account for the reorganization transactions as a reorganization of entities under common control and will initially measure the interests of the CLEAR Pre-IPO Members in the assets and liabilities of Alclear at their carrying amounts as of the date of the completion of this reorganization transactions. See "Organizational Structure," "Certain Relationships and Related Party Transactions" and "Description of Capital Stock" for more information on the rights associated with our capital stock and the Alclear Units.

Upon the completion of this offering and the application of the net proceeds from this offering, based on an assumed initial public offering price of $ per share (the midpoint of the estimated public offering price range set forth on the cover page of this prospectus) and assuming no exercise of the underwriters' option to purchase additional shares, we will hold approximately % of the outstanding Alclear Units, the CLEAR Post-IPO Members will hold approximately % of the outstanding Alclear Units and approximately % of the combined voting power of our outstanding

shares of common stock, the Investor Post-IPO Stockholders will hold approximately % of the combined voting power of our outstanding shares of common stock and the investors in this offering will hold approximately % of the combined voting power of our outstanding shares of common stock. See "Organizational Structure," "Certain Relationships and Related Party Transactions" and "Description of Capital Stock" for more information on the rights associated with our capital stock and the Alclear Units.

Future exchanges by the CLEAR Post-IPO Members (or their transferees or other assignees) of Alclear Units and corresponding shares of Class C common stock or Class D common stock, as the case may be, for shares of our Class A common stock or Class B common stock, respectively, and purchases of Alclear Units and corresponding shares of Class C common stock or Class D common stock, as the case may be, from CLEAR Post-IPO Members (or their transferees or other assignees) are expected to produce favorable tax attributes. These tax attributes would not be available to us in the absence of those transactions. In connection with the reorganization transactions, we will enter into a tax receivable agreement that will obligate us to make payments to the CLEAR Post-IPO Members generally equal to 85% of the applicable cash savings that we actually realize as a result of these tax attributes and tax attributes resulting from payments made under the tax receivable agreement. We will retain the benefit of the remaining 15% of these tax savings. See "Organizational Structure—Holding Company Structure and Tax Receivable Agreement" and "Certain Relationships and Related Party Transactions—Tax Receivable Agreement."

Our Principal Equityholders

Following the consummation of the reorganization transactions and this offering, the Founder Post-IPO Members will collectively control approximately % of the combined voting power of our outstanding shares of common stock (or % if the underwriters exercise their option to purchase additional shares in full) based on an assumed initial public offering price of $ per share (the midpoint of the estimated public offering price range set forth on the cover page of this prospectus). As a result, the Founder Post-IPO Members will collectively control any action requiring the general approval of our stockholders, including the election of our board of directors, the adoption of amendments to our certificate of incorporation and by-laws and the approval of any merger or sale of substantially all of our assets.

Corporate Information

We were formed as a Delaware corporation on March 2, 2021. We are a newly formed corporation, have no material assets and have not engaged in any business or other activities except in connection with the reorganization transactions described under "Organizational Structure." Our corporate headquarters are located at 65 East 55th Street, 17th Floor, New York, New York 10022, and our telephone number is (646) 723-1404. Our website address is *www.clearme.com*. Information contained on our website does not constitute a part of this prospectus.

The Offering

Issuer	Clear Secure, Inc.
Class A common stock outstanding before this offering	shares.
Class A common stock offered by us	shares.
Option to purchase additional shares	We have granted the underwriters the right to purchase an additional shares of Class A common stock from us within 30 days from the date of this prospectus.
Class A common stock to be outstanding immediately after this offering	shares (or shares if the underwriters exercise their option to purchase additional shares in full) based on an assumed initial public offering price of $ per share (the midpoint of the estimated public offering price range set forth on the cover page of this prospectus). If, immediately after this offering and the application of the net proceeds from this offering, all of the CLEAR Post-IPO Members elected to exchange their Alclear Units and corresponding shares of Class C common stock or Class D common stock, as applicable, for shares of our Class A common stock or Class B common stock, as applicable, and any such shares of our Class B common stock were then converted into shares of Class A common stock, shares of our Class A common stock would be outstanding (% of which would be owned by non-affiliates of the Company) (or shares (% of which would be owned by non-affiliates of the Company) if the underwriters exercise their option to purchase additional shares in full).
Class B common stock to be outstanding immediately after this offering	shares based on an assumed initial public offering price of $ per share (the midpoint of the estimated public offering price range set forth on the cover page of this prospectus). Shares of our Class B common stock have voting and economic rights and will be issued to the Founder Post-IPO Members in an amount equal to the number of Alclear Units held by the Founder Post-IPO Members that are exchanged for Class B common stock.
Class C common stock to be outstanding immediately after this offering	shares based on an assumed initial public offering price of $ per share (the midpoint of the estimated public offering price range set forth on the cover page of this prospectus). Shares of our Class C common stock have voting but no economic rights (including rights to dividends and distributions upon liquidation) and will be issued in an amount equal to the number of Alclear Units held by the CLEAR Post-IPO Members other than the Founder Post-IPO

	Members. When an Alclear Unit, together with a share of our Class C common stock, is exchanged for a share of our Class A common stock, the corresponding share of our Class C common stock will be cancelled.
Class D common stock to be outstanding immediately after this offering	shares based on an assumed initial public offering price of $ per share (the midpoint of the estimated public offering price range set forth on the cover page of this prospectus). Shares of our Class D common stock have voting but no economic rights (including rights to dividends and distributions upon liquidation) and will be issued in an amount equal to the number of Alclear Units held by the Founder Post-IPO Members other than the Alclear Units exchanged for Class B common stock in connection with the reorganization transactions. When an Alclear Unit, together with a share of our Class D common stock, is exchanged for a share of our Class B common stock, the corresponding share of our Class D common stock will be cancelled.
Voting rights	Each share of our Class A common stock entitles its holder to one vote per share, representing an aggregate of % of the combined voting power of our outstanding shares of common stock upon the completion of this offering and the application of the net proceeds from this offering (or % if the underwriters exercise their option to purchase additional shares in full). Each share of our Class B common stock entitles its holder to 20 votes per share, representing an aggregate of % of the combined voting power of our outstanding shares of common stock upon the completion of this offering and the application of the net proceeds from this offering (or % if the underwriters exercise their option to purchase additional shares in full and giving effect to the use of the net proceeds therefrom). Each share of our Class C common stock entitles its holder to one vote per share, representing an aggregate of % of the combined voting power of our outstanding shares of common stock upon the completion of this offering and the application of the net proceeds from this offering (or % if the underwriters exercise their option to purchase additional shares in full and giving effect to the use of the net proceeds therefrom). Each share of our Class D common stock entitles its holder to 20 votes per share, representing an aggregate of % of the combined voting power of our outstanding shares of common stock upon the completion of this offering and the application of the net proceeds from this offering (or % if the underwriters exercise their option to purchase additional shares in full and giving effect to the use of the net proceeds therefrom). All classes of our common stock generally vote together as a single class on all matters submitted to a vote of our

	stockholders. Upon the completion of this offering, our Class B common stock and Class D common stock will be held exclusively by the Founder Post-IPO Members and our Class C common stock will be held by the CLEAR Post-IPO Members other than the Founder Post-IPO Members. See "Description of Capital Stock."
Exchange/conversion	Subject to certain restrictions, Alclear Units held by the Founder Post-IPO Members, together with a corresponding number of shares of our Class D common stock, may be exchanged for (i) shares of our Class B common stock on a one-for-one basis or (ii) cash from a substantially concurrent public offering or private sale of Class A common stock (based on the market price of our Class A common stock in such public offering or private sale), at our option (as managing member of Alclear), subject to customary conversion rate adjustments for stock splits, stock dividends and reclassifications. Subject to certain restrictions, Alclear Units held by the CLEAR Post-IPO Members other than the Founder Post-IPO Members, together with a corresponding number of shares of our Class C common stock, may be exchanged for (i) shares of our Class A common stock on a one-for-one basis or (ii) cash from a substantially concurrent public offering or private sale of Class A common stock (based on the market price of our Class A common stock in such public offering or private sale), at our option (as managing member of Alclear), subject to customary conversion rate adjustments for stock splits, stock dividends and reclassifications. Each share of our Class B common stock and Class D common stock is convertible at any time, at the option of the holder, into one share of Class A common stock or Class C common stock, respectively. Each share of our Class B common stock will automatically convert into one share of Class A common stock and each share of our Class D common stock will automatically convert into one share of our Class C common stock upon the occurrence of certain events, as further described in "Description of Capital Stock—Common Stock—Conversion, Transferability and Exchange."
Use of proceeds	We estimate that our net proceeds from this offering will be approximately $ million (or approximately $ million if the underwriters exercise their option to purchase additional shares in full), after deducting underwriting discounts and commissions, based on an assumed initial offering price of $ per share (the midpoint of the estimated public offering price range set forth on the cover page of this prospectus). We intend to contribute the net proceeds from this offering to Alclear in exchange for a number of Alclear Units equal to the contribution amount divided by the price paid by the underwriters for shares of our Class A common stock in this offering (Alclear Units at the midpoint of the estimated public offering price range set forth on the cover page of this prospectus or, if the underwriters exercise their

	option to purchase additional shares in full, Alclear Units), and to cause Alclear to use such contributed amount to pay offering expenses and for general corporate purposes.
	We estimate that the offering expenses (other than the underwriting discounts and commissions) will be approximately $ million. All of such offering expenses will be paid for or otherwise borne by Alclear.
	We have broad discretion as to the application of such net proceeds to be used for general corporate purposes. Although we do not have any commitments or agreements to enter into any acquisitions or investments with any specific targets at this time, we may use such net proceeds to finance growth through the acquisition of, or investment in, businesses, products, services or technologies that are complementary to our current business, through mergers, acquisitions or other strategic transactions.
	See “Use of Proceeds” for further details.
Dividend policy	We do not intend to pay cash dividends on our Class A common stock in the foreseeable future. However, we may, in the future, decide to pay dividends on our Class A common stock. Any declaration and payment of cash dividends in the future, if any, will be at the discretion of our board of directors and will depend upon such factors as our financial condition, earnings levels, cash flows, capital requirements, levels of indebtedness, restrictions imposed by applicable law, our overall financial condition, restrictions in our debt agreements, and any other factors deemed relevant by our board of directors.
	See “Dividend Policy.”
Listing	We intend to apply to list our Class A common stock on the NYSE under the symbol “YOU.”
Risk factors	You should read the “Risk Factors” section of this prospectus for a discussion of factors that you should consider carefully before deciding to invest in shares of our Class A common stock.

Unless we indicate otherwise throughout this prospectus, the number of shares of our Class A common stock and Class B common stock outstanding after this offering excludes:

- shares issuable pursuant to stock options and restricted stock units with respect to an aggregate amount of shares of Class A common stock that we expect to issue in connection with this offering under the Clear Secure, Inc. 2021 Omnibus Incentive Plan (the “2021 Omnibus Incentive Plan”). See “Executive Compensation”;
- additional shares issuable pursuant to stock options, restricted stock units or other equity-based awards with respect to an aggregate amount of shares of Class A common stock that we expect to remain available for issuance under the 2021 Omnibus Incentive Plan following the completion of this offering. See “Executive Compensation—2021 Omnibus Incentive Plan”;
- shares of Class A common stock reserved for issuance upon the exchange of Alclear Units (together with the corresponding shares of our Class C common stock), and shares of Class B common stock reserved for issuance upon the exchange of Alclear Units (together with the corresponding shares of our Class D common stock);

- shares of our Class A common stock reserved for issuance upon the conversion of our Class B common stock into Class A common stock; and
- up to shares of our Class A common stock issuable upon exercise of warrants that represent the right to receive Class A common stock that we issued to some of our strategic partners, including United Airlines, which are subject to vesting conditions.

Unless we indicate otherwise, all information in this prospectus assumes (i) that the underwriters do not exercise their option to purchase up to additional shares from us and (ii) an initial public offering price of $ per share (the midpoint of the estimated public offering price range set forth on the cover page of this prospectus).

Summary Selected Historical and Pro Forma Condensed Consolidated Financial and Other Data

The following tables set forth summary selected historical and pro forma condensed consolidated financial and other data of Alclear, our accounting predecessor, for the periods presented. We were formed as a Delaware corporation on March 2, 2021 and have not, to date, conducted any activities other than those incidental to our formation and the preparation of this prospectus and the registration statement of which this prospectus forms a part.

The condensed consolidated statement of operations data for the three months ended March 31, 2021 and 2020 and condensed consolidated balance sheet data as of March 31, 2021 have been derived from Alclear's unaudited financial statements included elsewhere in this prospectus.The condensed consolidated statement of operations data for the years ended December 31, 2020 and 2019 and condensed consolidated balance sheet data as of December 31, 2020 and 2019 have been derived from Alclear's audited financial statements included elsewhere in this prospectus.

The unaudited pro forma condensed consolidated statement of operations data for the three months ended March 31, 2021 and the year ended December 31, 2020 gives effect to the reorganization transactions described under "Organizational Structure" as if they had occurred on January 1, 2020. The unaudited pro forma condensed consolidated balance sheet data as of March 31, 2021 gives effect to (i) the reorganization transactions described under "Organizational Structure" and (ii) this offering and the use of proceeds from this offering as if each had occurred on March 31, 2021. See "Unaudited Pro Forma Condensed Consolidated Financial Information."

The summary selected historical and pro forma consolidated financial and other data presented below do not purport to be indicative of the results that can be expected for any future period and should be read together with "Capitalization," "Unaudited Pro Forma Condensed Consolidated Financial Information," "Selected Historical Consolidated Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our and Alclear's consolidated financial statements and related notes thereto included elsewhere in this prospectus.

(In thousands, except per share data)	Pro Forma Three Months Ended March 31, 2021	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020	Pro Forma Year Ended December 31, 2020	Years Ended December 31, 2020	Years Ended December 31, 2019
	(unaudited)	*(unaudited)*		*(unaudited)*		
Condensed Consolidated Statement of Operations Data:						
Revenues	$	$ 50,558	$ 61,288	$	$ 230,796	$ 192,284
Operating expenses		63,609	113,131		249,725	248,447
Operating loss		(13,051)	(51,843)		(18,929)	(56,163)
Other income		(71)	590		9,635	1,942
Loss before tax		(13,122)	(51,253)		(9,294)	(54,221)
Income tax (expense) benefit		(6)	—		(16)	—
Net loss		(13,128)	(51,253)		(9,310)	(54,221)
Pro forma net loss per share of Class A common stock and Class B Common Stock (unaudited):						
Basic	$			$		
Diluted	$			$		

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(In thousands)	Pro Forma as of March 31, 2021	As of March 31, 2021	As of December 31, 2020	As of December 31, 2019
	(unaudited)	*(unaudited)*		
Condensed Consolidated Balance Sheet Data:				
Cash and cash equivalents	$	$ 175,730	$ 116,226	$ 213,885
Total assets		301,502	232,268	318,870
Total liabilities		161,821	149,913	166,969
Total redeemable capital units		650,660	569,251	435,230
Total members' deficit/shareholders' equity		(510,979)	(486,896)	(283,329)

(In thousands)	Pro Forma Three Months Ended March 31, 2021	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020	Pro Forma Year Ended December 31, 2020	Years Ended December 31, 2020	Years Ended December 31, 2019
Other Financial Information:						
Net loss	$	$ (13,128)	$ (51,253)	$	$ (9,310)	$ (54,221)
Adjusted EBITDA[(1)]		(7,301)	2,176		45,597	(27,769)
Net cash (used in) provided by operating activities		(335)	(41,846)		(12,338)	16,574
Free Cash Flow[(2)]		(8,417)	3,738		21,711	4,820

(1) Adjusted EBITDA is a non-GAAP financial measure. We define "Adjusted EBITDA" as net income (loss) adjusted for income taxes, interest (income) expense, depreciation and amortization, losses on asset disposals, equity-based compensation expense, mark to market of warrant liabilities and other income. For important information about this measure, please see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures."

The following table reconciles net income (loss), the most directly comparable GAAP measure, to Adjusted EBITDA:

(In thousands)	Pro Forma Three Months Ended March 31, 2021	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020	Pro Forma Year Ended December 31, 2020	Years Ended December 31, 2020	Years Ended December 31, 2019
Net loss	$	$ (13,128)	$ (51,253)	$	$ (9,310)	$ (54,221)
Income taxes		6	—		16	—
Interest income, net		71	(590)		(612)	(1,942)
Depreciation and amortization		2,538	2,294		9,423	7,316
Loss on asset disposal		—	—		238	125
Equity-based compensation expense		1,319	51,725		53,978	17,590
Warrant liabilities		1,893	—		887	3,363
Other income		—	—		(9,023)	—
Adjusted EBITDA	$	$ (7,301)	$ 2,176	$	$ 45,597	$ (27,769)

(2) Free Cash Flow is a non-GAAP financial measure. We define "Free Cash Flow" as net cash provided by (used in) operating activities adjusted for purchases of property and equipment plus the value of share repurchases over fair value. For important information about this measure, please see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures."

The following table reconciles net cash (used in) provided by operating activities, the most directly comparable GAAP measure, to Free Cash Flow:

(In thousands)	Pro Forma Three Months Ended March 31, 2021	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020	Pro Forma Year Ended December 31, 2020	Years Ended December 31, 2020	Years Ended December 31, 2019
Net cash (used in) provided by operating activities	$	$ (335)	$ (41,846)	$	$ (12,338)	$ 16,574
Purchases of property and equipment		(8,794)	(4,350)		(16,502)	(14,682)
Share repurchases over fair value		712	49,934		50,551	2,928
Free Cash Flow	$	$ (8,417)	$ 3,738	$	$ 21,711	$ 4,820

RISK FACTORS

Investing in our Class A common stock involves substantial risks. In addition to the other information in this prospectus, you should carefully consider the following factors before investing in our Class A common stock. Any of the risk factors we describe below could have a material adverse effect on our business, financial condition or results of operations. The market price of our Class A common stock could decline if one or more of these risks or uncertainties develop into actual events, causing you to lose all or part of your investment. While we believe these risks and uncertainties are especially important for you to consider, we may face other risks and uncertainties that could have a material adverse effect on our business. Certain statements contained in the risk factors described below are forward-looking statements. See "Cautionary Note Regarding Forward-Looking Statements" for more information.

Risks Related to Our Business, Brand and Operations

If we fail to add new members, retain existing members, increase CLEAR Plus memberships or increase the utilization of our platform, our business, results of operations and financial condition would be materially and adversely affected.

Our business and revenue growth depends significantly on adding new members, retaining existing members, increasing the number of CLEAR Plus members, including by converting non-paying members to paying members, and the utilization of our platform by our members. There can be no assurances that we will be successful at accomplishing any of the foregoing. Member growth, retention and utilization of our platform is in part dependent on our ability to introduce new services to our members, to expand our airport footprint, to promote and increase awareness of our existing and new offerings and to satisfy or exceed the expectations of our members with our platform and offerings. We have derived substantially all of our historical revenue from CLEAR Plus, our consumer aviation subscription service which enables access to predictable and fast experiences through dedicated entry lanes in airport security checkpoints across the nation as well as our broader network. To grow and diversify our revenue, we will need to increase the number of paying members. Failure to do so could adversely affect our business, results of operations and financial condition.

Our ability to attract and retain members, as well as to increase the number of CLEAR Plus members and the utilization of our platform by our members, could be materially adversely affected by a number of factors discussed elsewhere in these "Risk Factors," including:

- increased competition and use of our competitors' platforms and services;
- our failure to maintain our existing offerings;
- our failure to provide new or enhanced offerings or features that members value;
- our failure to attract new partners who in turn drive membership;
- negative associations or perceptions with, reduced awareness of, or negative publicity about, our brand, platform or biometrics in general;
- security incidents that may involve or are alleged to involve us such as breaches of our information technology systems or other security incidents that may involve or are alleged to involve us; and
- macroeconomic and other conditions and events outside of our control, such as the COVID-19 pandemic, other pandemics and health concerns, decreased levels of travel or attendance at events, terrorism, civil unrest, political instability and general economic conditions.

In addition, if members stop trusting our platform or have an unsatisfactory experience with our platform or our ambassadors, such as during an enrollment or verification, or we are unable to offer new and relevant offerings and features, we could be unsuccessful at continuing to grow our membership or expanding the use of our platform. Any of the foregoing could materially and adversely affect our business, results of operations and financial condition.

If we fail to add new partners, retain existing partners or profit from partner relationships, our business, results of operations and financial condition could be materially and adversely affected.

The growth of our business, including our membership base, geographic footprint and financial results, depends on adding new partners and retaining existing partners, as well as increasing the revenue generated from both new and existing paying partners. Our partners help increase our opportunities to attract new members. However, we may be unsuccessful at adding new partners, retaining existing partners or monetizing our partner relationships, and our success is subject to a number of the risks that we face in expanding our membership base. See "—If we fail to add new members, retain existing members, increase CLEAR Plus memberships or increase the utilization of our platform, our business, results of operations and financial condition would be materially and adversely affected."

If our partners stop trusting our platform or they or our members have an unsatisfactory experience with our platform, we are unable to offer new and relevant offerings and features or we are unable to increase the adoption of our platform, we could be unsuccessful at continuing to grow our partner network or increase the revenue generated from existing partners, which could hamper our prospects. This could in turn have an adverse impact on our ability to grow our membership base. Any of the foregoing could materially and adversely affect our business, results of operations and financial condition.

If we are not able to maintain the value and reputation of our brand, our business and financial results may be harmed.

We believe that our brand is important to attracting and retaining members and partners. Our business and prospects are dependent on our ability to build, maintain and expand trust in our brand and our platform from a variety of different stakeholders. Building and maintaining our brand depends on our ability to provide consistent, high-quality services to our members and partners. An inability to meet stakeholder expectations could have a material adverse effect on our brand, and therefore on our business, results of operations and financial condition. For example, our members expect us to protect their personal information, including their biometric information and health information, and provide them with safe, reliable, predictable and frictionless experiences where they choose to use our platform. Our partners expect us to build and maintain a world-class secure technology infrastructure and accurately perform the services for which they depend on us, such as correctly identifying a member at their point of use and correctly connecting a member with their boarding pass, event ticket or health credential. Aviation industry stakeholders such as our airline, airport and governmental partners expect us to continue to enhance aviation security.

Failure to meet stakeholder expectations could diminish the trust in our brand and platform. While it is our mission to continue to build and expand the trust in our brand and our platform from all stakeholders, any actual or perceived failure to do so could result in a decreased number of members, decreased use of our platform by our members, slower growth in our platform and business than we expect, a discontinuation of our partnerships and relationships, and a negative impact on our ability to expand into other sectors or industries, any of which could have a material and adverse effect on our business, prospects, results of operations and financial condition.

We operate in a highly competitive market, and we may be unable to compete successfully against existing and future competitors.

Our market is intensely competitive with respect to every aspect of our business, and we expect competition to increase in the future from established businesses and new market entrants. We anticipate that both our existing and future services and our expansion into new verticals will face competition from a variety of other companies and organizations. Large and sophisticated technology companies, as well as other companies, may strive or choose to perform services related to confirming an individual's identity as a standalone task or related to a specific transaction, which would increase the competition we currently face. For example, large, well-established technology platforms, such as Amazon, Apple, Facebook or Google, or well-known companies in the credit card industry could acquire, develop or expand a platform that competes directly with some or all of our solutions. Other potential competitors include providers of decentralized identity verification platforms or verification services. Additionally, biometric hardware companies and platform companies that also offer hardware may develop

applications that directly or indirectly compete with our platform. We face competition from two other private entities that are authorized to compete with us in enrolling members on TSA's behalf for TSA PreCheck®. Many other companies, including larger well-established companies like PricewaterhouseCoopers, Salesforce and IBM, are providing or developing services similar to our Health Pass offering.

We also face indirect competition from solutions that could be developed in-house by our existing and future partners, including companies in the airline and entertainment industries, and by governmental agencies, which could result in lost revenues and otherwise have a material adverse effect on our business, results of operations and financial condition.

Many of our existing and potential competitors have substantial competitive advantages, such as greater name recognition and longer operating histories, economies of scale, larger sales and marketing departments, budgets and resources, broader distribution and established relationships with channel partners and customers, greater customer support resources, greater resources to make acquisitions or to spend on research and development, lower labor and development costs, larger and more mature intellectual property portfolios and substantially greater financial, technical and other resources. Additionally, some of our larger competitors have substantially broader product offerings and could leverage their relationships based on other products they offer or incorporate functionality into existing products to gain business or have other advantages that can allow them to develop and deploy new solutions more quickly than we do.

Further, our competitors may also seek to repurpose their existing offerings to provide identity solutions with subscription models. Start-up companies that innovate and large competitors that are making significant investments in research and development may invent similar or superior products and technologies that compete with our solutions.

Acquisitions of our competitors by companies that have more resources than us could have a negative impact on our competitive position. Some of our competitors may enter into alliances with each other or other companies or governmental agencies, or may establish or strengthen cooperative relationships with system integrators, third-party consulting firms or other parties. Any such consolidation, acquisitions, alliances or cooperative relationships could lead to pricing pressure and loss of market share and could result in a competitor with greater financial, technical, marketing, service and other resources, all of which could harm our competitive position. Furthermore, organizations may be more willing to incrementally add solutions to their existing infrastructure from our competitors than to replace their existing infrastructure with our solutions. These competitive pressures in our market or our failure to compete effectively may result in fewer members and partners and reduced revenue and gross margins. Any failure to meet and address these factors could adversely affect our business, results of operations and financial condition.

Increased adoption of new technological solutions and services, including third-party identity verification solutions and credential authentication solutions, at locations where we operate or may operate in the future could impact our business.

Private industry and governmental agencies have increased their efforts related to developing and launching identity verification solutions and credential authentication solutions, and we expect this trend to continue. For example, certain airlines, technology providers and the DHS are exploring new technological solutions, in some cases including the use of identity verification technology or biometrics, that may gain widespread acceptance in locations where we operate, such as airports, or may operate in the future.

For example, the federal government has conducted a number of proof of concept demonstrations to evaluate identity verification technologies and other credential authentication technologies at airport checkpoints, and is continuing to explore digital identities at checkpoints generally. State governments are issuing driver's licenses in digital formats. Additionally, airlines have launched their own identity and credential authentication initiatives, in some cases with other identity verification partners. In many cases these initiatives also include use of biometrics, either via centralized or decentralized platforms, and any of these platforms or standards may become universally accepted and preferred by the

industry, TSA, airlines, and our other partners. Our business would be adversely affected should competing identity verification solutions or credential authentication solutions or standards become widely adopted at locations where we operate, such as airport checkpoints and sports arenas.

Public confidence in, and acceptance of, identity platforms and biometrics generally, and our platform specifically, will be a key factor in our business's continued growth.

Continued acceptance of identity platforms and biometric information as a secure and reliable method to identify individuals, mitigate risk and minimize fraud is an important factor in our continued growth. While both identity platforms and biometrics have become more widely adopted, they may not achieve global acceptance. The attractiveness of our solutions to members, partners and the venues where we operate is impacted by a number of factors, including the willingness of individuals to provide their personal information, including biometric information, to private or governmental entities, the level of confidence that such information can be stored safely and securely, and trust that such information will not be misused or breached. Certain individuals may never accept the use of biometrics as being safe. If identity platforms and biometrics do not achieve global acceptance, our growth could be limited, which could materially adversely affect our business, results of operations and financial condition.

We might not implement successful strategies to increase adoption of our platform or expand into new verticals, which would limit our growth.

Our future profitability will depend, in part, on our ability to implement successfully our strategies to increase adoption of our platform, expand into new verticals and develop new offerings.

We cannot assure you that the relatively new market for our platform and certain of our existing and proposed offerings will remain viable. The market for identity verification solutions is still developing. The evolution of this market may result in the development of different technologies and industry standards that are not compatible with our current solutions, products, technologies or platform. Several organizations set standards for biometrics to be used in identification and standards continue to develop related to storage of biometric information or identity information. Although we believe that our technologies comply with existing standards, these standards may change and any standards adopted could prove disadvantageous to or incompatible with our business model and current or future solutions, products, services and platform.

Our recent growth has been accelerated by our expansion from the aviation industry into new verticals, including travel and hospitality, live events and sports and healthcare. Our business strategies include expanding our platform and member base within these verticals and successfully identifying and expanding into new verticals. There can be no assurances that we will be able to expand our business within existing verticals or successfully identify and expand into new verticals, or that any new verticals will provide us with successful opportunities and relationships.

Implementing our growth strategies will require additional resources and investments. For example, we expect to invest substantial amounts to:

- drive member and partner awareness of our platform;
- encourage new members to sign up for and use our platform;
- encourage businesses to introduce our platform;
- enhance our information security infrastructure;
- enhance our infrastructure to handle seamless processing;
- continue to develop state of the art technology; and
- diversify our partner base.

We may be required to incur significantly higher marketing expenditures than we currently anticipate to achieve the foregoing results. Such expenditures could have a greater negative impact on our results

of operations if our revenues do not increase. Our investments may not be successful and there can be no assurances that our growth strategies and plans will be achieved.

Our Health Pass product is new and relatively unproven.

We launched our Health Pass product in May 2020 in response to the COVID-19 pandemic. Health Pass allows our members to elect to use their own health information to demonstrate their compliance with the venue entry requirements of our partners that utilize this platform functionality. The success of Health Pass depends on our ability to, among other things: integrate third parties, such as testing laboratories and vaccine providers into our platform; build the confidence of our members to provide and utilize their health related information; protect the integrity and security of health related information that Health Pass collects; accurately convey relevant health-related information to build the trust of our members, partners and the public; and bring new partners onto our platform. If we fail to accomplish any of these objectives, our business and strategies would be negatively impacted. Additionally, our failure to maintain our Health Pass partners through additional collaboration opportunities or to maintain Health Pass users on our platform by providing additional platform functionality to them could have a material adverse effect on our business, results of operations and financial condition. Further, as we offer Health Pass to our members without charge, any of the foregoing failures could negatively impact our results of operations, financial condition and prospects.

A failure of Health Pass may also result in negative perceptions about our ability to expand into other sectors and industries, which would adversely impact our growth plans and therefore have a material adverse effect on our business, prospects, results of operations and financial condition. In addition, future offerings by us will present us with similar and additional risks.

Our commercial agreements and strategic alliances, as well as potential indemnification obligations, expose us to risk.

We provide our platform to our partners through commercial agreements and strategic alliances. These arrangements can be complex and require substantial personnel and other resource commitments, which may limit the number of partners we can serve. If we are unable to quickly scale our business, or if we do not effectively manage our infrastructure and personnel capacity as we grow, we may not be able to achieve our growth plans. Furthermore, there could be a negative impact on existing alliances and business relationships.

Additionally, certain of our agreements with airports, airlines, airport governing authorities, sports teams, arenas, event venues and other partners and third parties include indemnification for losses suffered or incurred for a variety of reasons, such as a result of claims of intellectual property infringement, breaches of confidentiality, violations of law, security requirements, damage caused by us to property or persons, or other liabilities relating to or arising from the use of our platform or other acts or omissions. These provisions often survive termination or expiration of the applicable agreement. As we continue to grow, the possibility of infringement claims and other claims against us may increase. In connection with indemnification claims against us or our current or prior partners, we may incur significant legal expenses and may have to pay damages, settlement fees or license fees or stop using technology found to be in violation of the third-party's rights. Large indemnification payments could harm our business, results of operations and financial condition. We may also have to seek a license for the infringing or allegedly infringing technology. Such license may not be available on reasonable terms, if at all, and may significantly increase our operating expenses or may require us to restrict our business activities and limit our ability to deploy certain offerings. As a result, we may also be required to develop alternative non-infringing technology, which could require significant effort and expense and/or cause us to alter our platform or solutions, which could negatively affect our business. Even if third-party claims against us lack merit, the expense and effort related to defending ourselves against these claims could be costly and time consuming.

Any assertions by a third party, whether or not meritorious or successful, with respect to such indemnification obligations could subject us to costly and time-consuming litigation, expensive remediation and licenses, divert management attention and financial resources, harm our relationship

with that customer, reduce demand for our platform and result in our brand, business, results of operations and financial condition being adversely affected.

Under certain of our commercial agreements the total amount of compensation we receive is partially dependent on the level of use at the relevant location, because we receive payment for each individual who uses our platform at that site. Therefore if usage is lower than anticipated, the compensation we receive may be lower than expected.

As our agreements terminate, we may be unable to renew or replace these agreements on comparable terms, or at all. We may in the future be required to enter into amendments or new agreements on less favorable terms, which could adversely affect our business, results of operations and financial condition.

Portions of our business and results of operations depend upon concessionaire agreements.

A significant portion of our business involves providing our services at U.S. airports through the federal government's Registered Traveler program ("Registered Traveler Program"). These services involve entering into concessionaire agreements with the airport or airport operators in which we operate. As is common with airport concessionaire agreements, our counterparties reserve the right to terminate the agreement upon the occurrence of certain events or for convenience. If our counterparties do not extend these agreements, or if they decide to exercise an early termination, our sales, results of operations and financial condition would be negatively impacted.

In addition, in certain airport locations our contract counterparty is an airline rather than the airport or airport governing authority. In these locations we are dependent on the continued partnership with these airlines in supporting our physical presence at the airport checkpoint. The exit of an airline partner from a certain market, or changes in our relationships with these airline partners could result in our agreements not being extended or renewed, which could have a material adverse effect on our business, results of operations and financial condition, and could affect our growth opportunities.

If we are not able to manage our growth or continue innovating, our business could be adversely affected.

We have expanded rapidly since we launched our platform in 2010, and our business growth depends on the continued expansion of our membership, network of partners and services. Our expansion and growth plans may not be successful and any future expansion will likely place demands on our managerial, operational, technological, administrative and financial resources. If we are not able to respond effectively to new or increased demands that arise because of our growth, or, if in responding, our management is materially distracted from our current operations, our business and prospects may be adversely affected.

In addition, while we seek to develop new offerings and expand into new markets and industries, we may have limited or no experience in these market segments and industries, and our members may not adopt our product or service offerings. We may not be successful in innovating and creating new offerings. New offerings, which can present new and difficult technology challenges, may subject us to claims if members of these offerings experience service disruptions or failures or other quality issues. In addition, profitability, if any, in our newer activities may not meet our expectations, and we may not be successful enough in these newer activities to recoup our investments in them. Failure to realize the benefits of amounts we invest in new technologies, products or services could result in the value of those investments being written down or written off.

If we are unable to anticipate consumer preferences or requirements and successfully develop and introduce new, innovative and updated platform features or offerings in a timely manner or effectively manage the introduction of new or enhanced platform features or offerings, our business, results of operations and financial condition may be adversely affected.

Our success in maintaining and increasing our member base depends in part on our ability to identify use cases that are important to our members in a timely manner. If we are unable to introduce

new or enhanced platform features in a timely manner or our features are not accepted by our members, potential competitors may introduce similar offerings faster than us or operate in new locations, which could negatively affect our results. Moreover, our new features may not receive consumer acceptance as preferences could shift rapidly to different types of solutions or away from these types of offerings altogether, and our future success depends in part on our ability to anticipate and respond to these changes.

Even if we are successful in anticipating needs and consumer preferences, our ability to address them will depend upon our ability to develop and introduce innovative, high-quality features. Development of new or enhanced features may require significant time and investment, which could result in increased costs and a reduction in our profit margins.

The COVID-19 pandemic has impacted, and may continue to impact, our business, results of operations and financial condition.

In 2020, the World Health Organization (“WHO”) declared the COVID-19 outbreak to be a global health pandemic. In an attempt to limit the spread of the virus, governments have imposed various restrictions, including emergency declarations at the federal, state and local levels, school and business closings, quarantines, “shelter at home” orders, restrictions on travel, limitations on social or public gatherings and other social distancing measures. As a result, the COVID-19 pandemic has limited our growth in airports and in other areas, such as the entertainment industry and events, which has impacted our near-term operating and financial results and could adversely impact our long-term operating and financial results. We experienced a decrease in enrollments for our airport service and a decrease in membership renewals. In fiscal year 2020, we maintained Annual CLEAR Plus Net Member Retention of 78.8% (compared to 86.2% in fiscal year 2019). We expect that COVID-19 will continue to adversely impact our airport enrollments and business in 2021 and possibly beyond. In light of the evolving nature of COVID-19 and the uncertainty it has produced around the world, we do not believe it is possible to predict the cumulative and ultimate impact of the COVID-19 pandemic on our future business, results of operations and financial condition. The extent of the impact of the COVID-19 pandemic on our business and financial results will depend largely on future developments, including the duration and extent of the spread of COVID-19 both globally and within the United States, the success, availability and uptake of COVID-19 vaccines, the prevalence of local, national and international travel restrictions, flight volumes, local and national restrictions on the attendance of events, such as shelter at home orders, the impact on capital and financial markets and on the U.S. and global economies, and governmental or regulatory orders that impact our business, all of which are highly uncertain and cannot be predicted. Moreover, even after shelter at home orders and travel advisories are lifted, demand for our offerings, particularly those related to airplane travel or attendance at events, may remain depressed for a significant length of time, and we cannot predict if and when demand will return to pre-COVID-19 levels.

Further, the efficacy, availability and acceptance of COVID-19 vaccines is highly uncertain, and we cannot predict if or when the airline and entertainment industries will resume normal operations or the U.S. and global economies and daily life will normalize. The failure of vaccines, including to the extent they are not effective against any COVID-19 variants, significant unplanned adverse reactions to the vaccines or general public distrust of vaccines could have an adverse effect on the economy and the industries in which we compete, which would similarly have an adverse effect on our business results of operations, financial condition and prospects.

In addition, we cannot predict the impact the COVID-19 pandemic has had and will have on our partners and third-party vendors and service providers, and we may continue to be adversely impacted as a result of the material adverse impact that COVID-19 has had and may have on our partners, such as certain airlines, sports teams and third-party vendors. To the extent the COVID-19 pandemic continues to impact our business, results of operations and financial condition, it may also have the effect of heightening many of the other risks described in this prospectus. Any of the foregoing factors, or other cascading effects of the COVID-19 pandemic that are not currently foreseeable, could materially adversely impact our business, results of operations and financial condition.

Any decline or disruption in the travel industry or general economic downturn could materially adversely affect our business, results of operations and financial condition.

We have derived substantially all of our historical revenue from members who enroll in CLEAR Plus, which includes our Registered Traveler Program service at U.S. airports, and one of our growth strategies is to continue expanding in our domestic aviation network. Accordingly, our performance is dependent on the strength of the travel industry. Our revenue is therefore susceptible to declines in or disruptions to leisure and business travel that may be caused by factors entirely out of our control, such as the outbreak of COVID-19 and the risks it presents as described above. Additionally, platform usage beyond airports is driven by venues being open and holding events and workplaces opening for workers to return. Other events or factors beyond our control can disrupt travel and events within the United States and globally or otherwise result in declines in travel demand and the demand to attend events. These events include prolonged extreme weather, natural disasters or man-made disasters, travel-related health concerns (including pandemics and epidemics, such as COVID-19, Ebola, Zika, Middle East Respiratory Syndrome or other outbreak of contagious diseases), restrictions related to travel, stay-at-home orders, wars, terrorist attacks, sources of political uncertainty or political events, protests, foreign policy changes, regional hostilities, general economic conditions, increases in ticket prices, changes in regulations, labor unrest or travel-related accidents. Because these events or concerns, and the full impact of their effects, are largely unpredictable, they can dramatically and suddenly affect travel behavior and attendance at events by consumers, and therefore demand for our airport and events services, which could materially adversely affect our business, results of operations and financial condition. Additionally, as the Real ID Act will require passengers having compliant identification to travel by air in the United States by May 3, 2023, such regulation, if not extended, may decrease the number of travelers with compliant identification and, therefore, negatively impact the demand for our airport services, which could materially adversely affect our business, results of operations and financial condition.

Our financial performance is also subject to global economic conditions and their impact on levels of discretionary consumer spending. Consumer preferences tend to shift to lower-cost alternatives during recessionary periods and other periods in which disposable income is adversely affected, which could lead to a decline in enrollments or renewals of CLEAR Plus and lower attendance at events, and thus result in decreasing platform usage and lower revenue. Downturns in worldwide or regional economic conditions, such as the current downturn resulting from the COVID-19 pandemic, have led to a general decrease in travel and travel spending, as well as discretionary spending on events, and similar downturns in the future may materially adversely impact demand for our platform and services. Such a shift in consumer behavior would materially adversely affect our business, results of operations and financial condition.

We may require additional capital to support business growth and objectives, and this capital might not be available to us on reasonable terms, if at all, and may result in stockholder dilution.

We expect that our existing cash and cash equivalents, together with our net proceeds from this offering, will be sufficient to meet our anticipated cash needs for the foreseeable future. However, we intend to continue to make investments to support our business growth and may require additional capital to fund our business and to respond to competitive challenges, including the need to promote our platform, products and services, develop new platform features, products and services, enhance our existing platform, products, services and operating infrastructure, and potentially to acquire complementary businesses and technologies. Accordingly, we may need to engage in equity or debt financings to secure additional funds. There can be no assurance that such additional funding will be available on terms attractive to us, or at all. Our inability to obtain additional funding when needed could have an adverse effect on our business, financial condition and operating results. If additional funds are raised through the issuance of equity or convertible debt securities, holders of our Class A common stock could suffer significant dilution, and any new shares we issue could have rights, preferences and privileges superior to those of our Class A common stock. Any debt financing secured by us in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions.

Our ability to introduce new solutions and features is dependent on adequate research and development resources and may also depend on our ability to successfully complete acquisitions. If we do not adequately fund our research and development efforts or complete acquisitions successfully, we may not be able to compete effectively and our business and results of operations may be harmed.

To remain competitive, we must continue to offer new solutions and enhancements to our platform. This is particularly true as we further expand and diversify our capabilities. Maintaining adequate research and development resources, such as the appropriate personnel and development technology, to meet the demands of the market is essential. If we elect not to or are unable to develop solutions internally due to certain constraints, such as high employee turnover, lack of management ability or a lack of other research and development resources, we may choose to, or be required to, expand into a certain market or strategy via an acquisition for which we could potentially pay too much or fail to successfully integrate into our operations. Our failure to maintain adequate research and development resources or to compete effectively with the research and development programs of our competitors would give an advantage to such competitors and our business, results of operations and financial condition could be adversely affected. Moreover, there is no assurance that our research and development or acquisition efforts will successfully anticipate market needs and result in significant new marketable solutions or enhancements to our solutions, design improvements, cost savings, revenues or other expected benefits. If we are unable to generate an adequate return on such investments, we may not be able to compete effectively and our business and results of operations may be materially and adversely affected.

Future acquisitions, strategic investments, partnerships or alliances could be difficult to identify and integrate, divert the attention of key management personnel, disrupt our business, dilute stockholder value and harm our results of operations and financial condition.

We may in the future seek to acquire or invest in businesses, products or technologies that we believe could complement or expand our current platform, enhance our technical capabilities or otherwise offer growth opportunities. The pursuit of potential acquisitions may divert the attention of management and cause us to incur various expenses in identifying, investigating and pursuing suitable acquisitions, whether or not they are consummated. In addition, we have no experience in acquiring other businesses. If we acquire additional businesses, we may not be able to integrate successfully the acquired personnel, operations and technologies, or effectively manage the combined business following the acquisition.

We may not be able to find and identify desirable acquisition targets or we may not be successful in entering into an agreement with any one target. Acquisitions could also result in dilutive issuances of equity securities or the incurrence of debt, which could harm our results of operations. In addition, if an acquired business fails to meet our expectations, our business, results of operations and financial condition may suffer.

Our business depends on retaining and attracting high-quality personnel, and continued attrition, future attrition or unsuccessful succession planning could adversely affect our business.

Our success depends in large part on our ability to attract and retain high-quality management, operations, engineering and other personnel who are in high demand, as well as our ambassadors. The loss of qualified executives, employees or ambassadors, or an inability to attract, retain and motivate high-quality executives, employees and ambassadors required for the planned expansion of our business, may harm our operating results and impair our ability to grow.

In addition, we depend on the continued services and performance of our key personnel, including our Chief Executive Officer, Ms. Seidman-Becker, and our President and Chief Financial Officer, Mr. Cornick, who founded our Company and have been instrumental in devising and implementing our strategies for growth and scaling our business. We intend to enter into employment agreements with Ms. Seidman-Becker, Mr. Cornick, other members of our senior management team, as well as other employees, each of which will be at-will and have no specific duration. As these individuals will be able

to terminate their employment with us at any time, such termination could materially adversely affect our business, results of operations and financial condition, as well as our future prospects. Other key members of our management team joined our company within the last 18 months, and none had previously worked within our industry. Recently hired executives may view our business differently than members of our prior management team and, over time, may make changes to our personnel and their responsibilities as well as our strategic focus, operations or business plans. We may not be able to properly manage any such shift in focus, and any changes to our business may ultimately prove unsuccessful.

In addition, our failure to put in place adequate succession plans for senior and key management roles or the failure of key employees to successfully transition into new roles could have an adverse effect on our business and operating results. The unexpected or abrupt departure of one or more of our key personnel and the failure to effectively transfer knowledge and effect smooth key personnel transitions has had and may in the future have an adverse effect on our business resulting from the loss of such person’s skills, knowledge of our business and years of industry experience. If we cannot effectively manage leadership transitions and management changes in the future, our reputation and future business prospects could be adversely affected.

To attract and retain key personnel, we use equity incentives, among other measures. These measures may not be sufficient to attract and retain the personnel we require to operate our business effectively. As we continue to mature, the equity incentives we currently use to attract, retain and motivate employees may not be as effective as in the past. Our ability to attract, retain and motivate employees may be adversely affected by declines in our stock price. If we issue significant equity to attract employees or to retain our existing employees, we would incur substantial additional equity-based compensation expense and the ownership of our existing stockholders would be further diluted.

Our platform is highly complex, and any undetected errors could materially adversely affect our business, results of operations and financial condition.

Our platform is a complex system composed of many interoperating components and software. Our business is dependent upon our ability to accurately confirm identities and provide the ability to connect attributes, such as boarding passes, tickets, health information or payment information, to these identities, with minimal system interruption. Our software may now or in the future contain undetected errors, bugs or vulnerabilities. Some errors in our software code have not been and may not be discovered until after the code has been released. We have, from time to time, found defects or errors in our system and software limitations that have resulted in, and may discover additional issues in the future that could result in, operational errors, platform unavailability or system disruption. Any real or perceived errors, bugs or vulnerabilities discovered in our code or systems released to production or found in third-party software that is incorporated into our code could result in poor system performance, an interruption in the availability of our platform, errors in completing enrollments or verifications, negative publicity, damage to our reputation, loss of existing and potential members or partners, and loss of revenue, any of which could materially adversely affect our business, results of operations and financial condition.

Systems failures and resulting interruptions in the availability of our platform, or our failure to successfully implement upgrades and new technology effectively, could adversely affect our business, financial condition and results of operations.

Our information technology systems are designed and maintained by us and are critical for the efficient functioning of our business. As we grow, we continue to implement modifications and upgrades to our systems, and these activities subject us to inherent costs and risks associated with replacing and upgrading these systems. Further, our system implementations may not result in improvements at a level that outweighs the costs of implementation, or at all. If we fail to successfully implement modifications and upgrades or expand the functionality of our platform, we could experience increased costs associated with diminished productivity and operating inefficiencies related to the efficient delivery of our products and services.

In addition, any unexpected technological interruptions to our systems or websites would disrupt our operations, including our ability to sell our memberships online, provide services to our members and otherwise adequately serve our members.

Moreover, the ability of our members to use our platform could be diminished by a number of factors, including members' inability to access the Internet, the failure of our network or software systems, ineffective interoperability between our platform and our partners' technology, security incidents or variability in member traffic for our platform. Platform failures would be most impactful if they occurred during peak platform use periods. During these peak periods, there are a significant number of members concurrently accessing our platform and if we are unable to provide uninterrupted access, our members' perception of our platform's reliability may be damaged, our revenue could be reduced, our reputation could be harmed and we may be required to issue credits or refunds, or risk losing members.

In the event we experience significant disruptions, we may be unable to repair our systems in an efficient and timely manner which could have a material adverse effect on our business, financial condition and operating results.

Our marketing efforts to help grow our business may not be effective.

Promoting awareness of our platform is important to our ability to grow our business and to attract new members and partners, and can be costly. While much of our growth is attributable to word of mouth and member referrals, our marketing efforts may include free or discount trials, affiliate programs, partnerships, display advertising, television, billboards, radio, video, content, social media, email, search engine optimization and keyword search campaigns.

Our marketing initiatives may become increasingly expensive and generating a meaningful return on those initiatives may be difficult. Even if we successfully increase revenue as a result of our marketing efforts, it may not offset the additional marketing expenses we incur.

If our marketing efforts are not successful in promoting awareness of our offerings or attracting new members and partners, or if we are not able to cost-effectively manage our marketing expenses, our results of operations could be adversely affected. If our marketing efforts are successful in increasing awareness of our offerings, this could also lead to increased public scrutiny of our business. Any of the foregoing risks could harm our business, financial condition and results of operations.

Our business could be adversely impacted by changes in the Internet and mobile device accessibility of members.

Our business depends on members' access to our platform via a mobile device and the Internet. We may operate in jurisdictions that provide limited Internet connectivity, particularly as we expand internationally. Internet access and access to a mobile device are frequently provided by companies with significant market power that could take actions that degrade, disrupt or increase the cost of members' ability to access our platform. In addition, the Internet infrastructure that we and members of our platform rely on in any particular location may be unable to support the demands placed upon it. Any such failure in Internet or mobile device accessibility, even for a short period of time, could adversely affect our results of operations.

In particular, a significant and growing portion of our members access our platform through the CLEAR and CLEAR Pass mobile applications ("apps") and there is no guarantee that popular mobile devices will continue to support such apps or that our members will use such apps rather than competing products. We are dependent on the interoperability of our apps with popular mobile operating systems that we do not control, such as Android and iOS, and any changes in such systems that degrade the functionality of our digital offering or give preferential treatment to competitors could adversely affect our platform's usage on mobile devices. In the event that it is difficult for our members to access and use our platform on their mobile devices, our competitors develop products and services that are perceived to operate more effectively on mobile devices, or if our members choose not to access or use our platform on their mobile devices or use mobile products that do not offer access to our platform, our member growth and member engagement could be adversely impacted.

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

We believe that our corporate culture has been a critical component to our success and that our culture creates an environment that drives and perpetuates our overall business strategy. We have invested substantial time and resources in building our team and we expect to continue to hire aggressively as we expand, including with respect to any potential international expansions we may pursue. As we grow and mature as a public company and grow internationally, we may find it difficult to maintain our corporate culture. Any failure to preserve our culture could negatively affect our future success, including our ability to recruit and retain personnel and effectively focus on and pursue our business strategy.

We are subject to payment processing risk.

Our members pay for our products and services using a variety of different payment methods, including credit and debit cards, and online wallets. We rely on third party systems to process payment. Acceptance and processing of these payment methods are subject to certain rules and regulations and require payment of interchange and other fees. To the extent there are disruptions in our payment processing systems, increases in payment processing fees, material changes in the payment ecosystem, such as large re-issuances of payment cards, delays in receiving payments from payment processors, or changes to rules or regulations concerning payment processing, our revenue, operating expenses and results of operation could be adversely impacted. We leverage our third-party payment processors to bill members on our behalf. If these third parties become unwilling or unable to continue processing payments on our behalf, we would have to find alternative methods of collecting payments, which could adversely impact member acquisition and retention. In addition, from time to time, we encounter fraudulent use of payment methods, which could impact our results of operation and if not adequately controlled and managed could create negative consumer perceptions of our service.

We have limited experience operating outside the United States and any future international expansion strategy will subject us to additional costs and risks and our plans may not be successful.

In the future, we may expand our presence internationally. Operating outside of the United States may require significant management attention to oversee operations over a broad geographic area with varying cultural norms and customs, in addition to placing strain on our engineering, operations, security, finance, analytics and legal teams. We may incur significant operating expenses and may not be successful in our international expansion for a variety of reasons, including:

- compliance with privacy and data protection laws, including laws regulating the use and collection of biometric information and health information (see “Risks Related to Regulation and Litigation—Any actual or perceived failure to comply with applicable laws relating to privacy and data protection may result in significant liability, negative publicity and erosion of trust, and increased regulation could materially adversely affect our business, results of operations and financial condition” and “Business—Government Regulation”);
- differing international norms and expectations related to the use of personally identifiable information;
- challenges in confirming identities for non-US residents;
- expanded information security risk with expanded potential threat actors;
- recruiting and retaining talented and capable employees in foreign countries and maintaining our company culture across all of our offices;
- complying with varying laws and regulatory standards, including with respect to tax and local regulatory restrictions;
- obtaining any required government approvals, licenses or other authorizations, particularly as may be necessary for the use and collection of personal information;
- varying levels of Internet and mobile technology adoption and infrastructure;

- currency exchange restrictions or costs and exchange rate fluctuations;
- operating in jurisdictions that do not protect intellectual property rights to the same extent as the United States;
- potential oppositions in foreign patent and trademark offices; and
- limitations on the repatriation and investment of funds as well as foreign currency exchange restrictions.

Our limited experience in operating our business internationally increases the risk that any potential future expansion efforts that we may undertake may not be successful. If we invest substantial time and resources to expand our operations internationally and are unable to manage these risks effectively, our business, financial condition and results of operations could be adversely affected.

Our metrics and estimates are subject to inherent challenges in measurement, and real or perceived inaccuracies in those metrics may harm our reputation and negatively affect our business.

We regularly review and may adjust our processes for calculating our metrics used to evaluate our growth, measure our performance and make strategic decisions. These metrics are calculated using internal company data and have not been evaluated by a third party. Our metrics, such as market share, may differ from estimates published by third parties or from similarly titled metrics of our competitors due to differences in methodology or the assumptions on which we rely. The estimates and forecasts in this prospectus relating to the size and expected growth of our addressable market may prove to be inaccurate. Even if the markets in which we compete meet the size estimates and growth forecasted in this prospectus, our business could fail to grow at similar rates, if at all. If investors or analysts do not consider our metrics to be accurate representations of our business, or if we discover material inaccuracies in our metrics, then the trading price of our Class A common stock and our business, financial condition and results of operations could be adversely affected.

Risks Related to Information Technology and Intellectual Property

There may be breaches of our information technology systems that subject us to significant reputational, financial, legal and operational consequences or materially damage member and partner relationships.

Our business requires us to use, store, process and transmit data, including a large amount of sensitive and confidential personally identifiable information ("PII") of members, employees and partners. This may include, for example: biographic information, such as names, addresses, phone numbers, email addresses; biometric information; government-issued identification; health information that members choose to include in their accounts; and payment account information. Although malicious attacks to gain access to PII affect many companies across various industries, we are at a relatively greater risk of being targeted because of our high profile and the types of PII we manage. Our business depends on earning and maintaining the trust of our members and our partners and any breaches or alleged breaches of our systems could adversely our business, including by impacting the trust that we have gained. See "Risks Related to Our Business, Brand and Operations—If we are not able to maintain the value and reputation of our brand, our business and financial results may be harmed."

We devote significant resources to network security, data encryption and other security measures to protect our systems and data, and have been certified by the federal government as operating certain of our information security systems at a FISMA High Rating in accordance with the Federal Information Security Modernization Act and National Institute of Standards and Technology, but these security measures cannot provide, and we cannot guarantee, absolute security. We require user names and passwords in order to access our information technology systems. We also use encryption and authentication technologies designed to secure the transmission and storage of data and prevent access to our data or accounts. Increasingly, companies are subject to a wide variety of attacks on their systems on an ongoing basis that are continually evolving. In addition to threats from traditional

computer “hackers,” malicious code (such as malware, viruses, worms, and ransomware), employee theft, error or misuse, password spraying, phishing, social engineering (predominantly spear phishing attacks), credential stuffing, and denial-of-service attacks, we also face an increasing number of threats (including advanced persistent threat intrusions) to our information technology systems from a broad range of actors, including sophisticated organized crime, nation-state and nation-state supported actors, and we cannot assure you that our systems will not be compromised or disrupted by these tactics. Our solutions integrate and rely in part on products, services and technologies developed and supplied by third-party vendors and service providers. Although we make efforts to review our third-party vendors and service providers and the products, services and technologies on which our solutions rely, vulnerabilities in our vendors’ and service providers’ products, services and technologies may make our own solutions and information technology systems vulnerable to breach, attack and other risks. Third parties may attempt to fraudulently induce employees, users, or partners into disclosing sensitive information such as user names, passwords, or other information or otherwise compromise the security of our or our third-party vendors’ or service providers’ internal electronic systems, networks, and/or physical facilities in order to gain access to our data, which could result in significant legal and financial exposure, a loss of confidence in our security, interruptions or malfunctions in our operations, and, ultimately, harm to our future business prospects and revenue.

Breaches and attacks on us or our third-party vendors or service providers may cause interruptions to the services we provide, degrade the member experience, cause members or partners to lose confidence and trust in our platform and decrease their use of our platform or stop using our platform in their entirety, impair our internal systems, or result in financial harm to us. As we grow within the United States, and expand our international presence, our heightened visibility increases the risk that we become a target of such attacks. Any failure to prevent or mitigate security breaches and unauthorized access to or disclosure of our data or PII, could result in the loss, modification, disclosure, destruction or other misuse of such data, which could subject us to legal liability, harm our business and reputation and diminish our competitive position. We may incur significant costs in protecting against or remediating such incidents and as cybersecurity incidents continue to evolve, we may be required to expend significant additional resources to continue to modify or enhance our protective measure or to investigate and remediate any information security vulnerabilities. Our efforts to protect our confidential and sensitive data and the PII or other personal information we receive may also be unsuccessful due to software bugs or other technical malfunctions; employee, contractor, or service provider error or malfeasance, including defects or vulnerabilities in our suppliers’ or service providers’ information technology systems or offerings, including products and offerings that we integrate into our products and services; breaches of physical security of our facilities or technical infrastructure; or other threats that may surface or evolve.

If we were to experience a breach of our systems and were unable to protect sensitive data, we may not be able to remedy such breach, we may be required by law to notify regulators and individuals whose personal information was used or disclosed without authorization and compensate them for any damages, we may be subject to claims against us, including government enforcement actions or investigations, fines and litigation, and we may have to expend significant capital and other resources to mitigate the impact of such events, including developing and implementing protections to prevent future events of this nature from occurring. Additionally, such a breach could curtail or otherwise adversely impact access to our services, materially damage partner and member relationships, and cause us to lose members or partners. Moreover, if a security breach affects our systems or results in the unauthorized release of PII, our reputation and brand could be materially damaged, use of our platform and services could decrease, and we could be exposed to a risk of loss or litigation and possible liability.

We are also subject to payment card association rules and obligations under our contracts with payment card processors. Under these rules and obligations, if information is compromised, we could be liable to payment card issuers for associated expenses and penalties. In addition, if we fail to follow payment card industry security standards, even if no customer information is compromised, we could incur significant fines or remediation costs, experience a significant increase in payment card transaction costs or be refused by credit card processors to continue to process payments on our behalf, any of which could materially adversely affect our business, financial condition and results of operations.

Additionally, we accept payment from our CLEAR Plus members through credit card transactions, certain online payment service providers and mobile payment platforms. The ability to access credit card information on a real-time basis without having to proactively reach out to the members each time we process an auto-renewal payment is critical to our success and a seamless experience for our users. However, if we or a third party experiences a data security breach involving credit card information, affected cardholders will often cancel their credit cards. In the case of a breach experienced by a third party, the more sizable the third party's customer base and the greater the number of credit card accounts impacted, the more likely it is that our users would be impacted by such a breach. To the extent our CLEAR Plus members are ever affected by such a breach experienced by us or a third party, affected members would need to be contacted to obtain new credit card information and process any pending transactions. It is likely that we would not be able to reach all affected members, and even if we could, some members' new credit card information may not be obtained and some pending transactions may not be processed, which could materially adversely affect our business, financial condition and results of operations.

We rely on third-party technology and information systems to help complete critical business functions. If that technology fails to adequately serve our needs, and we cannot find alternatives, it may negatively impact our business, financial condition and results of operations.

We rely on third-party technology for certain of our critical business functions, including credit card readers, scanners, third-party software, cameras and other technology to complete member enrollments and verifications, network infrastructure for hosting our website and mobile application, software libraries, development environments and tools, services to allow members to populate their accounts with personal information, and cloud storage platforms. Our business is dependent on the integrity, security and efficient operation of these systems and technologies, and we do not necessarily control the operation or data security of the third-party providers we utilize. Our efforts to use commercially reasonable diligence in the selection and retention of such third-party providers may be insufficient or inadequate to prevent or remediate such risks. Our systems and operations or those of our third-party providers and partners could be exposed to damage, interruption, security breach and other risks from, among other things, computer viruses and other malicious software, denial-of-service attacks and other cyberattacks, acts of terrorism, human error, sabotage, natural disaster, telecommunications failure, financial insolvency, bankruptcy and similar events, and may be subject to financial, legal or regulatory issues, each of which may impose additional costs or requirements on us, expose us to potential liability or require us to expend significant resources on data security and in responding to any such actual or perceived breach, or prevent these third parties from providing services to us or our members on our behalf. The failure of these systems to perform as designed, the vulnerability of these systems to security breaches or the inability to enhance our information technology capabilities, and our inability to find suitable alternatives in a timely and efficient manner and on acceptable terms, or at all, could disrupt our operations and subject us to losses or costs to remediate any of these deficiencies. In addition, we cannot be assured that third parties will comply with their agreements with us and applicable laws and regulations or that third parties will not increase their prices or give preferential treatment to our competitors. Any contractual protections we may have from our third-party service providers, contractors or consultants may not be sufficient to adequately protect us from any such liabilities and losses, and we may be unable to enforce any such contractual protections. Additionally, the occurrence or perception of any of the above events could result in members ceasing to use our platform, reputational damage, legal or regulatory proceedings or other adverse consequences, which could materially adversely affect our business, results of operations and financial condition.

Failure to adequately protect our intellectual property, technology and confidential information could harm our business, competitive position, financial condition and results of operations.

The protection of intellectual property, technology and confidential information is crucial to the success of our business. We rely on a combination of patents, copyrights, trademarks, service marks, trade secret laws, know-how, confidentiality provisions, non-disclosure agreements, assignment agreements, and other legal and contractual rights and restrictions to establish and protect our proprietary technology and intellectual property rights. However, the steps we take to protect our proprietary technology and intellectual property rights may be inadequate. We may not be able to protect

our intellectual property if we are unable to enforce our rights or if we do not detect unauthorized use of our intellectual property. Despite our precautions, it may be possible for unauthorized third parties to copy our products and technology and use information that we regard as proprietary to create products and services that compete with ours. The laws of some countries do not protect proprietary rights to the same extent as the laws of the United States, and mechanisms for enforcement of intellectual property rights in some foreign countries may be inadequate. To the extent we expand internationally, our exposure to unauthorized use of our products, technology and proprietary information may increase. Accordingly, despite our efforts, we may be unable to prevent third parties from infringing upon or misappropriating our technology and intellectual property.

We rely in part on patent protection to maintain our competitive position. Although our patents and patent applications are intended to protect our proprietary inventions relevant to our business, we cannot assure you that any of our patent applications will result in the issuance of a patent or whether the examination process will require us to narrow our claims. Further, even our issued patents may be contested, circumvented or found invalid or unenforceable, and we may not be able to prevent infringement of our patents by third parties.

We also rely in part on trade secrets, proprietary know-how and other confidential information to maintain our competitive position. Although we enter into confidentiality and invention assignment agreements with our employees and consultants and enter into confidentiality agreements with our partners and certain third parties, no assurance can be given that these agreements will be effective in controlling access to and distribution of our products, technology and proprietary information. Further, these agreements do not prevent our competitors from independently developing technologies that are substantially equivalent or superior to our products and services.

We rely in part on trademark protection to protect our brand. Our registered and unregistered trademarks and trade names may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks. We may not be able to protect our rights to these trademarks and trade names, which we need to build name recognition in the market. Competitors may adopt trade names or trademarks similar to ours, thereby impeding our ability to build brand identity. Third parties with similar trade names and trademarks may bring trademark infringement claims against us.

To protect our intellectual property rights, we may be required to spend significant resources to monitor and protect these rights. Litigation or other legal proceedings may be necessary in the future to enforce our intellectual property rights and to protect our trade secrets. Such litigation or proceedings could be costly, time consuming and distracting to management and could result in the impairment or loss of portions of our intellectual property. Furthermore, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of our intellectual property rights. Our inability to protect our proprietary technology against unauthorized copying or use, as well as any costly litigation or diversion of our management’s attention and resources, could delay further expansion of our platform, impair the functionality of our platform, delay introductions of new platform functionality, or injure our reputation. In addition, we may be required to license additional technology from third parties to develop and market new functionality, and we cannot assure you that we could license that technology on commercially reasonable terms or at all, and our inability to license this technology could harm our ability to compete.

We have granted lenders security interests in certain of our intellectual property rights which could subject such rights to sale or other actions in the event of a default.

If we are unable to effectively protect our intellectual property rights on a worldwide basis, we may not be successful in the international expansion of our business that we may pursue.

Access to worldwide markets depends in part on the strength of our intellectual property portfolio. There can be no assurance that, as our business expands into new areas, we will be able to independently develop the technology, software or know-how necessary to conduct our business or that we can do so without infringing the intellectual property rights of others. To the extent that we have to rely on licensed technology from others, there can be no assurance that we will be able to obtain licenses at all or on terms we consider reasonable. The lack of a necessary license could expose us to claims for

damages and/or injunction from third parties, as well as claims for indemnification by our customers in instances where we have a contractual or other legal obligation to indemnify them against damages resulting from infringement claims. With regard to our own intellectual property, we actively enforce and protect our rights. However, there can be no assurance that our efforts will be adequate to prevent the misappropriation or improper use of our protected technology in international markets.

If our future products incorporate technologies that infringe the proprietary rights of third parties, and we do not secure licenses from them, we could be liable for substantial damages.

We continue to allocate significant resources to developing new and innovative technologies that are utilized in our products and systems. Because our continued success depends on, to a significant degree, our ability to offer products providing superior functionality and performance over those offered by our competitors, we consider the protection of our technology from unauthorized use to be fundamental to our success. We do this by incorporating processes aimed at identifying and seeking appropriate protection for newly-developed intellectual property, including patents, trade secrets, copyrights and trademarks, as well as policies aimed at identifying unauthorized use of such property.

We are not aware that our current products infringe the intellectual property rights of any third parties. We also are not aware of any third party intellectual property rights that may hamper our ability to provide future products and services. However, we recognize that the development of our services or products may require that we acquire intellectual property licenses from third parties so as to avoid infringement of those parties' intellectual property rights. These licenses may not be available at all or may only be available on terms that are not commercially reasonable.

If third parties make infringement claims against us whether or not they are upheld, such claims could consume substantial time and financial resources, divert the attention of management from growing our business and managing operations and disrupt product sales and shipments. If any third party prevails in an action against us for infringement of its proprietary rights, we could be required to pay damages and either enter into costly licensing arrangements or redesign our products so as to exclude any infringing use. As a result, we would incur substantial costs, experience delays in product development, sales and shipments, and our revenues may decline substantially. Additionally, we may not be able to achieve the minimum necessary growth for our continued success.

See "Risks Related to Litigation—We may be sued by third parties for alleged infringement, misappropriation, or other violations of intellectual property and other proprietary rights."

Risks Related to Regulation and Litigation

We must continue to meet the standards set for our airport operations by governmental stakeholders.

We relaunched in 2010 at two U.S. airports as the only private company authorized by the DHS to automate the process for confirming traveler identity and validating travel documents for enrolled CLEAR members, and we continue to provide airport services to our members through the Registered Traveler Program. As we have grown, our interactions with the federal government have expanded as well. For example, in January 2020, we were selected by the TSA as an awardee in the TSA Biometric PreCheck® Expansion Services and Vetting Program to handle subscription renewal processing and new enrollments for the TSA PreCheck® program and have entered into an up to 10-year agreement to provide such services to the traveling public. Additionally, we have entered into numerous Cooperative Research and Development Agreements with the DHS, and the DHS has certified the biometric enrollment and verification system we use in certain locations as Qualified Anti-Terrorism Technology under the SAFETY Act.

We operate through the Registered Traveler Program according to guidelines set forth by the federal government, which have historically been implemented through our airport and/or airline partners. As we have grown, our regulatory frameworks have evolved as well. For example, as a result of our accelerated addition of new airport locations and offering of new functionality at airports (such as our biometric boarding pass service), we are subject to various audits, reviews and evaluations

overseen by TSA, a sub-agency of the DHS, which includes the following: annual operational audits at each airport where we operate our Registered Traveler Program requiring us to demonstrate compliance with airport checkpoint security protocols; audits of certain of our information systems against a stringent FISMA High Rating designation for information security and an additional "Registered Traveler Security Overlay" framework; periodic reviews of our operational procedures and technology, such as the biometric matching technology and credential authentication systems that help power our system; and an evaluation by the Science and Technology Directorate of the DHS of our biometric enrollment and verification system for renewal of our SAFETY Act certification as a Qualified Anti-Terrorism Technology.

The future success of programs we operate with support or authorization from governmental stakeholders depend on our continued ability to satisfy the regulatory standards promulgated by the federal government such as those set forth above, including continuing to adhere to airport security protocols and maintain an appropriate data security platform. Failure to meet the standards set forth by governmental stakeholders could negatively impact our ability to continue adding new services in regulated locations, add new locations for our existing services, or even continue to operate the same services we operate now. Further, should regulatory frameworks evolve, they may increase our operating expenses, make compliance more difficult or impact our operating protocols, require us to add new staffing, and divert management's attention from other growth initiatives. Failure to meet any such new standards in the future may have a material adverse impact on our business, results of operations and financial condition.

We may be sued by third parties for alleged infringement, misappropriation or other violations of intellectual property and other proprietary rights.

There is considerable patent and other intellectual property development activity in the biometrics, identity and technology industries generally, and litigation, based on allegations of infringement or other violations of intellectual property, is frequent. Furthermore, it is common for individuals and groups to purchase patents and other intellectual property assets for the purpose of making claims of infringement to extract settlements from companies like ours. We cannot guarantee that our internally developed or acquired technologies or third party tools that we use do not or will not infringe the intellectual property rights of others. From time to time, our competitors or other third parties, including non-practicing entities, may claim that we are infringing upon or misappropriating their intellectual property rights, and we may be found to be infringing upon such rights. In addition, in the event that we recruit employees from other technology companies, including certain potential competitors, and these employees are used in the development of portions of products which are similar to the development in which they were involved at their former employers, we may become subject to claims that such employees have improperly used or disclosed trade secrets or other proprietary information. Any claim, litigation or allegation could cause us to incur significant expenses and, if successfully asserted against us, could require that we pay substantial damages, ongoing royalty payments or licensing fees, prevent us from offering our platform or services or using certain technologies, require us to develop alternative technology or obtain additional licenses, force us to implement expensive workarounds, or be subject to other unfavorable terms.

We expect that the occurrence of infringement claims and allegations is likely to grow as the market for biometric solutions and identity products and services grows. Even alleged infringement claims that lack merit may be distracting and expensive to defend and could contribute to reduced public confidence in our platform. Accordingly, our exposure to damages resulting from infringement claims could increase and this could further exhaust our financial and management resources. Further, during the course of any litigation, we may make announcements regarding the results of hearings and motions, and other interim developments. If securities analysts and investors regard these announcements as negative, the market price of our Class A common stock may decline. Even if intellectual property claims or allegations do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and require significant expenditures. Any of the foregoing could prevent us from competing effectively and could have an adverse effect on our business, results of operations and financial condition.

Any actual or perceived failure to comply with applicable laws relating to privacy and data protection may result in significant liability, negative publicity and erosion of trust, and increased regulation could materially adversely affect our business, results of operations and financial condition.

As part of our normal operations, we collect, process and retain personal information about individuals. We are subject to various federal and state laws and rules regarding the collection, use, disclosure, storage, transmission, and destruction of this personal information. We collect and use PII when our members enroll in our platform and use our platform after they have completed their enrollment. The laws of many states and countries require businesses that maintain such personal data to implement reasonable measures to keep such information secure and otherwise restrict the ways in which such information can be collected and used.

Numerous states have enacted or are in the process of enacting state level data privacy laws and regulations governing the collection, use and processing of state residents' personal data. For example, the CCPA took effect on January 1, 2020. The CCPA provides enhanced data privacy rights to California consumers, including the right to access and delete their information and to opt out of certain sharing and sales of PII. The law also prohibits covered businesses from discriminating against consumers (for example, charging more for services) for exercising any of their CCPA rights. The CCPA imposes severe statutory damages as well as a private right of action for certain data breaches that result in the loss of PII. This private right of action is expected to increase the likelihood of, and risks associated with, data breach litigation. It remains unclear how various provisions of the CCPA will be interpreted and enforced. In November 2020, California voters passed the California Privacy Rights and Enforcement Act of 2020 ("CPRA"). The CPRA further expands the CCPA with additional data privacy compliance requirements that may impact our business, and establishes a regulatory agency dedicated to enforcing those requirements. And in March 2021, Virginia enacted the Virginia Consumer Data Protection Act ("VCDPA"), which similarly provides Virginia consumers with certain rights regarding PII, and imposes obligations on business that process PII to comply with those rights and creates penalties for businesses that fail to comply with those obligations. Both the CPRA and the VCDPA will take effect on January 1, 2023. The CPRA, CCPA, VCDPA and other similar state laws may encourage other states and the federal government to pass comparable legislation, introducing the possibility of greater penalties and more rigorous compliance requirements relevant to our business.

States such as Illinois, Texas and Washington, have laws that specifically regulate the collection and use of biometric information, and numerous states and municipalities are considering similar legislation. Illinois's Biometric Information Privacy Act ("BIPA") includes both a private right of action and liquidated damages for companies that violate its provisions and many states are modeling new biometric privacy laws after Illinois's BIPA. Regardless of any company's efforts to comply with the requirements of BIPA, this private right of action increases the general likelihood of, and risks associated with, biometrics litigation. Other states, such as New York, are considering comparable laws covering biometric information. The effects of the BIPA, CPRA, CCPA, VCDPA and other similar state or federal laws, are significant and may require us to modify our data processing practices and policies and to incur substantial costs and potential liability in an effort to comply with such legislation. Furthermore, municipalities have started regulating biometrics at a more local level, such as the City of Portland's restriction on certain uses of facial recognition technology. These restrictions may reduce the capabilities of companies that utilize biometrics to expand their platforms in these locations.

At an international level, the European Union's General Data Protection Regulation ("GDPR"), which became effective on May 25, 2018, regulates the collection, control, processing, sharing, disclosure, and other use of data that can directly or indirectly identify a living individual, and imposes stringent data protection requirements with significant penalties, and the risk of civil litigation, for noncompliance. Failure to comply with the GDPR may result in fines of up to 20 million euros or up to 4% of the annual global revenue of the infringer, whichever is greater. It may also lead to civil litigation, with the risks of damages or injunctive relief, or regulatory orders adversely impacting on the ways in which our business can use personal data. Other countries have also adopted laws and regulations that regulate the collection, use and processing of PII, and impose penalties and sanctions for non-compliance.

In addition to government regulation, self-regulatory standards and other industry standards may legally or contractually apply to us, be argued to apply to us, or we may elect to comply with such standards or to facilitate our customers' compliance with such standards. We may make statements on our website, in marketing materials, or in other settings about our data security measures and our compliance with, or our ability to facilitate our customers' compliance with, these standards. Furthermore, because the interpretation and application of laws, standards, contractual obligations and other obligations relating to privacy, data protection, and information security are uncertain, these laws, standards, and contractual and other obligations may be interpreted and applied in a manner that is, or is alleged to be, inconsistent with our data management practices, our policies or procedures, or the features of our platforms. If so, in addition to the possibility of fines, lawsuits, and other claims, we could be required to fundamentally change our business activities and practices or modify our platforms, which could have an adverse effect on our business. We may be unable to make such changes and modifications in a commercially reasonable manner or at all, and our ability to fulfill existing obligations, make enhancements, or develop new platforms and features could be limited. Furthermore, the costs of compliance with, and other burdens imposed by, the laws, regulations, and policies that are applicable to the businesses of our customers may limit the use and adoption of, and reduce the overall demand for, our platforms.

While we take great efforts to comply with all laws, regulations, standards and obligations applicable to us, we cannot guarantee that we have always been or will always be successful. Privacy and data protection laws, rules and regulations are complex, and their interpretation is rapidly evolving, making implementation and enforcement, and thus compliance requirements, ambiguous, uncertain and potentially inconsistent. Compliance with such laws may require changes to our operations and business practices and may thereby increase compliance costs or have other material adverse effects on our business. In addition, even alleged violations of such laws could be costly to defend and divert management's attention. Failure to comply with laws regarding the collection and use of biometric information could have an adverse impact on our business and results. While we have invested and continue to invest significant resources to comply with privacy regulations, many of these regulations expose us to the possibility of material penalties, significant legal liability, changes in how we operate or offer our products, and interruptions or cessation of our ability to operate in key geographies, any of which could materially adversely affect our business, results of operations and financial condition.

Various other governments and consumer agencies around the world have also called for new regulation and changes in industry practices and many have enacted and may in the future enact different and potentially contradictory requirements for protecting personal information collected and maintained electronically. These regulations will become particularly relevant to us as we expand our operations beyond the United States. Compliance with numerous and contradictory requirements of different jurisdictions is particularly difficult and costly for a business such as ours that collects personal information from members. If any jurisdiction in which we currently, or in the future may, operate adopts new laws or changes its interpretation of its laws, rules or regulations relating to data use and processing such that we are unable to comply in a timely manner or at all, we could risk losing our rights to operate in such jurisdictions.

Any failure or perceived failure by us to comply with privacy and data protection policies, notices, laws, rules and regulations could result in proceedings or actions against us by individuals, consumer rights groups, government agencies or others. We could incur significant costs in investigating and defending such claims and, if found liable, pay significant damages or fines or be required to make changes to our business. Further, these proceedings and any subsequent adverse outcomes may subject us to significant negative publicity, and an erosion of trust. If any of these events were to occur, our business, results of operations and financial condition could be materially adversely affected.

To the extent our business expands into health care applications and we collect and use personal health information, we could function as a HIPAA "business associate" for certain of our partners and, as such, could be subject to strict privacy and data security requirements. If we fail to comply with any of these requirements, we could be subject to significant liability, which can adversely affect our business as well as our ability to attract and retain new members and their utilization of our platform.

The Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act ("HITECH"), and their respective

implementing regulations (collectively, "HIPAA"), imposes specified requirements relating to the privacy, security and transmission of individually identifiable health information. Among other things, HITECH makes HIPAA's security standards directly applicable to "business associates." Although we do not currently function as a business associate, in the future we expect to expand our solutions in the healthcare industry and become a business associate for certain of our existing partners and future partners that are HIPAA covered entities and service providers, and in that context we may in the future be regulated as a business associate for the purposes of HIPAA. If we are unable to comply with our obligations as a HIPAA business associate, we could face substantial civil and even criminal liability. HITECH imposes four tiers of civil monetary penalties and gives state attorneys general authority to file civil actions for damages or injunctions in federal courts to enforce the federal HIPAA laws and seek attorneys' fees and costs associated with pursuing federal civil actions. In addition, many state laws govern the privacy and security of health information in certain circumstances, many of which differ from HIPAA and each other in significant ways and may not have the same effect.

In the event we become a business associate, we will be required by HIPAA to maintain HIPAA-compliant business associate agreements with our partners that are HIPAA covered entities and service providers, as well as our subcontractors, to the extent applicable, that access, maintain, create or transmit individually identifiable health information on our behalf for the rendering of services to our HIPAA covered entity and service provider members. These agreements impose stringent data security and other obligations on us. If we or our subcontractors are unable to meet the requirements of any of these business associate agreements, we could face contractual liability under the applicable business associate agreement as well as possible civil and criminal liability under HIPAA, all of which can have an adverse impact on our business and generate negative publicity, which, in turn, can have an adverse impact on our ability to attract and retain members.

We collect and use health information from individuals for which we strive to implement information security standards similar to the standards that would be applicable under HIPAA. Any failure to do so could have an adverse impact on our business and generate negative publicity, which, in turn, could have an adverse impact on our ability to attract and retain members.

The laws and regulations that we are subject to or may become subject to are constantly evolving.

We are subject to a wide variety of laws and regulations in the United States and other jurisdictions as well as regulations promulgated by government agencies. Laws, regulations and standards governing issues, such as the collection and use of biometric information, health information, privacy, data security, whistleblowing and worker confidentiality obligations, product liability, personal injury, text messaging, subscription services, intellectual property, arbitration agreements and class action waiver provisions, terms of service, mobile application accessibility and background checks are often complex and subject to varying interpretations, in many cases due to their lack of specificity. As a result, their application in practice may change or develop over time through judicial decisions or as new guidance or interpretations are provided by regulatory and governing bodies, such as federal, state and local administrative agencies. New offerings may also subject us to laws and regulations that we have not historically been subject to.

In addition, our business operations at airports involve coordination with the DHS, and we are subject to audits and reviews by the DHS and TSA. Governmental stakeholders may promulgate additional regulatory frameworks for us or increase the difficulty in maintaining our existing certifications, which may present additional challenges for our operations, increase our expenses, reduce our opportunities and divert management's attention. Failure to comply with these standards set for our operations by governmental stakeholders may have an adverse impact on our business, results of operations and financial condition. See "—We must continue to meet the standards set for our airport operations by governmental stakeholders."

As our industry evolves and we continue to expand our platform offerings and member base, we may become subject to additional laws and regulations, which may differ or conflict from one jurisdiction to another.

Additionally, the passage or adoption of any legislation or regulation affecting the ability of service providers to periodically charge consumers for, among other things, recurring subscription payments may materially adversely affect our business, financial condition and results of operations. This could materially adversely affect our payment authorization rate. Legislation or regulation regarding the foregoing, or changes to existing legislation or regulation governing subscription payments, are being considered in many U.S. states. While we monitor and attempt to comply with these legal developments, we may be subject to claims under such legislation or regulation.

Despite our efforts to comply with applicable laws, regulations and other obligations relating to our platform offerings, it is possible that our practices, offerings or platform could be inconsistent with, or fail or be alleged to fail to meet all requirements of, such laws, regulations or obligations. Our failure, or the failure by our partners, to comply with applicable laws or regulations or any other obligations relating to our platform offerings, could harm our reputation and brand, discourage new and existing members from using our platform, lead to refunds of membership fees or result in fines or proceedings by governmental agencies or private claims and litigation, any of which could adversely affect our business, financial condition and results of operations.

We may be subject to legal proceedings, regulatory disputes and governmental inquiries that could cause us to incur significant expenses, divert our management's attention and materially harm our business, financial condition and operating results.

In the ordinary course of business, from time to time, we have been involved in legal proceedings and in the future may be subject to claims, lawsuits, government investigations and other proceedings involving intellectual property, privacy, securities, tax, labor and employment, commercial disputes and other matters that could adversely affect our business operations and financial condition. Litigation and regulatory proceedings may be protracted and expensive, and the results are difficult to predict. Certain of these matters may include speculative claims for substantial or indeterminate amounts of damages and include claims for injunctive relief. Additionally, our litigation costs could be significant. Adverse outcomes with respect to litigation or any of these legal proceedings may result in significant settlement costs or judgments, penalties and fines, or require us to modify our products or services, harm our reputation or require us to stop offering certain features, all of which could negatively affect our membership and revenue growth. Should the ultimate judgments or settlements in any future litigation or investigation significantly exceed our insurance coverage, they could adversely affect our business, results of operations and financial condition. See "Business—Legal Proceedings."

The results of litigation, investigations, claims and regulatory proceedings cannot be predicted with certainty, and determining reserves for pending litigation and other legal and regulatory matters requires significant judgment. There can be no assurance that our expectations will prove correct, and even if these matters are resolved in our favor or without significant cash settlements, these matters, and the time and resources necessary to litigate or resolve them, could harm our business, financial condition and operating results.

The coverage afforded under our insurance policies may be inadequate for the needs of our business or our third-party insurers may be unable or unwilling to meet our coverage requirements, which could materially adversely affect our business, results of operations and financial condition.

We are subject to numerous obligations in our contracts with our partners and government agencies. Despite the measures we have implemented to comply with our contracts, we may fail to meet these commitments, whether through a weakness in these procedures, systems and internal controls, negligence or the willful act of an employee.

Our insurance policies may be inadequate to compensate us for the potentially significant losses that may result from claims arising from failure to meet our contractual obligations, disruptions in our services, including those caused by cybersecurity incidents, failures or disruptions to our infrastructure, catastrophic events and disasters or otherwise. In addition, such insurance may not be available to

us in the future on economically reasonable terms, or at all. Further, our insurance may not cover all claims made against us and defending a suit, regardless of its merit, could be costly and divert management's attention.

Additionally, we procure insurance policies to cover various operations-related risks, including general business liability, workers' compensation, cyber liability and data breaches, and directors' and officers' liability insurance. Moreover, government agencies, states and municipalities may pass new legislation related to companies' responsibility to protect personally identifiable information generally, as well as biometric information specifically, and appropriate insurance coverage may not be available to us in the future on economically reasonable terms or at all to cover all of our business exposure. If we fail to comply with insurance regulatory requirements in the regions where we operate, or other regulations governing insurance coverage, our brand, reputation, business, results of operations and financial condition could be materially adversely affected. For example, if the DHS were to increase the insurance coverage requirements for us related to our certification as a Qualified Anti-Terrorism Technology under the SAFETY Act, such insurance coverage may significantly increase our costs or may not be available to us.

Our costs for obtaining insurance policies will increase as our business grows and continues to evolve. As our business continues to develop and expand, we may experience difficulty in obtaining insurance coverage for new and evolving offerings, which could require us to incur greater costs and materially adversely affect our business, results of operations and financial condition.

Our use of "open source" software could adversely affect our ability to offer our services and subject us to possible litigation, and may increase our vulnerability to unauthorized access and cyberattacks.

We use open source software in connection with certain of our products and services. Companies that incorporate open source software into their products have, from time to time, faced claims challenging the use of open source software and/or compliance with open source license terms. As a result, we could be subject to suits by parties claiming ownership of what we believe to be open source software or claiming noncompliance with open source licensing terms. Some open source software licenses require users who distribute software containing open source software to publicly disclose all or part of the source code to such software and/or make available any derivative works of the open source code, which could include valuable proprietary code of the user, on unfavorable terms or at no cost. While we monitor the use of open source software and try to ensure that none is used in a manner that would require us to disclose our proprietary source code or that would otherwise breach the terms of an open source agreement, such use could inadvertently occur, in part because open source license terms are often ambiguous. Any requirement to disclose our proprietary source code or pay damages for breach of contract could have a material adverse effect on our business, financial condition and results of operations and could help our competitors develop products and services that are similar to or better than ours.

In addition to risks related to license requirements, the use of open source software may increase our vulnerability to unauthorized access to our systems and other risks relating to cybersecurity. Open source software licensors generally do not provide updates, warranties, support, indemnities, assurances of title, or controls on origin of the software. Likewise, some open source projects have known security and other vulnerabilities and architectural instabilities, or are otherwise subject to cyberattacks due to their wide availability, and are provided on an "as-is" basis.

Liability protections provided by the SAFETY Act may be limited.

Certain of our technologies and solutions are certified or designated by the DHS as Qualified Anti-Terrorism Technologies under the SAFETY Act. The SAFETY Act provides important legal liability protections for providers of qualified anti-terrorism products and services. Under the SAFETY Act, technology providers may apply to the DHS for coverage of the products and services. If granted coverage, such providers receive certain legal protections against product liability, professional liability and certain other claims that could arise following an act of terrorism. While we believe our applicable technologies and solutions will continue to meet with the approval of the DHS's SAFETY Act office,

we cannot be sure that the SAFETY Act certification and designation will be renewed in the future. Additionally, we do not enjoy coverage for every service we provide. In addition, the terms of the SAFETY Act coverage decisions awarded to us by the DHS contain conditions and requirements that we may not be able to continue to satisfy in the future. In the future, if the DHS limits availability of SAFETY Act coverage or the scope of any coverage previously awarded to us, denies us coverage or continued coverage for a particular service, or delays in making decisions about whether to grant us coverage, we may become exposed to legal claims that the SAFETY Act was otherwise designed to prevent.

Risks Related to Our Financial Results

If our estimates or judgments relating to our critical accounting policies prove to be incorrect, our results of operations could be adversely affected.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and accompanying notes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, as provided in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations." The results of these estimates form the basis for making judgments about the carrying values of assets, liabilities and equity, and the amount of revenue and expenses that are not readily apparent from other sources. Significant assumptions and estimates used in preparing our consolidated financial statements include, or could in the future include, those related to revenue recognition, capitalized internal-use software costs, income taxes, other non-income taxes, business combinations, valuation of goodwill, purchased intangible assets and share-based compensation. Our results of operations may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our results of operations to fall below the expectations of securities analysts and investors, resulting in a decline in the trading price of our Class A common stock.

Our focus on delivering a safe, reliable, predictable and frictionless member experience may not maximize short-term financial results, which may yield results that conflict with the market's expectations and could result in our stock price being negatively affected.

We are focused on continually enhancing our members' experience on, and utilization of, our platform. We seek to achieve this objective by expanding our platform into our members' lives by entering into new verticals and airports, which may not necessarily maximize short-term financial results. We frequently make business decisions that may adversely impact our short-term financial results if we believe that the decisions are consistent with our goals to improve our members' experience, which we believe will improve our financial results over the long term. These decisions may not be consistent with the short-term expectations of our stockholders and may not produce the long-term benefits that we expect, in which case our membership growth and the utilization of our platform, as well as our business, financial condition, and operating results, could be materially adversely affected.

We may not be able to achieve or sustain profitability in the future.

We have not been profitable since our relaunch in 2010, and we recorded a net loss of approximately $9.3 million and approximately $54.2 million for the years ended December 31, 2020 and 2019, respectively. We cannot assure you that we will be able to achieve or sustain profitability on a quarterly or an annual basis. If we generate losses in the future or are cash flow negative, the market price of our common stock may decline.

Certain estimates of market opportunity and forecasts of market growth included in this prospectus may prove to be inaccurate

This prospectus includes our internal and third-party estimates of the addressable market for identity solutions. Market opportunity estimates and growth forecasts, whether obtained from third-party sources or developed internally, are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. The estimates and forecasts in this prospectus relating

to the size and expected growth of our target market, market demand and adoption, capacity to address this demand and pricing are difficult to predict and may prove to be inaccurate. In addition, our internal estimates of the total addressable market and serviceable available market for our solutions reflect the opportunity available from all participants and potential participants in the market. The addressable market we estimate may not materialize for many years, if ever, and even if the markets in which we compete meet the size estimates and growth forecasted in this prospectus, our business could fail to grow at similar rates, if at all.

Risks Related to Our Organization and Structure

We are a holding company and our principal asset after completion of this offering will be our equity interests in Alclear, and we are accordingly dependent upon distributions from Alclear to pay dividends, if any, and taxes, make payments under any tax receivable agreement and cover other expenses, including our corporate and other overhead expenses.

We are a holding company and, upon completion of the reorganization transactions and this offering, our principal asset will be our ownership of Alclear Units. See “Organizational Structure.” We have no independent means of generating revenue, and our ability to pay our taxes and operating expenses will be dependent upon the financial results and cash flows of Alclear and its subsidiaries and distributions we receive from Alclear. As the sole managing member of Alclear, we intend to cause Alclear to make distributions to us, the Founder Post-IPO Members and the other CLEAR Post-IPO Members, in amounts sufficient to cover all applicable taxes payable by us, any payments we are obligated to make under the tax receivable agreement we intend to enter into as part of the reorganization transactions and other costs or expenses. However, there can be no assurance that Alclear will generate sufficient cash flow to distribute funds to us or that applicable state law and contractual restrictions, including negative covenants in our debt instruments, will permit such distributions.

To the extent that we need funds and Alclear is restricted from making such distributions to us, under applicable law or regulation, as a result of covenants in our debt agreements or otherwise, we may not be able to obtain such funds on terms acceptable to us or at all and as a result could suffer a material adverse effect on our liquidity and financial condition.

Under Alclear's second amended and restated operating agreement, we expect Alclear from time to time to make pro rata distributions in cash to its equityholders, including us, the Founder Post-IPO Members and the other CLEAR Post-IPO Members, in amounts sufficient to cover taxes on our allocable share of the taxable income of Alclear and payments we are obligated to make under the tax receivable agreement. As a result of (i) potential differences in the amount of net taxable income allocable to us and to Alclear’s other equityholders, (ii) the lower tax rate applicable to corporations than individuals and (iii) the favorable tax benefits that we anticipate from (a) the Company’s allocable share of existing tax basis acquired in this offering, (b) increases in the Company’s allocable share of existing tax basis and adjustments to the tax basis of the tangible and intangible assets of Alclear as a result of exchanges by the CLEAR Post-IPO Members (or their transferees or other assignees) of Alclear Units (along with the corresponding shares of our Class C common stock or Class D common stock, as applicable) for shares of our Class A common stock or Class B common stock, as applicable, and purchases of Alclear Units and corresponding shares of Class C common stock or Class D common stock, as the case may be, from CLEAR Post-IPO Members (or their transferees or other assignees) and (c) certain other tax benefits related to entering into the tax receivable agreement, including tax benefits attributable to payments under the tax receivable agreement, we expect that these cash distributions will be in amounts that exceed our tax liabilities. Our board of directors will determine the appropriate uses for any excess cash so accumulated, which may include, among other uses, the payment of obligations under the tax receivable agreement and the payment of other expenses. We will have no obligation to distribute such cash (or other available cash) to our stockholders. No adjustments to the exchange ratio for Alclear Units and corresponding shares of common stock will be made as a result of any cash distribution by us or any retention of cash by us, and in any event the ratio will remain one-to-one. To the extent we do not distribute such excess cash as dividends on our Class A common stock or Class B Common Stock or otherwise take ameliorative actions between Alclear Units and shares of Class A common stock or Class B Common Stock and instead, for example, hold such cash balances, or lend

them to Alclear, this may result in shares of our Class A common stock or Class B Common Stock increasing in value relative to the value of Alclear Units. The holders of Alclear Units may benefit from any value attributable to such cash balances if they acquire shares of Class A common stock or Class B Common Stock in exchange for their Alclear Units, notwithstanding that such holders may previously have participated as holders of Alclear Units in distributions that resulted in such excess cash balances.

Our organizational structure, including the tax receivable agreement, confers certain benefits upon the CLEAR Post-IPO Members that will not benefit holders of our Class A common stock to the same extent that it will benefit the CLEAR Post-IPO Members.

Our organizational structure, including the tax receivable agreement, confers certain benefits upon the CLEAR Post-IPO Members that will not benefit the holders of our Class A common stock to the same extent that it will benefit the CLEAR Post-IPO Members. We intend to enter into a tax receivable agreement with the CLEAR Post-IPO Members that will provide for the payment by us to the CLEAR Post-IPO Members of 85% of the amount of cash savings, if any, in U.S. federal, state and local income tax or franchise tax that we actually realize (computed using simplifying assumptions to address the impact of state and local taxes) as a result of (i) any increase in tax basis in Alclear's assets resulting from (a) exchanges by the CLEAR Post-IPO Members (or their transferees or other assignees) of Alclear Units (along with the corresponding shares of our Class C common stock or Class D common stock, as applicable) for shares of our Class A common stock or Class B common stock, as applicable, and purchases of Alclear Units and corresponding shares of Class C common stock or Class D common stock, as the case may be, from CLEAR Post-IPO Members (or their transferees or other assignees) or (b) payments under the tax receivable agreement, and (ii) tax benefits related to imputed interest deemed arising as a result of payments made under the tax receivable agreement. See "Certain Relationships and Related Party Transactions—Tax Receivable Agreement." Although the Company will retain 15% of the amount of such tax benefits, this and other aspects of our organizational structure may adversely impact the future trading market for the Class A common stock or Class C common stock.

We are controlled by the Founder Post-IPO Members, whose interests in our business may be different than yours.

Based on an assumed initial public offering price of $ per share (the midpoint of the estimated public offering price range set forth on the cover page of this prospectus), the Founder Post-IPO Members will collectively control approximately % of the combined voting power of our outstanding shares of common stock (or % if the underwriters exercise their option to purchase additional shares in full) after the completion of this offering and the application of the net proceeds from this offering as a result of its ownership of our Class B common stock and our Class D common stock, each share of which is entitled to 20 votes per share on all matters submitted to a vote of our stockholders.

The Founder Post-IPO Members will have the ability to control our Company, including the ability to control any action requiring the general approval of our stockholders, including the election of our board of directors, the adoption of amendments to our certificate of incorporation and by-laws and the approval of any merger or sale of substantially all of our assets. This concentration of ownership and voting power may also delay, defer or even prevent an acquisition by a third party or other change of control of our Company and may make some transactions more difficult or impossible without the support of the Founder Post-IPO Members, even if such events are in the best interests of minority stockholders. This concentration of voting power with the Founder Post-IPO Members may have a negative impact on the price of our Class A common stock. In addition, because shares of our Class B common stock and Class D common stock each have 20 votes per share on matters submitted to a vote of our stockholders, the Founder Post-IPO Members may be able to control our Company until such time that the Founder Post-IPO Members no longer collectively beneficially own a majority of the voting power of our outstanding shares of common stock. Further, even when the Founder Post-IPO Members cease to collectively own shares of our common stock representing a majority of the combined voting power of our outstanding shares of common stock, for so long as the Founder Post-IPO Members continue to collectively own a significant percentage of our stock, they will still be able to significantly influence the composition of our board of directors and the approval of actions requiring stockholder approval through their voting power.

The Founder Post-IPO Members' interests may not be fully aligned with yours. Because each Founder Post-IPO Member holds part of its economic interest in our business through Alclear, rather than through the public company, they may have conflicting interests with holders of shares of our Class A common stock. For example, the Founder Post-IPO Members may have a different tax position from us, which could influence its decisions regarding whether and when we should dispose of assets or incur new or refinance existing indebtedness, especially in light of the existence of the tax receivable agreement that we will enter into in connection with this offering, and whether and when we should undergo certain changes of control within the meaning of the tax receivable agreement or terminate the tax receivable agreement. In addition, the structuring of future transactions may take into consideration these tax or other considerations even where no similar benefit would accrue to us. See "Certain Relationships and Related Party Transactions—Tax Receivable Agreement."

For additional information regarding the share ownership of, and our relationship with, the Founder Post-IPO Members, you should read the information under the headings "Principal Stockholders" and "Certain Relationships and Related Party Transactions."

We will be required to pay the CLEAR Post-IPO Members for certain tax benefits we may claim, and the amounts we may pay could be significant.

Future exchanges by the CLEAR Post-IPO Members (or their transferees or other assignees) of Alclear Units and corresponding shares of Class C common stock or Class D common stock, as the case may be, for shares of our Class A common stock or Class B common stock, respectively, and purchases of Alclear Units and corresponding shares of Class C common stock or Class D common stock, as the case may be, from CLEAR Post-IPO Members (or their transferees or other assignees) are expected to produce favorable tax attributes. These tax attributes would not be available to us in the absence of those transactions. Both the existing and anticipated tax basis adjustments are expected to reduce the amount of tax that we would otherwise be required to pay in the future.

We intend to enter into a tax receivable agreement with the CLEAR Post-IPO Members that will provide for the payment by us to the CLEAR Post-IPO Members of 85% of the amount of cash savings, if any, in U.S. federal, state and local income tax or franchise tax that we actually realize (computed using simplifying assumptions to address the impact of state and local taxes) as a result of (i) any increase in tax basis in Alclear's assets resulting from (a) exchanges by the CLEAR Post-IPO Members (or their transferees or other assignees) of Alclear Units (along with the corresponding shares of our Class C common stock or Class D common stock, as applicable) for shares of our Class A common stock or Class B common stock, as applicable, and purchases of Alclear Units and corresponding shares of Class C common stock or Class D common stock, as the case may be, from CLEAR Post-IPO Members (or their transferees or other assignees) or (b) payments under the tax receivable agreement, and (ii) tax benefits related to imputed interest deemed arising as a result of payments made under the tax receivable agreement.

The actual increase in tax basis, as well as the amount and timing of any payments under the tax receivable agreement, will vary depending upon a number of factors, including the timing of exchanges by or purchases from the CLEAR Post-IPO Members, the price of our Class A common stock at the time of the exchange, the extent to which such exchanges are taxable, the amount and timing of the taxable income we generate in the future and the tax rate then applicable and the portion of our payments under the tax receivable agreement constituting imputed interest.

We expect that the payments we will be required to make under the tax receivable agreement will be substantial. Further, assuming no material changes in relevant tax law and that we earn sufficient taxable income to realize all tax benefits that are subject to the tax receivable agreement, we expect that the tax savings associated with all tax attributes described above would aggregate to approximately $ million over 15 years from the date of the completion of this offering, based on an assumed initial public offering price of $ per share of Class A common stock, the midpoint of the estimated price range set forth on the cover page of this prospectus and assuming all future redemptions, purchases or exchanges would occur on the date of this offering. Under this scenario, we would be required to pay the CLEAR Post-IPO Members 85% of such amount, or $ million, over the 15-year period from the date of the completion of this offering. The actual amounts we will be required to pay

may materially differ from these hypothetical amounts, because potential future tax savings that we will be deemed to realize, and the tax receivable agreement payments made by us, will be calculated based in part on the market value of our Class A common stock at the time of each redemption or exchange of an Alclear Unit (along with the corresponding share of our Class C common stock or Class D common stock, as applicable) for cash or a share of Class A common stock or Class B common stock, as applicable and the prevailing applicable federal tax rate (plus the assumed combined state and local tax rate) applicable to us over the life of the tax receivable agreement and will depend on our generating sufficient taxable income to realize the tax benefits that are subject to the tax receivable agreement.

Payments under the tax receivable agreement will be based on the tax reporting positions that we determine, and the Internal Revenue Service (the “IRS”), or another tax authority may challenge all or part of the tax basis increases or other tax benefits we claim, as well as other related tax positions we take, and a court could sustain such challenge. Although we are not aware of any issue that would cause the IRS to challenge the tax basis increases or other benefits arising under the tax receivable agreement, if the outcome of any such challenge would reasonably be expected to materially affect a recipient’s payments under the tax receivable agreement, then we will not be permitted to settle such challenge without the consent (not to be unreasonably withheld or delayed) of the CLEAR Post-IPO Members. The interests of the CLEAR Post-IPO Members in any such challenge may differ from or conflict with our interests and your interests, and the CLEAR Post-IPO Members may exercise their consent rights relating to any such challenge in a manner adverse to our interests and your interests. We will not be reimbursed for any cash payments previously made to the CLEAR Post-IPO Members (or their transferees or assignees) under the tax receivable agreement in the event that any tax benefits initially claimed by us and for which payment has been made to the CLEAR Post-IPO Members (or their transferees or assignees) are subsequently challenged by a taxing authority and are ultimately disallowed. Instead, any excess cash payments made by us to the CLEAR Post-IPO Members (or their transferees or assignees) will be netted against any future cash payments that we might otherwise be required to make to the CLEAR Post-IPO Members (or their transferees or assignees) under the terms of the tax receivable agreement. However, we might not determine that we have effectively made an excess cash payment to the CLEAR Post-IPO Members (or its transferee or assignee) for a number of years following the initial time of such payment and, if any of our tax reporting positions are challenged by a taxing authority, we will not be permitted to reduce any future cash payments under the tax receivable agreement until any such challenge is finally settled or determined. Moreover, the excess cash payments we previously made under the tax receivable agreement could be greater than the amount of future cash payments against which we would otherwise be permitted to net such excess. As a result, payments could be made under the tax receivable agreement significantly in excess of any tax savings that we realize in respect of the tax attributes with respect to the CLEAR Post-IPO Members (or their transferees or assignees) that are the subject of the tax receivable agreement.

In addition, the tax receivable agreement will provide that in the case of a change in control of the Company or a material breach of our obligations under the tax receivable agreement, we are required to make a payment to the CLEAR Post-IPO Members in an amount equal to the present value of future payments (calculated using a discount rate equal to the lesser of 6.5% or London InterBank Offered Rate (“LIBOR”) (or, in the absence of LIBOR, its successor rate) plus 100 basis points, which may differ from our, or a potential acquirer’s, then-current cost of capital) under the tax receivable agreement, which payment would be based on certain assumptions, including those relating to our future taxable income. In these situations, our obligations under the tax receivable agreement could have a substantial negative impact on our, or a potential acquirer’s, liquidity and could have the effect of delaying, deferring, modifying or preventing certain mergers, asset sales, other forms of business combinations or other changes of control. These provisions of the tax receivable agreement may result in situations where the CLEAR Post-IPO Members have interests that differ from or are in addition to those of our other stockholders. In addition, we could be required to make payments under the tax receivable agreement that are substantial and in excess of our, or a potential acquirer’s, actual cash savings in income tax.

Decisions we make in the course of running our business, such as with respect to mergers, asset sales, other forms of business combinations or other changes in control, may influence the timing and

amount of payments made under the tax receivable agreement. For example, the earlier disposition of assets following an exchange or purchase of Alclear Units may accelerate payments under the tax receivable agreement and increase the present value of such payments, and the disposition of assets before an exchange or purchase of Alclear Units may increase the tax liability of CLEAR Post-IPO Members (or their transferees or assignees) without giving rise to any rights to receive payments under the tax receivable agreement. Such effects may result in differences or conflicts of interest between the interests of CLEAR Post-IPO Members (or their transferees or assignees) and the interests of other stockholders.

Finally, because we are a holding company with no operations of our own, our ability to make payments under the tax receivable agreement are dependent on the ability of our subsidiaries to make distributions to us. Our debt agreements could restrict the ability of our subsidiaries to make distributions to us, which could affect our ability to make payments under the tax receivable agreement. To the extent that we are unable to make payments under the tax receivable agreement for any reason, such payments will be deferred and will accrue interest until paid, which could negatively impact our results of operations and could also affect our liquidity in periods in which such payments are made.

Our Credit Agreement contains restrictions that limit our flexibility.

The covenants in our Credit Agreement, dated as of March 31, 2020 (as amended by the Amendment No. 1 to Credit Agreement, dated as of April 29, 2021, and as may be further amended from time to time, the “Credit Agreement”), by and among Alclear, the other loan parties thereto, the lenders party thereto and JPMorgan Chase Bank, N.A., may negatively impact our ability to finance future operations or capital needs or to engage in other business activities. Our Credit Agreement requires us to maintain a specified net leverage ratio, which may require us to take action to reduce our debt or to act in a manner contrary to our business objectives. Our Credit Agreement also restricts our ability to, among other things: incur additional debt and guarantee indebtedness; pay dividends on or make distributions in respect of, or repurchase or redeem, our capital stock, or make other restricted payments; prepay, redeem, or repurchase certain debt; make loans or certain investments; sell certain assets; create liens on certain assets; consolidate, merge, sell, or otherwise dispose of all or substantially all of our assets; enter into certain transactions with our affiliates; alter the businesses we conduct; and enter into agreements restricting our subsidiaries’ ability to pay dividends. We could incur substantial indebtedness in the future, and the agreements governing any such indebtedness may provide further restrictions on our business.

As a result of these covenants, we will be limited in the manner in which we conduct our business, and we may be unable to engage in favorable business activities or finance future operations or capital needs. These restrictive covenants may limit our ability to engage in activities that may be in our long-term best interest. The failure to comply with those covenants could result in an event of default which, if not cured or waived, could result in the acceleration of a substantial amount of our indebtedness. In the event of an acceleration, we may not have or be able to obtain sufficient funds to refinance our indebtedness or to make any accelerated payments. Even if we were able to obtain new financing, we would not be able to guarantee that the new financing would be on commercially reasonable terms. If we default on our indebtedness, our business, financial condition and results of operation could suffer a material adverse effect.

Risks Related to this Offering and Our Class A Common Stock

No public market currently exists for our Class A common stock, and there can be no assurance that an active public market for our Class A common stock will develop.

Prior to this offering, there has been no public market for our Class A common stock. The initial public offering price for our Class A common stock will be determined through negotiations between us and the representatives of the underwriters and may not be indicative of the market price of our Class A common stock after this offering. If you purchase shares of our Class A common stock, you may not be able to resell those shares of Class A common stock at or above the initial public offering price. We cannot predict the extent to which investor interest in our Class A common stock will lead to the

development of an active trading market on the NYSE or otherwise or how liquid that market might become. If an active public market for our Class A common stock does not develop, or is not sustained, it may be difficult for you to sell your Class A common stock at a price that is attractive to you or at all.

Substantial future sales of shares of our Class A common stock in the public market could cause our stock price to fall.

Sales of a substantial number of shares of our Class A common stock into the public market in the future, particularly sales by our directors, executive officers and principal stockholders, or the perception that these sales might occur, could cause the market price of our Class A common stock to decline and could impair our ability to raise capital through the sale of additional equity securities.

Upon the consummation of this offering, we will have shares of Class A common stock (or shares if the underwriters exercise their option to purchase additional shares in full) outstanding, excluding shares of Class A common stock underlying outstanding stock options and restricted stock units and, based on an assumed initial public offering price of $ per share (the midpoint of the estimated public offering price range set forth on the cover page of this prospectus), shares of Class A common stock issuable upon potential exchanges and/or conversions. Of these shares, the shares sold in this offering (or shares if the underwriters exercise their option to purchase additional shares in full) will be freely tradable without further restriction under the Securities Act. Upon the completion of this offering, the remaining outstanding shares of Class A common stock, including shares issuable upon exchange and/or conversion, will be deemed “restricted securities,” as that term is defined under Rule 144 of the Securities Act. Immediately following the consummation of this offering, the holders of these remaining shares of our Class A common stock, including shares issuable upon exchange or conversion as described above (or shares if the underwriters exercise their option to purchase additional shares in full) will be entitled to dispose of their shares following the expiration of an initial 180-day underwriter “lock-up” period pursuant to (i) the applicable holding period, volume and other restrictions of Rule 144 or (ii) another exemption from registration under the Securities Act. See “Shares Eligible for Future Sale.”

We intend to file a registration statement under the Securities Act registering shares of our Class A common stock reserved for issuance under our 2021 Omnibus Incentive Plan, and we will enter into the Registration Rights Agreement pursuant to which we will grant demand and piggyback registration rights to the Founder Post-IPO Members and piggyback registration rights to certain of the other CLEAR Post-IPO Members. See “Shares Eligible for Future Sale” for a more detailed description of the shares that will be available for future sale upon completion of this offering.

In addition, we have issued warrants to purchase shares of our Class A common stock. There are issued, unexercised warrants to purchase shares of our Class A common stock that vest and become exercisable upon certain conditions specified in the warrant. To the extent any such warrants vest, as applicable, and are exercised, additional shares of our Class A common stock will be issued, which will result in dilution to the holders of our Class A common stock and increase the number of shares eligible for resale in the public market.

If we fail to maintain an effective system of internal controls, our ability to produce timely and accurate financial statements or comply with applicable regulations could be impaired.

As a public company, we will be subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, and the rules and regulations of the NYSE. We expect that the requirements of these rules and regulations will increase our legal, accounting and financial compliance costs, make some activities more difficult, time-consuming and costly and place significant strain on our personnel, systems and resources.

The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures over financial reporting. We are continuing to develop and refine our disclosure controls, internal control over financial reporting and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we will file with the SEC is recorded,

processed, summarized and reported within the time periods specified in SEC rules and forms, and that information required to be disclosed in reports under the Exchange Act is accumulated and communicated to our principal executive and financial officers.

Our current controls and any new controls we develop may become inadequate because of growth in our business. Further, weaknesses in our internal controls may be discovered in the future. Any failure to develop or maintain effective controls, or any difficulties encountered in their implementation or improvement, could harm our operating results or cause us to fail to meet our reporting obligations and may result in a restatement of our financial statements for prior financial reporting periods. Any failure to implement and maintain effective internal controls also could adversely affect the results of periodic management evaluations and annual independent registered public accounting firm attestation reports regarding the effectiveness of our internal control over financial reporting that we will be required to include in our periodic reports to be filed with the SEC under Section 404 of the Sarbanes-Oxley Act once we cease to be an emerging growth company. Ineffective disclosure controls and procedures and internal control over financial reporting could also cause investors to lose confidence in our reported financial and other information, which would likely have a negative effect on the market price of our stock.

We have expended and anticipate we will continue to expend significant resources, and we expect to provide significant management oversight, to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting. Any failure to maintain the adequacy of our internal controls, or consequent inability to produce accurate financial statements on a timely basis, could increase our operating costs and could materially impair our ability to operate our business and negatively impact our share price. In addition, if we are unable to continue to meet these requirements, we may not be able to remain listed on the NYSE.

We are not currently required to comply with the SEC rules that implement Sections 302 and 404 of the Sarbanes-Oxley Act, and we are therefore not required to make a formal assessment of the effectiveness of our internal control over financial reporting for that purpose. Upon becoming a public company, we will be required to comply with certain of these rules, which will require management to certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of our internal control over financial reporting. To comply with the requirements of being a public company, we will need to undertake various actions, such as implementing new internal controls and procedures. Although we will be required to disclose changes made in our internal controls and procedures on a quarterly basis, we are not required to make our first annual assessment of our internal control over financial reporting pursuant to Section 404 until the year following our first annual report required to be filed with the SEC, or for the year ending December 31, 2022. Our independent registered public accounting firm is not required to formally attest to the effectiveness of our internal control over financial reporting until after we are no longer an emerging growth company. At such time, our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our controls are documented, designed or operating.

We do not anticipate paying any cash dividends, and accordingly, stockholders must rely on stock appreciation for any return on their investment.

We do not currently anticipate declaring any cash dividends to holders of our Class A common stock in the foreseeable future. Additionally, our ability to pay dividends on our common stock is limited by the restrictions under the terms of our Credit Agreement. We anticipate that for the foreseeable future we will retain all of our future earnings for use in the development of our business and for general corporate purposes. Any determination to pay dividends in the future will be at the discretion of our board of directors. Consequently, investors must rely on sales of their Class A common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investment. Investors seeking cash dividends should not invest in our Class A common stock.

Provisions in our charter documents and certain rules imposed by regulatory authorities may delay or prevent our acquisition by a third party.

Our certificate of incorporation and by-laws will contain several provisions that may make it more difficult or expensive for a third party to acquire control of us without the approval of our board of directors.

These provisions, which may delay, prevent or deter a merger, acquisition, tender offer, proxy contest or other transaction that stockholders may consider favorable, include the following, some of which only become effective the first date on which Ms. Seidman-Becker and Mr. Cornick (the "Co-Founders"), together with the other persons in their permitted ownership groups (which include the Founder Post-IPO Members), collectively beneficially own, in aggregate, less than a majority of the combined voting power of our outstanding shares of common stock entitled to vote generally in the election of directors (the "Triggering Event"):

- the 20 vote per share feature of our Class B common stock and Class D common stock;
- after the Triggering Event, the sole ability of the board of directors to fill a vacancy on the board of directors;
- prohibiting our stockholders from calling a special meeting of stockholders;
- after the Triggering Event, no ability for our stockholders to take action by written consent;
- after the Triggering Event, certain amendments to our certificate of incorporation or amendments to our by-laws will require the approval of 66 2/3% of the combined voting power of our outstanding shares of common stock;
- after the Triggering Event, removal of directors will require the approval of holders of at least 66⅔% of the combined voting power of our outstanding shares of common stock; and
- authorizing "blank check" preferred stock, the terms and issuance of which can be determined by our board of directors without any need for action by stockholders.

Additionally, as a Delaware corporation, we are also subject to provisions of Delaware law, which may impede or discourage a takeover attempt that our stockholders may find beneficial. For example, Section 203 of the Delaware General Corporation Law prohibits a publicly held Delaware corporation from engaging in a business combination with an interested stockholder, unless the business combination is approved in a prescribed manner. An interested stockholder includes a person, individually or together with any other interested stockholder, who within the last three years has owned 15% or more of our voting stock. We will opt out of Section 203 of the Delaware General Corporation Law, but our certificate of incorporation will include a similar provision that restricts us from engaging in any business combination with an interested stockholder for three years following the date that person becomes an interested stockholder. Such restrictions, however, do not apply to any business combination between (i) any Founder Post-IPO Member, (ii) any Co-Founder, (iii) any other person in any Co-Founder's permitted ownership group, (iv) any affiliate, successor or Related Party of any of the foregoing or (v) any Permitted Transferee of any of the foregoing. For purposes of this discussion, a person is a "Related Party" of another person if they are an affiliate or successor of such other person or are a "group," or member of any such group, to which such other person is a party under Rule 13d-5 of the Exchange Act. For purposes of this discussion, a person is a "Permitted Transferee" of another person if they (A) acquire (other than in connection with a registered public offering) our voting stock from such other person or any of such other person's Related Parties and (B) are designated in writing by a Founder Post-IPO Member or its successor or assignee as a "Permitted Transferee".

These provisions of our certificate of incorporation and by-laws and Delaware law could discourage potential takeover attempts and reduce the price that investors might be willing to pay for shares of our Class A common stock in the future, which could reduce the market price of our Class A common stock. For more information, see "Description of Capital Stock."

Our stock price may be volatile, and you may be unable to resell your shares at or above the offering price or at all.

Prior to this offering, there has been no public market for our Class A common stock, and an active trading market may not develop or be sustained upon the completion of this offering. The initial public offering price of the Class A common stock offered hereby was determined through our negotiations with the underwriters and may not be indicative of the market price of the Class A common stock after this offering. The market price of our Class A common stock after this offering will be subject to significant fluctuations in response to, among other factors:

- our operating and financial performance and prospects;
- quarterly variations in the rate of growth (if any) of our financial or operational indicators, such as earnings per share, net income, revenues, Total Cumulative Enrollments, Total Cumulative Platform Uses, Annual CLEAR Plus Net Member Retention, Total Bookings, Adjusted EBITDA and Free Cash Flow;
- the public reaction to our press releases, our other public announcements and our filings with the SEC;
- strategic actions by our competitors or third parties;
- changes in operating performance and the stock market valuations of other companies;
- announcements related to litigation;
- our failure to meet revenue or earnings estimates made by research analysts or other investors;
- changes in revenue or earnings estimates, or changes in recommendations or withdrawal of research coverage, by equity research analysts;
- speculation in the press or investment community;
- sales of our common stock by us or our stockholders, or the perception that such sales may occur;
- changes in accounting principles, policies, guidance, interpretations or standards;
- additions or departures of key management personnel;
- actions by our stockholders;
- general market conditions;
- domestic and international economic, legal and regulatory factors unrelated to our performance;
- material weakness in our internal control over financial reporting; and
- the realization of any risks described under this "Risk Factors" section, or other risks that may materialize in the future.

Additionally, our operating and financial performance has historically varied from period to period, and we expect that they will continue to do so as a result of a number of factors, many of which are outside of our control and difficult to predict. This variability and unpredictability could result in our failing to meet the expectations of securities analysts or investors for any period. If we fail to meet or exceed such expectations for these or any other reasons, the market price of our Class A common stock could fall substantially.

Furthermore, in recent years the stock market has experienced significant price and volume fluctuations. This volatility has had a significant impact on the market price of securities issued by many companies. The changes frequently appear to occur without regard to the operating performance of the affected companies. As such, the price of our Class A common stock could fluctuate based upon factors that have little or nothing to do with us, and these fluctuations could materially reduce the price of our Class A common stock and materially affect the value of your investment.

Because the initial public offering price per share of Class A common stock is substantially higher than our book value per share, purchasers in this offering will immediately experience a substantial dilution in net tangible book value.

Purchasers of our Class A common stock will experience immediate and substantial dilution in net tangible book value per share from the initial public offering price per share. After giving effect to the reorganization transactions, our entry into the tax receivable agreement, the sale of the shares of Class A common stock we have offered hereby (after deducting underwriting discounts and commissions and estimated offering expenses payable by us) and the application of the net

proceeds therefrom, our pro forma net tangible book value as of March 31, 2021 would have been a deficit of $ million, or $ per share of Class A common stock and Class B common stock (assuming that the CLEAR Post-IPO Members exchange all of their Alclear Units and corresponding shares of Class C common stock or Class D common stock, as applicable, for shares of our Class A common stock and Class B common stock, as applicable, on a one-for-one basis). This value represents an immediate dilution in net tangible book value of $ per share to new investors purchasing shares of our Class A common stock in this offering. A calculation of the dilution purchasers will incur is provided below under “Dilution.”

We will incur increased costs as a result of operating as a public company and our management will be required to devote substantial time to new compliance initiatives and corporate governance practices.

As a public company, we will incur significant legal, accounting, administrative and other costs and expenses that we have not previously incurred or have experience with as a private company. We will be subject to the reporting requirements of the Exchange Act, which will require, among other things, that we file with the SEC annual, quarterly and current reports with respect to our business and financial condition. In addition, the Sarbanes-Oxley Act and rules subsequently implemented by the SEC and the NYSE impose numerous requirements on public companies, including establishment and maintenance of effective disclosure controls and procedures and internal control over financial reporting and corporate governance practices. Further, pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, the SEC has adopted additional rules and regulations in these areas, such as mandatory “say on pay” voting requirements that will apply to us when we cease to be an emerging growth company. Stockholder activism, the political environment and government intervention and regulatory reform may lead to substantial new regulations and disclosure obligations, which may lead to additional compliance costs and may impact the manner in which we operate our business in ways we cannot currently anticipate. Our management and other personnel will need to devote a substantial amount of time to compliance with these laws and regulations. These requirements have increased and will continue to increase our legal, accounting and financial compliance costs and have made and will continue to make some activities more time consuming and costly. For example, we expect these rules and regulations to make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to incur substantial costs to maintain the same or similar coverage. These rules and regulations could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors or our board committees or as executive officers.

For as long as we remain an “emerging growth company” as defined in the JOBS Act, we intend to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not “emerging growth companies” including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

Under the JOBS Act, “emerging growth companies” can delay adopting new or revised accounting standards until such time as those standards apply to private companies.

After we are no longer an “emerging growth company,” we expect to incur additional management time and cost to comply with the more stringent reporting requirements applicable to companies that are deemed accelerated filers or large accelerated filers, including complying with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act.

The increased costs will decrease our net income or increase our net loss, and may require us to reduce costs in other areas of our business or increase the prices of our products. We cannot predict or estimate the amount or timing of additional costs we may incur to respond to these requirements and appropriately train our employees and management. These rules and regulations are often subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This

could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices.

We are an "emerging growth company," and the reduced disclosure requirements applicable to such companies could make our Class A common stock less attractive to investors.

We are an "emerging growth company," as defined in the JOBS Act enacted in April 2012, and may remain an "emerging growth company" until the last day of the year following the fifth anniversary of the completion of this offering. However, if certain events occur prior to the end of such five-year period, including if we become a "large accelerated filer," our annual gross revenues equals or exceeds an amount specified by regulation (currently $1.07 billion) or we issue more than $1.0 billion of non-convertible debt in any three-year period, we will cease to be an emerging growth company prior to the end of such five-year period. For as long as we remain an "emerging growth company," we are permitted and intend to rely on exemptions from certain disclosure requirements that are applicable to other public companies that are not "emerging growth companies." These exemptions include:

- being permitted to provide only two years of audited financial statements, in addition to any required unaudited interim financial statements, with correspondingly reduced "Management's Discussion and Analysis of Financial Condition and Results of Operations" disclosure;
- not being required to comply with the auditor attestation requirements in the assessment of our internal control over financial reporting;
- reduced disclosure obligations regarding executive compensation; and
- exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

We have taken advantage of reduced reporting burdens in this prospectus. In particular, in this prospectus, we have provided only two years of audited financial statements and have not included all of the executive compensation related information that would be required if we were not an emerging growth company. We cannot predict whether investors will find our Class A common stock less attractive if we rely on these exemptions. In addition, the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards, delaying the adoption of these accounting standards until they would apply to private companies. We have elected to take advantage of this extended transition period and therefore will not be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies. We cannot predict if investors will find our Class A common stock less attractive because we may rely on these exemptions.

If some investors find our Class A common stock less attractive because we are permitted to or choose to rely on these exemptions, there may be a less active trading market for our Class A common stock and our stock price may be more volatile and it may be difficult for us to raise additional capital if and when we need it.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about us or our business, publish projections for our business that exceed our actual results, or downgrade their recommendations regarding our Class A common stock, our stock price and trading volume could decline.

The trading market for our Class A common stock may be affected by the research and reports that securities or industry analysts publish about us or our business. We do not currently have, and may never obtain, research coverage by securities and industry analysts. If no securities or industry analysts commence coverage of our Company, the trading price for our Class A common stock and the trading volume could decline. In the event we obtain securities or industry analyst coverage, if one or more of the analysts who covers us downgrades our Class A common stock or publishes inaccurate or unfavorable research about our business, our stock price could decline. In addition, if we obtain analyst coverage, the analysts' projections may have little or no relationship to the results we actually

achieve and could cause our stock price to decline if we fail to meet their projections. If one or more of these analysts ceases coverage of us or fails to publish reports on us regularly, our stock price or trading volume could decline.

We have broad discretion over the use of the net proceeds from this offering and may not use them effectively.

Our management will have broad discretion over the application of a portion of the net proceeds from this offering and could spend such net proceeds in ways that do not improve our financial condition or results of operations, or enhance the value of our Class A common stock. The failure by our management to apply these funds effectively could result in financial losses and cause the price of our Class A common stock to decline. Pending their use, we may invest such net proceeds in a manner that does not produce income or that loses value.

Our certificate of incorporation will provide that the Court of Chancery of the State of Delaware and the federal district courts of the United States will be the exclusive forums for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our certificate of incorporation will provide that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware is the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, employees or agents to us or our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law or of our certificate of incorporation or our by-laws or (iv) any action asserting a claim related to or involving the Company that is governed by the internal affairs doctrine; provided that this exclusive forum provision will not apply to suits brought to enforce any liability or duty created by the Securities Act of 1933, as amended (the "Securities Act"), or the Exchange Act, or to any claim for which the federal district courts of the United States have exclusive jurisdiction. Our certificate of incorporation further provides that the federal district courts of the United States shall, to the fullest extent permitted by law, be the sole and exclusive forum for the resolution of any action, suit or proceeding asserting a cause of action arising under the Securities Act.

Although we believe this exclusive forum provision benefits us by providing increased consistency in the application of Delaware law and federal securities laws in the types of lawsuits to which each applies, the forum selection clauses in our certificate of incorporation may impose additional litigation costs on stockholders in pursuing any such claims, particularly if the stockholders do not reside in or near the State of Delaware. Additionally, the forum selection clauses in our certificate of incorporation may limit our stockholders' ability to bring a claim in a forum that they find favorable for disputes with us or our directors, officers or employees, which may discourage such lawsuits against us and our directors, officers and employees even though an action, if successful, might benefit our stockholders. The Court of Chancery of the State of Delaware and the federal district courts of the United States may also reach different judgments or results than would other courts, including courts where a stockholder considering an action may be located or would otherwise choose to bring the action, and such judgments may be more or less favorable to us than our stockholders.

Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock will be deemed to have notice of and, to the fullest extent permitted by law, to have consented to the provisions of our certificate of incorporation described above. However, the enforceability of similar exclusive forum provisions (including exclusive federal forum provisions for actions, suits or proceedings asserting a cause of action arising under the Securities Act) in other companies' organizational documents has been challenged in legal proceedings, and there is uncertainty as to whether courts would enforce the exclusive forum provisions in our certificate of incorporation. Additionally, our stockholders cannot waive compliance with the federal securities laws and the rules and regulations thereunder. If a court were to find the choice of forum provision contained in our certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could materially and adversely affect our business, financial condition and results of operations.

We may issue preferred securities, the terms of which could adversely affect the voting power or value of our common stock.

Our certificate of incorporation will authorize us to issue, without the approval of our stockholders, one or more classes or series of preferred securities having such designations, preferences, limitations and relative rights, including preferences over our common stock respecting dividends and distributions, as our board of directors may determine. The terms of one or more classes or series of preferred securities could adversely impact the voting power or value of our common stock. For example, we might grant holders of preferred securities the right to elect some number of our directors in all events or on the happening of specified events or the right to veto specified transactions. Similarly, the repurchase or redemption rights or liquidation preferences we might assign to holders of preferred securities could affect the residual value of the common stock.

The dual class structure of our common stock may adversely affect the trading market for our Class A common stock.

In July 2017, S&P Dow Jones and FTSE Russell announced changes to their eligibility criteria for the inclusion of shares of public companies on certain indices, including the Russell 2000, the S&P 500, the S&P MidCap 400 and the S&P SmallCap 600, to exclude companies with multiple classes of shares of common stock from being added to these indices. As a result, our dual class capital structure would make us ineligible for inclusion in any of these indices, and mutual funds, exchange-traded funds and other investment vehicles that attempt to passively track these indices will not be investing in our stock. Furthermore, we cannot assure you that other stock indices will not take a similar approach to S&P Dow Jones or FTSE Russell in the future. Exclusion from indices could make our Class A common stock less attractive to investors and, as a result, the market price of our Class A common stock could be adversely affected.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements, which involve risks and uncertainties. You should not place undue reliance on forward-looking statements because they are subject to numerous uncertainties and factors relating to our operations and business, all of which are difficult to predict and many of which are beyond our control. Forward-looking statements include information concerning our possible or assumed future results of operations, including descriptions of our business strategy. These forward-looking statements are generally identified by the use of forward-looking terminology, including the terms “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “will,” “would” and, in each case, their negative or other variations or comparable terminology and expressions. All statements other than statements of historical facts contained in this prospectus, including statements regarding our strategies, future operations, future financial position, future revenue, projected costs, prospects, plans, objectives of management and expected market growth are forward-looking statements. The forward-looking statements are contained principally in the sections entitled “Prospectus Summary,” “Risk Factors,” “Use of Proceeds,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Business” and include, among other things, statements relating to:

- our strategies, outlook and growth prospects;
- our operational and financial targets and dividend policy;
- general economic trends and trends in the industry and markets; and
- the competitive environment in which we operate.

These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Although we believe that the forward-looking statements contained in this prospectus are based on reasonable assumptions, you should be aware that many factors could affect our actual financial results or results of operations and could cause actual results to differ materially from those in such forward-looking statements, including but not limited to:

- failure to add new members, retain existing members, increase CLEAR Plus memberships or increase the utilization of our platform;
- failure to add new partners, retain existing partners or profit from partner relationships;
- our inability to maintain the value and reputation of our brand;
- failure to successfully compete against existing and future competitors, and the highly competitive market in which we operate;
- risks associated with the increased adoption of new technological solutions and services, including third-party identity verification solutions and credential authentication solutions, at locations where we operate or may operate in the future;
- public confidence in, and acceptance of, identity platforms and biometrics generally, and our platform specifically;
- our inability to implement successful strategies to increase adoption of our platform or expand into new verticals;
- the success of our new and relatively unproven Health Pass product;
- risks associated with our commercial agreements and strategic alliances, as well as potential indemnification obligations, and certain of our agreements with third parties;
- our business and results of operations’ partial dependence upon concessionaire agreements;
- our ability to manage our growth or continue innovating;
- risks associated with our growth and ability to develop and introduce platform features and offerings;

- risks associated with any decline or disruption in the travel industry or a general economic downturn;
- our dependence on retaining and attracting high-quality personnel;
- the ineffectiveness of our marketing efforts to grow our business;
- risks associated with breaches of our information technology systems, protection of our intellectual property, technology and confidential information and failures by third-party technology and devices on which our business relies;
- our reliance on third-party technology and information systems to help complete critical business functions and our ability to find alternatives if such third-party technology and information systems fail;
- failure to adequately protect our intellectual property, technology and confidential information;
- our ability to meet the standards set for our airport operations by governmental stakeholders;
- our failure to comply with the constantly evolving laws and regulations that we are subject to or may become subject to;
- limitations of the SAFETY Act's liability protections; and
- other risks, uncertainties and factors set forth in this prospectus, including those set forth under "Risk Factors."

These forward-looking statements reflect our views with respect to future events as of the date of this prospectus and are based on assumptions and subject to risks, uncertainties and factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control. Given these uncertainties, you should not place undue reliance on these forward-looking statements. These forward-looking statements represent our estimates and assumptions only as of the date of this prospectus and, except as required by law, we undertake no obligation to update or review publicly any forward-looking statements, whether as a result of new information, future events or otherwise after the date of this prospectus. We anticipate that subsequent events and developments will cause our views to change. You should read this prospectus and the documents filed as exhibits to the registration statement, of which this prospectus is a part, completely and with the understanding that our actual future results may be materially different from what we expect. Our forward-looking statements do not reflect the potential impact of any future acquisitions, merger, dispositions, joint ventures or investments we may undertake. We qualify all of our forward-looking statements by these cautionary statements.

Confidential Treatment Requested by Clear Secure, Inc.
Pursuant to 17 C.F.R. Section 200.83

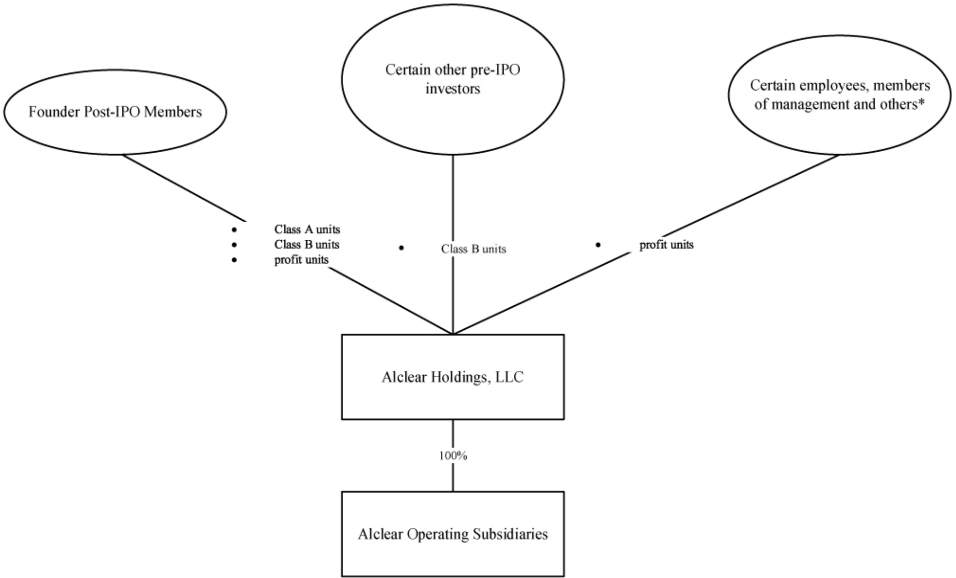
ORGANIZATIONAL STRUCTURE

Structure Prior to the Reorganization Transactions

We currently conduct our business through Alclear and its subsidiaries.

Prior to the commencement of the reorganization transactions, Alclear had limited liability company interests outstanding in the form of Class A units, Class B units and profit units.

The following diagram depicts Alclear’s organizational structure prior to the reorganization transactions. This chart is provided for illustrative purposes only and does not purport to represent all legal entities within Alclear’s organizational structure.



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* Includes certain of our current and former employees, members of management, service providers and members of the board of managers of Alclear.

Class A Units

Prior to the commencement of the reorganization transactions, Alclear had limited liability company interests outstanding in the form of Class A units. All Class A units were owned by the Founder Post-IPO Members.

Class B Units

Prior to the commencement of the reorganization transactions, Alclear also had limited liability company interests outstanding in the form of Class B units. Class B units were owned by our other pre-IPO investors, including certain strategic alliance partners.

Class C Units

Prior to the commencement of the reorganization transactions, Class C Units were issuable upon vesting of restricted stock units that were granted under Alclear’s management incentive plan. There were no Class C Units outstanding. See “Executive Compensation—Narrative Disclosure to Summary Compensation Table” and “—Outstanding Equity Awards at Fiscal Year End.”

Profit Units

Profit units were non-voting profit-sharing interests issued by Alclear in one or more additional classes of Alclear's units, including pursuant to Alclear's management incentive plan. Prior to the commencement of the reorganization transactions, profit units were owned by certain current and former employees, members of management, service providers and members of the board of managers of Alclear.

The Reorganization Transactions

Subsequent to March 31, 2021 and prior to the completion of this offering and the reorganization transactions, we will consummate an internal reorganization, which we refer to as the "reorganization transactions." In connection with the reorganization transactions, the following steps will occur:

- Alclear will have made cash distributions to certain CLEAR Pre-IPO Members in an aggregate estimated amount of $ for the purpose of funding tax obligations;
- we will become the sole managing member of Alclear;
- certain warrants issued by Alclear and held by certain of the CLEAR Pre-IPO Members will become exercisable prior to this offering and, subject to their terms, to the extent not exercised by the holders thereof at their discretion, will automatically be exercised for Class B units of Alclear;
- we will amend and restate Alclear's amended and restated operating agreement and provide that, among other things, all of Alclear's outstanding equity interests, including its Class A units, Class B units and profit units, will be reclassified into Alclear Units. The number of Alclear Units to be issued to each member of Alclear will be determined based on a hypothetical liquidation of Alclear and the initial public offering price per share of our Class A common stock in this offering;
- we will amend and restate our certificate of incorporation and will be authorized to issue four classes of common stock: Class A common stock, Class B common stock, Class C common stock and Class D common stock. The Class A common stock and Class C common stock will each provide holders with one vote per share on all matters submitted to a vote of stockholders, and the Class B common stock and Class D common stock will each provide holders with 20 votes per share on all matters submitted to a vote of stockholders. The holders of Class C common stock and Class D common stock will not have any of the economic rights (including rights to dividends and distributions upon liquidation) provided to holders of Class A common stock and Class B common stock. These attributes are summarized in the following table:

Class of Common Stock	Votes	Economic Rights
Class A common stock	1	Yes
Class B common stock	20	Yes
Class C common stock	1	No
Class D common stock	20	No

  Shares of our common stock will generally vote together as a single class on all matters submitted to a vote of our stockholders;
- certain other warrants of Alclear are not exercisable at or prior to this offering and, upon completion of this offering, will either, in accordance with their terms, (i) be exchanged for new warrants representing the right to receive Class A common stock or (ii) remain at Alclear and continue to be exercisable for Alclear Units in accordance with their terms;
- Founder Post-IPO Members will contribute a portion of their Alclear Units to us in exchange for Class B common stock;
- certain CLEAR Pre-IPO Members will contribute their Alclear Units to us in exchange for Class A common stock;

- outstanding RSUs in Alclear will be substituted with restricted stock units representing the right to receive our Class A common stock following the applicable vesting date;
- we will form subsidiaries that will merge with and into the Blocker Corporations in which certain Blocker Stockholder hold interests, and the surviving entities will then merge with and into us. As consideration for the Mergers, we will issue to the Blocker Stockholder shares of our Class A common stock. The number of shares of Class A common stock to be issued to the Blocker Post-IPO Stockholders will be based on the number of Alclear Units that we acquire;
- the CLEAR Post-IPO Members will subscribe for and purchase shares of our common stock as follows, in each case at a purchase price of $0.00001 per share and in an amount equal to the number of Alclear Units held by each such CLEAR Post-IPO Member:
  - Alclear Investments will purchase shares of our Class D common stock;
  - Alclear Investments II will purchase shares of our Class D common stock; and
  - the other CLEAR Post-IPO Members will purchase an aggregate of shares of our Class C common stock; and
- subject to certain restrictions, the Founder Post-IPO Members will be granted the right to exchange its Alclear Units, together with a corresponding number of shares of our Class D common stock, for, at our option, (i) shares of our Class B common stock or (ii) cash from a substantially concurrent public offering or private sale of Class A common stock (based on the market price of our Class A common stock in such public offering or private sale), and the other CLEAR Post-IPO Members will be granted the right to exchange their Alclear Units, together with a corresponding number of shares of our Class C common stock, for, at our option, (i) shares of our Class A common stock or (ii) cash from a substantially concurrent public offering or private sale of Class A common stock (based on the market price of our Class A common stock in such public offering or private sale). Each share of our Class B common stock and Class D common stock is convertible at any time, at the option of the holder, into one share of Class A common stock or Class C common stock, respectively. Furthermore, each share of our Class B common stock will automatically convert into one share of Class A common stock and each share of our Class D common stock will automatically convert into one share of our Class C common stock upon the occurrence of certain events as described in "Description of Capital Stock—Common Stock—Conversion, Transferability and Exchange."

We have not engaged in any business or other activities except in connection with the reorganization transactions and have no material assets. Following this offering, Alclear and its subsidiaries will continue to operate the historical business of our Company.

Effect of the Reorganization Transactions and this Offering

The reorganization transactions are intended to create a holding company that will facilitate public ownership of, and investment in, our Company and are structured in a tax-efficient manner for our investors. Because we will manage and operate the business and control the strategic decisions and day-to-day operations of Alclear, as its sole managing member, and will also have a substantial financial interest in Alclear, we will consolidate the financial results of Alclear, and a portion of our net income (loss) will be allocated to the non-controlling interest to reflect the entitlement of the CLEAR Post-IPO Members to a portion of Alclear's net income (loss). In addition, because Alclear will be under common control before and after the reorganization transactions, we will account for the reorganization transactions as a reorganization of entities under common control and will initially measure the interests of the CLEAR Pre-IPO Members in the assets and liabilities of Alclear at their carrying amounts as of the date of the completion of this reorganization transactions.

Our post-offering organizational structure is commonly referred to as an umbrella partnership-C-corporation ("UP-C") structure. This organizational structure will allow the CLEAR Post-IPO Members to retain their equity ownership in Alclear, an entity that is classified as a partnership for U.S. federal income tax purposes, in the form of Alclear Units. Investors in this offering and the Investor Post-IPO

Stockholders will, by contrast, hold their equity ownership in Clear Secure, Inc., a Delaware corporation that is a domestic corporation for U.S. federal income tax purposes, in the form of shares of Class A common stock. One of the benefits of the UP-C structure is that future taxable income of Alclear that is allocated to our CLEAR Post-IPO Members will be taxed on a flow-through basis and therefore will not be subject to corporate taxes at the entity level. Additionally, because our CLEAR Post-IPO Members may exchange their Alclear Units for shares of our Class A common stock or Class B common stock, our UP-C structure provides our CLEAR Post-IPO Members with potential liquidity that holders of non-publicly traded limited liability companies are not typically afforded. CLEAR Post-IPO Members will continue to hold their ownership interests in Alclear until such time in the future as they may elect to exchange their Alclear Units and corresponding shares of our Class C common stock or Class D common stock, as applicable, with Alclear for, at our option (as managing member of Alclear), subject to customary conversion rate adjustments for stock splits, stock dividends and reclassifications, (i) shares of our Class A common stock or Class B common stock, as applicable, on a one-for-one basis or (ii) cash from a substantially concurrent public offering or private sale of Class A common stock (based on the market price of our Class A common stock in such public offering or private sale), or otherwise dispose of their interests in Alclear. Another benefit of the structure is that these exchanges are expected to produce favorable tax attributes. These tax attributes would not be available to us in the absence of those transactions. In connection with the reorganization transactions, we will enter into a tax receivable agreement that will obligate us to make payments to the CLEAR Post-IPO Members generally equal to 85% of the applicable cash savings that we actually realize as a result of these tax attributes and tax attributes resulting from payments made under the tax receivable agreement. We will retain the benefit of the remaining 15% of these tax savings. See Certain Relationships and Related Party Transactions—Tax Receivable Agreement.” Although the UP-C structure is more complex than other organization structures, we believe that the benefits of the UP-C structure outweigh any detriment from the additional complexity.

After the completion of this offering, we intend to contribute the net proceeds from this offering to Alclear in exchange for a number of Alclear Units equal to the contribution amount divided by the price paid by the underwriters for shares of our Class A common stock in this offering (Alclear Units at the midpoint of the estimated public offering price range set forth on the cover page of this prospectus or, if the underwriters exercise their option to purchase additional shares in full, Alclear Units), and we intend to cause Alclear to use such contributed amount to pay offering expenses and for general corporate purposes.

We estimate that the offering expenses (other than the underwriting discounts and commissions) will be approximately $ million. All of such offering expenses will be paid for or otherwise borne by Alclear.

See “Use of Proceeds.”

The following diagram depicts our organizational structure following the reorganization transactions, this offering and the application of the net proceeds from this offering, including all of the transactions described above (assuming an initial public offering price of $ per share (the midpoint of the estimated public offering price range set forth on the cover page of this prospectus) and no exercise of the underwriters’ option to purchase additional shares). This chart is provided for illustrative purposes only and does not purport to represent all legal entities within our organizational structure:

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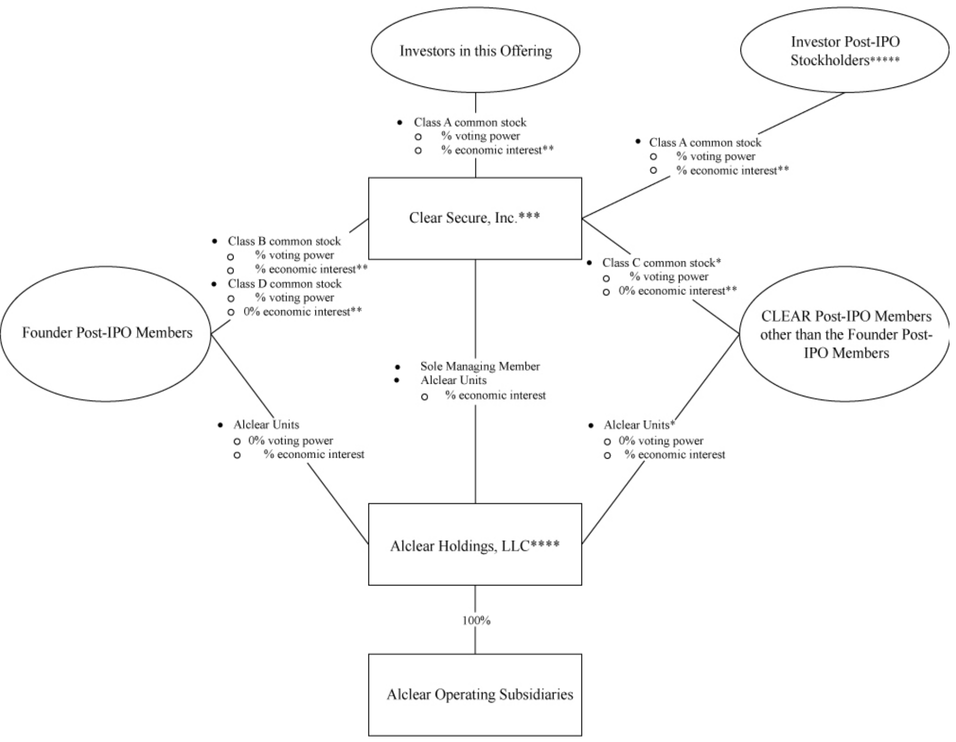

* Includes unvested Alclear Units and corresponding shares of Class C common stock.

** Represents economic interest in Clear Secure, Inc. and not Alclear Holdings, LLC.

*** Classified as a corporation for U.S. federal income tax purposes.

**** Classified as a partnership for U.S. federal income tax purposes.

***** The Investor Post-IPO Stockholders include the Blocker Post-IPO Stockholders.

Based on an assumed initial public offering price of $ per share (the midpoint of the estimated public offering price range set forth on the cover page of this prospectus), upon completion of the transactions described above, this offering and the application of the net proceeds from this offering:

- we will be appointed as the sole managing member of Alclear and will directly or indirectly hold Alclear Units, constituting % of the outstanding equity interests in Alclear (or Alclear Units, constituting % of the outstanding equity interests in Alclear if the underwriters exercise their option to purchase additional shares in full and giving effect to the use of the net proceeds therefrom);
- Alclear Investments will hold an aggregate of shares of our Class B common stock, shares of our Class D common stock and Alclear Units, constituting % of the outstanding equity interests in Alclear (or constituting % of the outstanding equity interests in Alclear, if the underwriters exercise their option to purchase additional shares in full and giving effect to the use of the net proceeds therefrom), and collectively representing % of the combined voting power of our outstanding shares of common stock (or % if the underwriters exercise their option to purchase additional shares in full and giving effect to the use of the net proceeds therefrom);
- Alclear Investments II will hold an aggregate of shares of our Class B common stock, shares of our Class D common stock and Alclear Units,

constituting % of the outstanding equity interests in Alclear (or constituting % of the outstanding equity interests in Alclear, if the underwriters exercise their option to purchase additional shares in full and giving effect to the use of the net proceeds therefrom), and collectively representing % of the combined voting power of our outstanding shares of common stock (or % if the underwriters exercise their option to purchase additional shares in full and giving effect to the use of the net proceeds therefrom);

- the CLEAR Post-IPO Members other than the Founder Post-IPO Members will hold an aggregate of shares of our Class C common stock and Alclear Units, representing % of the outstanding equity interests in Alclear (or representing % of the outstanding equity interests in Alclear, if the underwriters exercise their option to purchase additional shares in full and giving effect to the use of the net proceeds therefrom), and collectively representing % of the combined voting power of our outstanding shares of common stock (or % if the underwriters exercise their option to purchase additional shares in full and giving effect to the use of the net proceeds therefrom);
- the Investor Post-IPO Stockholders will collectively hold an aggregate of shares of our Class A common stock, representing % of the combined voting power of our outstanding shares of common stock (or % if the underwriters exercise their option to purchase additional shares in full and giving effect to the use of the net proceeds therefrom); and
- our public stockholders will collectively hold shares of our Class A common stock, representing % of the combined voting power of our outstanding shares of common stock (or shares and %, respectively, if the underwriters exercise their option to purchase additional shares in full and giving effect to the use of the net proceeds therefrom).

The following table sets forth the percentage of economic and voting interests of each class of investors in Clear Secure, Inc. as a result of the reorganization transactions and this offering based on an assumed initial public offering price of $ per share (the midpoint of the estimated public offering price range set forth on the cover page of this prospectus) and assuming the underwriters do not exercise their option to purchase additional shares in this offering from us:

Class of Common Stock	Economic Interest (%)	Voting Power (%)
Class A common stock*		
Class B common stock		
Class C common stock	0%	
Class D common stock	0%	

* Includes investors in this offering, which will have an approximately % of the economic interest and approximately % of the voting power in Clear Secure, Inc. following the reorganization transactions and this offering.

Holding Company Structure and Tax Receivable Agreement

We are a holding company, and immediately after the consummation of the reorganization transactions and this offering our principal asset will be our ownership interests in Alclear, which we will hold directly and indirectly. The number of Alclear Units we will own, directly or indirectly, at any time will equal the aggregate number of outstanding shares of our Class A common stock and Class B common stock. The economic interest represented by each Alclear Unit that we own will correspond to one share of our Class A common stock or Class B common stock, and the total number of Alclear Units owned directly or indirectly by us and the holders of our Class C common stock and Class D common stock at any given time will equal the sum of the outstanding shares of all classes of our common stock. Shares of our Class C common stock and Class D common stock cannot be transferred except in connection with a transfer or exchange of Alclear Units.

We do not intend to list our Class B common stock, Class C common stock or Class D common stock on any stock exchange.

Future exchanges by the CLEAR Post-IPO Members (or their transferees or other assignees) of Alclear Units and corresponding shares of Class C common stock or Class D common stock, as the case may be, for shares of our Class A common stock or Class B common stock, respectively, and purchases of Alclear Units and corresponding shares of Class C common stock or Class D common stock, as the case may be, from CLEAR Post-IPO Members (or their transferees or other assignees) are expected to produce favorable tax attributes. These tax attributes would not be available to us in the absence of those transactions.

We intend to enter into a tax receivable agreement with the CLEAR Post-IPO Members that will provide for the payment by us to the CLEAR Post-IPO Members of 85% of the amount of cash savings, if any, in U.S. federal, state and local income tax or franchise tax that we actually realize (computed using simplifying assumptions to address the impact of state and local taxes) as a result of (i) any increase in tax basis in Alclear's assets resulting from (a) exchanges by the CLEAR Post-IPO Members (or their transferees or other assignees) of Alclear Units (along with the corresponding shares of our Class C common stock or Class D common stock, as applicable) for shares of our Class A common stock or Class B common stock, as applicable, and purchases of Alclear Units and corresponding shares of Class C common stock or Class D common stock, as the case may be, from CLEAR Post-IPO Members (or their transferees or other assignees) or (b) payments under the tax receivable agreement, and (ii) tax benefits related to imputed interest deemed arising as a result of payments made under the tax receivable agreement.

Payments under the tax receivable agreement will be based on the tax reporting positions that we determine, and the IRS or another tax authority may challenge all or part of the tax basis increases or other tax benefits we claim, as well as other related tax positions we take, and a court could sustain such challenge. Although we are not aware of any issue that would cause the IRS to challenge the tax basis increases or other benefits arising under the tax receivable agreement, if the outcome of any such challenge would reasonably be expected to materially affect a recipient's payments under the tax receivable agreement, then we will not be permitted to settle such challenge without the consent (not to be unreasonably withheld or delayed) of the CLEAR Post-IPO Members. The interests of the CLEAR Post-IPO Members in any such challenge may differ from or conflict with our interests and your interests, and the CLEAR Post-IPO Members may exercise their consent rights relating to any such challenge in a manner adverse to our interests and your interests. We will not be reimbursed for any cash payments previously made to the CLEAR Post-IPO Members (or their transferees or assignees) under the tax receivable agreement in the event that any tax benefits initially claimed by us and for which payment has been made to the CLEAR Post-IPO Members (or their transferees or assignees) are subsequently challenged by a taxing authority and are ultimately disallowed. Instead, any excess cash payments made by us to the CLEAR Post-IPO Members (or their transferees or assignees) will be netted against any future cash payments that we might otherwise be required to make to the CLEAR Post-IPO Members (or their transferees or assignees) under the terms of the tax receivable agreement. However, we might not determine that we have effectively made an excess cash payment to the CLEAR Post-IPO Members (or its transferee or assignee) for a number of years following the initial time of such payment and, if any of our tax reporting positions are challenged by a taxing authority, we will not be permitted to reduce any future cash payments under the tax receivable agreement until any such challenge is finally settled or determined. Moreover, the excess cash payments we previously made under the tax receivable agreement could be greater than the amount of future cash payments against which we would otherwise be permitted to net such excess. As a result, payments could be made under the tax receivable agreement significantly in excess of any tax savings that we realize in respect of the tax attributes with respect to the CLEAR Post-IPO Members (or their transferees or assignees) that are the subject of the tax receivable agreement. See "Risk Factors—Risks Related to our Organization and Structure—We will be required to pay the CLEAR Post-IPO Members for certain tax benefits we may claim, and the amounts we may pay could be significant" and "Certain Relationships and Related Party Transactions—Tax Receivable Agreement."

USE OF PROCEEDS

We estimate that our net proceeds from this offering will be approximately $ million, after deducting underwriting discounts and commissions, based on an assumed initial offering price of $ per share (the midpoint of the estimated public offering price range set forth on the cover page of this prospectus) and assuming the underwriters' option to purchase additional shares is not exercised. If the underwriters exercise their option to purchase additional shares in full, we expect to receive approximately $ million of net proceeds, after deducting underwriting discounts and commissions, based on an assumed initial offering price of $ per share (the midpoint of the estimated public offering price range set forth on the cover page of this prospectus).

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share would increase (decrease) the amount of net proceeds to us from this offering by $ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting the estimated underwriting discounts and commissions.

We intend to contribute the net proceeds from this offering to Alclear in exchange for a number of Alclear Units equal to the contribution amount divided by the price paid by the underwriters for shares of our Class A common stock in this offering (Alclear Units at the midpoint of the estimated public offering price range set forth on the cover page of this prospectus or, if the underwriters exercise their option to purchase additional shares in full, Alclear Units), and to cause Alclear to use such contributed amount to pay offering expenses and for general corporate purposes.

We estimate that the offering expenses (other than the underwriting discounts and commissions) will be approximately $ million. All of such offering expenses will be paid for or otherwise borne by Alclear.

We have broad discretion as to the application of such net proceeds to be used for general corporate purposes. Although we do not have any commitments or agreements to enter into any acquisitions or investments with any specific targets at this time, we may use such net proceeds to finance growth through the acquisition of, or investment in, businesses, products, services or technologies that are complementary to our current business, through mergers, acquisitions or other strategic transactions. Prior to application, we may hold any such net proceeds in cash or invest them in short-term securities or investments. You will not have an opportunity to evaluate the economic, financial or other information on which we base our decisions regarding the use of these proceeds.

DIVIDEND POLICY

We have no current plans to pay dividends on our Class A common stock in the foreseeable future. Any future determination to pay dividends will be made at the discretion of our board of directors, subject to applicable laws, and will depend on a number of factors, including our financial condition, earnings, results of operations, capital requirements, contractual, legal, tax and regulatory restrictions, general business conditions, restrictions in our Credit Agreement, including those that limit our ability to pay dividends to stockholders, and other factors that our board of directors may deem relevant.

We are a holding company and will have no material assets other than our ownership of Alclear Units. Our ability to pay cash dividends will depend on the payment of distributions by our current and future subsidiaries, and such distributions may be restricted as a result of regulatory restrictions, state law regarding distributions by a company to its equityholders or contractual agreements, including their current debt agreements and any future agreements governing their indebtedness. See "Risk Factors—Risks Related to Our Organization and Structure—We are a holding company and our principal asset after completion of this offering will be our equity interests in Alclear, and accordingly we are dependent upon distributions from Alclear to pay taxes and other expenses" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources."

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CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of March 31, 2021, on:

- an actual basis;
- a pro forma basis to reflect the reorganization transactions described under "Organizational Structure;" and
- an as-adjusted basis to give effect to this offering and the application of the net proceeds of this offering as described under "Use of Proceeds."

This table should be read in conjunction with "Use of Proceeds," "Unaudited Pro Forma Condensed Consolidated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and related notes appearing elsewhere in this prospectus.

	As of March 31, 2021		
(in thousands)	Actual	Pro Forma(1)	Pro Forma As Adjusted(1)
Cash and cash equivalents	$ 175,730		
Total long-term indebtedness	$ 3,667		
Total redeemable capital units	$ 650,660		
Equity:			
Profit units	$ 8,117		
Total accumulated deficit	$ (519,148)		
Class A common stock, par value $0.00001 per share; no shares authorized, issued and outstanding, actual; shares authorized, shares issued and outstanding (pro forma); shares authorized, shares issued and outstanding (pro forma as adjusted)	—		
Class B common stock, par value $0.00001 per share; no shares authorized, issued and outstanding, actual; shares authorized, shares issued and outstanding (pro forma); shares authorized, shares issued and outstanding (pro forma as adjusted)	—		
Class C common stock, par value $0.00001 per share; no shares authorized, issued and outstanding, actual; shares authorized, issued and outstanding (pro forma); shares authorized, issued and outstanding (pro forma as adjusted)	—		
Class D common stock, par value $0.00001 per share; no shares authorized, issued and outstanding, actual; shares authorized, issued and outstanding (pro forma); shares authorized, issued and outstanding (pro forma as adjusted)	—		
Additional paid-in-capital	—		
Net parent investment	—		
Retained earnings			
Accumulated other comprehensive income	$ 52		
Non-controlling interest	—		
Total equity	$ (510,979)		
Total capitalization	$ 143,348		

(1) A $1.00 increase (decrease) in the assumed initial public offering price of $ per share, would increase (decrease) each of additional paid-in capital, total equity and total capitalization by $ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

DILUTION

If you invest in our Class A common stock, you will experience dilution to the extent of the difference between the initial public offering price per share of our Class A common stock and the pro forma net tangible book value per share of our Class A common stock. Dilution results from the fact that the initial public offering price per share of the Class A common stock is substantially in excess of the book value per share attributable to the Class A common stock held by existing equityholders (including all shares issuable upon exchange and/or conversion).

Our pro forma net tangible book value as of March 31, 2021 would have been approximately $ million, or $( ) per share of our common stock. Pro forma net tangible book value represents the amount of total tangible assets less total liabilities, and pro forma net tangible book value per share represents pro forma net tangible book value divided by the number of shares of common stock outstanding, in each case after giving effect to the reorganization transactions (based on an assumed initial public offering price of $ per share (the midpoint of the estimated public offering price range set forth on the cover page of this prospectus)) and the estimated impact of the tax receivable agreement, assuming that the CLEAR Post-IPO Members exchange all of their Alclear Units and corresponding shares of our Class C common stock or Class D common stock, as applicable, for newly-issued shares of our Class A common stock or Class B common stock, as applicable, on a one-for-one basis.

After giving effect to the reorganization transactions and the estimated impact of the tax receivable agreement, assuming that the CLEAR Post-IPO Members exchange all of their Alclear Units and corresponding shares of our Class C common stock or Class D common stock, as applicable, for newly-issued shares of our Class A common stock or Class B common stock, as applicable, on a one-for-one basis, and after giving further effect to the sale of shares of Class A common stock in this offering at the assumed initial public offering price of $ per share (the midpoint of the estimated price range on the cover page of this prospectus) and the application of the net proceeds from this offering, our pro forma as adjusted net tangible book value would have been approximately $ million, or $( ) per share, representing an immediate increase in net tangible book value of $ per share to existing equityholders and an immediate dilution in net tangible book value of $ per share to new investors.

The following table illustrates the per share dilution:

Assumed initial public offering price per share		$
Pro forma net tangible book value per share as of March 31, 2021[1]	$ ( )	
Increase in pro forma net tangible book value per share attributable to new investors		
Pro forma adjusted net tangible book value per share after this offering[2]		( )
Dilution in pro forma net tangible book value per share to new investors		$

(1) Reflects outstanding shares of Class A common stock and Class B common stock, including (i) shares of Class B common stock issuable upon the exchange of the Alclear Units and shares of Class D common stock each to be held by the Founder Post-IPO Members immediately after to this offering, (ii) shares of Class A common stock to be held by the Blocker Post-IPO Stockholders immediately after to this offering and (iii) shares of Class A common stock issuable upon the exchange of the Alclear Units and shares of Class C common stock each to be held by the CLEAR Post-IPO Members immediately after to this offering.

(2) Reflects outstanding shares, consisting of (i) shares of Class A common stock to be issued in this offering and (ii) the outstanding shares described in note (1) above.

Dilution is determined by subtracting pro forma net tangible book value per share after this offering from the initial public offering price per share of Class A common stock.

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share would increase (decrease) our pro forma net tangible book value after this offering by $ million and the dilution per share to new investors by $, in each case assuming the number of shares offered,

as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The following table sets forth, on a pro forma basis as of March 31, 2021, the number of shares of Class A common stock and Class B common stock purchased from us, the total consideration paid to us and the average price per share paid by the existing equityholders and by new investors purchasing shares in this offering, at the assumed initial public offering price of $ per share (the midpoint of the estimated price range on the cover page of this prospectus), after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us and after giving effect to the reorganization transactions and the estimated impact of the tax receivable agreement, assuming that the CLEAR Post-IPO Members exchange all of their Alclear Units and corresponding shares of our Class C common stock or Class D common stock, as applicable, for newly-issued shares of our Class A common stock or Class B common stock, as applicable, on a one-for-one basis, and after giving further effect to this offering and the application of the net proceeds from this offering:

	Shares of Class A and Class B Common Stock Purchased		Total Consideration		Average Price
	Number	Percent	Amount	Percent	Per Share
Existing stockholders[1]		%	$	%	$
New investors[2]					
Total		100%	$	100%	

(1) Reflects approximately $ million of consideration paid by existing equityholders in respect of shares of Class A common stock, Class B common stock and Alclear Units (together with corresponding shares of Class C common stock and Class D common stock).

(2) Includes shares of Class A common stock to be sold in this offering, the net proceeds of which we intend to use to make a contribution to Alclear in exchange for Alclear Units, as described under "Use of Proceeds."

To the extent the underwriters' option to purchase additional shares is exercised, there will be further dilution to new investors. If the underwriters exercise their option to purchase additional shares in full in this offering, the pro forma net tangible book value after the offering would be $ per share, the increase in pro forma net tangible book value per share to existing stockholders would be $ and the dilution per share to new investors would be $ per share, in each case assuming an initial public offering price of $ per share (the midpoint of the estimated price range on the cover page of this prospectus).

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share of Class A common stock (the midpoint of the estimated public offering price range set forth on the cover page of this prospectus) would increase (decrease) total consideration paid by new investors in this offering by $ million and would increase (decrease) the average price per share paid by new investors by $1.00, assuming the number of shares offered, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

We may choose to raise additional capital due to market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. To the extent additional capital is raised through the sale of equity or convertible debt securities, the issuance of these securities could result in further dilution to our stockholders.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The unaudited pro forma condensed consolidated statements of operations for the three months ended March 31, 2021 and the year ended December 31, 2020 give effect to the reorganization transactions described under “Organizational Structure.”

The unaudited pro forma condensed consolidated balance sheet as of March 31, 2021 gives effect to:

(i) the reorganization transactions described under “Organizational Structure;” and

(ii) this offering and the use of proceeds from this offering.

The unaudited pro forma condensed consolidated financial information has been prepared by our management and is based on Alclear’s historical financial statements and the assumptions and adjustments described in the notes to the unaudited pro forma condensed consolidated financial information below. The presentation of the unaudited pro forma condensed consolidated financial information is prepared in conformity with Article 11 of Regulation S-X to depict the accounting for the reorganization transactions and this offering required by GAAP.

Our historical financial information for the three months ended March 31, 2021 and for the year ended December 31, 2020 has been derived from Alclear’s consolidated financial statements and accompanying notes included elsewhere in this prospectus.

For purposes of the unaudited pro forma condensed consolidated financial information, we have assumed that shares of Class A common stock will be issued by us at a price per share equal to the midpoint of the estimated offering price range set forth on the cover of this prospectus, and as a result, immediately following the completion of this offering, the ownership percentage represented by Alclear Units not held by us will be %, and the net income (loss) attributable to Alclear Units not held by us will accordingly represent % of our net income(loss). If the underwriters’ option to purchase additional shares is exercised in full, the ownership percentage represented by Alclear Units not held by us will be %, and the net income (loss) attributable to Alclear Units not held by us will accordingly represent % of our net income (loss). The higher percentage of net income attributable to Alclear Units not held by us over the ownership percentage of Alclear Units not held by us is due to the recognition of additional current income tax expense after giving effect to the adjustments for the reorganization transactions and this offering that is entirely attributable to our interest.

As described in ‘‘Holding Company Structure and Tax Receivable Agreement,’’ in connection with the closing of this offering, we will enter into the tax receivable agreement with the CLEAR Post-IPO Members. Due to the uncertainty in the amount and timing of future exchanges of Alclear Units by the CLEAR Post-IPO Members, the unaudited pro forma consolidated financial information assumes that no exchanges of Alclear Units have occurred as of the transaction and therefore are no increases in tax basis in Alclear Holdings’ assets or other tax benefits that may be realized.

The payment obligations under the tax receivable agreement are obligations of the Company, and we expect that such payments will be substantial. Assuming no material changes in relevant tax law and that we earn sufficient taxable income to realize all tax benefits that are subject to the tax receivable agreement, we expect that the tax savings associated with (i) any increase in tax basis in Alclear’s assets resulting from (a) exchanges by the CLEAR Post-IPO Members of Alclear Units (along with the corresponding shares of our Class C common stock or Class D common stock, as applicable) for shares of our Class A common stock or Class B common stock, as applicable, and purchases of Alclear Units and corresponding shares of Class C common stock or Class D common stock, as the case may be, from CLEAR Post-IPO Members or (b) payments under the tax receivable agreement, and (ii) tax benefits related to imputed interest deemed arising as a result of payments made under the tax receivable agreement, would aggregate to approximately $ million over 15 years from the date of this offering, based on an assumed initial public offering price of $ per share of our Class A common stock, which is the midpoint of the price range set forth on the cover page of this prospectus and assuming all future exchanges would occur one year after this offering. Under this scenario we would be required to pay the other parties to the tax receivable agreement approximately 85% of such amount, or

approximately $ million, over the 15-year period from the date of this offering. The actual amounts we will be required to pay may materially differ from these hypothetical amounts, because potential future tax savings that we will be deemed to realize, and tax receivable agreement payments by us, will be calculated based in part on the market value of our Class A and B common stock at the time of each exchange of an Alclear unit for a share of Class A and B common stock and the prevailing applicable federal tax rate (plus the assumed combined state and local tax rate) applicable to us over the life of the tax receivable agreement and will depend on our generating sufficient future taxable income to realize the tax benefits that are subject to the tax receivable agreement. Payments under the tax receivable agreement are not conditioned on our existing owners' continued ownership of us after this offering.

We based the pro forma adjustments on available information and on assumptions that we believe are reasonable under the circumstances in order to reflect, on a pro forma basis, the impact of the relevant transactions on the historical financial information of Alclear. See "Notes to Unaudited Pro Forma Condensed Consolidated Balance Sheet" and "Notes to Unaudited Pro Forma Condensed Consolidated Statement of Operations" for a discussion of assumptions made. The unaudited pro forma condensed consolidated financial information does not purport to be indicative of our results of operations or financial position had the relevant transactions occurred on the dates assumed and does not project our results of operations or financial position for any future period or date.

The unaudited pro forma condensed consolidated financial information should be read together with "Capitalization," "Selected Historical Consolidated Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our and Alclear's respective consolidated financial statements and related notes thereto included elsewhere in this prospectus.

Confidential Treatment Requested by Clear Secure, Inc.
Pursuant to 17 C.F.R. Section 200.83

Clear Secure, Inc.
Unaudited Pro Forma Condensed Consolidated Balance Sheet
As of March 31, 2021

(In thousands, except per share data)	Historical Alclear Holdings LLC[(a)]	Pro Forma Adjustments		Clear Secure, Inc. Pro Forma
Assets				
Current assets:				
Cash and cash equivalents	$ 175,730	$	(b)(d) (e) (g) (j)	$
Accounts receivable	1,077			
Marketable debt securities	37,750			
Prepaid Revenue Share fee	6,273			
Prepaid expenses and other current assets	15,640			
Total current assets	236,470			
Property and equipment, net	39,230			
Intangible assets, net	1,764			
Restricted cash	22,929			
Other assets	1,109			
Total assets	$ 301,502	$		$
Liabilities, redeemable capital units, and members' deficit				
Current liabilities:				
Accounts payable	$ 6,127	$		$
Accrued liabilities	19,035			
Warrant liabilities	19,922		(i)	
Deferred revenue	113,070			
Total current liabilities	158,154			
Deferred rent	3,667			
Total liabilities	161,821			
Redeemable capital units:				
Class A Units	2,620		(c)	
Class B Units	648,040		(c)	
Total redeemable capital units	650,660			
Members' deficit:				
Class C Units	—			
Profit units	8,117		(c)	
Accumulated other comprehensive gain	52			
Accumulated deficit	(519,148)		(c)(j) (k)	
Class A Common stock, par value $0.00001	—		(b)(c) (h) (i)	
Class B Common stock, par value $0.00001	—		(c)(h) (i)	
Class C Common stock, par value $0.00001	—		(c)(d)	

Confidential Treatment Requested by Clear Secure, Inc.
Pursuant to 17 C.F.R. Section 200.83

(In thousands, except per share data)	Historical Alclear Holdings LLC[(a)]	Pro Forma Adjustments	Clear Secure, Inc. Pro Forma
Class D Common stock, par value $0.00001	—	(c)(d)	
Additional paid-in capital	—	(b)(e) (h) (i) (k)	
Non-Controlling Interest	—	(f)(i) (k)	
Total members' deficit	(510,979)		
Total redeemable capital units and members' deficit	139,681		
Total liabilities, redeemable capital units, and members' deficit	$ 301,502	$	$

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

Confidential Treatment Requested by Clear Secure, Inc.
Pursuant to 17 C.F.R. Section 200.83

Clear Secure, Inc. and Subsidiaries
Notes to Unaudited Pro Forma Condensed Consolidated Balance Sheet

(a) Clear Secure, Inc. was formed on March 2, 2021 and will have no material assets or results of operations until the consummation of this offering and therefore its historical financial position is not shown in a separate column in the unaudited pro forma balance sheet.

(b) We estimate that the net proceeds from this offering will be approximately $ million (or $ million if the underwriters exercise in full their option to purchase additional shares of Class A common stock), based on an assumed initial public offering price of $ per share, which is the midpoint of the price range listed on the cover page of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses.

(c) In connection with this offering, Alclear's amended and restated operating agreement will be amended and restated and provide that, among other things, all of Alclear's outstanding equity interests, including its Class A units, Class B units and profit units, will be reclassified into Alclear Units. The number of Alclear Units to be issued to each member of Alclear will be determined based on a hypothetical liquidation of Alclear and the initial public offering price per share of our Class A common stock in this offering. See "Organizational Structure" for further details.

In addition, Clear Secure, Inc. will amend and restate its certificate of incorporation and will be authorized to issue four classes of common stock: Class A common stock, Class B common stock, Class C common stock and Class D common stock. The Class A common stock and Class C common stock will each provide holders with one vote per share on all matters submitted to a vote of stockholders, and the Class B common stock and Class D common stock will each provide holders with 20 votes per share on all matters submitted to a vote of stockholders. The holders of Class C common stock and Class D common stock will not have any of the economic rights (including rights to dividends and distributions upon liquidation) provided to holders of Class A common stock and Class B common stock.

A holder of an Alclear Unit and either a share of Class C common stock or a share of Class D common stock may exchange such interests (i.e., an Alclear Unit and a share of Class C common stock or an Alclear Unit and a share of Class D common stock) for a share of Class A common stock or a share of Class B common stock, respectively, or cash, at the option of the Company, from the proceeds of a substantially concurrent offering of the equivalent amount of Class A common stock. Accordingly, as the Company has the unconditional right, coupled with the present intent and ability, to satisfy the redemption by exchanging the redeemable security for a permanent equity security or limiting the redemption to the cash proceeds to be received from a new permanent equity offering, the Alclear Units, Class C common stock and Class D common Stock are classified in permanent equity.

Class A common stock and Class B common stock do not have an exchange feature.

(d) In connection with this offering, the CLEAR Post-IPO Members will subscribe for and purchase shares of Clear Secure, Inc. common stock as follows, in each case at a purchase price of $0.00001 per share and in an amount equal to the number of Alclear Units held by each such CLEAR Post-IPO Member.

- Alclear Investments will purchase shares of our Class D common stock;
- Alclear Investments II will purchase shares of our Class D common stock; and
- the other CLEAR Post-IPO Members will purchase an aggregate of shares of our Class C common stock.

See "Organizational Structure" for further details.

(e) Represents the pro forma adjustment to record estimated offering costs totaling $ for advisory, banking, legal and accounting fees.

(f) Following the reorganization transactions and this offering, Clear Secure, Inc. will become the sole managing member of Alclear and control the operations and management of Alclear. The Alclear Units owned by CLEAR Post-IPO Members and Founder Post-IPO Members will be considered noncontrolling interests in the consolidated financial statements of Clear Secure, Inc. The adjustment to non-controlling interest of $ reflects the proportional interest in the pro forma consolidated total equity of Clear Secure, Inc. owned by CLEAR Post-IPO Members and Founder Post-IPO Members.

(g) Clear Secure, Inc. intends to contribute $ of the net proceeds from this offering to Alclear (or $ million if the underwriters exercise their option to purchase additional shares in full) in exchange for Alclear Units. Such contribution amount will be used by Alclear to pay the expenses of this offering and for general corporate purposes.

(h) As part of the reorganization and offering, the Founder Post-IPO Members will contribute a portion of their Alclear Units to us in exchange for Class B common stock and certain CLEAR Pre-IPO Members will contribute their Alclear Units to us in exchange for Class A common stock.

(i) As a result of the reorganization and offering, certain warrants of Alclear held by certain of the CLEAR Pre-IPO Members will become exercisable prior to this offering and, subject to their terms, to the extent not exercised by the holders thereof at their discretion, will automatically be exercised for Class B units of Alclear. Certain other warrants of Alclear are not exercisable at or prior to this offering and, upon completion of this offering, will either, in accordance with their terms, (i) be exchanged for new warrants representing the right to receive Class A common stock or (ii) remain at Alclear and continue to be exercisable for Alclear Units in accordance with their terms.

(j) Following the reorganization transactions and offering, Clear Secure, Inc. will be subject to U.S. federal income taxes, in addition to state and local taxes. As a result, the pro forma statements of operations reflects an adjustment to our provision for corporate income taxes to reflect a statutory tax rate of %, which includes a provision for U.S. federal income taxes and assumes the highest statutory rates apportioned to each state and local jurisdiction. Alclear has been, and will continue to be, treated as a partnership for U.S. federal and state income tax purposes. As such, Alclear's profits and losses will flow through to its members, including Clear Secure, Inc., and are generally not subject to tax at the Alclear level.

The pro forma adjustments for income tax expense represent tax expense (benefit) on income that will be taxable in jurisdictions after our corporate reorganization that previously had not been taxable. The adjustment is calculated as pro forma

income before income taxes multiplied by the ownership percentage of the controlling interest and multiplied by the pro forma statutory tax rate of %.

(k) Represents additional compensation expense, reflected in general and administrative expenses on the consolidated statement of operations, related to the vesting of certain share-based awards occurring in connection with the reorganization transactions.

Confidential Treatment Requested by Clear Secure, Inc.
Pursuant to 17 C.F.R. Section 200.83

Clear Secure, Inc.
Unaudited Pro Forma Condensed Consolidated Statement of Operations
Three Months Ended March 31, 2021

(In thousands, except per share data)	Historical Alclear Holdings, LLC[(a)]	Pro Forma Adjustments	Clear Secure, Inc. Pro Forma
Revenue	$ 50,558	$	$
Operating expenses:			
Cost of revenue share fee	7,769		
Cost of direct salaries and benefits	12,149		
Research and development	9,005		
Sales and marketing	4,956		
General and administrative	27,192	(c)	
Depreciation and amortization	2,538		
Operating loss	(13,051)		
Other income:			
Interest income, net	(71)		
Other income	—		
Loss before tax	(13,122)		
Income tax (expense) benefit	(6)	(b)	
Net loss	(13,128)		
Less: Net loss attributable to non-controlling interest	—	(d)	
Net loss attributable to Clear Secure, Inc.	$	$	$
Pro Forma Earnings Per Share			
Basic		(e)	$
Diluted		(e)	$
Pro Forma Number of Shares Used in Computing EPS			
Basic		(e)	
Diluted		(e)	

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

**Confidential Treatment Requested by Clear Secure, Inc.
Pursuant to 17 C.F.R. Section 200.83**

**Clear Secure, Inc.
Unaudited Pro Forma Condensed Consolidated Statement of Operations
Year Ended December 31, 2020**

(In thousands, except per share data)	Historical Alclear Holdings, LLC[(a)]	Pro Forma Adjustments	Clear Secure, Inc. Pro Forma
Revenue	$ 230,796	$	$
Operating expenses:			
Cost of revenue share fee	33,191		
Cost of direct salaries and benefits	40,524		
Research and development	32,038		
Sales and marketing	16,381		
General and administrative	118,168	(c)	
Depreciation and amortization	9,423		
Operating loss	(18,929)		
Other income:			
Interest income, net	612		
Other income	9,023		
Loss before tax	(9,294)		
Income tax (expense) benefit	(16)	(b)	
Net loss	(9,310)		
Less: Net loss attributable to non-controlling interest	—	(d)	
Net loss attributable to Clear Secure, Inc.	$ —	$	$
Pro Forma Earnings Per Share attributable to Class A common stock and Class B common stock			
Basic		(e)	$
Diluted		(e)	$
Pro Forma weighted average Class A common stock and Class B common stock used in Computing EPS			
Basic		(e)	
Diluted		(e)	

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

(a) Clear Secure, Inc. was formed on March 2, 2021 and will have no material assets or results of operations until the consummation of this offering and therefore its historical operating results are not shown in a separate column in the unaudited pro forma consolidated statement of operations.

(b) Following the reorganization transactions and offering, Alclear Security, Inc. will be subject to U.S. federal income taxes, in addition to state and local taxes. As a result, the pro forma statements of operations reflects an adjustment to our provision for corporate income taxes to reflect a statutory tax rate of %, which includes a provision for U.S. federal income taxes and assumes the highest statutory rates apportioned to each state and local jurisdiction. Alclear has been, and will continue to be, treated as a partnership for U.S. federal and state income tax purposes. As such, Alclear's profits and losses will flow through to its partners, including Clear Secure, Inc., and are generally not subject to tax at the Alclear level.

The pro forma adjustments for income tax expense represent tax expense (benefit) on income that will be taxable in jurisdictions after our corporate reorganization that previously had not been taxable. The adjustment is calculated as pro forma income before income taxes multiplied by the ownership percentage of the controlling interest and multiplied by the pro forma statutory tax rate of %.

(c) Reflects additional compensation expense, reflected in general and administrative expenses on the consolidated statement of operations, related to the vesting of certain share-based awards occurring in connection with the reorganization transactions.

Confidential Treatment Requested by Clear Secure, Inc.
Pursuant to 17 C.F.R. Section 200.83

(d) Following the reorganization transactions and this offering, Clear Secure, Inc. will become the sole managing member of Alclear and control the operations and management of Alclear. As a result, Clear Secure, Inc. will consolidate the financial results of Alclear and will report a non-controlling interest related to the interest held by the continuing members of Alclear on our consolidated statement of operations. Following the offering, assuming the underwriters do not exercise their option to purchase additional shares of Class A common stock, Clear Secure, Inc. will own % of the economic interest of Alclear, and the continuing members of Alclear will own the remaining %. Net income attributable to non-controlling interest will represent % of the income before income taxes of Clear Secure, Inc. If the underwriters exercise their option to purchase additional shares of Class A common stock in full, Clear Secure, Inc. will own % of the economic interest of Alclear, the continuing members of Alclear will own the remaining %, and net income attributable to non-controlling interest will represent % of the income before income taxes of Clear Secure, Inc.

(e) In accordance with GAAP, the Company calculates earnings per share in accordance with Accounting Standards Codification ("ASC") 260, *Earnings Per Share*, which requires a dual presentation of basic and diluted earnings per share.

Basic earnings per share is calculated by dividing net income attributable to Clear Secure, Inc. by the weighted-average shares of Class A common stock and Class B common stock outstanding without the consideration for potential dilutive shares of common stock. Clear Secure, Inc.'s Class A common stock and Class B common stock have the same economic rights.

Diluted earnings per share is calculated by dividing the net income by the weighted-average number of common share equivalents outstanding for the period determined using the treasury stock method and if-converted method, as applicable. The if-converted method considers the impact of the hypothetical exchange of Alclear Units together with a corresponding number of shares of our Class C common stock or Class D common stock for shares of our Class A common stock or Class B common stock, if dilutive. In evaluating the potential dilutive effect under the if-converted method, the outstanding Alclear Units for the assumed exchange of non-controlling interests are expected to be anti-dilutive and thus were excluded from the computation of diluted earnings per share.

(in thousands, except share and per share amounts)	Three Months Ended March 31, 2021	Year Ended December 31, 2020
Basic and diluted net income (loss) per share:		
Numerator		
Net Income (loss) attributable to Class A common stock and Class B common stock—basic and diluted	$	$
Denominator		
Weighted-average shares of Class A common stock and Class B common stock outstanding basic and diluted	$	$
Basic and diluted net income (loss) per share attributable to Class A common stock and Class B common stock	$	$

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

The following table sets forth selected historical consolidated financial data of Alclear for the periods beginning on and after January 1, 2019. We were formed on March 2, 2021 and have not, to date, conducted any activities other than those incidental to our formation and the preparation of this prospectus and the registration statement of which this prospectus forms a part. The selected historical consolidated financial data presented below for the three months ended March 31, 2021 and 2020 and condensed consolidated balance sheet data as of March 31, 2021 have been derived from Alclear's unaudited financial statements included elsewhere in this prospectus. The selected historical consolidated financial data presented below as of and for the years ended December 31, 2020 and 2019 have been derived from Alclear's audited financial statements included elsewhere in this prospectus.

You should read the following information in conjunction with "Capitalization," "Unaudited Pro Forma Condensed Consolidated Financial Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our and Alclear's respective consolidated financial statements and related notes thereto included elsewhere in this prospectus.

(in thousands, except per share data)	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020	Year ended December 31, 2020	Year ended December 31, 2019
	(unaudited)			
Consolidated Statement of Operations Data:				
Revenue	$ 50,558	$ 61,288	$ 230,796	$ 192,284
Operating expenses	$ 63,609	$ 113,131	$ 249,725	$ 248,447
Operating loss	$ (13,051)	$ (51,843)	$ (18,929)	$ (56,163)
Other income, net	$ (71)	$ 590	$ 9,635	$ 1,942
Loss before tax	$ (13,122)	$ (51,253)	$ (9,294)	$ (54,221)
Income tax (expense) benefit	$ (6)	$ —	$ (16)	$ —
Net loss	$ (13,128)	$ (51,253)	$ (9,310)	$ (54,221)

(in thousands)	As of March 31, 2021	As of December 31, 2020	As of December 31, 2019
	(unaudited)		
Consolidated Balance Sheet Data (at period end):			
Cash and cash equivalents	$ 175,730	$ 116,226	$ 213,885
Total assets	$ 301,502	$ 232,268	$ 318,870
Total liabilities	$ 161,821	$ 149,913	$ 166,969
Total redeemable capital units	$ 650,660	$ 569,251	$ 435,230
Total members' deficit/shareholders' equity	$ (510,979)	$ (486,896)	$ (283,329)

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

The following management's discussion and analysis of Alclear's financial condition and results of operations covers the three months ended March 31, 2021 and 2020 and the years ended December 31, 2020 and 2019. You should read the following discussion together with our and Alclear's consolidated financial statements and related notes thereto included elsewhere in this prospectus. This discussion contains forward-looking statements that are subject to certain risks and uncertainties. Actual results and timing of events could differ materially from those discussed in or implied by these forward-looking statements as a result of various factors, including those discussed below and elsewhere in this prospectus. See "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements." In this "Management's Discussion and Analysis of Financial Condition and Results of Operations," references to "we," "us" and the "Company" refer to (i) Clear Secure, Inc. and its consolidated subsidiaries after giving effect to the reorganization transactions described under "Prospectus Summary — Corporate History and Organizational Structure" or (ii) Alclear Holdings, LLC and its consolidated subsidiaries, in each case, as specified or as the context otherwise requires.

Overview

We launched CLEAR in 2010 to create a frictionless travel experience while enhancing homeland security.

Following 9/11, there was a dire need for safer and easier experiences in the aviation industry and biometrics helped solve this requirement by building an unbreakable link between you and your identity. Travelers were eager to return to the skies but demanded predictable and safe experiences. Our secure identity platform—which uses biometrics (e.g., eyes, face and fingerprints) to automate the identity verification process through CLEAR lanes in airports—helped make the travel experience safer AND easier as well as more predictable AND trusted for both our members and partners.

We have built an extensive physical footprint with a nationwide network of airports, stadiums and businesses to offer members frictionless, trusted experiences as they move and transact throughout the day in both physical and digital environments. As of May 15, 2021, our expansive network of partners and use cases provide our members with access to our nationwide network of 38 airports, 27 sports and entertainment partners and 66 Health Pass-enabled partners and events (some of which have multiple locations), as well as a growing number of offices, restaurants, theatres, casinos and theme parks. The continued expansion of our partnerships enable our partners to integrate with CLEAR and our members to use CLEAR in new places and in new ways.

Our technology platform delivers an elegant, consumer-centric front-end user experience. Our flexible technology stack is highly secure, scalable, and modular to enable our partners to seamlessly integrate with our platform. Securing data and protecting member privacy has been our member pledge since our founding. The DHS has certified our information security program at a FISMA High Rating (the highest designation according to the Federal Information Security Modernization Act).

Today, our owned and operated businesses such as CLEAR Plus (our consumer aviation subscription service) and our mobile applications are the largest users of our platform. We have enabled 61 million Total Cumulative Platform Uses across 64 airports and live sports and entertainment partners as of March 31, 2021. Our approximately 1,400 hospitality and security focused ambassadors and field managers on the ground as of May 15, 2021 bring CLEAR's technology to life and work to deliver exceptional member experience everyday.

Our business model is powered by network effects and characterized by efficient member acquisition and high member retention rates. Our largest CLEAR Plus member acquisition channel is in-airport (representing 72% and 62% of member acquisitions for the year ended December 31, 2020 and 2019, respectively), where our prominent branding and expansive physical footprint allow prospective members to engage with CLEAR's brand, ambassadors and technology firsthand. Our passionate member base further drives viral, word of mouth marketing and high annual member retention rates. As we add partners, products and locations, our platform becomes more valuable to our members. In turn, as we grow

membership, our platform is more valuable to our existing and prospective partners. This is evident in our accelerated growth rate since inception—it took seven years to reach our first million members, but less than one year to reach each of our second, third, fourth and fifth million members—and our approximately 16 times Lifetime Value relative to our Customer Acquisition Cost for CLEAR Plus members who joined during 2019.

Beginning in early 2020, the COVID-19 global health pandemic had a significant and horrific impact on people's health, safety and economic well-being. It also had a material adverse impact on the global and domestic travel industries resulting from government instituted legal restrictions on travel, shelter-in-place orders and mandated quarantine periods to prevent the spread of the disease.

We responded swiftly and aggressively to the COVID-19 operating environment by eliminating marketing spend and reducing operating expenses while caring for and supporting our team, our members and our partners. At the same time we accelerated investments in our platform, including our healthcare vertical, and developed our Health Pass product, which connects our members' identity to a digital health credential, giving them control over and access to their healthcare information.

We are proud of the resilience of our business and grateful for the commitment of our team through this challenging period. While United States domestic airline passenger volumes declined 60% in 2020 as compared to 2019, our Total Cumulative Enrollments increased 12.3% year-on-year to 5.2 million and we maintained Annual CLEAR Plus Net Member Retention of 78.8% (compared to 86.2% in 2019). While our Total Bookings declined 10.6% year-on-year, from $236.0 million to $211.0 million, and we incurred net losses of $54.2 million and $9.3 million in 2019 and 2020, respectively, our total revenue increased 20% from $192.3 million in 2019 to $230.8 million in 2020.

We believe our brand and growing network will create transformational experiences across large parts of our members' daily lives, much as credit card networks ushered in digitization of payments. With our operational expertise, member and partner scale, strong consumer brand, robust technology stack, secure identity platform and compelling financial profile, we believe we are uniquely positioned to solve the large and growing need to deliver safer, frictionless experiences to consumers and businesses. We intend to continue to expand the number of places and ways our members can use CLEAR, in turn increasing utility, engagement and membership.

How We Generate Revenue

CLEAR Plus is our consumer aviation subscription service, which enables access to predictable and fast experiences through dedicated entry lanes in airport security checkpoints across the nation as well as our broader network. With CLEAR Plus, members use our touchless biometric verification technology to validate their identity and travel credentials. CLEAR Plus retails for $179 per year per member and is billed upfront. We offer free trials in-airport and online and promotional pricing to select partners, including Delta Air Lines and United Airlines frequent fliers, as well as a family plan for up to three household members at an additional $50 per year per family member. Through our partnership with American Express, eligible cardmembers receive statement credits for all or a portion of their CLEAR Plus membership. We also offer discounted military, government and student pricing and children under 18 can use CLEAR Plus for free with an adult member.

Our partners typically pay us based on the number of members or transaction volume. While contract structure may vary by use case in the future, these deals are typically multi-year, recurring contracts that drive revenue primarily through transaction fees charged either per member, per use or per member over a predefined time period. In addition, they may also include one-time implementation fees, licensing fees, hardware-leasing fees or incremental transaction fees. Revenues from our partners, and the percentage of our total revenue derived from these partners, have historically been immaterial. Although platform members may not contribute directly to our revenues, they are valuable to our platform as they indirectly contribute to revenues and drive new partners to CLEAR.

In January 2020, we were selected by TSA as an awardee in the TSA Biometric PreCheck ® Expansion Services and Vetting Program. As part of our agreement with TSA, we will leverage our marketing expertise, operational footprint and ambassador network to handle subscription renewal

processing and new enrollments for the TSA PreCheck ® program, as well as offer a CLEAR/TSA PreCheck® bundled subscription for customers who are new to both CLEAR and to TSA PreCheck ®. We will provide the ability to renew TSA PreCheck® memberships on our website and complete new enrollments in-airport through our ambassador network.

The TSA program is expected to launch in the second half of 2021 and will represent a new source of revenue and members. We believe that approximately 66% of our CLEAR Plus members are active TSA PreCheck® subscribers, and that there is a significant opportunity for us to process their TSA PreCheck® membership renewals. In addition, we believe we can add a large number of new TSA PreCheck® subscribers for TSA. After a new TSA PreCheck ® customer is enrolled or renewed, we will offer the customer an opportunity to enroll in CLEAR on an opt-in basis. We believe CLEAR Plus and TSA PreCheck® are highly complementary services and this is a relevant channel to showcase not only the TSA PreCheck® value proposition, but also the power of the combination and the extension of a holistic home to gate travel journey. The partnership does not extend to performing physical security screening, which will continue to be operated by TSA.

Non-GAAP Financial Measures

In addition to our results as determined in accordance with GAAP, we disclose Adjusted EBITDA and Free Cash Flow as non-GAAP financial measures that management believes provide useful information to investors. These measures are not financial measures calculated in accordance with GAAP and should not be considered as a substitute for net income, or any other operating performance measure calculated in accordance with GAAP, and may not be comparable to a similarly titled measure reported by other companies.

We define Adjusted EBITDA as net income (loss) adjusted for income taxes, interest (income) expense, depreciation and amortization, losses on asset disposals, equity-based compensation expense, mark to market of warrant liabilities and other income. We define Free Cash Flow as net cash provided by (used in) operating activities adjusted for purchases of property and equipment plus the value of share repurchases over fair value. Management believes that Adjusted EBITDA and Free Cash Flow are important measures of the growth and profitability of the business. With regards to our CLEAR Plus subscription service, we generally collect cash from our members upfront for annual subscriptions. As a result, when the business is growing Free Cash Flow is a real time indicator of the current trajectory of the business. Adjusted EBITDA, along with other quantitative and qualitative information, is also an important financial measure used by management and our board of directors in determining performance-based compensation for our management and key employees. See below for reconciliations of these non-GAAP financial measures to their most comparable GAAP measures.

Reconciliation of net income (loss) to Adjusted EBITDA:

	Three Months Ended March 31,		Years Ended December 31,	
(In thousands)	2021	2020	2020	2019
Net income (loss)	$ (13,128)	$ (51,253)	$ (9,310)	$ (54,221)
Income taxes	6	—	16	—
Interest income, net	71	(590)	(612)	(1,942)
Depreciation and amortization	2,538	2,294	9,423	7,316
Loss on asset disposal	—	—	238	125
Equity-based compensation expense	1,319	51,725	53,978	17,590
Warrant liabilities	1,893	—	887	3,363
Other income	—	—	(9,023)	—
Adjusted EBITDA	$ (7,301)	$ 2,176	$ 45,597	$ (27,769)

Reconciliation of net cash (used in) provided by operating activities to Free Cash Flow:

	Three Months Ended March 31,		Years Ended December 31,	
(In thousands)	2021	2020	2020	2019
Net cash (used in) provided by operating activities	$ (335)	$ (41,846)	$ (12,338)	$ 16,574
Purchases of property and equipment	(8,794)	(4,350)	(16,502)	(14,682)
Share repurchases over fair value	712	49,934	50,551	2,928
Free Cash Flow	$ (8,417)	$ 3,738	$ 21,711	$ 4,820

Key Performance Indicators

To evaluate performance of the business, we utilize a variety of key performance indicators. These key measures are Total Cumulative Enrollments, Total Cumulative Platform Uses, Annual CLEAR Plus Net Member Retention and Total Bookings.

	Three Months Ended March 31,		Fiscal Year Ended December 31,	
	2021	2020	2020	2019
Total Cumulative Enrollments	5,561,811	5,012,459	5,248,902	4,673,164
Total Cumulative Platform Uses	60,792,461	54,798,800	58,374,533	49,002,865
Annual CLEAR Plus Net Member Retention	77.2%	84.6%	78.8%	86.2%
Total Bookings (in millions)	$ 62.1	$ 69.0	$ 211.0	$ 236.0

Total Cumulative Enrollments

We define Total Cumulative Enrollments as the number of enrollments since inception as of the end of the period. An Enrollment is defined as any member who has registered for the CLEAR platform since inception and has a profile (including limited time free trials regardless of conversion to paid membership) net of duplicate and/or purged accounts. This includes CLEAR Plus members who have completed enrollment with CLEAR and have ever activated a payment method, plus associated family accounts. Management views this metric as an important tool to analyze the efficacy of our growth and marketing initiatives as new members are potentially a current and leading indicator of revenues.

Total Cumulative Platform Uses

We define Total Cumulative Platform Uses as the number of individual engagements across CLEAR use cases, including in-airport verifications, since inception as of the end of the period. We also include airport lounge access verifications, sports and entertainment venue verifications and Health Pass surveys, which are currently immaterial, since inception as of the end of the period. Management views this metric as an important tool to analyze the level of engagement of our member base which can be a leading indicator of future growth, retention and revenue.

Annual CLEAR Plus Net Member Retention

We define Annual CLEAR Plus Net Member Retention as one minus the CLEAR Plus net member churn on a rolling 12 month basis. We define "CLEAR Plus net member churn" as total cancellations net of winbacks in the trailing 12 month period divided by the average active CLEAR Plus members as of the beginning of each month within the same 12 month period. Winbacks are defined as reactivated members who have been cancelled for at least 60 days. Active CLEAR Plus members are defined as members who have completed enrollment with CLEAR and have activated a payment method for our in-airport CLEAR Plus service, including their registered family plan members. Active CLEAR Plus

members also include those in a grace period of up to 45 days after a billing failure during which time we attempt to collect updated payment information. Management views this metric as an important tool to analyze the level of engagement of our member base, which can be a leading indicator of future growth and revenue, as well as an indicator of customer satisfaction and long term business economics.

Total Bookings

Total Bookings represent our total revenue plus the change in deferred revenue during the period. Total Bookings in any particular period reflect sales to new and renewing CLEAR Plus subscribers plus any accrued billings to partners. Management believes that Total Bookings is an important measure of the current health and growth of the business and views it as a leading indicator. Total Bookings declined in 2020 versus 2019 due to the dramatic collapse in United States domestic airline passenger volumes in 2020, which saw a decline of approximately 60% versus 2019.

Key Factors Affecting Performance

We believe that our current and future financial growth are dependent upon many factors, including the key factors affecting performance described below.

Ability to Grow Total Cumulative Enrollments

We are focused on growing Total Cumulative Enrollments and the number of members that engage with our platform. Our operating results and growth opportunity depend, in part, on our ability to attract new members, including paying members (CLEAR Plus members) as well as new platform members. We rely on multiple channels to attract new CLEAR Plus members, including in-airport (our largest channel) which in turn is dependent on the ongoing ability of our ambassadors to successfully engage with the traveling public. We also rely on numerous digital channels such as paid search and partnerships. In many cases, we offer limited time free trials to new members who may convert to paying members upon the completion of their trial. Our future success is dependent on those channels continuing to drive new members and our ability to convert free trial members into paying members.

We rely on our partners and our mobile app to attract new platform members. We are still in the early phases of our growth, and our CLEAR Plus enrollments have grown faster than our platform members through March 31, 2021. We believe we will see an acceleration of Total Cumulative Platform Uses relative to Total Cumulative Enrollments over time as our members use our products across multiple locations and use cases. We believe this dynamic will grow the long-term economic value of our platform by increasing total engagement, expanding our margins and maximizing our revenue. Our future success is dependent upon maintaining and growing our partnerships as well as ensuring our platform remains compelling to members.

Although we have historically grown the number of new members over time and successfully converted free trial members to paying members, our future success is dependent upon our ongoing ability to do so.

Ability to retain CLEAR Plus members

Our ability to execute on our growth strategy relies, in part, on our ability to retain our existing CLEAR Plus members. Frequency and recency of usage are the leading indicators of retention, and we must continue to provide frictionless and predictable experiences that our members will use in their daily lives. The value of the CLEAR platform to our members increases as we add more use cases and partnerships, which in turn drives more frequent usage and increases retention. Historically, CLEAR Plus members who used CLEAR in both aviation and non-aviation venues renewed at rates materially above those who used CLEAR only in aviation. We cannot be sure that we will be successful in retaining our members due to any number of factors such as our inability to successfully implement a new product, adoption of our technology, harm to our brand or other factors.

Ability to add new partners, retain existing partners and generate new revenue streams

Our partners include local airport authorities, airlines and other businesses. Our future success depends on maintaining those relationships, adding new relationships and maintaining favorable

business terms. In addition, our growth strategy relies on creating new revenue streams such as per member or per use transaction fees. Although we believe our service provides significant value to our partners, our success depends on creating mutually beneficial partnership agreements. We are focused on innovating both our product and our platform to improve our members' experience, improve safety and security and introduce new use cases. We intend to accelerate our pace of innovation to add more features and use cases, to ultimately deliver greater value to our members and partners.

Timing of new partner, product and location launches

Our financial performance is dependent in part on new partner, product and location launches. In many cases, we cannot predict the exact timing of those launches. Delays, resulting either from internal or external factors may have a material effect on quarterly results.

Timing of expenses; Discretionary investments

Although many of our expenses occur in a predictable fashion, certain expenses may fluctuate from period to period due to timing.

In addition, management may make discretionary investments when it sees an opportunity to accelerate growth, add a new partner or acquire talent, among other reasons. This may lead to volatility or unpredictability in our expense base.

Maintaining strong unit economics

Our business model is powered by network effects and has historically been characterized by efficient member acquisition and high member retention rates. This is evident by our approximately 16 times Lifetime Value relative to our Customer Acquisition Cost for CLEAR Plus members who joined during 2019. The Lifetime Value relative to our Customer Acquistion Cost for CLEAR Plus members who joined during 2019 is consistent with prior periods. While we believe our unit economics will remain attractive, this is dependent on our ability to add new members efficiently and maintain our historically strong retention rates. As we grow our market penetration, the cost to acquire new members could increase and the experience we deliver to members could degrade, causing lower retention rates.

Changes to the macroenvironment

Our business is dependent on macroeconomic and other events outside of our control, such as decreased levels of travel or attendance at events, terrorism, civil unrest, political instability, union and other transit related strikes and other general economic conditions. We are also subject to changes in discretionary consumer spending.

Impact of the COVID-19 Pandemic

The COVID-19 pandemic resulted in a dramatic collapse in United States domestic airline passenger volumes in 2020, which saw a decline of approximately 60% versus 2019. Although we are proud of the resilience of our business and grateful for the commitment of our team through this challenging period, we cannot predict the timing or the strength of the travel recovery. The timing and the strength of the recovery will impact our future revenue growth rates. During the pandemic, the Company took early action to reduce operating expenses, including eliminating marketing expenses, which we expect would be normalized over time.

The Reorganization Transactions

In connection with the reorganization transactions, we will become the sole managing member of Alclear and Alclear's amended and restated operating agreement will be amended and restated and provide that, among other things, all of Alclear's outstanding equity interests, including its Class A units, Class B units and profit units, will be reclassified into Alclear Units. The number of Alclear Units to be issued to each member of Alclear will be determined based on a hypothetical liquidation of Alclear and the initial public offering price per share of our Class A common stock in this offering. We will amend and

restate our certificate of incorporation and will be authorized to issue four classes of common stock: Class A common stock, Class B common stock, Class C common stock and Class D common stock. See "Organizational Structure" for further information regarding the reorganization transactions.

Post-Offering Taxation and Expenses

After the consummation of this offering, we will become subject to U.S. federal, state and local income taxes with respect to our allocable share of any taxable income of Alclear and will be taxed at the prevailing corporate tax rates. In addition to tax expense, we also will incur expenses related to our operations, plus payments under the tax receivable agreement, which we expect to be significant. We intend to cause Alclear to make distributions in an amount sufficient to allow us to pay our tax obligations and operating expenses, including distributions to fund any ordinary course payments under the tax receivable agreement. See "Certain Relationships and Related Party Transactions."

In addition, as a public company, we will be implementing additional procedures and processes for the purpose of addressing the standards and requirements applicable to public companies. We expect to incur additional expenses related to these steps and, among other things, additional directors' and officers' liability insurance, director fees, reporting requirements of the SEC, transfer agent fees, hiring additional accounting, legal and administrative personnel, increased auditing and legal fees and similar expenses.

Components of Results of Operations

Revenue

The Company has derived substantially all of its historical revenue from subscriptions to its consumer aviation service, CLEAR Plus, which enables access to predictable and fast experiences through dedicated entry lanes in airport security checkpoints across the nation as well as our broader network. The Company offers certain limited-time free trials, family pricing, and other beneficial pricing through several channels, including airline and credit card partnerships. Membership subscription revenue is presented net of taxes, refunds and credit card chargebacks.

Other revenue consists of revenue streams relating to sports stadiums and to Health Pass and are immaterial. Sports stadium revenues consist of fees for use of the Company's pods for security entry at various sports stadiums, as well as access for members to dedicated entry lanes at various sports stadiums across the country. Other revenue also consists of transaction fees charged either per use or per user over a predefined time period, and may include one-time implementation fees, platform licensing fees, hardware-leasing fees or incremental transaction fees.

Operating Expenses

The Company's expenses consist of revenue share fees, sales and marketing expenses, general and administrative expenses, research and development expenses, compensation and related expenses, and depreciation and amortization expenses. The Company sees opportunities for growth as the economy recovers from the COVID-19 pandemic. As such we expect our operating expenses to increase in future periods.

Cost of Revenue Share Fee

The Company operates as a concessionaire in airports and shares a portion of the gross receipts generated from the Company's members with the host airports ("Revenue Share"). The Revenue Share fee is generally prepaid to the host airport in the period collected from the member. The Revenue Share fee is capitalized and subsequently amortized to operating expense over each member's subscription period, as the payments are refundable on a pro rata basis. Such prepayments are recorded in "Prepaid Revenue Share fee" in the Company's consolidated balance sheets.

Certain host airports have fixed monthly payments. Such amounts are direct costs of services and are recorded in "Cost of revenue share fee" in the Company's consolidated statements of operations.

Cost of Direct Salaries and Benefits

Cost of direct salaries and benefits includes employee-related expenses and allocated overhead associated with our field ambassadors directly assisting members and their corresponding travel-related costs. Employee-related costs recorded in direct salaries and benefits consist of salaries, taxes, benefits and equity-based compensation. Such amounts are direct costs of services and are recorded in "Cost of direct salaries and benefits" in the Company's consolidated statement of operations.

Research and Development

Research and development expenses consist primarily of employee related expenses and allocated overhead costs related to the Company's development of new products and services and improving existing products and services. Research and development costs are generally expensed as incurred, except for costs incurred in connection with the development of internal-use software that qualify for capitalization as described in our internal-use software policy. Employee-related expenses recorded in research and development consist of salaries, taxes, benefits and equity-based compensation.

Sales and Marketing

Sales and marketing expenses consist primarily of costs of general marketing and promotional activities, advertising fees used to drive subscriber acquisition, commissions, the production costs to create our advertisements, expenses related to employees who manage our marketing and brand and allocated overhead costs.

General and Administrative

General and administrative expenses consist primarily of employee-related expenses for the executive, finance, accounting, legal, and human resources functions. Employee-related expenses consist of salaries, taxes, benefits and equity-based compensation. General and administrative costs also include the Company's warrant expense. In addition, general and administrative expenses include non-personnel costs, such as legal, accounting and other professional fees, and all other supporting corporate expenses not allocated to other departments.

Interest Income, Net

Interest income, net consists of interest income from our investment holdings partially offset by interest expense, which primarily includes amortization of debt discount and issuance costs.

Other Income

Other income primarily reflects a minimum annual guarantee paid to us by a marketing partner and is recognized upon receipt of cash.

Provision for (Benefit from) Income Taxes

The Company is taxed as a partnership for U.S. federal and state income tax purposes. The provision for income taxes consists of only state and local jurisdictions where partnerships (i.e., flow through entities) are taxable. Therefore, a minimal amount of income tax expense is recorded in the accompanying condensed consolidated financial statements for federal and state income taxes.

The Company accrues liabilities for uncertain tax positions that are not more likely than not to be sustained upon examination as of December 31, 2020 and 2019. Interest and penalties related to uncertain tax positions are recorded in accrued liabilities in the accompanying consolidated balance sheets. The Company had no unrecognized tax benefits at December 31, 2020 and 2019, that, if recognized, would affect its annual effective tax rate.

Comparison of the three months ended March 31, 2021 and 2020

The table below sets forth, for the periods presented, certain historical financial information.

	Three Months Ended March 31,			
(In millions)	2021	2020	$ Change	% Change
Revenue	$ 50.6	$ 61.3	$ (10.7)	(17)%
Operating expenses:				
Cost of revenue share fee	$ 7.8	$ 10.1	$ (2.3)	(23)%
Cost of direct salaries and benefits	$ 12.1	$ 17.5	$ (5.4)	(31)%
Research and development	$ 9.0	$ 11.6	$ (2.6)	(22)%
Sales and marketing	$ 5.0	$ 6.7	$ (1.7)	(25)%
General and administrative	$ 27.2	$ 64.9	$ (37.7)	(58)%
Depreciation and amortization	$ 2.5	$ 2.3	$ 0.2	9%
Operating loss	$ (13.0)	$(51.8)	$ 38.8	(75)%
Other income:				
Interest income, net	$ (0.1)	$ 0.6	$ 0.7	(117)%
Loss before tax	$ (13.1)	$(51.2)	$ 38.1	(74)%
Income tax (expense) benefit	$ 0.0	$ 0.0	$ 0.0	NM[1]
Net loss	$ (13.1)	$(51.2)	$ 38.1	(74)%

(1) NM means the percentage is not meaningful.

Revenue

	Three Months Ended March 31,			
(In millions)	2021	2020	$ Change	% Change
Revenue	$ 50.6	$61.3	$ (10.7)	(17)%

Revenue decreased by $10.7 million, or 17%, for the three months ended March 31, 2021 compared to the three months ended March 31, 2020. The decrease was primarily due to a 14.6% decrease in the number of average monthly CLEAR Plus members in the three months ended March 31, 2021 as compared to the three months ended March 31, 2020, in addition to a 3.4% decline in average revenue per CLEAR Plus member in the three months ended March 31, 2021 as compared to 2020. Average CLEAR Plus members were approximately 1.87 million and 2.19 million in the three months ended March 31, 2021 and 2020, respectively. The number of average CLEAR Plus members includes family members, which comprised approximately 27.4% and 26.3% of the average CLEAR Plus members in the three months ended March 31, 2021 and 2020, respectively.

Operating Expenses

Information about the Company's operating expenses for the years ended March 31, 2020 and 2021 is set forth below.

Cost of Revenue Share Fee

	Three Months Ended March 31,			
(In millions)	2021	2020	$ Change	% Change
Cost of revenue share fee	$ 7.8	$10.1	$ (2.3)	(23)%

Cost of revenue share fee decreased by $2.3 million, or 23%, for the three months ended March 31, 2021 compared to the three months ended March 31, 2020 due to lower average monthly CLEAR Plus members, offset by COVID-19 related concessions by certain airports with respect to fixed fees. The decreased cost was due to variable fees decreasing by 25%, or $1.9 million, and fixed fees decreasing by 19% net after concessions, or $0.5 million, in the first quarter of 2021.

Cost of Direct Salaries and Benefits

	Three Months Ended March 31,			
(In millions)	2021	2020	$ Change	% Change
Cost of direct salaries and benefits	$ 12.1	$17.5	$ (5.4)	(31)%

Cost of direct salaries and benefits decreased by $5.4 million, or 31%, for the three months ended March 31, 2021 compared to the three months ended March 31, 2020. The decrease was primarily due to a reduction in employee compensation costs of $5.0 million caused by reduced travel volumes leading to a lower staffing need.

Research and Development

	Three Months Ended March 31,			
(In millions)	2021	2020	$ Change	% Change
Research and development	$ 9.0	$11.6	$ (2.6)	(22)%

Research and development expenses decreased by $2.6 million, or 22%, for the three months ended March 31, 2021 compared to the three months ended March 31, 2020. The decrease was primarily due to a decrease of $5.7 million in equity-based compensation expense primarily driven by the Company's repurchase of vested awards at a price in excess of their grant date fair value in March 2020. The decrease was offset by an increase in salaries and benefits of $2.9 million.

Sales and Marketing

	Three Months Ended March 31,			
(In millions)	2021	2020	$ Change	% Change
Sales and marketing	$ 5.0	$ 6.7	$ (1.7)	(25)%

Sales and marketing expenses decreased by $1.7 million, or 25%, for the three months ended March 31, 2021 compared to the three months ended March 31, 2020. The decrease was due to a decrease of $0.8 million related to reduced marketing, promotional and advertising initiatives, primarily across our online platform and television. The decrease was also driven by a $0.8 million decrease in commission expense due to fewer new member enrollments.

General and Administrative

	Three Months Ended March 31,			
(In millions)	2021	2020	$ Change	% Change
General and administrative	$ 27.2	$64.9	$ (37.7)	(58)%

General and administrative expenses decreased by $37.7 million, or 58%, for the three months ended March 31, 2021 compared to the three months ended March 31, 2020. The decrease was primarily due to a decrease of $42.6 million in equity-based compensation costs, primarily driven by the Company's repurchase of vested awards at a price in excess of their grant date fair value in March 2020. The decrease was offset by an increase in salaries and benefits of $2.6 million, fair value adjustments on warrant liabilities of $1.9 million, technology costs of $1.1 million and professional services of $0.9 million.

Non-operating Income (Expense)

	Three Months Ended March 31,			
(In millions)	2021	2020	$ Change	% Change
Interest income, net	$ (0.1)	$ 0.6	$ (0.7)	(117)%

Interest income, net decreased by $0.7 million, or 117%, for the three months ended March 31, 2021 compared to the three months ended March 31, 2020. The decrease was primarily due to reduced interest rates.

Comparison of the Years Ended December 31, 2020 and 2019

The table below sets forth, for the periods presented, certain historical financial information.

	Fiscal Year Ended December 31,			
(In millions)	2020	2019	$ Change	% Change
Revenue	$ 230.8	$ 192.3	$ 38.5	20%
Operating expenses:				
Cost of revenue share fee	$ 33.2	$ 32.3	$ 0.9	3%
Cost of direct salaries and benefits	$ 40.5	$ 60.0	$(19.5)	(33)%
Research and development	$ 32.0	$ 21.2	$ 10.8	51%
Sales and marketing	$ 16.4	$ 36.0	$(19.6)	(54)%
General and administrative	$ 118.2	$ 91.6	$ 26.6	29%
Depreciation and amortization	$ 9.4	$ 7.3	$ 2.1	29%
Operating loss	$ (18.9)	$ (56.1)	$ 37.2	66%
Other income:				
Interest income, net	$ 0.6	$ 1.9	$ (1.3)	(68)%
Other income	$ 9.0	$ 0.0	$ 9.0	NM[1]
Loss before tax	$ (9.3)	$ (54.2)	$ 44.9	83%
Income tax (expense) benefit	$ (0.0)	$ 0.0	$ (0.0)	NM[1]
Net loss	$ (9.3)	$ (54.2)	$ 44.9	83%

(2) NM means the percentage is not meaningful.

Revenue

	Fiscal Year Ended December 31,			
(In millions)	2020	2019	$ Change	% Change
Revenue	$ 230.8	$ 192.3	$ 38.5	20%

Revenue increased by $38.5 million, or 20%, for the year ended December 31, 2020 compared to the year ended December 31, 2019. The increase was primarily due to a 20.6% increase in the number of average monthly CLEAR Plus members in 2020 as compared to 2019, offset by a 0.5% decline in average revenue per CLEAR Plus member in 2020 as compared to 2019. Average CLEAR Plus members were approximately 2.07 million and 1.71 million in 2020 and 2019, respectively. The number of average CLEAR Plus members includes family members, which comprised approximately 27% and 24% of the average CLEAR Plus members in 2020 and 2019, respectively.

Operating Expenses

Information about the Company's operating expenses for the years ended December 31, 2019 and 2020 is set forth below.

Cost of Revenue Share Fee

	Fiscal Year Ended December 31,			
(In millions)	2020	2019	$ Change	% Change
Cost of revenue share fee	$ 33.2	$ 32.3	$ 0.9	3%

Cost of revenue share fee increased by $0.9 million, or 3%, for the year ended December 31, 2020 compared to the year ended December 31, 2019, due to the launch of three new airports (St. Louis Lambert International Airport, Nashville International Airport and Chicago Midway International Airport), higher average monthly Clear Plus members, offset by COVID-19 related concessions by certain airports with respect to fixed fees. Fixed fees increased by 9% net after concessions, or $0.7 million, and variable fees increased by 1%, or $0.2 million, in 2020.

Cost of Direct Salaries and Benefits

	Fiscal Year Ended December 31,			
(In millions)	2020	2019	$ Change	% Change
Cost of direct salaries and benefits	$ 40.5	$ 60.0	$ (19.5)	(33)%

Cost of direct salaries and benefits decreased by $19.5 million, or 33%, for the year ended December 31, 2020 compared to the year ended December 31, 2019. The decrease was primarily due a reduction in base employee compensation costs of $20.5 million from the leave of absence of airport ambassadors in response to reduced airline passenger traffic due to the COVID-19 pandemic.

Research and Development

	Fiscal Year Ended December 31,			
(In millions)	2020	2019	$ Change	% Change
Research and development	$ 32.0	$ 21.2	$ 10.8	51%

Research and development expenses increased by $10.8 million, or 51%, for the year ended December 31, 2020 compared to the year ended December 31, 2019. The increase was primarily due to an increase of $11 million in employee compensation costs, including stock compensation, and expenses related to the development of new products and services, and investment in new products and employees to drive our innovation initiatives.

Sales and Marketing

	Fiscal Year Ended December 31,			
(In millions)	2020	2019	$ Change	% Change
Sales and marketing	$ 16.4	$ 36.0	$ (19.6)	(54)%

Sales and marketing expenses decreased by $19.6 million, or 54%, for the year ended December 31, 2020 compared to the year ended December 31, 2019. The decrease was primarily due to a decrease of $11.5 million related to reduced marketing, promotional and advertising initiatives, primarily across our online platform and television. The decrease was also driven by a $6.8 million decrease in commission expense due to fewer new member enrollments.

General and Administrative

	Fiscal Year Ended December 31,			
(In millions)	2020	2019	$ Change	% Change
General and administrative	$ 118.2	$ 91.6	$ 26.6	29%

General and administrative expenses increased by $26.6 million, or 29%, for the year ended December 31, 2020 compared to the year ended December 31, 2019. The increase was primarily due to an increase of $36.4 million in equity-based compensation costs, primarily driven by the Company's repurchase of vested awards at a price in excess of their grant date fair value. These increases were offset by a decrease in professional services of $20.2 million, launch costs of $2.6 million and travel and entertainment expenses of $1.8 million.

Non-operating Income (Expense)

	Fiscal Year Ended December 31,			
(In millions)	2020	2019	$ Change	% Change
Interest income, net	$ 0.6	$ 1.9	$ (1.3)	(68)%
Other income	$ 9.0	$ 0.0	$ 9.0	NM[1]

NM means the percentage is not meaningful.

Interest income, net decreased by $1.3 million, or 68%, for the year ended December 31, 2020 compared to the year ended December 31, 2019. The decrease was primarily due to reduced interest rates and the sales of interest-bearing securities during 2020.

Other income increased by $9.0 million for the year ended December 31, 2020, compared to $0.0 for the year ended December 31, 2019. The increase was attributable to the fixed monthly payments included in a partnership agreement entered into late in 2019.

Liquidity and Capital Resources

Our operations have been financed primarily through equity financing and cash flow from operating activities. As of March 31, 2021, we had cash and cash equivalents of $175.7 million and marketable securities of $37.8 million. As of December 31, 2020, we had cash and cash equivalents of $116.2 million and marketable securities of $37.8 million.

We believe our existing cash and cash equivalent balances, cash flow from operations, marketable securities portfolio and amounts available for borrowing under our Credit Agreement will be sufficient to meet our working capital and capital expenditure needs for the near future.

Credit Agreement

On March 31, 2020, we entered into a Credit Agreement for a three-year $50 million revolving credit facility. On April 29, 2021, we amended the Credit Agreement to amend various provisions, including, but not limited to, increasing the commitments under the Credit Agreement from $50 million to $100 million. The revolving credit facility matures on March 31, 2024. Borrowings under the Credit Agreement generally will bear interest between 1.5% and 2.5% per year and will also include interest based on the greater of the prime rate, LIBOR or New York Federal Reserve Bank (“NYFRB”) rate, plus an applicable margin for specific interest periods. In addition, the Credit Agreement contains certain other covenants (none of which relate to financial condition), events of default and other customary provisions, and also contains customary LIBOR replacement mechanics. As of March 31, 2021, we had not drawn on the revolving credit facility and did not have outstanding borrowings under the Credit Agreement.

We have the option to repay our borrowings under the Credit Agreement without premium or penalty prior to maturity and to reborrow such amounts. The Credit Agreement contains customary affirmative covenants, such as financial statement reporting requirements, as well as customary negative covenants that restrict our ability to, among other things, incur additional indebtedness, sell certain assets, guarantee obligations of third parties, declare dividends or make certain distributions, and undergo a merger or consolidation or certain other transactions.

Cash Flow

The following summarizes our cash flows for the three months ended March 31, 2021 and 2020:

	Three Months Ended March 31,			
(In millions)	2021	2020	$ Change	% Change
Net cash used in operating activities	$ (0.3)	$ (41.8)	$ 41.5	(99)%
Net cash used in investing activities	$ (8.9)	$ (8.9)	$ 0.0	(4)%
Net cash provided by (used in) financing activities	$ 68.8	$ (96.8)	$ 165.6	(171)%
Net increase (decrease) in cash, cash equivalents, and restricted cash	$ 59.6	$ (147.5)	$ 207.1	(140)%
Cash, cash equivalents, and restricted cash, beginning of year	$ 139.1	$ 236.1	$ (97.0)	(41)%
Cash, cash equivalents, and restricted cash, end of year	$ 198.7	$ 88.6	$ 110.1	124%

The following summarizes our cash flows for the years ended December 31, 2020 and 2019:

	Fiscal Year Ended December 31,			
(In millions)	2020	2019	$ Change	% Change
Net cash (used in) provided by operating activities	$ (12.3)	$ 16.6	$ (28.9)	(174)%
Net cash used in investing activities	$ (21.6)	$ (25.8)	$ 4.2	16%
Net cash (used in) provided by financing activities	$ (63.0)	$ 180.4	$ (243.4)	(135)%
Net (decrease) increase in cash, cash equivalents, and restricted cash	$ (97.0)	$ 171.2	$ (268.2)	(157)%
Cash, cash equivalents, and restricted cash, beginning of year	$ 236.1	$ 64.9	$ 171.2	264%
Cash, cash equivalents, and restricted cash, end of year	$ 139.1	$ 236.1	$ (97.0)	(41)%

Cash flows from operating activities

For the three months ended March 31, 2021, net cash used in operating activities was $0.3 million compared to net cash used in operating activities of $41.8 million for the three months ended March 31, 2020, a decrease of $41.5 million primarily due to approximately $49.2 million of expense, representing the repurchases of profit units over their fair value, which contributed to the net loss in 2020. Additionally, for the three months ended March 31, 2021 compared to three months ended March 31, 2020, there were favorable changes in working capital of $6.5 million, primarily related to accrued liabilities and prepaid expenses and other current assets, offset by unfavorable changes in working capital of $4.1 million, primarily related to accounts payable and deferred rent.

For the year ended December 31, 2020, net cash used in operating activities was $12.3 million compared to net cash provided by operating activities of $16.6 million for the year ended December 31, 2019, a decrease of $28.9 million primarily due to approximately $50.6 million of expense, representing the repurchases of profit units over their fair value, which contributed to the net loss, and a $19.8 million decrease in the Company's deferred revenue balance, and therefore corresponding decrease in cash receipts from customers in 2020.

Cash flows from investing activities

For the three months ended March 31, 2021, net cash used in investing activities was $8.9 million compared to $8.9 million for the three months ended March 31, 2020, consistent quarter over quarter.

For the year ended December 31, 2020, net cash used in investing activities was $21.6 million compared to $25.8 million for the year ended December 31, 2019, a decrease of $4.2 million primarily due to proceeds from the sale of marketable debt securities. Gross sales of marketable debt securities were offset by purchases of marketable securities, with the net activity driving the increase in cash

flows from investing activities. The decrease in cash used in investing activities was also offset by additional property, plant and equipment purchases in 2020.

Cash flows from financing activities

For the three months ended March 31, 2021, net cash provided by financing activities was $68.8 million compared to net cash used in financing activities of $96.8 million for the three months ended March 31, 2020, an increase of $165.6 million. The increase was primarily due to a $198.4 million reduction in repurchases of temporary and members' equity, offset by a $33.4 million reduction in proceeds from issuance of members' equity and warrants.

For the year ended December 31, 2020, net cash used in financing activities was $63.0 million compared to cash provided by financing activities of $180.4 million for the year ended December 31, 2019, a decrease of $243.4 million. The decrease in cash flows from financing activities was primarily due to increased repurchases of members' units, and reduced proceeds from issuances of members' units in 2020 compared to 2019.

Commitments and Contingencies

The following summarizes expected cash requirements for contractual obligations as of March 31, 2021 (in millions). These cash requirements relate to future minimum payments under lease and airport agreements. See Note 16, Commitments and Contingencies of the notes to the consolidated financial statements included elsewhere in this prospectus for further discussion of contractual obligations and other contingencies.

(In millions)	Operating Lease Payments
2021	$ 11.9
2022	13.8
2023	12.6
2024	9.5
2025	6.5
Thereafter	17.3
Total	71.6

Additionally, the Company has commitments for future marketing expenditures to sports stadiums of $4.8 million as of March 31, 2021.

Quantitative and Qualitative Disclosure about Market Risk

In the normal course of business, we are subject to a variety of risks which can affect our operations and profitability. We broadly define these areas of risk and interest rate risk.

Interest Rate Risk

Interest payable on our revolving credit facility is variable. Borrowings generally will bear interest between 1.5% and 2.5% per year and will also include interest based on the greater of the prime rate, LIBOR or NYFRB rate, plus an applicable margin for specific interest periods. As of March 31, 2021, we had no outstanding borrowings under the revolving credit facility.

Off Balance Sheet Arrangements

We have no off-balance sheet arrangements.

Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in accordance with GAAP. The preparation of these financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements

and the reported amounts of revenues and expenses during the reporting period. Critical accounting policies are those that are the most important portrayal of our financial condition and results of operations and that require our most difficult, subjective and complex judgments as a result of the need to make estimates about the effect of matters that are inherently uncertain. While our significant accounting policies are described in more detail in the notes to our financial statements, our most critical accounting policies are discussed below.

Revenue Recognition

The Company derives its revenue primarily from subscriptions to its consumer aviation service, CLEAR Plus, which enables access to predictable and fast experiences through dedicated entry lanes in airport security checkpoints across the nation as well as our broader network. With CLEAR Plus, members use touchless biometric verification technology to validate their identity and travel credentials. The Company offers certain limited-time free trials, family pricing, and other beneficial pricing through several channels including airline and credit card partnerships. Membership subscription revenue comprises substantially all of total revenue and is presented net of taxes, refunds and credit card chargebacks.

Under ASC 606, *Revenue Recognition*, the Company recognizes revenue upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. To achieve the core principle of ASC 606, the Company performs the following steps:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract;
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract; and
- recognize revenue when (or as) the Company satisfies a performance obligation.

Subscription revenue

In determining how revenue should be recognized, the five-step process outlined above is used, which requires judgment and certain estimates. These judgments and estimates include identifying each of the performance obligations in the contract, determining whether the performance obligations are distinct, determining the stand-alone selling price (“SSP”) for each distinct performance obligation, estimating the amount of consideration to allocate to each performance obligation, and determining the timing of revenue recognition for each distinct performance obligation.

Subscription revenues are invoiced to subscribers in annual installments for subscriptions to our platform. There are no significant financing components included in our contracts with customers.

The Company primarily recognizes revenue ratably, from its consumer aviation service, CLEAR Plus, which enables access to predictable and fast experiences through dedicated entry lanes in airport security checkpoints across the nation as well as the broader network. This performance obligation is satisfied over time as the series of daily services, which are distinct from each other and the customer simultaneously receives and consumes the benefits. The Company uses a time-based output measure and revenue is recognized over the period in which each of the performance obligations are satisfied, as services are rendered, which is generally over the arrangement term as all arrangements are for a period of less than 12 months.

Impairment of Long-Lived Assets

The Company continually monitors, in accordance with ASC 360, *Property, Plant, and Equipment*, events and changes in circumstances that could indicate that the carrying amounts of its long-lived assets, including property and equipment may not be recoverable. When such events or changes in circumstances occur, the Company assesses the recoverability of long-lived assets by determining whether the carrying value of such assets will be recovered through their undiscounted expected future

cash flows. If the future undiscounted cash flows are less than the carrying amount of these assets, the Company recognizes an impairment loss based on the excess of the carrying amount over the fair value of the assets.

Equity-Based Compensation

The Company issues equity-based compensation under the fair value recognition provisions of ASC 718, *Compensation—Stock Compensation*. The Company measures the equity-based compensation cost at the grant date based on the fair value of the award and is recognized as expense over the requisite service period, subject to the probable achievement of performance conditions, if any. The Company measures the fair value of nonemployee equity-based compensation expense at the grant date based on the fair value of the award and recognizes the expense in the same period and in the same manner the entity would have if it had paid cash for the goods or services. The Company records forfeitures as they occur and does not estimate the number of awards expected to be forfeited.

The fair value of the Company's members' equity units underlying the awards has historically been determined by the board of managers with input from management and independent third-party valuation specialists, as there was no public market for the Company's members' equity units. The board of managers determines the fair value of the members' equity units by considering a number of objective and subjective factors including: the valuation of comparable companies, the Company's operating and financial performance, the lack of liquidity of members' equity units, transactions in the Company's Class A and Class B units, and general and industry specific economic outlook, amongst other factors.

Recent Accounting Pronouncements

See Note 1, Description of Business of the notes to the consolidated financial statements included elsewhere in this prospectus for details of recently issued accounting pronouncements and their expected impact on our consolidated financial statements.

Emerging Growth Company Status

The Company is an emerging growth company, as defined in the JOBS Act. Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. The Company has elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies, until the earlier of the date that it (i) is no longer an emerging growth company or (ii) affirmatively and irrevocably opts out of the extended transition period provided in the JOBS Act.

BUSINESS

Our Vision

With CLEAR, you are always you. We believe your identity should enable a frictionless and safe journey—both physically and digitally. Your secure identity is foundational to enabling frictionless everyday experiences, connecting you to the cards in your wallet and transforming the way you live, work and travel. All powered by our platform.

Our History

We launched CLEAR in 2010 to create a frictionless travel experience while enhancing homeland security.

Following 9/11, there was a dire need for safer and easier experiences in the aviation industry and biometrics helped solve this requirement by building an unbreakable link between you and your identity. Travelers were eager to return to the skies but demanded predictable and safe experiences. CLEAR's secure identity platform—which uses biometrics (e.g., eyes, face and fingerprints) to automate the identity verification process through CLEAR lanes in airports—helped make the travel experience safer AND easier as well as more predictable AND trusted for both our members and partners.

Since our inception, we envisioned a wide range of consumer applications that would be subject to similar secular trends. Today, consumers expect frictionless experiences in different facets of their lives, and businesses are seeking to create safer and more seamless customer and employee journeys. This is now known as the convenience economy. We believe COVID-19 has further accelerated these trends.

Our Business

Since 2010 we have been expanding our network, investing in our technology platform, strengthening our operations and developing our people to consistently deliver increased value to members and partners, resulting in the growth and trust of the CLEAR brand.

We have built an extensive physical footprint with a nationwide network of airports, stadiums and businesses to offer members frictionless, trusted experiences as they move and transact throughout the day in both physical and digital environments. As of May 15, 2021, our expansive network of partners and use cases provide our members with access to our nationwide network of 38 airports, 27 sports and entertainment partners and 66 Health Pass-enabled partners and events (some of which have multiple locations), as well as a growing number of offices, restaurants, theatres, casinos and theme parks. The continued expansion of our partnerships enable our partners to integrate with CLEAR and our members to use CLEAR in new places and in new ways.

Our technology platform delivers an elegant, consumer-centric front-end user experience. Our flexible technology stack is highly secure, scalable, and modular to enable our partners to seamlessly integrate with our platform. Securing data and protecting member privacy has been our member pledge since our founding. The DHS has certified our information security program at a FISMA High Rating (the highest designation according to the Federal Information Security Modernization Act).

Today, our owned and operated businesses such as CLEAR Plus (our consumer aviation subscription service) and our mobile applications are the largest users of our platform. We have enabled 61 million Total Cumulative Platform Uses across 64 airports and live sports and entertainment partners as of March 31, 2021. Our approximately 1,400 hospitality and security focused ambassadors and field managers on the ground as of May 15, 2021 bring our technology to life and work to deliver exceptional member experience everyday.

Our network, technology platform, operational expertise and ambassadors have helped us achieve our trusted brand and an average 2020 NPS of 75. We use NPS to help measure our member experience and satisfaction. NPS scores are measured with a single question survey asking, "How likely are you to recommend CLEAR to a colleague or friend?" on a scale of 1-10, with a higher score being more

desirable. NPS is calculated by subtracting the percentage of “detractors” (score 0-6) from “promoters” (score 9-10) with a possible score range between negative 100 and 100. Our members know when they see the CLEAR brand to expect a frictionless, fast and secure experience. Similarly, our partners trust CLEAR to enable them to deliver the same frictionless, fast and easy experiences to their own customers. Both our members and partners are passionate about CLEAR.

Our business model is powered by network effects and characterized by efficient member acquisition and high member retention rates. Our largest CLEAR Plus member acquisition channel is in-airport (representing 72% and 62% of member acquisitions for the year ended December 31, 2020 and 2019, respectively), where our prominent branding and expansive physical footprint allow prospective members to engage with CLEAR’s brand, ambassadors and technology firsthand. We are obsessed with member experience and maintained an average 2020 NPS of 75. Our passionate member base further drives viral, word of mouth marketing and high annual member retention rates. As we add partners, products and locations, our platform becomes more valuable to our members. In turn, as we grow membership, our platform is more valuable to our existing and prospective partners. This is evident in our accelerated growth rate since inception—it took seven years to reach our first million members, but less than one year to reach each of our second, third, fourth and fifth million members—and our approximately 16 times Lifetime Value relative to our Customer Acquisition Cost for CLEAR Plus members who joined during 2019.

We believe our brand and growing network will create transformational experiences across large parts of our members’ daily lives, much as credit card networks ushered in digitization of payments. With our operational expertise, member and partner scale, strong consumer brand, robust technology stack, secure identity platform and compelling financial profile, we believe we are uniquely positioned to solve the large and growing need to deliver safer, frictionless experiences to consumers and businesses. We intend to continue to expand the number of places and ways our members can use CLEAR, in turn increasing utility, engagement and membership.

COVID-19

Beginning in early 2020, the COVID-19 global health pandemic had a significant and horrific impact on people’s health, safety, and economic well-being. It also had a material adverse impact on the global and domestic travel industries, resulting from government instituted legal restrictions on travel, shelter-in-place orders and mandated quarantine periods to prevent the spread of the disease.

We responded swiftly and aggressively to the COVID-19 operating environment by eliminating marketing spend and reducing operating expenses while caring for and supporting our team, our members and our partners. At the same time we accelerated investments in our platform, including our healthcare vertical, and developed our Health Pass product, which connects our members’ identity to a digital health credential, giving them control over and access to their healthcare information.

We are proud of the resilience of our business and grateful for the commitment of our team through this challenging period. While United States domestic airline passenger volumes declined 60% in 2020 as compared to 2019, our Total Cumulative Enrollments increased 12.3% year-on-year to 5.2 million and we maintained Annual CLEAR Plus Net Member Retention of 78.8% (compared to 86.2% in 2019). While our Total Bookings declined 10.6% year-on-year, from $236.0 million to $211.0 million, and we incurred net losses of $54.2 million and $9.3 million in 2019 and 2020, respectively, our total revenue increased 20% from $192.3 million in 2019 to $230.8 million in 2020.

Our Network Effects

Our platform is multi-faceted and a powerful network of networks. We started in airports and witnessed accelerating member growth in both new markets and existing markets as our network expanded. As we launched new use cases in existing markets, we saw accelerated growth and improved retention. The ability to use CLEAR in more locations in more ways increases our utility to our members. The larger our member base becomes, the more valuable our platform becomes to our current and prospective partners who utilize our platform to better realize their business objectives. As a result, our

growth strategy is focused on simultaneously growing our CLEAR members while continuing to add valuable partners to our network and expanding the functionality and availability of our platform.

Our member base includes paying members and platform members. Paying members subscribe to our CLEAR Plus consumer aviation subscription service, which enables access to predictable and fast experiences through dedicated entry lanes in airport security checkpoints across the nation as well as our broader network. Our business model is powered by network effects and characterized by efficient member acquisition and high retention rates. Our largest CLEAR Plus member acquisition channel is in-airport (representing 72% and 62% of member acquisitions for the year ended December 31, 2020 and 2019, respectively), where our prominent branding and expansive physical footprint allow prospective members to engage with CLEAR's brand, ambassadors and technology firsthand. Our passionate member base further drives viral, word of mouth marketing and high annual retention rates. As we add partners, products and locations, our platform becomes more valuable to our members. In turn, as we grow membership, our platform is more valuable to our existing and prospective partners. This is evident in our accelerated growth rate since inception and our approximately 16 times Lifetime Value relative to our Customer Acquisition Cost for CLEAR Plus members who joined during 2019.

Platform members include members who enrolled through our mobile app and formerly paying CLEAR Plus members. Platform members can use CLEAR anywhere in our network outside of our CLEAR Plus service.

Typically new platform members are driven to enroll by one of our partners who integrate with CLEAR to enable frictionless experiences for their customers. Strategic equity holders of CLEAR include: Delta Air Lines, United Airlines, Liberty Media and Enlightened Hospitality. Key strategic partners include Wal-Mart, MLB and the NBA. In April, we announced a league-wide master services agreement with the NBA whereby individual teams can adopt our technology platform on pre-negotiated terms. Currently, we have deployed Health Pass with 12 of the 30 NBA teams with additional teams expected in 2021. We generally structure these partnerships beginning with the partner's priority use cases at launch, with the ability to add new products and features over time.

Our partners typically pay us based on the number of members or transaction volume. While contract structure may vary by use case, these deals are typically multi-year, recurring contracts that drive revenue primarily through transaction fees charged either per member, per use or per user over a predefined time period. In addition, they may also include one-time implementation fees, licensing fees, hardware-leasing fees or incremental transaction fees. Revenues from our partners, and the percentage of our total revenue from these partners, have historically been immaterial. Although platform members may not contribute directly to our revenues, they are valuable to our platform as they indirectly contribute to revenues and drive new partners to CLEAR.

Platform members are also driven to enroll directly to access our expanding portfolio of free mobile applications. Today these include CLEAR Pass for CBP Mobile Passport Control (international arrivals), Health Pass (which includes validation of COVID testing results and digitization of vaccine status), and Home to Gate (end-to-end frictionless travel journeys).

We believe there is a significant opportunity to expand our reach. We expect to expand CLEAR Plus through airport network expansion, increased market penetration in existing markets and new products in the aviation space. Trends in our favor include the reacceleration of the travel industry and consumer demand for touchless technology.

Additionally, we have a robust pipeline of new partners who increasingly recognize the need to deliver a fast, easy and secure experience to their customers—a true frictionless journey. We believe our platform can power a wide range of secure use cases including customer check-in, digital identity, account opening/know your customer, payments and physical entry and access. These use cases can be applied across verticals such as aviation and travel, hospitality, live sports and entertainment, healthcare and e-commerce, among others.

Our Offerings

Secure Identity Platform

Our secure identity platform is a multi-layered infrastructure consisting of both our front-end, including enrollment, verification and linking, and our robust, secure and scalable back-end. To engage with our platform, members simply enroll one time through our fast, secure and easy enrollment process.

CLEAR confirms identity on an opt-in basis using credential authentication (e.g., driver's license, passport), best-of-breed biometric capture technology, liveness detection for anti-spoofing, biometric matching, backend identity proofing and other proprietary technologies to link an individual's identity and their biometrics (e.g., eyes, face and fingerprints). Members can enroll in CLEAR in the manner which is most convenient for them: in-person enrollment pods in airports, stadiums, or arenas, or their own personal mobile device. CLEAR verifies identity and attributes using matching algorithms, liveness detection and other proprietary technology.

Our platform is versatile, can be used across different verticals and can be customized for specific applications or use cases. Our architecture is designed to be scalable without compromising member experience or information security. We have built extensive SDK and API capabilities to enable our partners to quickly and seamlessly integrate directly with our platform. This structure will allow us to facilitate safer, faster and more frictionless experiences for our partners' customers, while enabling our partners to continue to control and manage the direct relationship with their customer under their own brand.

We have a deep organizational commitment to preserving our members' privacy and ensuring members have ultimate control of their personal information. This commitment has been core to our member pledge since our founding over 11 years ago. We have a comprehensive information security program and a robust cybersecurity posture that uses industry best practices with administrative, technical and physical safeguards to protect against anticipated threats or hazards to the security, confidentiality or integrity of our platform's systems and information. Our information security core tenets include the application of encryption at rest and in transit, firewalls, multi-factor authentication, granular role-based access control, physical and personnel security (including training), intrusion detection and data loss prevention. We have a commitment to members being in control of their own information and never sell member data.

We have been certified at the highest level of security by our government regulators. The DHS has certified CLEAR's information security program at a FISMA High Rating (the highest designation according to the Federal Information Security Modernization Act).

Consumer Subscription Service

CLEAR Plus

CLEAR Plus is our consumer aviation subscription service, which enables access to predictable and fast experiences through dedicated entry lanes in airport security checkpoints across the nation as well as our broader network. With CLEAR Plus, members use our touchless biometric verification technology to validate their identity and travel credentials. Our team of hospitality and security focused ambassadors help bring our technology to life by delivering a frictionless journey alongside excellent service. CLEAR Plus retails for $179 per year per member and is billed upfront. We offer free trials in-airport and online and promotional pricing to select partners including Delta Air Lines and United Airlines frequent fliers, as well as a family plan for up to three household members at an additional $50 per year per family member. Through our partnership with American Express, eligible cardmembers receive statement credits for all or a portion of their CLEAR Plus membership. We also offer discounted military, government and student pricing and children under 18 can use CLEAR Plus for free with an adult member.

TSA PreCheck® Application Program

In January 2020, we were selected by TSA as an awardee in the TSA Biometric PreCheck ® Expansion Services and Vetting Program. As part of our agreement with TSA, we will leverage our marketing expertise, operational footprint and ambassador network to handle subscription renewal processing and new enrollments for the TSA PreCheck® program, as well as offer a CLEAR/TSA PreCheck® bundled subscription for customers who are new to both CLEAR and to TSA PreCheck ®. We will provide the ability to renew TSA PreCheck® memberships on our website and complete new enrollments in-airport through our ambassador network.

The TSA program is expected to launch in the second half of 2021 and will represent a new source of revenue and members. We believe that approximately 66% of our CLEAR Plus members are active TSA PreCheck® subscribers, and that there is a significant opportunity for us to process their TSA PreCheck® membership renewals. In addition, we believe we can add a large number of new TSA PreCheck® subscribers for TSA. After a new TSA PreCheck® customer is enrolled or renewed, we will offer the customer an opportunity to enroll in CLEAR on an opt-in basis. We believe CLEAR Plus and TSA PreCheck® are highly complementary services and this is a relevant channel to showcase not only the TSA PreCheck® value proposition, but also the power of the combination and the extension of a holistic home to gate travel journey. The partnership does not extend to performing physical security screening, which will continue to be operated by TSA. Our agreement with the TSA may be terminated by either party at any time by providing a 30-day notice. The agreement with TSA requires us to take appropriate measures to protect proprietary, privileged and confidential information, as well as to handle sensitive information.

Nationwide Physical Network

We have built an extensive physical footprint with a nationwide network of use cases including airports, stadiums and businesses to offer members frictionless, trusted experiences as they move and transact throughout the day in both physical and digital environments. As of May 15, 2021, members can access our nationwide network of 38 airports, 27 sports and entertainment partners and 66 Health Pass-enabled partners and events (some of which have multiple locations), as well as a growing number of offices, restaurants, theatres, casinos and theme parks. We are continually expanding our partnerships to enable members to use our platform in new places and in new ways.

Each CLEAR location utilizes one or more of our physical or digital offerings, which may include owned or leased hardware. Many CLEAR locations, for example at airports, also include designated entry lanes for CLEAR members. These locations are staffed by our team of approximately 1,400 hospitality and security focused ambassadors and field managers. Our ambassadors are a hospitality and security focused labor force that deliver the frictionless CLEAR experience every day to our partners and members. Our ambassadors facilitate a predictable and smooth CLEAR experience for existing members, enroll new members, and help bring our platform to life.

Mobile

We also engage with our members via two mobile apps: the flagship CLEAR app and CLEAR Pass for CBP Mobile Passport Control.

CLEAR App

The CLEAR app is our primary consumer-facing digital product which facilitates new user enrollment and member engagement from their mobile device. We are constantly investing in new features for the CLEAR mobile app, which makes our offering more valuable for members and partners and are offered at no charge. Features of the CLEAR mobile app include:

- **Enroll in CLEAR and manage your membership** —enrolling as a CLEAR member is a quick and easy process that can be handled directly through the CLEAR app via facial biometric recognition technology and validating a government-issued identification. This one-time enrollment can be completed in minutes and gives members access to our offerings and an easy upgrade path to CLEAR Plus at our airport locations.

- **Home to Gate**—members can have a predictable day-of-travel experience by inputting their flight number to access helpful information to assist their journey from the time they leave their home until they board the plane. Home to Gate integrates flight departure times, traffic data, security screening, gate number and terminal walking times to their exact gate. Additional services can be easily integrated into this platform.
- **Health Pass**—a free digital health credential service that uses CLEAR's established biometric platform to connect members' verified identity with health attributes such as COVID-19 test results, vaccination status, and health screening responses. Health Pass provides a critical solution to help individuals and businesses return to pre-COVID-19 normal. Health Pass can be integrated with CLEAR's hardware to enable verified identity and temperature screening.
- **Touchless Access**—we also enable touchless access to select partner services and venues, including airport lounges and event venues.

CLEAR Pass for CBP Mobile Passport Control

CLEAR Pass for CBP Mobile Passport Control is a free-to-use mobile app that streamlines entry to the United States. The app enables digital submission of certain U.S. Customs and Border Protection forms and U.S. entry via the mobile passport control lane, helping the CBP and travelers streamline the passport control process into an effortless and convenient journey. CLEAR Pass for CBP Mobile Passport Control is a brand enhancing, free to use product that allows us to engage with a broader audience and adds to CLEAR's overall value proposition in travel.

Partner Integrations

We have built extensive SDK and API capabilities to enable our partners to seamlessly integrate directly with our platform. We have designed these capabilities with the goal of allowing our platform to enable better, faster and more frictionless experiences for our partners' customers, while enabling our partners to continue to control and manage the direct relationship with their customer under their own brand. Use cases enabled by SDKs and APIs include identity validation, identity verification, attribute validation such as age validation, vaccine status and payment among others.

Our Value Proposition to Members and Partners

For our members, we have built a consumer-centric user experience that helps eliminate friction in their lives. We started with their travel journey and are expanding into their daily interactions in the physical and digital worlds. For our partners, we believe our rapidly expanding membership base and our platform strengthens their customer relationships and can elevate the experience they deliver daily to customers and employees.

Why Our Members Love Us

We are obsessed with our members' experience and seek to continually enhance the value we deliver to them through our platform as reflected by our strong member growth and our average 2020 NPS score of 75. We provide the following key benefits to our members:

- *We seek to transform manual experiences into seamless end-to-end journeys* : We are committed to making our members' lives safer and easier. Our platform and dedicated team of ambassadors help to transform inconvenient and often stressful consumer experiences into effortless journeys. Our goal is for CLEAR to instill a feeling of being cared for, of being seen, and of feeling safe with predictable, secure and seamless experiences.
- *We expand how and where our members can use CLEAR* : As of May 15, 2021, members can access our nationwide network of 38 airports, 27 sports and entertainment partners and 66 Health Pass-enabled partners and events (some of which have multiple locations), as well as a growing number of offices, restaurants and theme parks. We continue to expand our partnerships and seek to establish new partners to enable members to use our platform in new places and in new ways.

- *We invest in innovation*: We are focused on innovating both our product and our platform to improve our members' experience, improve safety and security and introduce new use cases. For example, to complement our CLEAR Plus airport security checkpoint offering, we developed a portfolio of mobile applications including Home to Gate and CLEAR Pass for CBP Mobile Passport Control. In addition to new products introduced in 2020, we improved our mobile enrollment experience and upgraded our APIs and enrollment capacity to support our growth. We intend to accelerate our pace of innovation to add more features and use cases, to ultimately deliver greater value to our members.
- *Our ambassadors bring CLEAR to life for our members* : Our passionate team of approximately 1,400 nationwide CLEAR ambassadors and field managers enhance our members' experience and in many instances bring our technology to life. They provide on-location high-touch sales and marketing support which enables new members to enroll and existing members to use our platform with comfort and ease. They also educate our members about our technology, security and privacy.
- *Trust and privacy are the foundation of CLEAR* : We have been certified at the highest level of security by our government regulators. The DHS has certified our information security program at a FISMA High Rating (the highest designation according to the Federal Information Security Modernization Act). Our members provide us with their personal information on an opt-in basis with the understanding that their information is secure and will never be rented or sold.

Why Our Partners Love Us

Our platform is designed to enable our partners to further their business objectives, better serve their customers' needs and elevate their customers' experiences. By transforming the end-to-end consumer journey, we believe CLEAR enables our partners to capture not just a greater share of their customers' wallet, but a greater share of their overall lives. We benefit our partners in a variety of ways, including:

- *We are a committed partner for innovation*: Partners turn to us to help them deliver safer, faster and easier experiences to their customers, who have increasingly high expectations for seamless end-to-end journeys. We provide flexibility for them to do so under their own brand through our SDK and API integrations or directly with CLEAR.
- *We have a large, highly engaged and growing CLEAR member base* : We have 5.6 million CLEAR members, many of whom are frequent travelers and active consumers. Many of our members are also core customers of our partners. Other members can opt-in to a relationship with our partners. As our embedded base of members grow, our partners will benefit from our reach by accelerated adoption rates and economies of scale.
- *Our brand is trusted*: We have built a trusted consumer brand with passionate members. We believe our recognized and trusted brand, which is known for innovation and exceptional member experiences, gives our partners confidence that we will enhance and elevate their own customers' experience.
- *Security is paramount*: Security is our core competency. We have a deep organizational commitment to securing data and protecting member privacy and a robust cyber-security posture. Data protection and privacy are complex and our partners rely on us to fulfill this requirement on their behalf.
- *We significantly benefit the airport communities in which we operate* : CLEAR becomes ingrained in the fabric of the local communities where we operate through the engagement of our members and we believe we make a significant positive economic contribution. CLEAR creates job opportunities, we invest in the learning and development of our local employees and seek to develop partnerships which are mutually beneficial for us, our partners and the community.
- *We operate our own direct-to-consumer offering, creating strong alignment with our partners* : We have over 10 years of experience operating CLEAR Plus, our owned and operated

consumer subscription service. As we invest in our platform to enhance the CLEAR Plus member experience, our partners benefit from these enhancements. We believe this creates natural alignment with our partners and makes us a trusted and forward-thinking partner to them.

Our Member Acquisition and Retention Strategy

We have focused our member acquisition strategy around delivering exceptional experiences to build brand trust as well as driving network effects by adding new partners, products and locations to increase our value proposition.

Our largest CLEAR Plus member acquisition channel is our highly efficient in-airport channel, where our prominent branding and expansive physical footprint allows prospective members to engage with CLEAR's brand, ambassadors and technology firsthand. Our passionate member base, as evidenced by our average 2020 NPS of 75, further drives viral, word of mouth marketing and high levels of retention. To ensure best-in-class member service we monitor real-time member feedback and quickly take action on information-driven insights. As we add new airport and non-airport locations (such as live sports and entertainment venues), the power of network effects makes CLEAR Plus more valuable to our members, further driving new member acquisition and higher member retention. We also entered into strategic distribution partnerships with enterprises such as Delta Air Lines, United Airlines and American Express who promote our services to their customers on a discounted or subsidized basis which allows us to efficiently scale membership in CLEAR Plus.

CLEAR also offers services that are free to members, both directly and under agreements with our partners who typically pay us based on the number of members or transaction volume. New platform members are largely driven to our platform by one of our partners who integrate with CLEAR to enable frictionless experiences for their customers. These partnerships allow us to scale our use cases and membership, which enhances the value of our network, and earn revenue from platform members.

Our expanding portfolio of free mobile applications attracts new platform members directly to our platform and creates enhanced value for our CLEAR Plus members. As a result, we expect our platform member acquisition costs to remain low. Today these include CLEAR Pass for CBP Mobile Passport Control (international arrivals), Health Pass (which includes validation of COVID testing results and digitization of vaccine status), and Home to Gate (end-to-end frictionless travel journeys). Certain platform members may wish to upgrade to CLEAR Plus, further driving our revenues.

As a result, we expect our platform member acquisition costs to remain low. Over time, as we continue to grow platform members, potentially at faster rates than paying members, we expect to see an acceleration in Total Cumulative Enrollments and Total Cumulative Platform Uses per Total Cumulative Enrollments as well as a decrease in revenue per Total Cumulative Enrollments accompanied by a commensurate decline in the cost to acquire an incremental Total Cumulative Enrollment. We believe this dynamic will grow the long-term economic value of our platform by increasing total engagement, expanding our margins and maximizing our revenue.

We measure our CLEAR Plus member Lifetime Value and Customer Acquisition Cost in an effort to measure the efficiency of our member acquisition and retention strategy. Lifetime Value is calculated by estimating the cumulative dollar contribution over the estimated lifetime of a CLEAR Plus member. To estimate retention rates we use an average of CLEAR Plus Net Member Retention between 2019 and 2020. We estimate the dollar contribution as the annual revenue per member less estimated direct costs to service that member including revenue share, credit card fees, and member service expense to process that member in a CLEAR lane. Customer Acquisition Cost is calculated by dividing total 2019 airport-related marketing spend, inclusive of commissions, by total new paying CLEAR Plus members who joined during 2019. On this basis, we achieved a Lifetime Value to Customer Acquisition Cost ratio of approximately 16 times for members who joined during 2019, which is the last year available for which we can measure renewals.

Our Competitive Advantages

Trusted and Extensible Brand with Passionate Member Base

From our founding, we have been obsessed with the CLEAR member experience. We have been expanding our network, investing in our technology platform, strengthening our operations and developing

our people to consistently deliver increased value to members and partners, resulting in our trusted and valued brand. Our average 2020 NPS of 75 is a reflection of the passion our members have for CLEAR, particularly our CLEAR lanes and our approximately 1,400 hospitality and security focused ambassadors and field managers. Our passionate member base drives viral, word of mouth marketing and high annual retention rates. This is evident in our accelerated growth rate since inception and our approximately 16 times Lifetime Value relative to our Customer Acquisition Cost for CLEAR Plus members who joined during 2019. It took seven years to reach our first million members, but less than one year to reach each of our second, third, fourth and fifth million members. Our strong brand has enabled our expansion into new markets such as live sports and entertainment venues as well as digital health.

Operational Expertise at Scale

Today, our owned and operated businesses such as CLEAR Plus and mobile applications are the largest users of our platform. Operating and scaling our own consumer-facing service, CLEAR Plus, over the past 11 years has given us experience and capabilities that are hard to replicate, and an environment for innovation that benefits all of our partners. We have significant expertise implementing and seamlessly operating our platform's combination of pod hardware, biometric technology and physical human interactions across 65 regulated or complex environments such as airports and live sporting events, as of May 15, 2021. We also manage a growing ambassador and field manager workforce of approximately 1,400, as of May 15, 2021, who are deployed across our expansive network of locations to implement our platform and continue to build our brand reputation. We combine our on-the-ground operational expertise with strong customer acquisition and retention, digital marketing, software and mobile application development and cybersecurity capabilities.

Platform Originated in High Security Aviation Environment

We started in aviation security, a regulated environment requiring a robust physical and information security posture. By building our platform in this context, we invested in, and were held accountable for, industry leading security, scalability and reliability. Our comprehensive information security program uses industry best practices with administrative, technical and physical safeguards to protect against anticipated threats or hazards to the security, confidentiality or integrity of CLEAR systems and information. We are certified as Qualified Anti-Terrorism Technology under the SAFETY Act and FISMA High Rating compliant which governs requirements for protecting sensitive data by the DHS. We continue to operate in aviation security today, and we use a single platform across all our use cases, both for our owned and operated businesses, such as CLEAR Plus, and for the experiences offered by our partners. As such, we bring our high standards of security, scalability, and reliability to every environment in which members engage with CLEAR.

Innovative and Scalable Platform

We believe that the significant investments we have made in our technology platform are a key differentiator for our business. Our approximately 180 person technology team leads platform innovation inside CLEAR. We have spent more than 11 years to create our scalable and secure back-end and our easy-to-use consumer front-end. The scalability of our platform is demonstrated by our ability to quickly launch new features. For example, in 2020 we were able to rapidly develop and launch Health Pass given the strength and modularity of CLEAR. We have also developed SDK and API capabilities to enable our partners to leverage our innovation and enable better experiences for their customers.

Powerful Network Effects

The power of network effects on our business model became evident as we added additional locations and our membership growth accelerated. Given the lengthy airport sales cycle and scarcity of airport real estate, it took us seven years to build a critical mass of airports to attract the first million members. Once we achieved this scale, the power of national network effects began to take hold. As the likelihood that a domestic traveler would have access to a CLEAR lane increased, the value proposition of our CLEAR Plus offering increased substantially. While it took seven years to reach the

first million members, it took less than one year to reach each of our second, third, fourth and fifth million members. In 2015, we embarked on a strategy to add additional local CLEAR lanes at stadiums and live entertainment venues. This strategy created a second local network effect, increasing the value proposition of CLEAR Plus within a given city and meaningfully improving our member retention. The combination of these two powerful network effects drives both member growth and retention which we believe ultimately fuels our revenue growth. Over the past five years, our strategy expanded as our platform's capabilities have evolved. Our investment in our platform and products and the expanding scale of our membership have accelerated the addition of new partners that are further accelerating our membership growth and increasing verifications.

Attractive Growth While Maintaining Disciplined Capital Allocation

We have consistently focused on growth by investing in our secure identity platform, expanding our nationwide network and partnerships, adding talented team members and continuing to innovate. We are disciplined capital allocators and have achieved our current scale on net invested capital of approximately $50 million. Our business model is powered by network effects and characterized by efficient member acquisition and high retention rates. Our largest CLEAR Plus member acquisition channel is in-airport (representing 72% and 62% of member acquisitions for the year ended December 31, 2020 and 2019, respectively), where our prominent branding and expansive physical footprint allow prospective members to engage with CLEAR's brand, ambassadors and technology firsthand. As we add partners, products and locations, our platform becomes more valuable to our members. This is evident by our approximately 16 times Lifetime Value relative to our Customer Acquisition Cost for CLEAR Plus members who joined during 2019.

Led by Experienced, Visionary Team

CLEAR was purchased and relaunched in 2010 by Ms. Caryn Seidman-Becker, our Chief Executive Officer, and Mr. Kenneth Cornick, our President and Chief Financial Officer. CLEAR is still executing on the original vision today, with Ms. Seidman-Becker and Mr. Cornick continuing to lead the business 11 years later. They are substantial owners of CLEAR and operate the business with the goal of long-term value creation. Ms. Seidman-Becker's and Mr. Cornick's prior investment experience informs their efficient capital allocation strategy, and they have attracted a deeply experienced team to accelerate CLEAR's next phase of growth.

Our Opportunity

We believe that only *you* are *you*—your identity should enable a frictionless and safe journey wherever you are. Our platform allows members to use a single identity to move frictionlessly through a network of different experiences, both digital and physical, while partners can instantly turn on frictionless access and better experiences for the millions of members who use the CLEAR platform. We believe that our market opportunity is vast and supported by several significant long-term tailwinds driving demand for our platform.

Trends in Our Favor

- *Re-opening of and return to secular growth in the travel industry* : The COVID-19 pandemic resulted in a dramatic collapse in United States domestic airline passenger volumes in 2020. As the penetration of the COVID-19 vaccinations increases, we believe the travel industry will re-open and return to secular growth. In the near term, we believe consumers will be more inclined to travel than they have been historically, given the relative inability to travel since the beginning of the pandemic. For example, according to a March 2021 study by Morning Consult, 63% of U.S. adults said they are excited about the opportunity to take a vacation once the pandemic is under control. Over the longer term, we believe the travel industry will resume growing at a rate above GDP growth, as it consistently did prior to 2020.
- *Expanded Airport Footprint and Travel Partner Network* : Compounding the anticipated rebound in travel post the COVID-19 pandemic, we have materially increased our airport footprint and added several large marketing partners in the last 24 months. Typically we

experience outsized member growth when we launch new airports and marketing partnerships. As of May 15, 2021, 10 airports, including Newark Liberty International Airport and Chicago O'Hare International Airport have not operated for a full year in a non-COVID environment. Additionally, we launched our partnerships with United Airlines and American Express in the second half of 2019. Given the reduction in travel during 2020, we believe there is significant pent up demand for CLEAR Plus in our new markets and through our new marketing partnerships.

- *Increasing consumer expectations for seamless and customized experiences* : Today consumers in both their digital and physical experiences expect to dictate when, where and how they want a particular service. Historical tolerance of unpredictable wait times, manual processes and needing multiple cards has been replaced by expectations for seamless experiences, digital processes and immediate access. Traditional consumer engagement methods have also been replaced by the desire and expectation for a personalized experience—one that enables the consumer to allocate their time and money according to their own preferences. Today's consumer rewards brands who they believe are committed to elevating their experiences and according to Forbes, 83% of consumers admit to paying as much attention to how brands treat them as to the product they sell. We believe that brands that prioritize consumer trust and experience are poised to succeed, and significant value has already accrued to platforms that have successfully adapted through the utilization of digital tools.
- *Increased consumer and regulatory focus on information privacy and transparency* : Privacy is an increasingly important priority for consumers, with heightened awareness of data sharing as digital technology adoption accelerates. Consumer desire for privacy and data control, coupled with high profile incidents of data breaches, has led to new government regulations, such as the GDPR in Europe and the California CCPA in the United States. This translates to demand for trusted platforms that are able to secure both consumers and regulators confidence in data storage and protection.
- *Acceleration of digital and contactless experiences* : COVID-19 has underscored the need for efficient and contactless interactions, with shifting priorities towards health and safety. Individuals are reassessing the way they interact, with 62% of consumers expected to increase their use of touchless technologies after the pandemic subsides, according to Capgemini. The pandemic has also had a profound impact on the ability of consumers to experience their lives without limitation. As a result, demand for travel, dining and other social events are expected to grow exponentially. According to data from the U.S. Bureau of Economic Analysis, the national savings rate rose during the pandemic, signaling the potential for a dramatic near-term change in consumer activity. We believe that organizations, like us, that are prepared to take advantage of a fresh demand cycle, while meeting new consumer expectations, will thrive in a post-pandemic world.
- *Accelerating consumerization of healthcare* : Consumerization of healthcare is a technology-enabled trend that has been accelerated by the COVID-19 pandemic. Patients have more control than ever over how, where and when they seek care—both physically and digitally. Bolstered by regulation requiring greater interoperability of healthcare data, consumers' need for control with respect to their data and a desire for a better patient experience, we believe the demand for our secure identity solution in the healthcare sector is significant.

Addressable Market

We believe we are well positioned to address the following significant market opportunities:

- *Aviation and Travel*: The domestic aviation market has penetrated a significant portion of the American adult population and has been a driving force in our growth trajectory since we launched our CLEAR Plus offering. A 2017 Airlines for America survey suggests that approximately 90 million American adults fly two times or more per year and approximately 31 million fly six times or more per year. Additionally, the Bureau of Transport Statistics reported

over 810 million non-unique domestic travelers in 2019. We believe the scale of the domestic aviation and travel markets provides a substantial opportunity for us to use our platform to drive membership growth.

- *Hospitality*: Given our leadership in travel, the hospitality industry represents a natural extension for our platform. For example, in 2020, we announced a partnership with MGM Resorts to facilitate the safe return of meetings and conventions at the company's properties throughout the United States via our Health Pass offering. We believe this partnership represents an example of how our platform can enable frictionless experiences for the hospitality industry. According to Cushman & Wakefield's U.S. Lodging Industry Overview, there were approximately 1.3 billion room nights occupied nationwide in 2019, representing a significant verification opportunity for our platform.
- *Live Sports and Entertainment*: The live sports and entertainment industry was the first major extension of our platform and is expected to be a driver of growth moving forward. According to ESPN, there were approximately 130 million sports attendees in 2019 across the NFL, the NBA, MLB and the NHL. Similarly, live music entertainment attracted nearly 60 million attendees in 2019 according to Statista. We believe that each of these attendance instances represent a verification opportunity for our platform.
- *Healthcare*: We believe our secure identity platform has multiple use cases in thousands of hospitals and doctors' offices nationwide including patient check-in, digital medical records, telehealth and verified identity. Based on data compiled by the CDC, we estimate that there are over one billion healthcare visits in the United States annually. Total visits include those to primary care offices, emergency rooms and outpatient and community health care clinics, and is based on data across varying time periods since 2006. Our Health Pass product was our first example of connecting verified identity with health insights.
- *Location Access*: According to Forrester, there are approximately 115 million knowledge workers in North America. Our biometric identity platform has the potential to play a key role in enabling the frictionless return to the office for these knowledge workers.
- *Global Extensibility*: While we are domestically focused today, we believe our platform is applicable to potential members and partners around the world. As a result, we believe our global market opportunity is significantly larger than our domestic market opportunity.

Our Growth Strategies

We have a significant track record of member growth within our domestic aviation vertical, and our platform has numerous adjacencies for further expansion.

Key elements of our growth strategy include:

- *Grow CLEAR Plus Members*: We see growth opportunities in our CLEAR Plus member base. We are still in the early stages of growth as our airport footprint currently covers approximately 53% of the total TSA departure volume, as of May 15, 2021. As of March 31, 2021, our Total Cumulative Enrollments of 5.6 million represents about 4% MSA penetration of our existing markets collectively. In Denver, one of our more developed markets, MSA penetration is about 10% and is still growing by approximately one percentage point per year. This implies we have a meaningful growth opportunity in our existing markets, as seen in Denver, where Total Bookings grew at a 44% CAGR between 2014 and 2019 and profit margins expanded approximately 1800 bps over the same time period. We believe we can continue to open CLEAR lanes in new airports and new CLEAR lanes in our existing airports. We also believe there are opportunities to develop new features such as touchless lounge access and bag drop to improve the member and partner experience.
- *Launch TSA PreCheck® enrollment program*: We believe our TSA PreCheck® enrollment award will drive significant growth for TSA's program and a meaningful incremental revenue opportunity to CLEAR as we manage renewal processing and new enrollments for TSA PreCheck® subscriptions. Our TSA PreCheck® award also offers a significant top-of-funnel

opportunity to acquire new CLEAR Plus members as we intend to offer a CLEAR/TSA PreCheck® bundled product for customers who are new to both CLEAR and to TSA.

- *Expand our partnerships and distribution channels*: We intend to continue to pursue commercial partners as a means to broaden our distribution channel reach and accelerate member growth. These partnerships and channels are likely to include new airlines, credit card partners, professional sports leagues and teams, digital marketplaces and retail enterprises.
- *Expand into new verticals and products*: We have already made significant progress expanding from aviation into select new verticals, including travel and hospitality, live sports and entertainment and healthcare. We plan to continue investing in each of these verticals to increase the growth of our platform, member base and our network locations where our members can use and our partners can integrate with CLEAR. We believe we have a proven platform business with numerous natural adjacencies and as our member base and product portfolio grows, we believe we will have the opportunity to grow into new verticals. This portfolio includes, but is not limited to, payments, location access, ticketing, age validation and health profiles. We may also seek to expand our platform to include single sign-on in addition to our existing API and SDK integration capabilities, which may create new revenue streams through new business models.
- *Acquisitions and corporate development opportunities*: We may opportunistically pursue selective acquisitions and other corporate development opportunities to complement our existing platform capabilities and further accelerate our growth and platform adoption.
- *International expansion*: Our platform is highly scalable and can be rapidly deployed in new markets. We believe that there is likely to be global demand for our secure identity platform. While in the near-term the North American market remains our highest priority, we may later consider extending our network into geographies outside of the United States.

Our People and Culture

Our organization’s core values are:

- **Embrace Change**: Our growth requires that we embrace change. We pivot to overcome roadblocks and we are transparent on why decisions are made.
- **Own It**: CLEAR is an organization of doers. We own it by solving problems even if they “aren’t ours to solve” and commit to seeing them all the way through.
- **Great People**: From our ambassadors in the field, to our corporate team members, people are at the heart of all that we do.
- **Obsessed with Member Experience**: We are obsessed with our member experience. We love hearing from our members so that we can continuously improve and come back better for them every day.
- **Speak Up**: We believe in challenging fearlessly and embracing the brutal truth. We speak up by displaying honesty to our members, our team members, and ourselves.
- **Indefatigable**: We tirelessly pursue our goals with passion and sometimes “no” simply means “not yet”.
- **Bias for Action**: We encourage our team members to have a bias for action, using data to make calculated decisions. We have confidence in our decisions and learn from our mistakes.

We pride ourselves on diversity and inclusion and believe that our workforce not only represents these values, but enables us to better execute on our vision. As of March 31, 2021, over 85% of our ambassadors are people of color and over 60% of our ambassadors are female.

As of May 15, 2021, we had 1,610 full-time employees with our largest workforces in New York, Los Angeles and Atlanta. We compete to attract and retain diverse and highly talented individuals, particularly people with expertise in engineering, product development and marketing. Our ability to

recruit talent benefits from our unique workplace culture and brand. None of our employees are covered by collective bargaining agreements, and we consider our employee relations to be good.

Our Competition

We compete for both our members and our partners. The market in which we operate is highly fragmented and characterized by high growth, shifting user preferences, and introductions of new services and offerings. Our primary competitors are offline alternatives, including manual security checks and screening processes. These alternatives tend to be costly and involve significant manpower, time and resources. See ''Risk Factors—Risks Related to Our Business, Brand and Operations—We operate in a highly competitive market, and we may be unable to compete successfully against existing and future competitors.''

We provide a clear value proposition for both our members and our partners. For our members, we have built a consumer-centric user experience that helps eliminate friction in their lives. We started with their travel journey and are expanding into their daily interactions in the physical and digital worlds. We are obsessed with our members' experience and are continually enhancing the value we deliver to them through our platform. For our partners, our rapidly expanding membership base and our platform can elevate the experience they deliver daily to customers and employees. Our platform is designed to enable our partners to further their business objectives, better serve their customers' needs and elevate their customers' experiences.

We believe we are favorably positioned over the long-term based on our first-mover advantage, comprehensive offering acrossing use cases and attractive network effects.

Intellectual Property

We believe that our intellectual property rights are valuable and important to our business. We rely on a combination of patents, trademarks, copyrights, trade secrets, know-how, confidentiality provisions, non-disclosure agreements, assignment agreements, and other legal and contractual rights with employees, contractors, and other third parties to establish and protect our proprietary technology and intellectual property rights.

As of March 31, 2021, we have 25 issued United States patents (with two additional patents allowed) and 47 patent applications pending in the United States relating to certain aspects of our technology. We also have a limited number of patents issued and patent applications filed in other countries. Our issued patents expire between 2031 and 2039. These patents and patent applications are intended to protect our proprietary inventions relevant to our business. We cannot assure you that any of our patent applications will result in the issuance of a patent or whether the examination process will require us to narrow our claims. Further, even our issued patents may be contested, circumvented or found invalid or unenforceable, and we may not be able to prevent infringement of our patents by third parties.

As of March 31, 2021, we have five U.S. registered trademarks, and eight trademark applications pending in the United States. These include registrations for the CLEAR name and other brand indicia. We also have registered the domain name www.clearme.com, and similar variations. We cannot guarantee that any of our trademark applications will result in the issuance of a trademark registration. Further, our trademarks may be contested, cancelled or found invalid or unenforceable, and we may not be able to prevent infringement of our trademarks by third parties.

We intend to pursue additional intellectual property protection to the extent we believe it would be beneficial and cost effective. Despite our efforts to protect our intellectual property rights, they may not be respected in the future or may be invalidated, circumvented, deemed unenforceable or otherwise challenged. Further, even if we are successful in legal proceedings, unauthorized third parties may still copy or otherwise obtain and use our technology or infringe our copyrights and trademark rights. In addition, should we expand, the laws of various foreign countries where we may expand may not protect our intellectual property rights to the same extent as laws in the United States.

Companies engaged in related businesses or even unrelated businesses may have patents, copyrights, trademarks, trade secrets and other intellectual property rights which such companies may assert are infringed by our technology or business activities. From time to time, we face, and we expect to face in the future, allegations that we have infringed the patents, copyrights, trademarks, trade secrets and other intellectual property rights of third parties, including our competitors and non-practicing entities. Should our business continue to grow, we will likely face more claims of infringement by third parties. We may become party to patent infringement claims and other intellectual property litigation and legal proceedings, all of which can be expensive and time consuming, and if resolved adverse to the Company, could have a significant impact on our business. See "—Legal Proceedings" and "Risk Factors—Risks Related to Information Technology and Intellectual Property."

Government Regulation

Our business is and will continue to be subject to U.S. federal, state and local laws and regulations. These laws, regulations and standards govern issues such as the collection and use of personally identifiable information, including biometric information and health information, privacy, data security, whistleblowing and worker confidentiality obligations, product liability, text messaging, subscription services, intellectual property, arbitration agreements and class action waiver provisions, terms of service, mobile application accessibility and background checks. These regulations are often complex and subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may change or develop over time through judicial decisions or as new guidance or interpretations are provided by regulatory and governing bodies, such as federal, state and local administrative agencies. For example, the CCPA provides enhanced data privacy rights to California residents, such as affording consumers the right to access and delete their information and to opt out of certain sharing and sales of PII. The law also prohibits covered businesses from discriminating against consumers (for example, charging more for services) for exercising any of their CCPA rights. In November 2020, California voters passed the CPRA, which further expands the CCPA with additional data privacy compliance requirements that may impact our business, and establishes a regulatory agency dedicated to enforcing those requirements. And in March 2021, Virginia enacted the VCDPA, which similarly provides consumers with certain rights regarding PII, and imposes obligations on businesses that process PII to comply with those rights and creates penalties for businesses that fail to comply with those obligations. See "Risk Factors—Risks Related to Regulation and Litigation—Any actual or perceived failure to comply with applicable laws relating to privacy and data protection may result in significant liability, negative publicity and erosion of trust, and increased regulation could materially adversely affect our business, results of operations and financial condition."

Further, to the extent we expand internationally we would become subject to similar regulatory regimes in other countries, which may be equally or more complex. For example, if we expand in Europe we would become subject to GDPR.

Our airport operations are subject to standards promulgated by the federal government related to aviation security. These standards pertain to items such as checkpoint operations, enrollment and verification processes, employee hiring and training and information technology. These standards in some cases are overseen directly by the federal government and in some cases are overseen indirectly through our airport or airline partners. For example, TSA has determined that the technology system utilized for our Registered Traveler program meets the FISMA High Rating standard for information security. Relatedly, the system we use for the Registered Traveler program and similar programs has been certified by the DHS as a Qualified Anti-Terrorism Technology under the SAFETY Act. The SAFETY Act provides important legal liability protections for providers of qualified anti-terrorism products and services. Under the SAFETY Act, technology providers may apply to the DHS for coverage of the products and services. If granted coverage, such providers receive certain legal protections against product liability, professional liability and certain other claims that could arise following an act of terrorism. See "Risk Factors—Risks Related to Regulation and Litigation—Liability protections provided by the SAFETY Act may be limited."

In addition, HIPAA imposes specific requirements relating to the privacy, security and transmission of individually identifiable health information. Among other things, HITECH makes HIPAA's security

standards directly applicable to "business associates." Although we do not currently function as a business associate, in the future we expect to expand our solutions in the healthcare industry and become a business associate for certain of our existing partners and future partners that are HIPAA covered entities and service providers, and in that context we may be regulated as a business associate for the purposes of HIPAA. In the event we become a business associate, we will be required by HIPAA to maintain HIPAA-compliant business associate agreements with our partners that are HIPAA covered entities and service providers, as well as our subcontractors, to the extent applicable, that access, maintain, create or transmit individually identifiable health information on our behalf for the rendering of services to our HIPAA covered entity and service provider members. See "Risk Factors—Risks Related to Regulation and Litigation—To the extent our business expands into health care applications and we collect and use personal health information, we could function as a HIPAA 'business associate' for certain of our partners and, as such, could be subject to strict privacy and data security requirements. If we fail to comply with any of these requirements, we could be subject to significant liability, which can adversely affect our business as well as our ability to attract and retain new members and their utilization of our platform."

Facilities

Our headquarters and principal executive offices are located at 65 East 55th Street, 17th Floor, New York, New York 10022, consisting of approximately 34,825 square feet, under a lease which expires in June 2030 unless terminated earlier under certain circumstances specified in our leases.

In most of the airports, stadiums and other venues where we operate, we typically operate under a concessionaire or services agreement with the airport or other venue. For the space we use under these agreements, we are typically responsible for maintenance, insurance and other facility-related expenses and services under these agreements. In many of these locations we lease small offices for our team members to use.

We believe that our facilities are in good operating condition and adequately meet our current needs, and that additional or alternative space to support future use and expansion will be available on reasonable commercial terms.

Legal Proceedings

From time to time, we have been involved in legal proceedings and in the future may be subject to claims, lawsuits and other proceedings arising during the ordinary course of business, including, without limitation, claims by members, intellectual property claims, contract and employment claims and claims related to data privacy. In the ordinary course of business, we may also be subject to regulatory and governmental investigations, information requests and subpoenas, inquiries and threatened legal actions and proceedings. Currently, there are no claims or proceedings against us that we believe will have a material adverse effect on our business, results of operations, financial condition or cash flows. However, the results of any current or future claims, proceedings or litigation cannot be predicted with certainty and, regardless of the outcome, we may incur significant costs and experience a diversion of management resources as a result of litigation. See ''Risk Factors—Risks Related to Litigation—We may be subject to legal proceedings, regulatory disputes and governmental inquiries that could cause us to incur significant expenses, divert our management's attention and materially harm our business, financial condition and operating results.''

MANAGEMENT

Directors and Executive Officers

The following table sets forth the names and ages of our executive officers and directors as of the date of this prospectus.

Name	Age	Position
Caryn Seidman-Becker	48	Chief Executive Officer and Chair of the Board of Directors
Kenneth Cornick	48	President, Chief Financial Officer and Director
Chiranjiv S. Jouhal	45	Chief Technology Officer
Richard N. Patterson Jr.	52	Chief Information Security Officer
Matthew Levine	49	General Counsel and Chief Privacy Officer
Maria A. Comella	40	Head of Public Affairs
W. Catesby Perrin III	39	Executive Vice President, Growth
Michael Z. Barkin	43	Director
Jeffery H. Boyd	64	Director
Timothy Brosnan	62	Director
Adam Wiener	42	Director

Set forth below is a brief biography of each of our executive officers and directors.

Caryn Seidman-Becker has served as our Chief Executive Officer since 2010 and serves as Chair of the board of directors. Ms. Seidman-Becker's vision to build a safer, more secure world to live, work and play came to life in 2010 when she and co-founder Mr. Cornick relaunched CLEAR. CLEAR's values and leadership principals are a reflection of her early roots and exposure to the leaders and companies that she invested in throughout her career. Prior to CLEAR, from 2002 to 2009, she started and was the managing partner of Arience Capital, an over $1 billion value-oriented asset management firm focused on investing in companies across a broad spectrum of industries including consumer, technology, aerospace and defense and turnarounds. Prior to Arience Capital, she served as managing director at Iridian Asset Management, an investment advisor firm, and assistant vice president at Arnhold and S. Bleichroeder, an investment bank. Ms. Seidman-Becker serves as a director on the board of directors of Lemonade (NYSE: LMND), an insurance company, and previously served as a director on the board of directors and member of the audit committee of CME Group, Inc. (NASDAQ: CME), a public financial market company. Ms. Seidman-Becker holds a Bachelor of Science degree in Political Science from the University of Michigan. We believe Ms. Seidman-Becker is qualified to serve as a member of our board of directors because of her experience co-founding, building and leading our business since its relaunch, her insight into corporate matters as our Chief Executive Officer and her extensive leadership background.

Kenneth Cornick has served as our President since 2010 and Chief Financial Officer since January 2020 and from our inception to August 2017. In addition, Mr. Cornick serves as a member of our board of directors. Mr. Cornick co-founded CLEAR with Ms. Seidman-Becker in 2010. Prior to CLEAR, he was a partner at Arience Capital from 2003 to 2009. Mr. Cornick holds a Bachelor of Arts degree from Bowdoin College and serves on the board of LREI, a progressive independent school in New York City. We believe Mr. Cornick is qualified to serve as a member of our board of directors because of his experience co-founding, building and leading our business since its relaunch and his insight into financial matters as our Chief Financial Officer.

Chiranjiv S. Jouhal has served as our Chief Technology Officer since February 2020. Prior to that, Mr. Jouhal served as our Head of Engineering from September 2019 to February 2020. Prior to joining us, from April 2018 to July 2019, Mr. Jouhal was the head of technology at Zocdoc, a digital healthcare marketplace. From January 2016 to April 2018, he was the senior director of software development at Audible, Inc., an Amazon (NASDAQ: AMZN) company providing online audiobook and

podcast services. Mr. Jouhal was also the director of engineering at eBay (NASDAQ: EBAY), an e-commerce corporation, from 2012 to January 2016 and, prior to that, the principal software engineer/technology lead. Mr. Jouhal holds a Bachelor of Science degree from the University of Pittsburgh and a Masters of Science in Engineering from the University of Pennsylvania.

Richard N. Patterson Jr. has served as our Chief Information Security Officer since December 2020. Prior to joining us, Mr. Patterson was the head of security operations, head of risk at Bridgewater Associates, an investment management firm, from April 2014 to September 2020. Prior to that, he served as the director of information security, compliance and privacy at PetSmart, a pet superstore, from 2011 to 2014 and director of security for Sidley Austin, a law firm, from 2006 to 2011. He also previously served as a special agent for the U.S. Secret Service and U.S. Army Criminal Investigative Division. Mr. Patterson holds a Bachelor of Arts degree from California State University, Fullerton, and a Masters in Computer, Network and Information Security from DePaul University.

Matthew Levine has served as our General Counsel and Chief Privacy Officer since June 2012. From 2004 to July 2012, Mr. Levine was the associate general counsel at Dealertrack (NASDAQ: TRAK), a software company, where he was responsible for merger and acquisition and technology transactions, and was part of the team that took Dealertrack public. Mr. Levine began his career as an associate at LeBoeuf, Lamb, Greene & MacRae, LLP, an international law firm. Mr. Levine holds a Bachelor of Arts degree from the University of Michigan and a Juris Doctor from the University of Chicago Law School.

Maria A. Comella has served as our Head of Public Affairs since January 2020. Prior to joining us, she was global head of regional public affairs and policy at WeWork, a provider of shared workspaces, from January 2018 to December 2019 and served as chief of staff at the Office of Governor Andrew Cuomo from February 2017 to January 2018. Prior to that she was the chief messaging officer at Chris Christie for President from June 2015 to February 2016 and served as deputy chief of staff for communications and strategic planning for the Office of Governor Chris Christie from 2010 to June 2015. She also serves as a director on the board of directors for Cities of Service, a civic and social organization, and is a visiting associate at the Eagleton Institute of Politics at Rutgers University. Ms. Comella holds a Bachelor of Arts degree from The George Washington University.

W. Catesby Perrin III has served as our Executive Vice President, Growth since January 2020. Prior to joining us, Mr. Perrin was the vice president, corporate development and head of global strategic partnerships at WeWork from September 2017 to November 2019. Prior to that, he was the vice president, head of business development and strategic partnerships, senior director, business development and director, business development of SoFi, a personal finance company, from March 2016 to September 2017, May 2015 to May 2016 and October 2014 to May 2015, respectively. From January 2011 to June 2014, Mr. Perrin was an associate at Skadden, Arps, Slate, Meagher & Flom LLP, an international law firm. Mr. Perrin holds a Bachelor of Arts degree from Princeton University and a Juris Doctor from Harvard Law School.

Michael Z. Barkin serves as a member of our board of directors. Mr. Barkin currently serves as executive vice president and chief financial officer of Vail Resorts, Inc. (NYSE: MTN), an American mountain resort company ("Vail"), since April 2013. Prior to that, Mr. Barkin previously served as vice president of strategy and development of Vail since July 2012. Prior to joining Vail, he was a principal at KRG Capital Partners, a private equity investment firm ("KRG"), where he was a member of the investment team since 2006. At KRG, Mr. Barkin was responsible for managing new acquisitions and had portfolio company oversight across multiple sectors. Prior to KRG, he worked at Bain Capital Partners, a private equity investment firm, and Bain & Company, a strategy and consulting firm. Mr. Barkin currently serves on the board of directors of the National Forest Foundation (NFF) and the Museum of Contemporary Art in Denver. Mr. Barkin holds a Bachelor of Arts degree from Williams College and a Masters in Business Administration from Stanford University. We believe Mr. Barkin is qualified to serve as a member of our board of directors because of his experience in business model transformation, organizational scaling, capital allocation and financial planning.

Jeffery H. Boyd serves as a member of our board of directors. Mr. Boyd served as chief executive officer and president of Booking Holdings Inc. (NASDAQ: BKNG) (formerly known as The Priceline

Group, Inc.), an online travel company ("Bookings"), from November 2002 to December 2013, as interim chief executive officer from April 2016 to December 2016, as chairman of the board from April 2016 to June 2020 and as a director since October 2001. Mr. Boyd also served as Booking's president and co-chief executive officer from August 2002 to November 2002, its chief operating officer from November 2000 to August 2002, and its executive vice president, general counsel, and secretary from January 2000 to October 2000. Mr. Boyd has also served as the chairman of the board of directors of Oscar Health, Inc. (NYSE: OSCR), a health insurance company, since February 2021 and a member of the board of directors of The Home Depot, Inc. (NYSE: HD), a home improvement retailer, since October 2016, among other director positions. Mr. Boyd holds a Bachelor of Arts degree from St. Lawrence University and a Juris Doctor from Cornell Law School. We believe Mr. Boyd's extensive experience in health care, e-commerce, sales and digital marketing, as well as his proven leadership, corporate governance and strategic management skills, makes him particularly qualified to serve as a member of our board of directors.

Timothy Brosnan serves as a member of our board of directors. Mr. Brosnan owns and operates a media consultancy. From December 2016 until its sale in December 2018, Mr. Brosnan served as the executive chair and chief executive officer of PrimeSport, a premium hospitality company. Prior to PrimeSport, Mr. Brosnan spent 25-years at MLB where he rose to stand as one of three finalists for the MLB Commissioner position in 2014. In his tenure at MLB, he served as president/chief executive officer of MLB Enterprises, an organization that oversees professional baseball in North America, from 2002 to 2015. Among his achievements were over $20 billion in negotiated media deals, the planning and founding of MLB Network, an American television sports channel dedicated to baseball, the formation and launch of the World Baseball Classic, and the build-out of MLB's licensing business that in his final year topped over $4 billion in retail sales. Mr. Brosnan most recently served on the corporate advisory board of FanDuel from 2015 to 2017 and on numerous primary and secondary non-profit school boards, including the Georgetown University Board of Regents. Mr. Brosnan received his Bachelor of Arts degree from Georgetown University and a Juris Doctorate from Fordham University Law School. Mr. Brosnan's experience and deep understanding of U.S. and global sports organizations, adds significant value to the board of directors.

Adam Wiener serves as a member of our board of directors. Mr. Wiener has worked at Redfin, a real estate brokerage, since 2007 in positions of increasing responsibility and has served as its chief growth officer since July 2015. Prior to Redfin, he worked at Microsoft, a multinational technology company, in its SQL server division. Mr. Wiener holds a degree in Symbolic Systems and a concentration in Human-Computer Interaction from Stanford University. We believe Mr. Wiener is qualified to serve as a member of our board of directors because of his experience as a chief growth officer and his experience in new customer acquisition, expansion of operations, technology development, business analytics and profit and loss responsibility across multiple business lines.

Family Relationships

There are no family relationships among our directors and executive officers.

Director Independence

Our Class A common stock will be listed on the NYSE. Under the NYSE rules, independent directors must comprise a majority of a listed company's board of directors within a specified period of the completion of this offering. In addition, the NYSE rules require that, subject to specified exceptions, each member of a listed company's audit, compensation, and nominating and corporate governance committees be independent. Under the NYSE rules, a director will only qualify as an "independent director" if the board affirmatively determines that such director has no material relationship with Company either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company.

Audit committee members must also satisfy the independence criteria set forth in Rule 10A-3 under the Exchange Act. In order to be considered independent for purposes of Rule 10A-3, a member of an audit committee of a listed company may not, other than in his or her capacity as a member of the audit committee, the board of directors, or any other board committee: (1) accept, directly or indirectly,

any consulting, advisory, or other compensatory fee from the listed company or any of its subsidiaries or (2) be an affiliated person of the listed company or any of its subsidiaries.

Our board of directors has undertaken a review of the independence of each director and considered whether each director has a material relationship with us that could compromise his or her ability to exercise independent judgment in carrying out his or her responsibilities. As a result of this review, our board of directors determined that are "independent directors" as defined under the applicable rules and regulations of the SEC and the listing requirements and rules of the NYSE. In making these determinations, our board of directors reviewed and discussed information provided by the directors and us with regard to each director's business and personal activities and current and prior relationships as they may relate to us and our management.

Lead Independent Director

Our board of directors has adopted corporate governance guidelines that provide that one of our independent directors should serve as our lead independent director if the Chair is not independent. Our board of directors has appointed Mr. Boyd to serve as our lead independent director. As lead independent director, Mr. Boyd will preside over periodic meetings of our independent directors, serve as a liaison between our Chair and our independent directors and perform such additional duties as our board of directors may otherwise determine and delegate.

Board Structure

Composition

Upon the consummation of the offering, our board of directors will consist of directors. Our board of directors has established an audit committee, a compensation committee and a nominating and corporate governance committee, each of which will have the composition and responsibilities described below as of the closing of this offering. Members serve on these committees until their resignation or until otherwise determined by our board of directors. Each committee will operate under a written charter approved by our board of directors that satisfies the applicable rules of the SEC and the listing standards of NYSE. Following this offering, copies of each committee's charter will be posted on the Investor Relations section of our website.

In accordance with our certificate of incorporation and by-laws, the number of directors on our board of directors will be determined from time to time by the board of directors but shall not be less than three persons nor more than 20 persons.

Each director will be elected to one-year terms and will hold office until his or her successor is duly elected and qualified or until his or her earlier death, resignation or removal. Vacancies and newly created directorships on the board of directors may be filled at any time by the remaining directors. In addition, at any point prior to the occurrence of the Triggering Event, vacancies on the board of directors may also be filled by the affirmative vote of a majority of our outstanding shares of common stock.

Until the Triggering Event, directors may be removed with or without cause by the affirmative vote of a majority of our outstanding shares of common stock. After the Triggering Event, the affirmative vote of at least 66 2/3% of the combined voting power of our outstanding shares of common stock is required to remove directors. At any meeting of the board of directors, except as otherwise required by law, a majority of the total number of directors then in office will constitute a quorum for all purposes.

Committees of the Board

Upon the consummation of this offering, our board of directors will have three standing committees: an audit committee, a compensation committee and a nominating and corporate governance committee. Each committee of our board of directors will have at least two directors, except for the audit committee, which will have at least three members. Under the rules of the NYSE, the membership of each committee is required to consist entirely of independent directors, subject to applicable phase-in periods.

We believe we are eligible for, but do not intend to take advantage of, the “controlled company” exemption to the corporate governance rules for NYSE-listed companies.

Under applicable SEC and NYSE rules and regulations, we are required to have an audit committee, a compensation committee and a nominating and corporate governance committee with one independent director during the 90-day period beginning on the date of effectiveness of the registration statement of which this prospectus is a part. After such 90-day period and until one year from the date of effectiveness of the registration statement, we are required to have a majority of independent directors on our audit committee. Thereafter, we are required to have such committees comprised entirely of independent directors.

The following is a brief description of our committees.

Audit Committee

Following the consummation of this offering, our audit committee will consist of (Chair), and . Our board of directors has determined that qualifies as an “audit committee financial expert” as such term is defined in Item 407(d)(5) of Regulation S-K and that each of , and is independent as defined in Rule 10A-3 of the Exchange Act and under the NYSE’s listing standards. The principal duties and responsibilities of our audit committee will be as follows:

- to prepare the annual audit committee report to be included in our annual proxy statement;
- to oversee and monitor our accounting and financial reporting processes;
- to oversee and monitor the integrity of our financial statements and internal control system;
- to oversee and monitor the independence, retention, performance and compensation of our independent registered public accounting firm;
- to oversee and monitor the performance, appointment and retention of our internal audit department;
- to discuss, oversee and monitor policies with respect to risk assessment and risk management; and
- to oversee and monitor our compliance with legal and regulatory matters.

The audit committee will also have the authority to retain counsel and advisors to fulfill its responsibilities and duties and to form and delegate authority to subcommittees.

Compensation Committee

Following the consummation of this offering, our compensation committee will consist of (Chair), and . The composition of our compensation committee meets the requirements for independence under the current listing standards and SEC rules and regulations. Each member of this committee is a non-employee director, as defined in Rule 16b-3 promulgated under the Exchange Act. The principal duties and responsibilities of the compensation committee will be as follows:

- to review, evaluate and make recommendations to the full board of directors regarding our compensation policies and programs;
- to review and approve the compensation of our chief executive officer, other executive officers and key employees, including all material benefits, option or stock award grants and perquisites and all material employment agreements;
- to review and make recommendations to the board of directors with respect to our incentive compensation plans, equity-based compensation plans and pension plans;
- to administer incentive compensation and equity-related plans and pension plans;
- to review and make recommendations to the board of directors with respect to the financial and other performance targets that must be met; and

- to prepare an annual compensation committee report and take such other actions as are necessary and consistent with the governing law and our organizational documents.

Nominating and Corporate Governance Committee

Following the consummation of this offering, our nominating and corporate governance committee will consist of (Chair), and . The composition of our nominating and corporate governance committee meets the requirements for independence under the current NYSE listing standards and SEC rules and regulations. The principal duties and responsibilities of the nominating and corporate governance committee will be as follows:

- to identify candidates qualified to become directors of the Company, consistent with criteria approved by our board of directors;
- to recommend to our board of directors nominees for election as directors at the next annual meeting of stockholders or a special meeting of stockholders at which directors are to be elected, as well as to recommend directors to serve on the other committees of the board;
- to develop and recommend to the board of directors a succession plan for the chief executive officer and executive officers of the Company;
- to recommend to our board of directors candidates to fill vacancies and newly created directorships on the board of directors;
- to identify best practices and recommend corporate governance principles, including giving proper attention and making effective responses to stockholder concerns regarding corporate governance;
- to set and review the compensation of the non-executive members of the board of directors;
- to develop and recommend to our board of directors guidelines setting forth corporate governance principles applicable to the Company; and
- to oversee the evaluation of our board of directors.

Code of Conduct and Ethics

Our board of directors adopted a code of conduct and ethics that applies to all of our directors, officers and employees and is intended to comply with the NYSE's requirements for a code of conduct as well as qualify as a "code of ethics" as defined by the rules of the SEC. The code of conduct and ethics contains general guidelines for conducting our business consistent with the highest standards of business ethics. We intend to disclose future amendments to certain provisions of our code of conduct and ethics, or waivers of such provisions applicable to any principal executive officer, principal financial officer, principal accounting officer and controller or persons performing similar functions, and our directors, on our website at https://www.clearme.com. Following the consummation of this offering, the code of conduct and ethics will be available on our website.

Board Leadership Structure and Board's Role in Risk Oversight

The board of directors has an oversight role, as a whole and also at the committee level, in overseeing management of the Company's risks. The board of directors regularly reviews information regarding our credit, liquidity and operations, as well as the risks associated with each. Following the completion of this offering, the compensation committee of the board of directors will be responsible for overseeing the management of risks relating to employee compensation plans and arrangements and the audit committee of the board of directors will oversee the management of financial risks. While each committee will be responsible for evaluating certain risks and overseeing the management of such risks, the entire board of directors will be regularly informed through committee reports about such risks.

Compensation Committee Interlocks and Insider Participation

During 2020, our compensation committee consisted of: Mr. Boyd and Mr. Wiener. None of these directors has ever served as an officer or employee of the Company. During 2020, none of the members

of the compensation committee had any relationship with the Company requiring disclosure under Item 404 of Regulation S-K. None of our executive officers served as a member of the board of directors or compensation committee, or similar committee, of any other company whose executive officer(s) served as a member of our board of directors or our compensation committee.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table shows the compensation earned for the fiscal year ended December 31, 2020, by our principal executive officer and our two most highly compensated other executive officers who were serving as executive officers as of December 31, 2020, whom we refer to collectively as our "named executive officers."

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)(1)	Nonequity Incentive Plan Compensation ($)	All Other Compensation ($)	Total ($)(2)
Caryn Seidman-Becker *Chief Executive Officer and Chair of the Board of Directors*	2020	141,674(3)	—	1,160,000	—	—	1,301,674
Kenneth Cornick *President and Chief Financial Officer*	2020	149,432(3)	—	1,160,000	—	—	1,309,432
Richard N. Patterson Jr. *Chief Information Security Officer*	2020	40,909	—	2,900,000	—	—	2,940,909

(1) The amounts in this column represent the grant date fair value calculated in accordance with FASB ASC Topic 718 with respect to RSUs (as defined below) granted during 2020. The grant date fair value of $290 per underlying unit was determined based on an investment transaction for capital units. For Mr. Patterson, the amount includes awards that are subject to performance-based vesting assuming 100% achievement, which is the maximum.

(2) All compensation set forth in this table was provided by Alclear or one its subsidiaries.

(3) During a portion of 2020, these individuals did not receive salary payments, and instead corresponding amounts were used for a fund to benefit team members impacted by the pandemic. Absent these actions, the annualized amount of each individual's salary would have been $425,000.

Narrative Disclosure to Summary Compensation Table

Employment Arrangements and Restrictive Covenant Agreements. Our founders, Ms. Seidman-Becker and Mr. Cornick, are subject to non-compete and non-solicit covenants pursuant to the Alclear's amended and restated operating agreement while holding units and for 12 months thereafter.

Secure Identity entered into an offer letter with Mr. Patterson, dated as of December 7, 2020, pursuant to which Mr. Patterson agreed to serve as Chief Information Security Officer. His offer letter provided for an initial annual base salary equal to $600,000, an annual target bonus equal to 17% of Mr. Patterson's base salary and an initial equity grant of 5,000 RSUs in accordance with the management incentive plan described below. Mr. Patterson is eligible to participate in employee benefits provided from time to time to similarly situated employees.

Mr. Patterson also signed an agreement that contains a non-competition covenant that applies during the term of employment and for 12 months thereafter, a non-solicitation of employees, consultants and customers covenant that applies during the term of employment and for 12 months thereafter, a non-hire of employees covenant that applies during the term of employment and for 12 months thereafter, a perpetual confidentiality covenant and a perpetual non-disparagement covenant.

Equity Incentives. During 2020, equity-based awards were granted to the named executive officers under the Alclear Holdings, LLC Amended and Restated Equity Incentive Plan (including its predecessor plans, the "management incentive plan") in the form of awards that represent the right to receive a specified number of Class C capital units following vesting (the "RSUs"). Some of our named executive officers have also received equity awards in the form of profits interests (the "profit units"), as set forth in the table below and described in further detail in "Executive Compensation—Outstanding Equity Awards at Fiscal Year End—Profits Units." Following the completion of this offering, no new awards will be granted under the management incentive plan.

Other Benefit Plans. In addition to health and welfare plans, we maintain a tax-qualified retirement plan that provides all regular employees (including eligible executive officers) with an opportunity to save for retirement on a tax-advantaged basis. Under our 401(k) plan, participants may elect to defer a portion of their compensation on a pre-tax basis and have it contributed to the plan subject to applicable annual limits under the Code. Pre-tax contributions are allocated to each participant's individual account and are then invested in selected investment alternatives according to the participants' directions. Employee elective deferrals are 100% vested at all times. For 2020, employee contributions were matched 100% up to an annual maximum of $300. Effective January 1, 2021, employee contributions are matched 50% of up to an annual maximum of $2,000. Matching contributions are subject to a three-year cliff vest based on most recent date of hire.

Outstanding Equity Awards at Fiscal Year End

The following tables provide information about the outstanding equity awards held by our named executive officers as of December 31, 2020.

Name	Grant Type	Number of Shares or Units That Have Not Vested	Market Value of Shares or Units That Have Not Vested ($)(8)	Equity Incentive Plan Awards: Number of Unearned Shares or Units That Have Not Vested(7)	Equity Incentive Plan Awards: Market Value of Unearned Shares or Units That Have Not Vested ($)(8)
Caryn Seidman-Becker	Profit Units (Class A-C)(1)	80,000(3)	1,472,000	80,000(3)	1,472,000
	RSUs (on Class C Capital Units)	4,000(4)	1,160,000	—	—
Kenneth Cornick	Profit Units (Class A-C)(2)	60,000(5)	1,104,000	60,000(5)	1,104,000
	RSUs (on Class C Capital Units)	4,000(4)	1,160,000	—	—
Richard N. Patterson Jr.	RSUs (on Class C Capital Units)	5,000(6)	1,450,000	5,000(6)	1,450,000

(1) Includes profit units held through Alclear Investments.

(2) Includes profit units held through Alclear Investments II.

(3) The time-based portion vests on December 31, 2021, subject to continued service through such date, while the performance-based portion will be eligible for vesting on December 31, 2021, based on revenue and EBITDA performance over a three-year performance period beginning January 1, 2019 through December 31, 2021.

(4) These RSUs vest on December 31, 2021, subject to continued service through such date, except that none of these RSUs vest prior to an initial public offering or a change in control.

(5) The time-based portion vests on October 15, 2021, subject to continued service, while the performance-based portion will be eligible for vesting on October 15, 2021, based on revenue and EBITDA performance over a three-year performance period beginning January 1, 2019 through December 31, 2021.

(6) The time-based portion vests on December 7, 2023, subject to continued service through such date, while the performance-based portion will be eligible for vesting on December 7, 2023, based on revenue and EBITDA performance over a three-year performance period beginning on January 1, 2020 through December 31, 2022 (with the amount set forth in this table assuming 100% achievement, which is the maximum), except that none of these RSUs vest prior to an initial public offering or a change in control.

(7) The performance-based awards reported in this column assume 100% achievement, which is the maximum

(8) There was no public market for these interests as of December 31, 2020. As such, the market value for the profit units set forth in this table is based on an estimated value of all such profit units having a threshold of $1.3 billion after a 15% marketability discount (such discount determined by applying a combination of methodologies including a "protective put" option and an "average-strike" put option), while the market value for the RSUs set forth in this table is based on an investment transaction for capital units.

Profit Units. The profit units set forth in the table above represent profits interests in Alclear that allow the recipient to share in distributions and the future appreciation of Alclear, subject to time-based vesting (based on continued employment) and, in some cases, business performance-based vesting over

a three-year performance period. The profit units were granted pursuant to the management incentive plan. The awards were structured so that if Alclear's equity value were to appreciate following the date of grant, the recipient would share in a specified percentage of distributions but only after the aggregate amount of capital contributions in respect of all capital units have been distributed to the holders of the capital units. If Alclear's equity value had not appreciated in value or decreased in value after the date of grant, then the profit units would have no value.

See the description of the reorganization transactions described above under "Organizational Structure" regarding the treatment of the profit units in connection with the consummation of this offering.

RSUs. The RSUs represent the right to receive a number of Class C capital units following vesting and were granted under the management incentive plan. The RSUs are subject to time-based vesting conditions (based on continued employment) and, in some cases, a portion is also subject to business performance-based vesting conditions over a specified performance period. These equity-based awards are designed to provide an opportunity for long-term incentive compensation in order to motivate the recipients and reward them for growth in our equity value. Any vesting of the RSUs is contingent on both (i) the occurrence of an initial public offering or a change in control and (ii) the satisfaction of the time-based and, if applicable, performance-based vesting conditions.

See the description of the reorganization transactions described above under "Organizational Structure" regarding the treatment of the RSUs in connection with the consummation of this offering.

Potential Payments upon Termination of Employment or Change in Control

All of the unvested profit units and RSUs held by the named executive officers provide for "double-trigger" vesting. That is, in the event of a change in control, if the grantee is involuntarily terminated without cause or resigns for good reason (as defined in the award agreement), within three months before or 12 months after the change in control, then the equity awards will become fully vested.

2021 Omnibus Incentive Plan

We expect our board of directors and stockholders to approve our 2021 Omnibus Incentive Plan to become effective in connection with this offering. The following is a summary of certain terms and conditions of the 2021 Omnibus Incentive Plan.

Administration. Our board of directors or committee thereof (in either case, the "committee") will administer the 2021 Omnibus Incentive Plan. The committee will have the authority to determine the terms and conditions of any agreements evidencing any awards granted under the 2021 Omnibus Incentive Plan and to adopt, alter and repeal rules, guidelines and practices relating thereto. The committee will have full discretion to administer and interpret the 2021 Omnibus Incentive Plan and to adopt such rules, regulations and procedures as it deems necessary or advisable and to determine, among other things, the time or times at which the awards may be exercised and whether and under what circumstances an award may be exercised.

Eligibility. Any employees, directors, officers, consultants or advisors of the Company or its affiliates who are selected by the committee will be eligible for awards under the 2021 Omnibus Incentive Plan. Except as otherwise required by applicable law or regulation or stock exchange rules, the committee will have the sole and complete authority to determine who will be granted an award.

Number of Shares Authorized. We have not yet determined the number of shares of our Class A common stock to be reserved under the 2021 Omnibus Incentive Plan. If any award granted thereunder expires, terminates, is cancelled or forfeited without being settled or exercised, or if a stock appreciation right is settled in cash or otherwise without the issuance of shares of our Class A common stock, shares of our Class A common stock subject to such award will again be made available for future grants. In addition, if any shares of our Class A common stock are surrendered or tendered to pay the exercise price of an award or to satisfy withholding taxes owed, such shares of our Class A common stock will again be available for grants.

Change in Capitalization. If there is a change in our capitalization in the event of a stock or extraordinary cash dividend, recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, split-off, spin-off, combination, repurchase or exchange of shares of our Class A common stock or other relevant change in capitalization or applicable law or circumstances, such that the board of directors determines that an adjustment to the terms of the 2021 Omnibus Incentive Plan (or awards thereunder) is necessary or appropriate, then the board of directors may make adjustments in a manner that it deems equitable. Such adjustments may be to the number of shares reserved for issuance under the 2021 Omnibus Incentive Plan, the number of shares covered by awards then outstanding, the limitations on awards under the 2021 Omnibus Incentive Plan, the exercise price of outstanding options and such other equitable substitution or adjustments as it may determine appropriate.

Type of Awards. The committee may grant awards of non-qualified stock options, incentive (qualified) stock options, stock appreciation rights ("SARs"), restricted stock awards, restricted stock units, other stock-based awards, performance compensation awards (including cash bonus awards), other cash-based awards, deferred awards or any combination of the foregoing. Awards may be granted under the 2021 Omnibus Incentive Plan in assumption of, or in substitution for, outstanding awards previously granted by an entity acquired by the Company or with which the Company combines (which are referred to herein as "substitute awards").

Stock Options. The committee will be authorized to grant options to purchase shares of our Class A common stock that are either "qualified," meaning they are intended to satisfy the requirements of Section 422 of the Code for incentive stock options, or "non-qualified," meaning they are not intended to satisfy the requirements of Section 422 of the Code. All options granted under the 2021 Omnibus Incentive Plan will be non-qualified unless the applicable award agreement expressly states that the option is intended to be an "incentive stock option." Options granted under the 2021 Omnibus Incentive Plan will be subject to the terms and conditions established by the committee. The exercise price of the options will not be less than the fair market value of our Class A common stock at the time of grant, except with respect to substitute awards. Options granted under the 2021 Omnibus Incentive Plan will be subject to such terms, including the exercise price and the conditions and timing of exercise, as may be determined by the committee and specified in the applicable award agreement. Generally the maximum term of an option will be 10 years from the date of grant.

Stock Appreciation Rights. The committee will be authorized to award SARs, which will be subject to the terms and conditions established by the committee. A SAR is a contractual right that allows a participant to receive, either in the form of cash, shares or any combination of cash and shares, the appreciation, if any, in the value of a share over a certain period of time. Except in the case of substitute awards, the strike price per share of our Class A common stock for each SAR will not be less than 100% of the fair market value of such share, determined as of the date of grant. The remaining terms of the SARs will be established by the committee and reflected in the award agreement.

Restricted Stock. The committee will be authorized to grant restricted stock, which will be subject to the terms and conditions established by the committee. Restricted stock is Class A common stock that generally is non-transferable and is subject to other restrictions determined by the committee for a specified period. Any accumulated dividends will be payable at the same time as the underlying restricted stock vests.

Restricted Stock Unit Awards. The committee will be authorized to award restricted stock unit awards, which will be subject to the terms and conditions established by the committee. A restricted stock unit award, once vested, may be settled in common shares equal to the number of units earned, or in cash equal to the fair market value of the number of vested shares, at the election of the committee. Restricted stock units may be settled at the expiration of the period over which the units are to be earned or at a later date selected by the committee. The committee may specify in an award agreement that any or all dividends, dividend equivalents or other distributions, as applicable, accrued on awards prior to vesting or settlement, as applicable, be paid either in cash or in additional shares, either on a current or deferred basis, and that such dividends, dividend equivalents or other distributions may be reinvested in additional shares, which may be subject to the same restrictions as the underlying awards.

Deferred Awards. The committee will be authorized to grant deferred awards, which may be a right to receive shares or cash (either independently or as an element of or supplement to any other award), under such terms and conditions as the committee may determine and as set forth in the applicable award agreement.

Other Stock-Based Awards. The committee will be authorized to grant awards of unrestricted shares of our Class A common stock, rights to receive grants of awards at a future date or other awards denominated in shares of our Class A common stock under such terms and conditions as the committee may determine and as set forth in the applicable award agreement.

Nontransferability. Each award may be exercised during the participant's lifetime by the participant or, if permissible under applicable law, by the participant's guardian or legal representative. No award may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by a participant other than by will or by the laws of descent and distribution unless the committee permits the award to be transferred to a permitted transferee.

Amendment. The 2021 Omnibus Incentive Plan will have a term of 10 years. Our board of directors may amend, suspend or terminate the 2021 Omnibus Incentive Plan at any time, subject to stockholder approval if necessary to comply with any tax, or other applicable regulatory requirement. No amendment, suspension or termination will materially and adversely affect the rights of any participant or recipient of any award without the consent of the participant or recipient. The board of directors may, to the extent consistent with the terms of any applicable award agreement, waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate, any award theretofore granted or the associated award agreement, prospectively or retroactively; provided that any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would materially and adversely affect the rights of any participant or any holder or beneficiary of any option theretofore granted will not to that extent be effective without the consent of the affected participant, holder or beneficiary.

Clawback/Forfeiture. Awards may be subject to clawback or forfeiture to the extent required by applicable law (including, without limitation, Section 304 of the Sarbanes-Oxley Act and Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act) and/or the rules and regulations of any applicable securities exchange, or if so required pursuant to a written policy adopted by the Company or the provisions of an award agreement.

Director Compensation

Director Compensation for 2020. The following table sets forth the compensation for non-employee directors during the fiscal year ended December 31, 2020. The non-employee directors did not receive cash compensation during 2020, and there was no director compensation policy in place beyond the individual equity awards set forth in the following table.

Name[1]	Fees Earned or Paid in Cash ($)	Stock Awards ($)[2]	All Other Compensation ($)	Total ($)
Michael Z. Barkin	—	—[3]	—	—
Jeffery H. Boyd	—	174,870[3]	—	174,870
Timothy Brosnan	—	174,870[3]	—	174,870
Adam Wiener	—	174,870[3]	—	174,870

(1) Ms. Seidman-Becker and Mr. Cornick are not included because they do not receive separate compensation for service as directors. Their compensation is set forth above in the Summary Compensation Table. This table does not include any non-employee directors who received no compensation during 2020 or 2021 and who will not continue on our board after this offering.

(2) The amounts in this column represent the grant date fair value calculated in accordance with FASB ASC Topic 718 with respect to equity awards granted during 2020 in the form of RSUs. The grant date fair value of $290 per underlying unit was determined based on an investment transaction for capital units.

(3) As of December 31, 2020, Mr. Barkin held 8,333 unvested Class AD Profit Units granted in September 2019 and vesting in equal installments in September 2021 and 2022; and each of Mr. Boyd, Mr. Brosnan and Mr. Wiener held 603 unvested RSUs, which RSUs vest on October 28, 2021, except that none of these RSUs vest prior to an initial public offering or a change in control.

Post-IPO Director Compensation Policy. We are evaluating the specific terms of our director compensation program following this offering, but we anticipate that our non-employee directors will be eligible to receive cash and equity compensation in connection with their services and will be reimbursed for out-of-pocket expenses in connection with their services.

PRINCIPAL STOCKHOLDERS

The tables below set forth information with respect to the beneficial ownership of our Class A common stock and Class B common stock by:

- each person who is known to be the beneficial owner of more than 5% of any class or series of our capital stock;
- each of our named executive officers for fiscal year 2020;
- each of our current directors; and
- all of our directors and executive officers as a group.

The numbers of shares of Class A common stock and Class B common stock beneficially owned, percentages of beneficial ownership and percentages of combined voting power for before this offering that are set forth below are based on (i) the number of shares and Alclear Units to be issued and outstanding prior to this offering after giving effect to the reorganization transactions and (ii) an assumed initial public offering price of $ per share (the midpoint of the estimated public offering price range set forth on the cover page of this prospectus). See “Organizational Structure.”

The amounts and percentages of Class A common stock and Class B common stock beneficially owned are reported on the basis of the regulations of the SEC governing the determination of beneficial ownership of securities. Under these rules, a person is deemed to be a beneficial owner of a security if that person has or shares voting power, which includes the power to vote or to direct the voting of such security, or investment power, which includes the power to dispose of or to direct the disposition of such security. A person is also deemed to be a beneficial owner of any securities of which that person has a right to acquire beneficial ownership within 60 days. Under these rules, more than one person may be deemed to be a beneficial owner of the same securities.

Unless otherwise indicated, the address for each beneficial owner listed below is: c/o Clear Secure, Inc., 65 East 55th Street, 17th Floor, New York, New York 10022.

Confidential Treatment Requested by Clear Secure, Inc.
Pursuant to 17 C.F.R. Section 200.83

	Class A Common Stock Owned (on a fully exchanged and converted basis)[1]						Class B Common Stock Owned (on a fully exchanged basis)[2][3]				Combined Voting Power[4]		
	Before this offering		After this offering assuming underwriters' option is not exercised		After this offering assuming underwriters' option is exercised		Before this offering		After this offering		Before this offering	After this offering	After this offering assuming underwriters option is exercised
Name of Beneficial Owner	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Percentage	Percentage	Percentage
5% Equityholders													
Alclear Investments [2][5]	—	—	—	—	—	—							
Alclear Investments II[3][6]	—	—	—	—	—	—							
Directors and Named Executive Officers													
Caryn Seidman-Becker[5]	—	—	—	—	—	—							
Kenneth Cornick[6]	—	—	—	—	—	—							
Richard N. Patterson Jr.							—	—	—	—			
Michael Z. Barkin							—	—	—	—			
Jeffery H. Boyd							—	—	—	—			
Timothy Brosnan							—	—	—	—			
Adam Wiener							—	—	—	—			
All directors and executive officers as a group (persons)													

* Less than 1%

(1) Each CLEAR Post-IPO Member, other than the Founder Post-IPO Members, holds Alclear Units and an equal number of shares of Class C common stock, and each Founder Post-IPO Member, holds Alclear Units and an equal number of shares of Class D common stock. Each CLEAR Post-IPO Member, other than the Founder Post-IPO Members, has the right on the first day of each month or, in the event such day is not a business day, the immediately following business day to exchange any vested Alclear Units (together with a corresponding number of shares of Class C common stock) for, at our option, (i) shares of Class A common stock on a one-for-one basis or (ii) cash from a substantially concurrent public offering or private sale of Class A common stock (based on the market price of our Class A common stock in such public offering or private sale). Each Founder Post-IPO Member has the right on the first day of each month or, in the event such day is not a business day, the immediately following business day to exchange any Alclear Units (together with a corresponding number of shares of Class D common stock) for, at our option, (i) shares of Class B common stock on a one-for-one basis and to convert shares of Class B common stock into shares of Class A common stock on a one-for-one basis or (ii) cash from a substantially concurrent public offering or private sale of Class A common stock (based on the market price of our Class A common stock in such public offering or private sale). See "Description of Capital Stock." The numbers of shares of Class A common stock beneficially owned and percentages of beneficial ownership set forth in the table assume that (i) all vested Alclear Units (together with the corresponding shares of Class C common stock) have been exchanged for shares of Class A common stock, (ii) all vested Alclear Units (together with the corresponding shares of Class D common stock) have been exchanged for shares of Class B common stock and (iii) all shares of Class B common stock have been converted into shares of Class A common stock. Set forth below is a table that lists each of our directors and named executive officers who own Alclear Units and corresponding shares of Class C common stock and Class D common stock:

Name	Number of Alclear Units and Shares of Class C Common Stock	Number of Alclear Units and Shares of Class D Common Stock
Caryn Seidman-Becker	—	
Kenneth Cornick	—	
Richard N. Patterson Jr.		—
Michael Z. Barkin		—
Jeffery H. Boyd		—
Timothy Brosnan		—
Adam Wiener		—

(2) Prior to this offering, Alclear Investments holds Alclear Units and an equal number of shares of Class D common stock, and shares of Class B common stock. Alclear Investments has the right on the first day of each month or, in the event such day is not a business day, the immediately following business day to exchange any Alclear Units (together with a corresponding number of shares of Class D common stock) for, at our option, (i) shares of Class B common stock on a one-for-one basis and to convert shares of Class B common stock into a shares of Class A common stock on a one-for-one basis or (ii) cash from a substantially concurrent public offering or private sale of Class A common stock (based on the market price of our Class A common stock in such public offering or private sale). See "Description of Capital Stock." The numbers of shares of Class B common stock beneficially owned and percentages of beneficial ownership set forth in the table assume that all vested Alclear Units (together with the corresponding shares of Class D common stock) have been exchanged for shares of Class B common stock.

(3) Prior to this offering, Alclear Investments II holds Alclear Units and an equal number of shares of Class D common stock, and shares of Class B common stock. Alclear Investments II has the right on the first day of each month or, in the event such day is not a business day, the immediately following business day to exchange any Alclear Units (together with a corresponding number of shares of Class D common stock) for, at our option, (i) shares of Class B common stock on a one-for-one basis and to convert shares of Class B common stock into a shares of Class A common stock on a one-for-one basis or (ii) cash from a substantially concurrent public offering or private sale of Class A common stock (based on the market price of our Class A common stock in such public offering or private sale). See "Description of Capital Stock." The numbers of shares of Class B common stock beneficially owned and percentages of beneficial ownership set forth in the table assume that all vested Alclear Units (together with the corresponding shares of Class D common stock) have been exchanged for shares of Class B common stock.

(4) Percentage of combined voting power represents voting power with respect to all shares of our outstanding Class A common stock, Class B common stock, Class C common stock and Class D common stock, voting together as a single class. Each holder of Class B common stock and Class D common stock is entitled to 20 votes per share and each holder of Class A common stock and Class C common stock is entitled to one vote per share on all matters submitted to our stockholders for a vote. Our Class C common stock and Class D common stock do not have any of the economic rights (including rights to dividends and distributions upon liquidation) associated with our Class A and Class B common stock. See "Description of Capital Stock."

(5) Alclear Investments is controlled by Ms. Seidman-Becker. Ms. Seidman-Becker has dispositive control and voting control over the shares held by Alclear Investments.

(6) Alclear Investments II is controlled by Mr. Cornick. Mr. Cornick has dispositive control and voting control over the shares held by Alclear Investments II.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Reorganization Agreement and Common Stock Subscription Agreement

Prior to the completion of this offering, we will enter into a reorganization agreement and related agreements with Alclear and each of the CLEAR Post-IPO Members, including the Founder Post-IPO Members, to effect the reorganization transactions. See “Organizational Structure” for more information.

The table below sets forth the consideration in Alclear Units, Class A common stock, Class B common stock, Class C common stock and Class D common stock to be received by our 5% equityholders, directors and named executive officers in the reorganization transactions, based on an assumed initial public offering price of $ per share (the midpoint of the estimated public offering price range set forth on the cover page of this prospectus):

Name	Alclear Units to be issued in the Reorganization Transactions	Class A common stock to be issued in the Reorganization Transactions	Class B common stock to be issued in the Reorganization Transactions	Class C common stock to be issued in the Reorganization Transactions	Class D common stock to be issued in the Reorganization Transactions
Alclear Investments[1]		—		—	
Alclear Investments II[2]		—		—	
Caryn Seidman-Becker[1]		—		—	
Kenneth Cornick[2]		—		—	
Richard N. Patterson Jr.			—		—
Michael Z. Barkin			—		—
Jeffery H. Boyd			—		—
Timothy Brosnan			—		—
Adam Wiener			—		—

(1) Ms. Seidman-Becker will be deemed to beneficially own the interests held by Alclear Investments.

(2) Mr. Cornick will be deemed to beneficially own the interests held by Alclear Investments II.

The consideration set forth above and otherwise to be received in the reorganization transactions is subject to adjustment based on the final public offering price of our Class A common stock in this offering.

Second Amended and Restated Operating Agreement of Alclear Holdings, LLC

In connection with the reorganization transactions, we, Alclear and each of the CLEAR Post-IPO Members, including the Founder Post-IPO Members, will enter into the Second Amended and Restated Operating Agreement of Alclear Holdings, LLC (the “Second Amended and Restated Alclear Operating Agreement”). Following the reorganization transactions, and in accordance with the terms of the Second Amended and Restated Alclear Operating Agreement, we will operate our business through Alclear and its subsidiaries. Pursuant to the terms of the Second Amended and Restated Alclear Operating Agreement, so long as the Founder Post-IPO Members continues to own any Alclear Units, shares of our Class A common stock or securities exchangeable or convertible into shares of our Class A common stock, we will not, without the prior written consent of the Founder Post-IPO Members, engage in any business activity other than the management and ownership of Alclear and its subsidiaries or own any assets other than securities of Alclear and its subsidiaries and/or any cash or other property or assets distributed by or otherwise received from Alclear and its subsidiaries, unless we determine in good faith that such actions or ownership are in the best interest of Alclear. As the sole managing member of Alclear, we will have control over all of the affairs and decision making of Alclear. As such, through our officers and directors, we will be responsible for all operational and administrative decisions of Alclear and the day-to-day management of Alclear’s business. We will fund any dividends to our stockholders by

causing Alclear to make distributions to its equityholders, including the Founder Post-IPO Members, the other CLEAR Post-IPO Members and us, subject to the limitations imposed by our Credit Agreement. See “Dividend Policy.”

The holders of Alclear Units will generally incur U.S. federal, state and local income taxes on their proportionate share of any net taxable income of Alclear. Net profits and net losses of Alclear will generally be allocated to its members pro rata in accordance with the percentages of their respective ownership of Alclear Units, though certain non-pro rata adjustments will be made to reflect tax depreciation, amortization and other allocations. The Second Amended and Restated Alclear Operating Agreement will provide for cash distributions to the holders of Alclear Units for purposes of funding their tax obligations in respect of the taxable income of Alclear that is allocated to them. Generally, these tax distributions will be computed based on Alclear’s estimate of the net taxable income of Alclear allocable to each holder of Alclear Units multiplied by an assumed tax rate equal to the highest effective marginal combined U.S. federal, state and local income tax rate prescribed for an individual or corporate resident in New York, New York (taking into account the non-deductibility of certain expenses and the character of our income).

The Second Amended and Restated Alclear Operating Agreement will provide that, except as otherwise determined by us, if at any time we issue a share of our Class A common stock or Class B common stock, other than pursuant to an issuance and distribution to holders of shares of our common stock of rights to purchase our equity securities under a “poison pill” or similar stockholders rights plan or pursuant to an employee benefit plan, the net proceeds received by us with respect to such share, if any, shall be concurrently invested in Alclear (unless such shares were issued by us solely to fund (i) our ongoing operations or pay our expenses or other obligations or (ii) the purchase from a member of Alclear of Alclear Units (in which case such net proceeds shall instead be transferred to the selling member as consideration for such purchase)) and Alclear shall issue to us one Alclear Unit. Similarly, except as otherwise determined by us, Alclear will not issue any additional Alclear Units to us unless we issue or sell an equal number of shares of our Class A common stock or Class B common stock. Conversely, if at any time any shares of our Class A common stock or Class B common stock are redeemed, repurchased or otherwise acquired, Alclear will redeem, repurchase or otherwise acquire an equal number of Alclear Units held by us, upon the same terms and for the same price per security, as the shares of our Class A common stock or Class B common stock are redeemed, repurchased or otherwise acquired. In addition, Alclear will not effect any subdivision (by any unit split, unit distribution, reclassification, reorganization, recapitalization or otherwise) or combination (by reverse unit split, reclassification, reorganization, recapitalization or otherwise) of the Alclear Units unless it is accompanied by substantively identical subdivision or combination, as applicable, of each class of our common stock, and we will not effect any subdivision or combination of any class of our common stock unless it is accompanied by a substantively identical subdivision or combination, as applicable, of the Alclear Units.

Subject to certain exceptions, Alclear will indemnify all of its members, including the Founder Post-IPO Members, the other CLEAR Post-IPO Members and us, and their officers and other related parties, against all losses or expenses arising from claims or other legal proceedings in which such person (in its capacity as such) may be involved or become subject to in connection with Alclear’s business or affairs or the Second Amended and Restated Alclear Operating Agreement or any related document.

Alclear may be dissolved only upon the first to occur of (i) the expiration of forty-five (45) days after the sale or other disposition of all or substantially all of its assets or (ii) as determined by us. Upon dissolution, Alclear will be liquidated and the proceeds from any liquidation will be applied and distributed in the following manner: (a) first, to creditors (including creditors who are members or affiliates of members) in satisfaction of all of Alclear’s liabilities (whether by payment or by making reasonable provision for payment of such liabilities, including the setting up of any reasonably necessary reserves) and (b) second, to the members in proportion to their vested Alclear Units (after giving effect to any obligations of Alclear to make tax distributions).

Exchange Agreement

At the closing of this offering, we will enter into an Exchange Agreement (the “Exchange Agreement”) with Alclear and each of the CLEAR Post-IPO Members, including the Founder Post-IPO Members,

pursuant to which they (or certain transferees thereof), subject to certain restrictions, including that exchanges can only occur on the first day of each month or, in the event such day is not a business day, the immediately following business day for each CLEAR Post-IPO Member and including any applicable transfer restrictions, will have the right to exchange their Alclear Units (along with the corresponding shares of our Class C common stock or Class D common stock, as applicable) for (i) shares of our Class A common stock or Class B common stock, as applicable, on a one-for-one basis ("Share Exchange") or (ii) cash from a substantially concurrent public offering or private sale of Class A common stock (based on the market price of our Class A common stock in such public offering or private sale) ("Cash Exchange"), at our option (as the managing member of Alclear), subject to customary conversion rate adjustments for stock splits, stock dividends and reclassifications. Any decision to require a Cash Exchange rather than a Share Exchange will ultimately be determined by a majority of the disinterested members of our board of directors, which may include the audit committee. Upon exchange, each share of our Class C common stock or Class D common stock will be cancelled.

The Exchange Agreement provides that, in the event that a tender offer, share exchange offer, issuer bid, take-over bid, recapitalization or similar transaction with respect to our Class A common stock is proposed by us or our stockholders and approved by our board of directors or is otherwise consented to or approved by our board of directors, the CLEAR Post-IPO Members will be permitted to participate in such offer by delivery of a notice of exchange that is effective immediately prior to the consummation of such offer. In the case of any such offer proposed by us, we are obligated to use our reasonable best efforts to enable and permit the CLEAR Post-IPO Members to participate in such offer to the same extent or on an economically equivalent basis as the holders of shares of our Class A common stock without discrimination. In addition, we are obligated to use our reasonable best efforts to ensure that the CLEAR Post-IPO Members may participate in each such offer without being required to exchange Alclear Units and shares of our Class C common stock or Class D common stock.

Registration Rights Agreement

Prior to the consummation of this offering, we will enter into a Registration Rights Agreement (the "Registration Rights Agreement") with certain CLEAR Post-IPO Members, including the Founder Post-IPO Members.

At any time beginning 180 days following the closing of this offering, subject to several exceptions, including underwriter cutbacks and our right to defer a demand registration under certain circumstances, the Founder Post-IPO Members may require that we register for sale under the Securities Act all shares of Class A common stock constituting registrable securities that the Founder Post-IPO Members request be registered at any time following this offering. Under the Registration Rights Agreement, we will not be obligated to effectuate more than two demand registrations for the Founder Post-IPO Members. If we become eligible to register the sale of our securities on Form S-3 under the Securities Act, which will not be until at least 12 months after the date of this prospectus, the Founder Post-IPO Members and CLEAR Post-IPO Members (other than the Founder Post-IPO Members) who hold not less than 10% of the outstanding Class A common stock have the right to require us to register the sale of the registrable securities held by them on Form S-3, subject to offering size and other restrictions.

If the Founder Post-IPO Members makes a request for registration, the non-requesting parties to the Registration Rights Agreement will be entitled to customary piggyback registration rights in connection with the request, and we may also include shares of Class A common stock in such registration. If the request is for an underwritten offering, such piggyback registration rights will be subject to underwriter cutback provisions, with priority for registration of shares going first to all holders of the registrable shares, pro rata based upon the number of registrable shares held by each holder, second to us, and third to other persons with a contractual right to include securities in the registration. In addition, the parties to the Registration Rights Agreement will be entitled to piggyback registration rights with respect to any registration initiated by us, and if any such registration is in the form of an underwritten offering, such piggyback registration rights will be subject to customary cutback provisions, with priority for registration of shares going first to us, second to all holders of the registrable shares and third to other persons with a contractual right to include securities in the registration.

In connection with the transfer of their registrable securities, the parties to the Registration Rights Agreement may assign certain of their respective rights under the Registration Rights Agreement under certain circumstances. In connection with the registrations described above, we will indemnify any selling stockholders and we will bear all fees, costs and expenses (except underwriting commissions and discounts and fees and expenses of financial advisors of the selling stockholders and their internal and similar costs).

The Registration Rights Agreement is governed by Delaware law.

Tax Receivable Agreement

Future exchanges by the CLEAR Post-IPO Members (or their transferees or other assignees) of Alclear Units and corresponding shares of Class C common stock or Class D common stock, as the case may be, for shares of our Class A common stock or Class B common stock, respectively, and purchases of Alclear Units and corresponding shares of Class C common stock or Class D common stock, as the case may be, from CLEAR Post-IPO Members (or their transferees or other assignees) are expected to produce favorable tax attributes. These tax attributes would not be available to us in the absence of those transactions. Both the existing and anticipated tax basis adjustments are expected to reduce the amount of tax that we would otherwise be required to pay in the future.

We intend to enter into a tax receivable agreement with the CLEAR Post-IPO Members that will provide for the payment by us to the CLEAR Post-IPO Members of 85% of the amount of cash savings, if any, in U.S. federal, state and local income tax or franchise tax that we actually realize (computed using simplifying assumptions to address the impact of state and local taxes) as a result of (i) any increase in tax basis in Alclear's assets resulting from (a) exchanges by the CLEAR Post-IPO Members (or their transferees or other assignees) of Alclear Units (along with the corresponding shares of our Class C common stock or Class D common stock, as applicable) for shares of our Class A common stock or Class B common stock, as applicable, and purchases of Alclear Units and corresponding shares of Class C common stock or Class D common stock, as the case may be, from CLEAR Post-IPO Members (or their transferees or other assignees) or (b) payments under the tax receivable agreement, and (ii) tax benefits related to imputed interest deemed arising as a result of payments made under the tax receivable agreement.

The actual increase in tax basis, as well as the amount and timing of any payments under these agreements, will vary depending upon a number of factors, including the timing of exchanges by or purchases from the CLEAR Post-IPO Members, the price of our Class A common stock at the time of the exchange, the extent to which such exchanges are taxable, the amount and timing of the taxable income we generate in the future and the tax rate then applicable and the portion of our payments under the tax receivable agreement constituting imputed interest.

We expect that the payments we will be required to make under the tax receivable agreement will be substantial. Further, assuming no material changes in relevant tax law and that we earn sufficient taxable income to realize all tax benefits that are subject to the tax receivable agreement, we expect that the tax savings associated with all tax attributes described above would aggregate to approximately $ million over 15 years from the date of the completion of this offering, based on an assumed initial public offering price of $ per share of Class A common stock, the midpoint of the estimated price range set forth on the cover page of this prospectus and assuming all future redemptions, purchases or exchanges would occur on the date of this offering. Under this scenario, we would be required to pay the CLEAR Post-IPO Members 85% of such amount, or $ million, over the 15-year period from the date of the completion of this offering. The actual amounts we will be required to pay may materially differ from these hypothetical amounts, because potential future tax savings that we will be deemed to realize, and the tax receivable agreement payments made by us, will be calculated based in part on the market value of our Class A common stock at the time of each redemption or exchange of an Alclear Unit (along with the corresponding share of our Class C common stock or Class D common stock, as applicable) for cash or a share of Class A common stock or Class B common stock, as applicable and the prevailing applicable federal tax rate (plus the assumed combined state

and local tax rate) applicable to us over the life of the tax receivable agreement and will depend on our generating sufficient taxable income to realize the tax benefits that are subject to the tax receivable agreement.

Payments under the tax receivable agreement will be based on the tax reporting positions that we determine, and the IRS or another tax authority may challenge all or part of the tax basis increases or other tax benefits we claim, as well as other related tax positions we take, and a court could sustain such challenge. Although we are not aware of any issue that would cause the IRS to challenge the tax basis increases or other benefits arising under the tax receivable agreement, if the outcome of any such challenge would reasonably be expected to materially affect a recipient's payments under the tax receivable agreement, then we will not be permitted to settle such challenge without the consent (not to be unreasonably withheld or delayed) of the CLEAR Post-IPO Members. The interests of the CLEAR Post-IPO Members in any such challenge may differ from or conflict with our interests and your interests, and the CLEAR Post-IPO Members may exercise their consent rights relating to any such challenge in a manner adverse to our interests and your interests. We will not be reimbursed for any cash payments previously made to the CLEAR Post-IPO Members (or their transferees or assignees) under the tax receivable agreement in the event that any tax benefits initially claimed by us and for which payment has been made to the CLEAR Post-IPO Members (or their transferees or assignees) are subsequently challenged by a taxing authority and are ultimately disallowed. Instead, any excess cash payments made by us to the CLEAR Post-IPO Members (or their transferees or assignees) will be netted against any future cash payments that we might otherwise be required to make to the CLEAR Post-IPO Members (or their transferees or assignees) under the terms of the tax receivable agreement. However, we might not determine that we have effectively made an excess cash payment to the CLEAR Post-IPO Members (or its transferee or assignee) for a number of years following the initial time of such payment and, if any of our tax reporting positions are challenged by a taxing authority, we will not be permitted to reduce any future cash payments under the tax receivable agreement until any such challenge is finally settled or determined. Moreover, the excess cash payments we previously made under the tax receivable agreement could be greater than the amount of future cash payments against which we would otherwise be permitted to net such excess. As a result, payments could be made under the tax receivable agreement significantly in excess of any tax savings that we realize in respect of the tax attributes with respect to the CLEAR Post-IPO Members (or their transferees or assignees) that are the subject of the tax receivable agreement.

In addition, the tax receivable agreement will provide that in the case of a change in control of the Company or a material breach of our obligations under the tax receivable agreement, we are required to make a payment to the CLEAR Post-IPO Members in an amount equal to the present value of future payments (calculated using a discount rate equal to the lesser of 6.5% or LIBOR (or, in the absence of LIBOR, its successor rate) plus 100 basis points, which may differ from our, or a potential acquirer's, then-current cost of capital) under the tax receivable agreement, which payment would be based on certain assumptions, including those relating to our future taxable income. In these situations, our obligations under the tax receivable agreement could have a substantial negative impact on our, or a potential acquirer's, liquidity and could have the effect of delaying, deferring, modifying or preventing certain mergers, asset sales, other forms of business combinations or other changes of control. These provisions of the tax receivable agreement may result in situations where the CLEAR Post-IPO Members have interests that differ from or are in addition to those of our other stockholders. In addition, we could be required to make payments under the tax receivable agreement that are substantial and in excess of our, or a potential acquirer's, actual cash savings in income tax.

Decisions we make in the course of running our business, such as with respect to mergers, asset sales, other forms of business combinations or other changes in control, may influence the timing and amount of payments made under the tax receivable agreement. For example, the earlier disposition of assets following an exchange or purchase of Alclear Units may accelerate payments under the tax receivable agreement and increase the present value of such payments, and the disposition of assets before an exchange or purchase of Alclear Units may increase the tax liability of CLEAR Post-IPO Members (or their transferees or assignees) without giving rise to any rights to receive payments under the tax receivable agreement. Such effects may result in differences or conflicts of interest between the interests of CLEAR Post-IPO Members (or their transferees or assignees) and the interests of other stockholders.

Finally, because we are a holding company with no operations of our own, our ability to make payments under the tax receivable agreement are dependent on the ability of our subsidiaries to make distributions to us. Our debt agreements could restrict the ability of our subsidiaries to make distributions to us, which could affect our ability to make payments under the tax receivable agreement. To the extent that we are unable to make payments under the tax receivable agreement for any reason, such payments will be deferred and will accrue interest until paid, which could negatively impact our results of operations and could also affect our liquidity in periods in which such payments are made.

Indemnification Agreements

We expect to enter into an indemnification agreement with each of our executive officers and directors that provides, in general, that we will indemnify them to the fullest extent permitted by law and our certificate of incorporation and by-laws in connection with their service to us or on our behalf.

Other Transactions

Since 2018, Alclear made tender offers and other repurchases of units from its existing stockholders, directors and executive officers and eligible employees with vested equity awards. Alclear repurchased Alclear units in the amount of $88.4 million from its directors and executive officers between 2018 and 2020.

Related Party Transactions Policies and Procedures

Upon the consummation of this offering, we will adopt a written Related Person Transactions Policy (the “policy”), which will set forth our policy with respect to the review, approval, ratification and disclosure of all related person transactions by our audit committee. In accordance with the policy, our audit committee will have overall responsibility for the implementation of, and compliance with, the policy.

For purposes of the policy, a “related person transaction” is a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which we were, are or will be a participant and in which any related person (as defined in the policy) had, has or will have a direct or indirect material interest.

The policy will require that notice of a proposed related person transaction be provided to our general counsel prior to entry into such transaction. If our general counsel determines that such transaction is a related person transaction, the proposed transaction will be submitted for consideration (a) to our audit committee at its next meeting or (b) in those instances in which the general counsel determines that it is not practicable or desirable to wait until the next audit committee meeting, to the chair of the audit committee.

Under the policy, our audit committee or the chair of the audit committee, as applicable, may approve only those related person transactions that are in, or not inconsistent with, our best interests and the best interests of our stockholders, as the audit committee or the chair of the audit committee, as applicable, determines in good faith. In the event that we become aware of a related person transaction that has not been previously reviewed, approved or ratified under the policy and that is ongoing or is completed (including any transaction that was not considered a related person transaction at the time it was entered into because none of the parties were related persons, but continues after a party thereto has becomes a related person), the transaction will be submitted to the audit committee or chair of the audit committee so that it may evaluate all options, including but not limited to ratification, rescission amendment or termination of the related person transaction. Furthermore, under the policy, the audit committee may preapprove certain categories of transactions.

The policy will also provide that the audit committee review any previously approved or ratified related person transactions that are ongoing, and have a remaining term of more than six months, to determine whether the related person transaction remains in our best interests and the best interests of our stockholders. Additionally, we will make periodic inquiries of directors and executive officers with respect to any potential related person transaction of which they may be a party or of which they may be aware.

DESCRIPTION OF CAPITAL STOCK

Capital Stock

In connection with the reorganization transactions, we expect to amend and restate our certificate of incorporation so that our authorized capital stock will consist of shares of Class A common stock, par value $0.00001 per share, shares of Class B common stock, par value $0.00001 per share, shares of Class C common stock, par value $0.00001 per share, shares of Class D common stock, par value $0.00001 per share, and shares of preferred stock, par value $0.00001 per share.

Immediately following the reorganization transactions, we will have holders of record of our Class A common stock, two holders of record of our Class B common stock, holders of record of our Class C common stock and two holders of record of our Class D common stock. Of the authorized shares of our capital stock, based on an assumed initial public offering price of $ per share (the midpoint of the estimated public offering price range set forth on the cover page of this prospectus), shares of our Class A common stock will be issued and outstanding, shares of our Class B common stock will be issued and outstanding, shares of our Class C common stock will be issued and outstanding, shares of our Class D common stock will be issued and outstanding and no shares of our preferred stock will be issued and outstanding. In addition, we expect to issue stock options and restricted stock units with respect to an aggregate amount of shares of Class A common stock in connection with this offering under the 2021 Omnibus Incentive Plan. See “Executive Compensation—2021 Omnibus Incentive Plan.”

After the consummation of this offering and the application of the net proceeds from this offering, based on an assumed initial public offering price of $ per share (the midpoint of the estimated public offering price range set forth on the cover page of this prospectus), we expect to have shares of our Class A common stock outstanding (or shares if the underwriters’ option to purchase additional shares is exercised in full), shares of our Class B common stock outstanding, shares of our Class C common stock outstanding, shares of our Class D common stock outstanding and no shares of our preferred stock outstanding.

Common Stock

Voting

The holders of our Class A common stock, Class B common stock, Class C common stock and Class D common stock will vote together as a single class on all matters submitted to stockholders for their vote or approval, except (i) as required by applicable law or (ii) any amendment (including by merger, consolidation, reorganization or similar event) to our certificate of incorporation that would affect the rights of the Class A common stock and the Class C common stock in a manner that is disproportionately adverse as compared to the Class B common stock or Class D common stock, or vice versa, in which case the holders of Class A common stock and Class C common stock or the holders of Class B common stock and Class D common stock, as applicable, shall vote together as a class.

Holders of our Class A common stock and Class C common stock are entitled to one vote per share on all matters submitted to stockholders for their vote or approval. Holders of our Class B common stock and Class D common stock are entitled to 20 votes per share on all matters submitted to stockholders for their vote or approval.

Based on an assumed initial public offering price of $ per share (the midpoint of the estimated public offering price range set forth on the cover page of this prospectus), upon the completion of this offering, the Founder Post-IPO Members will collectively control approximately % of the combined voting power of our outstanding shares of common stock (or % if the underwriters’ option to purchase additional shares is exercised in full and giving effect to the use of the net proceeds therefrom) as a result of their ownership of our Class B common stock and our Class D common stock. Accordingly, the Founder Post-IPO Members will collectively control our business policies and affairs and can control any action requiring the general approval of our stockholders, including the election of

our board or directors, the adoption of amendments to our certificate of incorporation and by-laws and the approval of any merger or sale of substantially all of our assets. The Founder Post-IPO Members will continue to have such control until such time that the Founder Post-IPO Members no longer collectively beneficially own a majority of the voting power of our outstanding shares of common stock. This concentration of ownership and voting power may also delay, defer or even prevent an acquisition by a third party or other change of control of our Company and may make some transactions more difficult or impossible without the support of the Founder Post-IPO Members, even if such events are in the best interests of minority stockholders.

Dividends

The holders of Class A common stock and Class B common stock are entitled to receive dividends when, as and if declared by our board of directors out of legally available funds. Under our certificate of incorporation, dividends may not be declared or paid in respect of Class B common stock unless they are declared or paid in the same amount in respect of Class A common stock, and vice versa. With respect to stock dividends, holders of Class B common stock must receive Class B common stock while holders of Class A common stock must receive Class A common stock.

The holders of our Class C common stock and Class D common stock will not have any right to receive dividends other than dividends consisting of shares of our (i) Class C common stock, paid proportionally with respect to each outstanding share of our Class C common stock, and (ii) Class D common stock, paid proportionally with respect to each outstanding share of our Class D common stock, in each case in connection with stock dividends.

Merger, Consolidation, Tender or Exchange Offer

The holders of Class B common stock and Class D common stock will not be entitled to receive economic consideration for their shares in excess of that payable to the holders of Class A common stock and Class C common stock, respectively, in the event of a merger, consolidation or other business combination requiring the approval of our stockholders or a tender or exchange offer to acquire any shares of our common stock. However, in any such event involving consideration in the form of securities, the holders of Class B common stock and Class D common stock will be entitled to receive securities that have no more than 20 times the voting power of any securities distributed to the holders of Class A common stock and Class C common stock.

Liquidation or Dissolution

Upon our liquidation or dissolution, the holders of our Class A common stock and Class B common stock will be entitled to share ratably in our assets that are legally available for distribution to stockholders after payment of liabilities and subject to the prior rights of any holders of preferred stock then outstanding. Other than their par value, the holders of our Class C common stock and Class D common stock will not have any right to receive a distribution upon a liquidation or dissolution of our company.

Conversion, Transferability and Exchange

Our certificate of incorporation will provide that each share of our Class B common stock is convertible at any time, at the option of the holder, into one share of Class A common stock, and each share of our Class D common stock is convertible at any time, at the option of the holder, into one share of Class C common stock. Our certificate of incorporation will further provide that each share of our Class B common stock will automatically convert into one share of Class A common stock, and each share of our Class D common stock will automatically convert into one share of our Class C common stock, (i) immediately prior to any sale or other transfer of such share to a person or entity that is not a member of any Co-Founder's permitted ownership group (collectively, "Founder Equityholders"), (ii) on the fifth anniversary of the consummation of this offering, (iii) with respect to any shares of Class B common stock or Class D common stock held by a Co-Founder or any other person in such Co-Founder's permitted ownership group, (a) such time as such Co-Founder is removed as a director from the board of directors with such Co-Founder's consent, (b) upon the violation of any material non-compete or non-solicitation covenants by such Co-Founder set forth in any written agreement entered

into by us and such Co-Founder on or after the filing and effectiveness of our certificate of incorporation, which violation is finally determined by a court of competent jurisdiction or (c) upon the death or disability (as defined in our certificate of incorporation) of such Co-Founder or (iv) with respect to any shares of Class B common stock or Class D common stock held by or subject to the voting control of any Co-Founder or other persons in his or her permitted ownership group, such time as the Co-Founder, together with the other persons in such Co-Founder's permitted ownership group, cease to hold or control the vote of, in the aggregate, at least 25% of the aggregate shares of Class B Common Stock and Class D Common Stock held by or subject to the voting control of such Co-Founder's permitted ownership group as of the consummation of this offering.

Under our certificate of incorporation, the "permitted ownership group" of any Co-Founder will include (i) such Co-Founder, (ii) a trust, family-partnership or estate-planning vehicle which is directly or indirectly controlled by such Co-Founder and the income from which may be paid only to beneficiaries who are such Co-Founder and his or her family members (which would include the spouse, domestic partner, parents, grandparents, lineal descendants, siblings and lineal descendants of siblings of such person (including adopted persons, former spouses or former domestic partners of such person)), (iii) a corporation, partnership or limited liability company, which is directly or indirectly controlled by such Co-Founder and the other equityholders of which (if any) are only such Co-Founder, his or her family members or any of the persons described in (ii) of this definition and (iv) a private foundation, organization or similar entity established by such Co-Founder and/or one or more of his or her family members and controlled (directly or indirectly) by such Co-Founder. In the case of (ii) and (iii), such entity must be established for the Co-Founder's bona fide estate planning purposes. The permitted ownership group of each Co-Founder include such Co-Founder's related Founder Post-IPO Member.

Among other exceptions described in our certificate of incorporation, the Founder Equityholders will be permitted to pledge shares of Class D common stock and/or Class B common stock that they hold from time to time without causing an automatic conversion to Class C common stock or Class A common stock, as applicable, provided that any pledged shares are not transferred to or registered in the name of the pledgee.

Subject to the terms of the Exchange Agreement (i) the Founder Post-IPO Members may exchange their Alclear Units and corresponding shares of our Class D common stock (or Class C common stock) for, at our option, (a) shares of our Class B common stock (or Class A common stock) or (b) cash from a substantially concurrent public offering or private sale of Class A common stock (based on the market price of our Class A common stock in such public offering or private sale) and (ii) the other CLEAR Post-IPO Members may exchange their vested Alclear Units and corresponding shares of our Class C common stock for, at our option, (a) shares of our Class A common stock or (b) cash from a substantially concurrent public offering or private sale of Class A common stock (based on the market price of our Class A common stock in such public offering or private sale). Each such exchange will be on a one-for-one basis, subject to customary conversion rate adjustments for stock splits, stock dividends and reclassifications. Upon exchange, each share of our Class C common stock or Class D common stock so exchanged will be cancelled.

Other Provisions

None of the Class A common stock, Class B common stock, Class C common stock or Class D common stock has any pre-emptive or other subscription rights. There will be no redemption or sinking fund provisions applicable to the Class A common stock, Class B common stock, Class C common stock or Class D common stock.

At such time as no Alclear Units remain exchangeable for shares of our Class A common stock, our Class C common stock will be cancelled. At such time as no Alclear Units remain exchangeable for shares of our Class B common stock, our Class D common stock will be cancelled.

Preferred Stock

After the consummation of this offering, we will be authorized to issue up to shares of preferred stock. Our board of directors will be authorized, subject to limitations prescribed by Delaware

law and our certificate of incorporation, to determine the terms and conditions of the preferred stock, including whether the shares of preferred stock will be issued in one or more series, the number of shares to be included in each series and the powers, designations, preferences and rights of the shares. Our board of directors also will be authorized to designate any qualifications, limitations or restrictions on the shares without any further vote or action by the stockholders. The issuance of preferred stock may have the effect of delaying, deferring or preventing a change in control of our Company and may adversely affect the voting and other rights of the holders of our Class A common stock, Class B common stock, Class C common stock and Class D common stock, which could have a negative impact on the market price of our Class A common stock. We have no current plan to issue any shares of preferred stock following the consummation of this offering.

Warrants

Certain warrants issued by Alclear and held by certain of the CLEAR Pre-IPO Members will become exercisable prior to this offering and, subject to their terms, to the extent not exercised by the holders thereof at their discretion, will automatically be exercised for Class B units of Alclear.

In addition, certain other warrants of Alclear are not exercisable at or prior to this offering and, upon completion of this offering, will either, in accordance with their terms, (i) be exchanged for new warrants representing the right to receive Class A common stock or (ii) remain at Alclear and continue to be exercisable for Alclear Units in accordance with their terms. Among such warrants, on July 9, 2019, Alclear issued warrants (the “2019 Warrants”) to purchase an aggregate of up to 650,000 Class B units of Alclear to United Airlines, Inc. (the “Holder”) at an exercise price of $225 per Class B unit. The 2019 Warrants are subject to performance-based vesting criteria, such as criteria related to new customer enrollments and technological innovations. As of March 31, 2021, 2019 Warrants to purchase 300,000 Class B units were vested. In connection with the reorganization transactions, the 2019 Warrants will be converted into warrants to purchase an aggregate of   shares of our Class A common stock at an exercise price of $ per share of Class A common stock. The warrants will expire on July 9, 2022.

As of March 31, 2021, after giving effect to the reorganization transactions and this offering, we would have had outstanding warrants exercisable for   shares of Class A common stock (either directly or indirectly through the exercise for Alclear Units that are exchangeable for shares of Class A common stock), of which   % would have vested.

Certain Certificate of Incorporation, By-Law and Statutory Provisions

The provisions of our certificate of incorporation and by-laws and of the Delaware General Corporation Law summarized below may have an anti-takeover effect and may delay, defer or prevent a tender offer or takeover attempt that you might consider in your best interest, including an attempt that might result in your receipt of a premium over the market price for your shares of Class A common stock.

Anti-Takeover Effects of Our Certificate of Incorporation and By-laws

Our certificate of incorporation and by-laws will contain certain provisions that are intended to enhance the likelihood of continuity and stability in the composition of our board of directors and that may have the effect of delaying, deferring or preventing a future takeover or change in control of our Company unless such takeover or change in control is approved by our board of directors.

These provisions include:

Dual Class Capital Structure. Our certificate of incorporation will provide for a dual class common stock structure, which will provide the Founder Post-IPO Members with the ability to collectively control the outcome of matters requiring stockholder approval, even if they beneficially own significantly less than a majority of the shares of our outstanding common stock, including the election of directors and significant corporate transactions, such as a merger or sale of substantially all of our assets. See “Description of Capital Stock—Common Stock—Conversion, Transferability and Exchange.”

Board. Our certificate of incorporation will provide that, subject to any rights of holders of preferred stock to elect additional directors under specified circumstances, the number of directors will be fixed exclusively pursuant to a resolution adopted by our board of directors. Our board of directors will initially have members. At any meeting of the board of directors, except as otherwise required by law, a majority of the total number of directors then in office will constitute a quorum for all purposes.

Removal of Directors. Our certificate of incorporation will provide that, following the Triggering Event, directors may be removed with or without cause by the affirmative vote of holders of at least 66⅔% of the combined voting power of our outstanding shares of common stock. This requirement of a super-majority vote to remove directors for cause could enable a minority of our stockholders to exercise veto power over any such removal.

Vacancies. Each director is to hold office until his or her successor is duly elected and qualified or until his or her earlier death, resignation or removal. Vacancies and newly created directorships on the board of directors may be filled at any time by the remaining directors or our stockholders, provided that, after the occurrence of the Triggering Event, vacancies on our board of directors, whether resulting from an increase in the number of directors or the death, removal or resignation of a director, will be filled only by our board of directors and not by stockholders.

No Cumulative Voting. Under our certificate of incorporation, stockholders do not have the right to cumulative votes in the election of our directors.

Special Meetings of Stockholders. Our certificate of incorporation and by-laws will provide that, subject to any special rights of the holders of any series of preferred stock, special meetings of the stockholders can only be called by the chair of the board or the chief executive officer, or by the board of directors. Except as described below, stockholders are not permitted to call a special meeting or to require the board of directors to call a special meeting.

Action by Written Consent. Our certificate of incorporation will provide that action can be taken by written consent in lieu of a meeting; provided that following the occurrence of the Triggering Event, stockholder action can be taken only at an annual or special meeting of stockholders and cannot be taken by written consent in lieu of a meeting.

Advance Notice Procedures. Our by-laws will establish an advance notice procedure for stockholder proposals to be brought before an annual meeting of our stockholders and director nominations. Stockholders at an annual meeting will only be able to consider proposals or nominations specified in the notice of meeting or brought before the meeting by or at the direction of the board of directors or by a stockholder who was a stockholder of record on the record date for the meeting, who is entitled to vote at the meeting and who has given our Secretary timely written notice, in proper form, of the stockholder's intention to bring that business before the meeting. Although the by-laws will not give our board of directors the power to approve or disapprove stockholder nominations of candidates or proposals regarding other business to be conducted at an annual meeting, the by-laws may have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed or may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect its own slate of directors or otherwise attempting to obtain control of our Company.

Amendments to Certificate of Incorporation and By-laws. The Delaware General Corporation Law generally provides that the affirmative vote of the holders of a majority of the total voting power of the shares entitled to vote on any matter is required to amend a corporation's certificate of incorporation or by-laws, unless either a corporation's certificate of incorporation or by-laws require a greater percentage. Our certificate of incorporation and by-laws will provide that, following the Triggering Event (which is the first date on which the Co-Founders, together with the other persons in their permitted ownership groups (which include the Founder Post-IPO Members), collectively beneficially own, in aggregate, less than a majority of the combined voting power of our outstanding shares of common stock entitled to vote generally in the election of directors), the affirmative vote of holders of 66⅔% of the combined voting power of our outstanding shares of common stock, will be required to amend, alter, change or repeal our by-laws or specified provisions of our certificate of incorporation, including those relating to actions by written consent of stockholders, calling of special meetings of stockholders, business combinations

and these vote requirements to amend our certificate of incorporation and by-laws. This requirement of a super-majority vote to approve amendments to our certificate of incorporation and by-laws could enable a minority of our stockholders to exercise veto power over any such amendments.

Authorized but Unissued Shares. Our authorized but unissued shares of common stock and preferred stock will be available for future issuance without stockholder approval, subject to the NYSE rules. These additional shares may be utilized for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions and employee benefit plans. The existence of authorized but unissued shares of common stock and preferred stock could render more difficult or discourage an attempt to obtain control of a majority of our common stock by means of a proxy contest, tender offer, merger or otherwise.

Business Combinations with Interested Stockholders. Our certificate of incorporation will provide that we will not be subject to Section 203 of the Delaware General Corporation Law, an antitakeover law. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a business combination with an interested stockholder, unless the business combination is approved in a prescribed manner. An interested stockholder includes a person, individually or together with any other interested stockholder, who within the last three years has owned 15% or more of our voting stock. Accordingly, we will not be subject to any anti-takeover effects of Section 203. Nevertheless, our certificate of incorporation will include a provision that restricts us from engaging in any business combination with an interested stockholder for three years following the date that person becomes an interested stockholder. Such restrictions, however, do not apply to any business combination between (i) any Founder Post-IPO Member, (ii) any Co-Founder, (iii) any other person in any Co-Founder's permitted ownership group, (iv) any affiliate, successor or Related Party of any of the foregoing or (v) any Permitted Transferee of any of the foregoing. For purposes of this discussion, a person is a "Related Party" of another person if they are an affiliate or successor of such other person or are a "group," or member of any such group, to which such other person is a party under Rule 13d-5 of the Exchange Act. For purposes of this discussion, a person is a "Permitted Transferee" of another person if they (A) acquire (other than in connection with a registered public offering) our voting stock from such other person or any of such other person's Related Parties and (B) are designated in writing by a Founder Post-IPO Member or its successor or assignee as a "Permitted Transferee".

Directors' Liability; Indemnification of Directors and Officers

Our certificate of incorporation will limit the liability of our directors to the fullest extent permitted by the Delaware General Corporation Law and provides that we will provide them and our officers with customary indemnification. We expect to enter into customary indemnification agreements with each of our executive officers and directors that provide them, in general, with customary indemnification in connection with their service to us or on our behalf.

Exclusive Forum

Our certificate of incorporation will require, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, that (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, employees or agents to us or our stockholders to us or our stockholders, (iii) any action asserting a claim against us arising pursuant to any provision of the Delaware General Corporation Law or our certificate of incorporation or our by-laws or (iv) any action asserting a claim related to or involving the Company that is governed by the internal affairs doctrine will have to be brought only in the Court of Chancery of the State of Delaware having personal jurisdiction over the indispensable parties named as defendants. These provisions will not apply to suits brought to enforce any liability or duty created by the Securities Act, the Exchange Act or any other claim for which the federal district courts of the United States have exclusive jurisdiction. For instance, the provision would not apply to actions arising under federal securities laws, including suits brought to enforce any liability or duty created by the Securities Act, Exchange Act or the rules and regulations thereunder.

Our certificate of incorporation further provides that the federal district courts of the United States shall, to the fullest extent permitted by law, be the sole and exclusive forum for the resolution of any

action, suit or proceeding asserting a cause of action arising under the Securities Act. Any person or entity purchasing or otherwise acquiring any interest in any shares of our capital stock will be deemed to have notice of and, to the fullest extent permitted by law, to have consented to the foregoing forum selection provisions. However, the enforceability of similar forum provisions (including exclusive federal forum provisions for actions, suits or proceedings asserting a cause of action arising under the Securities Act) in other companies' certificates of incorporation has been challenged in legal proceedings, and it is possible that a court could find our forum selection provisions to be inapplicable or unenforceable.

Although we believe this exclusive forum provision benefits us by providing increased consistency in the application of Delaware law and federal securities laws in the types of lawsuits to which each applies, the forum selection clause in our certificate of incorporation may impose additional litigation costs on stockholders in pursuing any such claims, particularly if the stockholders do not reside in or near the State of Delaware. Additionally, the forum selection clause in our certificate of incorporation may limit our stockholders' ability to bring a claim in a judicial forum that they find favorable for disputes with us or our directors, officers or employees, which may discourage such lawsuits against us and our directors, officers and employees even though an action, if successful, might benefit our stockholders. Alternatively, if a court were to find the choice of forum provision contained in our certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions. The Court of Chancery of the State of Delaware and the federal district courts of the United States may also reach different judgments or results than would other courts, including courts where a stockholder considering an action may be located or would otherwise choose to bring the action, and such judgments may be more or less favorable to us than our stockholders. See "Risk Factors—Risks Related to This Offering and Our Class A Common Stock—Our certificate of incorporation will provide that the Court of Chancery of the State of Delaware and the federal district courts of the United States will be the exclusive forums for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees."

Transfer Agent and Registrar

The transfer agent and registrar for our Class A common stock will be .

Securities Exchange

We intend to list our Class A common stock on the NYSE under the symbol "YOU."

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our Class A common stock. We cannot make any prediction as to the effect, if any, that sales of Class A common stock or the availability of Class A common stock for future sales will have on the market price of our Class A common stock. The market price of our Class A common stock could decline because of the sale of a large number of shares of our Class A common stock or the perception that such sales could occur in the future. These factors could also make it more difficult to raise funds through future offerings of Class A common stock. See "Risk Factors—Risks Related to this Offering and Our Class A Common Stock—Substantial future sales of shares of our Class A common stock in the public market could cause our stock price to fall."

Sale of Restricted Shares

Upon the consummation of this offering, we will have shares of Class A common stock outstanding (or shares if the underwriters exercise their option to purchase additional shares in full) outstanding, excluding shares of Class A common stock underlying outstanding options or restricted stock units. Of these shares, the shares sold in this offering (or shares if the underwriters exercise their option to purchase additional shares in full) will be freely tradable without further restriction under the Securities Act, except any shares held by our affiliates, as that term is defined in Rule 144 under the Securities Act. In the absence of registration under the Securities Act, shares held by affiliates may only be sold in compliance with the limitations of Rule 144 described below or another exemption from the registration requirements of the Securities Act. As defined in Rule 144, an affiliate of an issuer is a person that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with the issuer. Upon the completion of this offering, approximately of our outstanding shares of Class A common stock (or shares if the underwriters exercise their option to purchase additional shares in full) will be deemed "restricted securities," as that term is defined under Rule 144, and would also be subject to the "lock-up" period noted below.

In addition, upon consummation of the offering, the Founder Post-IPO Members will collectively own an aggregate of shares of our Class B common stock based on an assumed initial public offering price of $ per share (the midpoint of the estimated public offering price range set forth on the cover page of this prospectus). Our certificate of incorporation will provide that each share of our Class B common stock is convertible at any time, at the option of the holder, into one share of Class A common stock. Shares of our Class A common stock issuable to Founder Post-IPO Members upon conversion of shares of Class B common stock would be considered "restricted securities," as that term is defined under Rule 144 and would also be subject to the "lock-up" period noted below.

Further, based on an assumed initial public offering price of $ per share (the midpoint of the estimated public offering price range set forth on the cover page of this prospectus), upon consummation of the offering, the CLEAR Post-IPO Members will own an aggregate of Alclear Units and shares of our Class C common stock and Class D common stock. Pursuant to the terms of the Exchange Agreement, the Founder Post-IPO Members could on the first day of each month or, in the event such day is not a business day, the immediately following business day exchange their Alclear Units and corresponding shares of Class D common stock for, at our option, (i) shares of our Class B common stock on a one-for-one basis or (ii) cash from a substantially concurrent public offering or private sale of Class A common stock (based on the market price of our Class A common stock in such public offering or private sale), and the other CLEAR Post-IPO Members could on the first day of each month or, in the event such day is not a business day, the immediately following business day exchange their Alclear Units and corresponding shares of our Class C common stock for, at our option, (i) shares of our Class A common stock on a one-for-one basis or (ii) cash from a substantially concurrent public offering or private sale of Class A common stock (based on the market price of our Class A common stock in such public offering or private sale). In addition, our certificate of incorporation will provide that each share of our Class B common stock is convertible at any time, at the option of the holder, into one share of Class A common stock. Shares of our Class A common stock issuable to the CLEAR Post-IPO Members upon an exchange of Alclear Units and corresponding shares of our Class C

common stock or upon conversion of shares of Class B common stock would be considered "restricted securities," as that term is defined under Rule 144 and would also be subject to the "lock-up" period noted below.

Restricted securities may be sold in the public market only if they qualify for an exemption from registration under Rule 144 under the Securities Act, which is summarized below, or any other applicable exemption under the Securities Act, or pursuant to a registration statement that is effective under the Securities Act. Immediately following the consummation of this offering, the holders of approximately shares of our Class A common stock (or shares if the underwriters exercise their option to purchase additional shares in full and giving effect to the use of the net proceeds therefrom) (on an assumed as-exchanged basis) will be entitled to dispose of their shares following the expiration of an initial 180-day underwriter "lock-up" period pursuant to the holding period, volume and other restrictions of Rule 144. The representatives of the underwriters are entitled to waive these lock-up provisions at their discretion prior to the expiration dates of such lock-up agreements.

Rule 144

In general, pursuant to Rule 144 under the Securities Act, a person (or persons whose shares are aggregated) who is not deemed to have been an affiliate of ours at any time during the three months preceding a sale, and who has beneficially owned restricted securities within the meaning of Rule 144 for at least six months (including any period of consecutive ownership of preceding non-affiliated holders) would be entitled to sell those shares, subject only to the availability of current public information about us. A non-affiliated person who has beneficially owned restricted securities within the meaning of Rule 144 for at least one year would be entitled to sell those shares without regard to the provisions of Rule 144.

A person (or persons whose shares are aggregated) who is deemed to be an affiliate of ours and who has beneficially owned restricted securities within the meaning of Rule 144 for at least six months would be entitled to sell within any three-month period a number of shares that does not exceed the greater of one percent of the then outstanding shares of our Class A common stock or the average weekly trading volume of our Class A common stock during the four calendar weeks preceding such sale. Such sales are also subject to certain manner of sale provisions, notice requirements and the availability of current public information about us.

Rule 701

In general, under Rule 701 under the Securities Act, any of our employees, directors, officers, consultants or advisors who purchase shares from us in connection with a compensatory stock or option plan or other written agreement before the effective date of this offering is entitled to sell such shares 90 days after the effective date of this offering in reliance on Rule 144, without having to comply with the holding period requirement of Rule 144 and, in the case of non-affiliates, without having to comply with the public information, volume limitation or notice filing provisions of Rule 144. The SEC has indicated that Rule 701 will apply to typical stock options granted by an issuer before it becomes subject to the reporting requirements of the Exchange Act, along with the shares acquired upon exercise of such options, including exercises after the date of this prospectus.

Warrants

As of March 31, 2021, we had warrants to purchase an aggregate of shares of our Class A common stock, of which warrants to purchase shares have vested. The warrants vest and become exercisable upon certain conditions specified in the warrant. During the period the warrants are outstanding, we will reserve from our authorized and unissued Class A common stock a sufficient number of shares to provide for the issuance of shares of Class A common stock underlying the warrants upon the exercise of the warrants. See "*Description of Capital Stock—Warrants*."

Options/Equity Awards

We intend to file a registration statement under the Securities Act to register approximately shares of Class A common stock reserved for issuance or sale under our 2021 Omnibus Incentive Plan. We

expect to grant options to purchase shares of our Class A common stock under our 2021 Omnibus Incentive Plan in connection with this offering. Shares issued upon the exercise of stock options that vest after the effective date of the registration statement will be eligible for resale in the public market without restriction, subject to Rule 144 limitations applicable to affiliates and the lock-up agreements and equity retention agreements described below.

Lock-Up Agreements

Our executive officers, directors, the Founder Post-IPO Members and certain CLEAR Post-IPO Members have agreed that, for a period of 180 days from the date of this prospectus, they will not, without the prior written consent of the representatives of the underwriters, dispose of or hedge any shares of our Class A common stock or any securities convertible into or exchangeable for our Class A common stock (including Alclear Units), subject to certain exceptions.

Immediately following the consummation of this offering, based on an assumed initial public offering price of $ per share (the midpoint of the estimated public offering price range set forth on the cover page of this prospectus), stockholders subject to lock-up agreements will hold shares of our Class A common stock (assuming the CLEAR Post-IPO Members exchange all their Alclear Units and corresponding shares of our Class C common stock or Class D common stock, as applicable, for shares of our Class A common stock or Class B common stock, as applicable, and the conversion of all Class B common stock into Class A common stock), representing approximately % of our then-outstanding shares of Class A common stock (or shares of Class A common stock, representing approximately % of our then-outstanding shares of Class A common stock, if the underwriters exercise their option to purchase additional shares in full and giving effect to the use of the net proceeds therefrom).

We have agreed, subject to certain exceptions, not to issue, sell or otherwise dispose of any shares of our Class A common stock or any securities convertible into or exchangeable for our Class A common stock (including Alclear Units) during the 180-day period following the date of this prospectus. We may, however, grant options to purchase shares of Class A common stock and grant other equity compensation awards and issue shares of Class A common stock upon the exercise or settlement of outstanding equity awards under our equity incentive plans, and we may issue or sell Class A common stock in connection with an acquisition or business combination (subject to a specified maximum amount) as long as the acquirer of such Class A common stock agrees in writing to be bound by the obligations and restrictions of our lock-up agreement.

Registration Rights

Our Registration Rights Agreement grants registration rights to the Founder Post-IPO Members and the other CLEAR Post-IPO Members. For more information, see "Certain Relationships and Related Party Transactions—Registration Rights Agreement."

MATERIAL U.S. FEDERAL TAX CONSIDERATIONS

The following discussion is a summary of the material U.S. federal income tax considerations to Non-U.S. Holders (as defined below) of the acquisition, ownership and disposition of our Class A common stock but does not purport to be a complete analysis of all the potential tax considerations relating thereto.

Non-U.S. Holders

This discussion is limited to Non-U.S. Holders that hold our Class A common stock as a capital asset (generally, for investment). For purposes of this discussion, a Non-U.S. Holder is a beneficial owner of our Class A common stock that is treated for U.S. federal tax purposes as:

- a non-resident alien individual;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of a jurisdiction other than the U.S., any state thereof or the District of Columbia;
- an estate, other than an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust, other than a trust that (i) is subject to the primary supervision of a court within the U.S. and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust, or (ii) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

For purposes of this discussion, a Non-U.S. Holder does not include a partnership (including for this purpose any entity that is treated as a partnership for U.S. federal income tax purposes). If a partnership or other pass-through entity is a beneficial owner of our Class A common stock, the tax treatment of a partner or other owner will generally depend upon the status of the partner (or other owner) and the activities of the entity. If you are a partner (or other owner) of a pass-through entity that acquires our Class A common stock, you should consult your tax advisor regarding the tax considerations of acquiring, owning and disposing of our Class A common stock. Also, it is important to note that the rules for determining whether an individual is a non-resident alien for income tax purposes differ from those applicable for estate tax purposes.

This discussion is not a complete analysis or listing of all of the possible tax considerations of such transactions and does not address all tax considerations that might be relevant to a Non-U.S. Holder in light of its particular circumstances or to Non-U.S. Holders that may be subject to special treatment under U.S. federal tax laws. Furthermore, this summary does not address estate and gift tax considerations, the Medicare contribution or net investment tax or tax considerations under any state, local or foreign laws. In addition, this discussion does not address consequences relevant to Non.-U.S. Holders subject to special rules (e.g., banks, insurance companies or other financial institutions; brokers, dealers or traders in securities or currencies; and certain former citizens or long-term residents of the U.S.).

The following discussion is based upon the Code, U.S. judicial decisions, administrative rulings and pronouncements and existing and proposed Treasury regulations, all as in effect as of the date hereof. All of the preceding authorities are subject to change, possibly with retroactive effect, so as to result in U.S. federal income tax considerations different from those discussed below. We have not requested, and will not request, a ruling from the IRS with respect to any of the U.S. federal income tax considerations described below. There can be no assurance the IRS or a court will not take a contrary position to that discussed below regarding the tax considerations of the acquisition, ownership and disposition of our Class A common stock.

The following discussion is for general information only and is not intended to be, nor should it be construed to be, legal or tax advice to any holder or prospective holder of our Class A common stock and no opinion or representation with respect to the U.S. federal income tax considerations to any such holder or prospective holder is made. Prospective purchasers are

urged to consult their tax advisors as to the particular consequences to them under U.S. federal, state and local, and applicable foreign tax laws of the acquisition, ownership and disposition of our Class A common stock.

Distributions

We do not currently expect to make any distributions to holders of our Class A common stock. However, if we do make distributions of cash or property on our Class A common stock, such distributions will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Except as described below under "—U.S. Trade or Business Income," a Non-U.S. Holder generally will be subject to U.S. federal withholding tax at a 30% rate, or at a reduced rate prescribed by an applicable income tax treaty, on any dividends received in respect of our Class A common stock. If the amount of the distribution exceeds our current and accumulated earnings and profits, such excess first will be treated as a return of capital to the extent of the Non-U.S. Holder's tax basis in our Class A common stock, and thereafter will be treated as capital gain. However, except to the extent that we elect (or the paying agent or other intermediary through which a Non-U.S. Holder holds our Class A common stock elects) otherwise, we (or the intermediary) must generally withhold on the entire distribution, in which case the Non-U.S. Holder would be entitled to a refund from the IRS for the withholding tax on the portion of the distribution that exceeded our current and accumulated earnings and profits. In order to obtain a reduced rate of U.S. federal withholding tax under an applicable income tax treaty, a Non-U.S. Holder will be required to provide a properly executed IRS Form W-8BEN (or IRS Form W-8BEN-E or successor form) certifying such stockholder's entitlement to benefits under the treaty. If a Non-U.S. Holder is eligible for a reduced rate of U.S. federal withholding tax under an income tax treaty, the Non-U.S. Holder may obtain a refund or credit of any excess amounts withheld by filing an appropriate claim for a refund with the IRS. Non-U.S. Holders are urged to consult their own tax advisors regarding possible entitlement to benefits under an income tax treaty.

Sale, Exchange or Other Taxable Disposition of our Class A Common Stock

Except as described below under "—Information Reporting and Backup Withholding," and "—FATCA," a Non-U.S. Holder generally will not be subject to U.S. federal income or withholding tax in respect of any gain on a sale, exchange or other taxable disposition of our Class A common stock unless:

- the gain is U.S. trade or business income, in which case, such gain will be taxed as described in "—U.S. Trade or Business Income," below;
- the Non-U.S. Holder is an individual who is present in the U.S. for 183 or more days in the taxable year of the disposition and certain other conditions are met, in which case the Non-U.S. Holder will be subject to U.S. federal income tax at a rate of 30% (or a reduced rate under an applicable tax treaty) on the amount by which certain capital gains allocable to U.S. sources exceed certain capital losses allocable to U.S. sources; or
- we are or have been a "U.S. real property holding corporation" (a "USRPHC") under section 897 of the Code at any time during the period (the "applicable period") that is the shorter of the five-year period ending on the date of the disposition and the Non-US. Holder's holding period for our Class A common stock, in which case, subject to the exception set forth in the second sentence of the next paragraph, such gain will be subject to U.S. federal income tax in the same manner as U.S. trade or business income.

In general, a corporation is a USRPHC if the fair market value of its "U.S. real property interests" equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests and its other assets used or held for use in a trade or business. In the event that we are determined to be a USRPHC, gain will not be subject to tax as U.S. trade or business income under section 897 of the Code if a Non-U.S. Holder's holdings (direct and indirect) at all times during the applicable period constituted 5% or less of our Class A common stock, provided that our Class A common stock was regularly traded on an established securities market during such period. Although there can be no

assurance in this regard, we believe that we are not, and do not anticipate becoming, a USRPHC. However, because the determination of whether we are a USRPHC depends on the fair market value of our U.S. real property interests relative to the fair market value of our other business assets, there can be no assurance that we are not a USRPHC or will not become one in the future. Even if we became a USRPHC, a Non-U.S. Holder would not be subject to U.S. federal income tax on a sale, exchange or other taxable disposition of our common stock by reason of our status as USRPHC so long as our common stock is regularly traded on an established securities market (within the meaning of the applicable regulations) and such Non-U.S. Holder does not own and is not deemed to own (directly, indirectly or constructively) more than 5% of our outstanding common stock at any time during the shorter of the five year period ending on the date of disposition and such holder's holding period. Prospective investors are encouraged to consult their own tax advisors regarding the possible consequences to them if we are, or were to become, a USRPHC.

U.S. Trade or Business Income

For purposes of this discussion, dividend income and gain on the sale, exchange or other taxable disposition of our Class A common stock will be considered to be "U.S. trade or business income" if (i) such income or gain is effectively connected with the conduct of a trade or business within the U.S. by the Non-U.S. Holder and (ii) if the Non-U.S. Holder is eligible for the benefits of an income tax treaty with the U.S., such income or gain is attributable to a permanent establishment (or, in the case of an individual, a fixed base) that the Non-U.S. Holder maintains in the U.S. Moreover, gain on the sale or other taxable disposition of our Class A common stock will be subject to U.S. federal income tax in the same manner as U.S. trade or business income if we are or have been a USRPHC at any time during the applicable period (subject to the exception set forth above in the second paragraph of "—Sale, Exchange or Other Taxable Disposition of our Class A Common Stock"). Generally, U.S. trade or business income is not subject to U.S. federal withholding tax (provided certain certification and disclosure requirements are satisfied, including providing a properly executed IRS Form W-8ECI (or successor form)); instead, such income is subject to U.S. federal income tax on a net basis at regular U.S. federal income tax rates (in the same manner as a U.S. person). Any U.S. trade or business income received by a foreign corporation may also be subject to a "branch profits tax" at a 30% rate, or at a lower rate prescribed by an applicable income tax treaty.

Information Reporting and Backup Withholding

Information reporting and, in certain circumstances, backup withholding will apply to the payment of dividends and proceeds of a sale or other disposition of our Class A common stock made within the United States or conducted through certain U.S.-related financial intermediaries, unless the beneficial owner certifies under penalty of perjury that it is a Non-U.S. Holder (and the payor does not have actual knowledge or reason to know that the beneficial owner is a U.S. person as defined under the Code), or such owner otherwise establishes an exemption by properly certifying its Non-U.S. Holder status on an IRS Form W-8BEN, W-8BEN-E or other applicable or successor form.

Backup withholding is not an additional tax. Rather, the U.S. income tax liability (if any) of persons subject to backup withholding will be reduced by the amount of tax withheld. If backup withholding results in an overpayment of taxes, a refund may be obtained, provided that the required information is timely furnished to the IRS.

FATCA

Provisions of the Code commonly known as the Foreign Account Tax Compliance Act, or FATCA, generally impose a U.S. federal withholding tax at a rate of 30% on payments of dividends on our common stock paid to a non-U.S. entity unless: (i) if the non-U.S. entity is a "foreign financial institution," such non-U.S. entity undertakes certain due diligence, reporting, withholding and certification obligations; (ii) if the non-U.S. entity is not a "foreign financial institution," such non-U.S. entity identifies any "substantial" owner (generally, any specified U.S. person who owns, directly or indirectly, more than a specified percentage of such entity); or (iii) the non-U.S. entity is otherwise exempt under FATCA.

Withholding under FATCA generally applies to payments of dividends on our Class A common stock. Proposed Treasury regulations, which taxpayers may rely upon until final regulations are issued, eliminate withholding on payments of gross proceeds. Under certain circumstances, a non-U.S. Holder may be eligible for refunds or credits of the tax, and a Non-U.S. Holder might be required to file a U.S. federal income tax return to claim such refunds or credits. An intergovernmental agreement between the United States and an applicable foreign country may modify the requirements described in this paragraph. Non-U.S. Holders are urged to consult their own tax advisors regarding the possible implications of FATCA on their investment in our Class A common stock and the entities through which they hold our Class A common stock, including, without limitation, the process and deadlines for meeting the applicable requirements to prevent the imposition of the 30% withholding tax under FATCA.

Confidential Treatment Requested by Clear Secure, Inc.
Pursuant to 17 C.F.R. Section 200.83

UNDERWRITING

We and the underwriters named below will enter into an underwriting agreement with respect to the shares being offered. Subject to certain conditions, each underwriter will severally agree to purchase the number of shares indicated in the following table. Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC and Allen & Company LLC are acting as the representatives of the underwriters.

Name of Underwriter	Number of Shares
Goldman Sachs & Co. LLC	
J.P. Morgan Securities LLC	
Allen & Company LLC	
Total	

The underwriters will be committed to take and pay for all of the shares being offered, if any are taken, other than the shares covered by the option described below unless and until this option is exercised.

The underwriters will have an option to purchase up to an additional shares from us to cover sales by the underwriters of a greater number of shares than the total number set forth in the table above. They may exercise that option for 30 days. If any shares are purchased pursuant to this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above.

The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters by us in connection with this offering. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

	No Exercise	Full Exercise
Per Share	$	$
Total	$	$

Shares sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus. Any shares sold by the underwriters to securities dealers may be sold at a discount of up to $ per share from the initial public offering price. After the initial offering of the shares, the representatives may change the offering price and the other selling terms. The offering of the shares by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

We and our executive officers, directors, the Founder Post-IPO Members and certain CLEAR Post-IPO Members have agreed with the underwriters, subject to certain exceptions, not to dispose of or hedge any share of Class A common stock or securities convertible into or exchangeable for shares of Class A common stock during the period from the date of this prospectus continuing through the date 180 days after the date of this prospectus, except with the prior written consent of .

Prior to the offering, there has been no public market for our Class A common stock. The initial public offering price has been negotiated among the us and the representatives. Among the factors to be considered in determining the initial public offering price of the shares, in addition to prevailing market conditions, will be the Company's historical performance, estimates of the business potential and earnings prospects of the Company, an assessment of the Company's management and the consideration of the above factors in relation to market valuation of companies in related businesses.

We intend to apply to list the shares of our Class A common stock on the NYSE under the symbol "YOU."

In connection with this offering, the underwriters may purchase and sell shares of Class A common stock 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 underwriters of a greater number of shares than they are required to purchase in this offering, and a short position represents the amount of such sales that have not been covered by subsequent purchases. A "covered short position" is a short position that is not greater than the number of additional shares for which the underwriters' option described above may be exercised. The underwriters may cover any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to cover the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase additional shares pursuant to the option described above. "Naked" short sales are any short sales that create a short position greater than the number of additional shares for which the option described above may be exercised. The underwriters must cover any such naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in this offering. Stabilizing transactions consist of various bids for or purchases of common stock made by the underwriters in the open market prior to the closing of this offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or retarding a decline in the market price of our stock, and together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the common stock. As a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. The underwriters are not required to engage in these activities and may end any of these activities at any time. These transactions may be effected on the NYSE, in the over-the-counter market, or otherwise.

We estimate that our share of the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately $ million.

We will also agree to reimburse the underwriters for expenses relating to clearance of this offering with the Financial Industry Regulatory Authority up to $35,000.

We will also agree to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act. In addition, we have agreed to reimburse the underwriters for certain expenses in connection with this offering.

The underwriters 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. Certain of the underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to us and to persons and entities with relationships with us, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the underwriters 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 and/or instruments of the issuer (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the issuer. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/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 and/or short positions in such assets, securities and instruments.

European Economic Area

In relation to each Member State of the European Economic Area (each a Member State), no common stock has been offered or will be offered pursuant to the offering to the public in that Member State prior to the publication of a prospectus in relation to our common stock which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, all in accordance with the Prospectus Regulation, except that offers of shares may be made to the public in that Member State at any time under the following exemptions under the Prospectus Regulation:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(b) by the underwriters to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior written consent of the representatives for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of common stock shall result in a requirement for us or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

Each person in a Member State who initially acquires any common stock or to whom any offer is made will be deemed to have represented, acknowledged and agreed with us and the representatives that it is a qualified investor within the meaning of the Prospectus Regulation.

In the case of any common stock being offered to a financial intermediary as that term is used in Article 5(1) of the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the common stock acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer to the public other than their offer or resale in a Member State to qualified investors, in circumstances in which the prior written consent of the representatives has been obtained to each such proposed offer or resale.

We, the underwriters and their affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgments and agreements.

For the purposes of this provision, the expression an “offer to the public” in relation to any common stock in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any common stock to be offered so as to enable an investor to decide to purchase or subscribe for our common stock, and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129.

United Kingdom

No shares have been offered or will be offered pursuant to the offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the shares which has been approved by the Financial Conduct Authority, except that the shares may be offered to the public in the United Kingdom at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the representatives for any such offer; or

(c) in any other circumstances falling within Section 86 of the FSMA.

provided that no such offer of the shares shall require the us or any underwriter to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK

Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to the shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase or subscribe for any shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018. (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (FSMA)) received by it in connection with the issue or sale of our common stock in circumstances in which Section 21(1) of the FSMA does not apply to the company or the selling stockholders.

Canada

The securities 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 securities 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 prospectus (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 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 underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Hong Kong

Our common stock may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) (Companies (Winding Up and Miscellaneous Provisions) Ordinance) or which do not constitute an invitation to the public within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (Securities and Futures Ordinance), or (ii) to "professional investors" as defined in the Securities and Futures Ordinance and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance, and no advertisement, invitation or document relating to our common stock may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" in Hong Kong as defined in the Securities and Futures Ordinance and any rules made thereunder.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of our common stock may not be circulated or distributed, nor may our common stock be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined under Section 4A of the Securities and Futures Act, Chapter 289 of Singapore (the SFA)) under 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, in each case subject to conditions set forth in the SFA.

Where our common stock is subscribed or purchased under Section 275 of the SFA by a relevant person which is 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, the securities (as defined in Section 239(1) of the SFA) of that corporation shall not be transferable for 6 months after that corporation has acquired our common stock under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer in that corporation's securities pursuant to Section 275(1A) of the SFA, (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore (Regulation 32).

Where our common stock is subscribed or purchased under Section 275 of the SFA by a relevant person which is a trust (where the trustee is not an accredited investor (as defined in Section 4A of the SFA)) whose sole purpose is to hold investments and each beneficiary of the trust is an accredited investor, the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for 6 months after that trust has acquired our common stock under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer that is made on terms that such rights or interest are acquired at a consideration of not less than $200,000 (or its equivalent in a foreign currency) for each transaction (whether such amount is to be paid for in cash or by exchange of securities or other assets), (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32.

Japan

The securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended), or the FIEA. The securities may not be offered or sold, directly or indirectly, in Japan or to or for the benefit of any resident of Japan (including any person resident in Japan or any corporation or other entity organized under the laws of Japan) or to others for reoffering or resale, directly or indirectly, in Japan or to or for the benefit of any resident of Japan, except pursuant to an exemption from the registration requirements of the FIEA and otherwise in compliance with any relevant laws and regulations of Japan.

Dubai International Financial Centre

This prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority, or DFSA. This prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus nor taken steps to verify the information set forth herein and has no responsibility for the prospectus. The shares of common stock to which this prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares of our common stock should conduct their own due diligence on such shares. If you do not understand the contents of this prospectus, you should consult an authorized financial advisor.

Switzerland

The common stock may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (SIX) or on any other stock exchange or regulated trading facility in Switzerland. This

document does not constitute a prospectus within the meaning of, and has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the common stock or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, our company or our common stock has been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of common stock will not be supervised by, the Swiss Financial Market Supervisory Authority and the offer of common stock has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (CISA). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of common stock.

Australia

No placement document, prospectus, product disclosure statement or other disclosure document has been lodged with the Australian Securities and Investments Commission, or ASIC, in relation to the offering. This prospectus does not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act 2001, or the Corporations Act, and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act.

Any offer in Australia of our common stock may only be made to persons, or Exempt Investors, who are “sophisticated investors” (within the meaning of section 708(8) of the Corporations Act), “professional investors” (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer our common stock without disclosure to investors under Chapter 6D of the Corporations Act.

The shares of our common stock applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. Any person acquiring shares of our common stock must observe such Australian on-sale restrictions.

This prospectus contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this prospectus is appropriate to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.

LEGAL MATTERS

Paul, Weiss, Rifkind, Wharton & Garrison LLP, New York, New York, will pass on the validity of the Class A common stock for us. Sullivan & Cromwell LLP, New York, New York will pass upon the validity of the Class A common stock offered by this prospectus for the underwriters.

EXPERTS

The consolidated financial statements of Alclear Holdings, LLC and its subsidiaries at December 31, 2020 and 2019, and for each of the two years in the period ended December 31, 2020, and the balance sheet of Clear Secure, Inc. at March 2, 2021 appearing in this prospectus and registration statement have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon appearing elsewhere herein, and are included in reliance upon the reports given on the authority of such firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

This prospectus constitutes a part of that registration statement. This prospectus does not contain all the information set forth in the registration statement and the exhibits and schedules to the registration statement, because some parts have been omitted in accordance with the rules and regulations of the SEC. For further information with respect to us and our Class A common stock being sold in this offering, you should refer to the registration statement and the exhibits and schedules filed as part of the registration statement. Statements contained in this prospectus regarding the contents of any agreement, contract or other document referred to herein are not necessarily complete; reference is made in each instance to the copy of the contract or document filed as an exhibit to the registration statement. Each statement is qualified by reference to the exhibit.

The SEC maintains an Internet site that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. The SEC's website address is www.sec.gov.

After we have completed this offering, we will be subject to the information reporting requirements of the Exchange Act, and we will file annual, quarterly and current reports, proxy statements and other information with the SEC. We intend to make these filings available on our website (https://www.clearme.com) once this offering is completed. Our website and the information contained on, or that can be accessed through, our website will not be deemed to be incorporated by reference in, and are not considered part of, this prospectus. You can also request copies of these documents, for a copying fee, by writing to the SEC, or you can review these documents on the SEC's website, as described above. In addition, we will provide electronic or paper copies of our filings free of charge upon request.

Confidential Treatment Requested by Clear Secure, Inc.
Pursuant to 17 C.F.R. Section 200.83

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Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Managers of Clear Secure, Inc

Opinion on the Financial Statements

We have audited the accompanying balance sheet of Clear Secure, Inc. (the “Company”) as of March 2, 2021, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company at March 2, 2021 in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

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

We conducted our audit in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

We have served as the Company’s auditor since 2021.

/s/ Ernst & Young LLP

New York, New York
April 15, 2021

Confidential Treatment Requested by Clear Secure, Inc.
Pursuant to 17 C.F.R. Section 200.83

CLEAR SECURE, INC.

BALANCE SHEET
March 2, 2021

	March 2, 2021
Assets	
Cash	$ —
Total assets	$ —
Liabilities	
Total Liabilities	$ —
Shareholder's Equity	
Shareholder's Equity	
Class A Common stock, $0.00001 par value, 1,000 shares authorized, 0 shares issued and outstanding	$ —
Additional paid in capital	—
Accumulated deficit	—
Total shareholder's equity	—
Total liabilities and shareholder's equity	$ —

See accompanying notes to balance sheet

NOTES TO BALANCE SHEET
AS OF MARCH 2, 2021

1. ORGANIZATION

Clear Secure, Inc. ("the Company") was incorporated as a Delaware corporation on March 2, 2021. Pursuant to a planned reorganization into a holding company structure, the Company will be a holding company and its principal asset will be a controlling equity interest in Alclear Holdings, LLC. As the sole managing member of Alclear Holdings, LLC, the Company will operate and control all of the business and affairs of Alclear Holdings, LLC, and through Alclear Holdings, LLC and its subsidiaries, conduct the Company's business.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Balance Sheet has been prepared in accordance with accounting principles generally accepted in the United States of America. Separate Statements of Operations, Shareholder's Equity and Cash Flows have not been presented because there have been no activities in this entity.

3. SHAREHOLDER'S EQUITY

The Company, under its certificate of incorporation dated March 2, 2021, is authorized to issue 1,000 shares of common stock, par value $0.00001 per share ("Common Stock").

4. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through April 15, 2021, the date the financial statements were available to be issued.

On April 7, 2021, the Company entered into a subscription agreement with Alclear Holdings, LLC to issue 100 of its Class A Common Stock for $100, which was completed on April 8, 2021.

See accompanying notes to balance sheets

Confidential Treatment Requested by Clear Secure, Inc.
Pursuant to 17 C.F.R. Section 200.83

CLEAR SECURE, INC.

BALANCE SHEETS
(Unaudited)
March 31, 2021 and March 2, 2021

	March 31, 2021	March 2, 2021
Assets		
Cash	$ —	$ —
Total assets	$ —	$ —
Liabilities		
Total Liabilities	$ —	$ —
Shareholder's Equity		
Class A Common Stock, $0.00001 par value, 1,000 shares authorized, 0 shares issued and outstanding	$ —	$ —
Additional paid in capital	$ —	$ —
Accumulated deficit	$ —	$ —
Total shareholder's equity	$ —	$ —
Total liabilities and shareholder's equity	$ —	$ —

See accompanying notes to balance sheets

NOTES TO BALANCE SHEETS
(Unaudited)
As of March 31, 2021 and March 2, 2021

1. ORGANIZATION

Clear Secure, Inc. (“the Company”) was incorporated as a Delaware corporation on March 2, 2021. Pursuant to a planned reorganization into a holding company structure, the Company will be a holding company and its principal asset will be a controlling equity interest in Alclear Holdings LLC. As the sole managing member of Alclear Holdings LLC, the Company will operate and control all of the business and affairs of Alclear Holdings LLC, and through Alclear Holdings LLC and its subsidiaries, conduct the Company’s business.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Balance Sheets have been prepared in accordance with accounting principles generally accepted in the United States of America. Separate Statements of Operations, Shareholder’s Equity and Cash Flows have not been presented because there have been no activities in this entity.

3. SHAREHOLDER’S EQUITY

The Company, under its certificate of incorporation dated March 2, 2021, is authorized to issue 1,000 shares of common stock, par value $0.00001 per share (“Common Stock”).

4. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through May 21, 2021, the date the financial statements were available to be issued.

On April 7, 2021, the Company entered into a subscription agreement with Alclear Holdings LLC to issue 100 of its Common Stock for $100, which was completed on April 8, 2021.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Managers and of Alclear Holdings, LLC

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Alclear Holdings, LLC and Subsidiaries (the "Company") as of December 31, 2020 and 2019, the related consolidated statements of operations, comprehensive income/(loss), changes in redeemable capital units and members' deficit and cash flows for each of the two years in the period ended December 31, 2020, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2020, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

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

We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

We have served as the Company's auditor since 2019.

/s/ Ernst & Young LLP

New York, New York
April 15, 2021

Confidential Treatment Requested by Clear Secure, Inc.
Pursuant to 17 C.F.R. Section 200.83

ALCLEAR HOLDINGS, LLC

CONSOLIDATED BALANCE SHEETS
(dollars in thousands)

	December 31, 2020	December 31, 2019
Assets		
Current assets:		
Cash and cash equivalents	$ 116,226	$ 213,885
Accounts receivable	912	1,113
Marketable debt securities	37,813	33,383
Prepaid Revenue Share fee	5,475	7,852
Prepaid expenses and other current assets	11,210	5,309
Total current assets	171,636	261,542
Property and equipment, net	35,241	26,932
Intangible assets, net	1,564	1,157
Restricted cash	22,856	22,166
Other assets	971	7,073
Total assets	$ 232,268	$ 318,870
Liabilities, redeemable capital units, and members' deficit		
Current liabilities:		
Accounts payable	$ 8,518	$ 7,135
Accrued liabilities	18,304	18,295
Warrant liability	17,740	16,853
Deferred revenue	101,542	121,339
Total current liabilities	146,104	163,622
Deferred rent	3,809	3,347
Total liabilities	149,913	166,969
Commitments and contingencies (Note 16)		
Redeemable Class A capital units, 261,942 and 316,785 capital units authorized, and 261,942 and 316,785 capital units issued and outstanding at December 31, 2020 and 2019, respectively	2,620	3,168
Redeemable Class B capital units, 5,361,085 and 5,484,013 capital units authorized, and 4,621,459 and 4,759,569 capital units issued and outstanding at December 31, 2020 and 2019, respectively	566,631	432,062
Total redeemable capital units	569,251	435,230
Members' deficit:		
Class C capital units, 21,042 capital units authorized, and 0 capital units issued and outstanding at December 31, 2020 and 2019	—	—
Profit units, 1,868,322 and 2,113,008 profit units authorized, and 1,868,322 and 2,113,008 profit units issued and outstanding at December 31, 2020 and 2019, respectively	7,846	8,022
Accumulated other comprehensive income	27	3
Accumulated deficit	(494,769)	(291,354)
Total members' deficit	(486,896)	(283,329)
Total redeemable capital units and members' deficit	82,355	151,901
Total liabilities, redeemable capital units, and members' deficit	$ 232,268	$ 318,870

See notes to consolidated financial statements

Confidential Treatment Requested by Clear Secure, Inc.
Pursuant to 17 C.F.R. Section 200.83

ALCLEAR HOLDINGS, LLC

CONSOLIDATED STATEMENTS OF OPERATIONS
(dollars in thousands)

	Year Ended	
	December 31, 2020	December 31, 2019
Revenue	**$ 230,796**	**$ 192,284**
Operating expenses:		
Cost of revenue share fee	33,191	32,288
Cost of direct salaries and benefits	40,524	60,030
Research and development	32,038	21,222
Sales and marketing	16,381	36,014
General and administrative	118,168	91,577
Depreciation and amortization	9,423	7,316
Operating loss	**(18,929)**	**(56,163)**
Other income:		
Interest income, net	612	1,942
Other income	9,023	—
Loss before tax	**(9,294)**	**(54,221)**
Income tax (expense) benefit	(16)	—
Net loss	**$ (9,310)**	**$ (54,221)**

See notes to consolidated financial statements

Confidential Treatment Requested by Clear Secure, Inc.
Pursuant to 17 C.F.R. Section 200.83

ALCLEAR HOLDINGS, LLC

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)
(dollars in thousands)

	Year Ended	
	December 31, 2020	December 31, 2019
Net loss	$ (9,310)	$ (54,221)
Other comprehensive income		
Unrealized gain on fair value of marketable debt securities, net of tax of $0 and $0	24	19
Total other comprehensive income	24	19
Comprehensive loss	$ (9,286)	$ (54,202)

See notes to consolidated financial statements

Confidential Treatment Requested by Clear Secure, Inc.
Pursuant to 17 C.F.R. Section 200.83

ALCLEAR HOLDINGS, LLC

CONSOLIDATED STATEMENTS OF CHANGES IN REDEEMABLE CAPITAL UNITS AND MEMBERS' DEFICIT
(dollars in thousands)

	Redeemable Capital Units				Members' Deficit						
	Class A Units		Class B Units		Class C Units		Profit Units*				
	Number of Units	Amount	Number of Units	Amount	Number of Units	Amount	Number of Profit Units	Amount	Accumulated other comprehensive gain	Accumulated deficit	Members' deficit total
Balance, January 1, 2019	**365,285**	**$ 3,653**	**4,039,104**	**$ 226,397**	**—**	**$—**	**1,941,232**	**$ 6,652**	**$ (16)**	**$ (225,602)**	**$ (218,966)**
Net loss	—	—	—	—	—	—	—	—	—	(54,221)	(54,221)
Accumulated other comprehensive income	—	—	—	—	—	—	—	—	19	—	19
Issuance of member units, net of costs	—	—	720,465	192,442	—	—	231,622	—	—	—	—
Repurchase and retirement of capital units	(48,500)	(485)	—	—	—	—	—	—	—	(10,428)	(10,428)
Repurchase, forfeitures and retirement of profit units	—	—	—	—	—	—	(59,846)	(70)	—	(1,103)	(1,173)
Warrant expense	—	—	—	13,223	—	—	—	—	—	—	—
Equity-based compensation expense	—	—	—	—	—	—	—	1,440	—	—	1,440
Balance, December 31, 2019	**316,785**	**$ 3,168**	**4,759,569**	**$ 432,062**	**—**	**$—**	**2,113,008**	**$ 8,022**	**$ 3**	**$ (291,354)**	**$ (283,329)**
Net loss	—	—	—	—	—	—	—	—	—	(9,310)	(9,310)
Accumulated other comprehensive income	—	—	—	—	—	—	—	—	24	—	24
Issuance of member units, net of costs	—	—	539,277	146,652	—	—	188,328	—	—	—	—
Repurchase and retirement of capital units	(54,843)	(548)	(677,387)	(14,053)	—	—	—	—	—	(183,102)	(183,102)
Repurchase, forfeiture and retirement of profit units	—	—	—	—	—	—	(433,014)	(1,633)	—	(11,003)	(12,636)
Warrant expense	—	—	—	1,970	—	—	—	—	—	—	—
Equity-based compensation expense	—	—	—	—	—	—	—	1,457	—	—	1,457
Balance, December 31, 2020	**261,942**	**$ 2,620**	**4,621,459**	**$ 566,631**	**—**	**$—**	**1,868,322**	**$ 7,846**	**$ 27**	**$ (494,769)**	**$ (486,896)**

* Composed of 16 classes of units that participate in profits and distributions at varying levels based on the Company's equity value. See Note 14 for further description.

See notes to consolidated financial statements

Confidential Treatment Requested by Clear Secure, Inc.
Pursuant to 17 C.F.R. Section 200.83

ALCLEAR HOLDINGS, LLC

CONSOLIDATED STATEMENTS OF CHANGES IN CASH FLOWS
(dollars in thousands)

	Year Ended	
	December 31, 2020	December 31, 2019
Cash flows (used in) provided by operating activities:		
Net loss	$ (9,310)	$ (54,221)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation and amortization	9,423	7,316
Loss on asset disposal	238	125
Equity-based compensation	3,427	14,662
Warrant liability	887	3,363
Changes in operating assets and liabilities:		
Accounts receivable	201	(401)
Prepaid expenses and other assets	1,103	(5,202)
Prepaid Revenue Share fee	2,377	(1,469)
Accounts payable	404	(2,233)
Accrued liabilities	(1,753)	8,238
Deferred revenue	(19,797)	43,752
Deferred rent	462	2,644
Net cash (used in) provided by operating activities	(12,338)	16,574
Cash flows (used in) provided by investing activities:		
Purchases of marketable debt securities	(170,625)	(101,071)
Sales of marketable debt securities	166,219	90,475
Issuance of loan	(250)	—
Purchases of property and equipment	(16,502)	(14,682)
Capitalized intangible assets	(424)	(502)
Net cash used in investing activities	(21,582)	(25,780)
Cash flows (used in) provided by financing activities:		
Repurchase of members' units	(210,339)	(12,085)
Proceeds from issuance of members' units, net of cost	147,942	192,442
Payment of financing costs	(652)	—
Net cash (used in) provided by financing activities	(63,049)	180,357
Net (decrease) increase in cash, cash equivalents, and restricted cash	(96,969)	171,151
Cash, cash equivalents, and restricted cash, beginning of year	236,051	64,900
Cash, cash equivalents, and restricted cash, end of year	$ 139,082	$ 236,051
Cash and cash equivalents	$ 116,226	$ 213,885
Restricted cash	22,856	22,166
Total cash, cash equivalents, and restricted cash	$ 139,082	$ 236,051

Supplemental Noncash Investing Activity Disclosures:

Purchase of property and equipment in accounts payable as of December 31, 2020 and 2019, are $2,684 and $1,705, respectively, and accrued liabilities are $1,161 and $688, respectively.

See notes to consolidated financial statements

ALCLEAR HOLDINGS, LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(dollars in thousands, except for per unit data, unless otherwise noted)

1. Description of Business

Description and Organization

Alclear Holdings, LLC (a Limited Liability Company) and its wholly owned subsidiaries (collectively referred to as, "Alclear" or the "Company") was formed in the state of Delaware on January 21, 2010, and operates under the terms of the Amended and Restated Operating Agreement dated October 1, 2020 (the "Operating Agreement"), which supersedes the previous operating agreement dated November 22, 2019. As a limited liability company, the liability of each unit holder of Alclear Holdings, LLC is limited to its capital contributed.

The Company is a member-centric secure identity platform operating under the brand name CLEAR. At CLEAR we know that you are always you—your biometric identity is foundational to helping enable frictionless everyday experiences, connecting you to the cards in your wallet and transforming the way you live, work and travel. Members enroll in CLEAR to create an unbreakable link between their identity and biometrics (e.g. eyes, face and fingerprints). CLEAR's current offerings include: CLEAR Plus, a consumer aviation subscription service, which enables access to predictable and fast experiences through dedicated entry lanes in airport security checkpoints nationwide; the flagship CLEAR App including Home to Gate, Health Pass; and CLEAR Pass for CBP Mobile Passport Control, a free to use mobile app that streamlines entry into the United States. CLEAR also has extensive SDK and API capabilities to enable our partners to seamlessly integrate directly into our platform to enable better, faster and more frictionless experiences for our partners' customers. Use cases enabled by SDKs and APIs include identity validation, identity verification, attribute validation such as age validation, vaccine status and payment among others.

Risk and Uncertainties

In early 2020, the World Health Organization ("WHO") declared the novel coronavirus ("COVID-19") outbreak to be a global health pandemic. The pandemic has had a significant and horrific impact on people's health, safety, and economic well-being. It also has had a material adverse effect on the global and domestic travel industries, as governments instituted legal restrictions on travel, issued shelter-in-place orders and mandated quarantine periods to prevent the spread of the disease. This resulted in a dramatic collapse in United States domestic airline passenger volumes in 2020, which saw a decline of approximately 60% versus 2019.

The Company responded swiftly to the pandemic and related events in a variety of ways to ensure minimal disruptions to offerings provided to clients and the well-being of employees. During the pandemic, the Company took early action including eliminating marketing and reducing operating expenses. While the Company expects the pandemic to continue to negatively affect its operating results, there remains uncertainty related to the duration and ultimate impact.

Recently Adopted Accounting Pronouncements

Emerging Growth Company Status

The Company is an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. The Company has elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies, until the earlier of the date that it (i) is no longer an emerging growth company or (ii) affirmatively and irrevocably opts out of the extended transition period provided in the

1. Description of Business (Continued)

JOBS Act. As a result, these consolidated financial statements may not be comparable to companies that comply with the new or revised accounting pronouncements as of public company effective dates.

Fair Value Measurement

In August 2018, the Financial Accounting Standards Board (FASB) issued ASU No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement* (ASU 2018-13). This removes certain disclosures, modifies others, and introduces additional disclosure requirements. The amendments are effective for all companies in fiscal years beginning after December 15, 2019. Amendments on changes in unrealized gains and losses, the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements, and the narrative description of measurement uncertainty should be applied prospectively for only the most recent annual period presented in the initial fiscal year of adoption. All other amendments should be applied retrospectively to all periods presented upon their effective date. The Company adopted ASU 2018-13 on January 1, 2020, and the adoption did not have a material effect on its consolidated financial statements.

Recent Accounting Pronouncements Not Yet Adopted

Intangible Assets

In August 2018, the FASB issued ASU No. 2018-15, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40), Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*. This aligns the accounting for implementation costs incurred in cloud computing arrangements with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. The guidance is effective for public companies for reporting periods after December 15, 2019, and nonpublic companies, including emerging growth companies, annual reporting periods beginning after December 15, 2020, and interim periods within annual periods beginning after December 15, 2021, with early adoption permitted. The Company plans to adopt this guidance as of January 1, 2021. The Company has evaluated the guidance and does not expect the adoption of the amendments to have a material impact to the Company's consolidated financial statements.

Leases

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)* (ASU 2016-02), which will require lessees to recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, in its consolidated balance sheets for operating leases. This update also requires a lessee to recognize a single lease cost, calculated so that the cost of the lease is allocated over the lease term, on a generally straight-line basis. In July 2018, the FASB issued ASU No. 2018-10, *Codification Improvements to Topic 842, Leases* (ASU 2018-10), and ASU No. 2018-11, *Leases (Topic 842): Targeted Improvements* (ASU 2018-11), to provide additional guidance for the adoption of ASU 2016-02. ASU 2018-10 clarifies certain provisions and corrects unintended applications of the guidance. ASU 2018-11 provides an alternative transition method, which allows entities the option to present all prior periods under previous lease accounting guidance, while recognizing the cumulative effect of applying the new update as an adjustment to the opening balance of retained earnings in the year of adoption. Public companies were required to adopt ASU 2016-02 for reporting periods after December 15, 2018. In June 2020, the Company adopted ASU No. 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities*, which delays the adoption of ASU 2016-02 for nonpublic companies, including emerging growth companies, to

1. Description of Business (Continued)

fiscal years beginning after December 15, 2021. The Company plans to adopt this guidance as of January 1, 2022 and is currently evaluating the potential impact of adopting this new accounting guidance.

Current Expected Credit Losses

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (ASU 2016-13), to replace the incurred loss impairment methodology under current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The Company will be required to use a forward-looking expected credit loss model for accounts receivable, loans, and other financial instruments. Public companies were required to adopt ASU 2016-13 for reporting periods after December 15, 2019. The Company adopted ASU No. 2019-10, *Financial Instruments—Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates*, issued in November 2019, which extended the required adoption date for nonpublic entities, including emerging growth companies. This update will be effective for the Company for fiscal periods beginning after December 15, 2022, with early adoption permitted beginning December 15, 2018. The Company plans to adopt this guidance as of January 1, 2023, and is currently evaluating the potential impact of adopting this new accounting guidance.

2. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The consolidated financial statements are prepared in accordance with US GAAP and presented in U.S. Dollars.

The Company's policy is to consolidate entities in which it has a controlling financial interest in accordance with ASC 810, *Consolidation*.

The consolidated financial statements include the Company's wholly owned subsidiaries, Alclear, LLC; Secure Identity, LLC; Noque, LLC; Alclear PC, LLC; Chai Clear Inc.; Alclarity LLC; Alclear Healthpass, LLC; and Alclear Healthcare, LLC. All intercompany accounts and transactions have been eliminated upon consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates, judgements, and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Management bases its estimates on historical experience and on various other market-specific and relevant assumptions that management believes to be reasonable under the circumstances. The Company's most significant estimates include:

- The fair value of outstanding warrants to purchase Class B member units,
- The estimated useful lives of intangible and depreciable assets,
- The grant-date fair value of equity-based awards, and
- The stand-alone selling price (SSP) associated with identified performance obligations in certain of the Company's stadium and other revenue arrangements.

The Company evaluates, on an ongoing basis, its assumptions and estimates and adjusts prospectively, if necessary; however, actual results could differ from these estimates.

ALCLEAR HOLDINGS, LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(dollars in thousands, except for per unit data, unless otherwise noted)

2. Summary of Significant Accounting Policies (Continued)

Concentration of Credit Risk

Financial instruments that are exposed to concentrations of credit risk consist principally of cash and cash equivalents. The Company is exposed to credit risk in the event of default by the financial institutions to the extent of the amounts held in excess of federal insurance limits. Exposure to credit risk is reduced by placing such deposits or other temporary investments with high credit quality financial institutions. As of December 31, 2020 and 2019, the Company held cash balances in excess of insured limits.

Revenue Recognition

The Company has derived substantially all of its historical revenue from subscriptions to its consumer aviation service, CLEAR Plus, which enables access to predictable and fast experiences through dedicated entry lanes in airport security checkpoints across the nation as well as our broader network. The Company offers certain limited-time free trials, family pricing, and other beneficial pricing through several channels including airline and credit card partnerships. Membership subscription revenue is presented net of taxes, refunds and credit card chargebacks.

Other revenue consists of revenue streams relating to sports stadiums and to Health Pass and are immaterial. Sports stadium revenues consist of fees for use of the Company’s pods for security entry at various sports stadiums, as well as access for members to dedicated entry lanes at various sports stadiums across the country. Other revenue also consists of transaction fees charged either per use or per user over a predefined time period, and may include one-time implementation fees, platform licensing fees, hardware-leasing fees or incremental transaction fees.

Under Accounting Standards Codification (ASC) 606, *Revenue Recognition*, the Company recognizes revenue upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. To achieve the core principle of ASC 606, the Company performs the following steps:

- Identify the contract(s) with a customer,
- Identify the performance obligations in the contract,
- Determine the transaction price,
- Allocate the transaction price to the performance obligations in the contract, and
- Recognize revenue when (or as) the Company satisfies a performance obligation.

Subscription revenue

In determining how revenue should be recognized, the five-step process outlined above is used, which requires judgment and certain estimates. These judgments and estimates include identifying each of the performance obligations in the contract, determining whether the performance obligations are distinct, determining the SSP for each distinct performance obligation, estimating the amount of consideration to allocate to each performance obligation, and determining the timing of revenue recognition for each distinct performance obligation.

Subscription revenues are invoiced to subscribers in annual installments for subscriptions to the platform. There are no significant financing components included in our contracts with customers.

The Company primarily recognizes revenue ratably, from its consumer aviation subscription service, CLEAR Plus, which enables access to predictable and fast experiences through dedicated entry lanes

2. Summary of Significant Accounting Policies (Continued)

in airport security checkpoints across the nation as well as our broader network. This performance obligation is satisfied over time as the series of daily services, which are distinct from each other and the customer simultaneously receives and consumes the benefits. The Company uses a time-based output measure and revenue is recognized over the period in which each of the performance obligations are satisfied, as services are rendered, which is generally over the arrangement term as all arrangements are for a period of less than 12 months.

Contract costs

The Company applied the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period is one year or less. This largely applies to sales commissions on partner subscriptions and renewals.

Cost of Revenue Share Fee

The Company operates as a concessionaire in airports and shares a portion of the gross receipts generated from the Company's members with the host airports (Revenue Share). These arrangements are in the scope of ASC 840, *Leases*, and represent contingent rent. The Revenue Share fee is generally prepaid to the host airport in the period collected from the customer. The Revenue Share fee is capitalized and subsequently amortized to operating expense over each member's subscription period, as the payments are refundable on a pro rata basis. Such prepayments are recorded in "Prepaid Revenue Share fee" in the consolidated balance sheets.

Certain host airports have fixed monthly payments. The fixed monthly payments are expensed in "Revenue Share fee" in the consolidated statements of operations. Such amounts are direct costs of services and are recorded in "Cost of revenue share fee" in the consolidated statements of operations.

Cost of Direct Salaries and Benefits

Direct salaries and benefits includes employee-related expenses and allocated overhead associated with our field ambassadors directly assisting members and their corresponding travel-related costs. Employee-related costs recorded in direct salaries and benefits expenses consist of salaries, taxes, benefits and equity-based compensation. Such amounts are direct costs of services and are recorded in "Cost of direct salaries and benefits" in the consolidated statement of operations.

Research and Development Costs

Research and development expenses consist primarily of employee-related expenses and allocated overhead costs related to the Company's development of new products and services and improving existing products and services. Research and development costs are generally expensed as incurred, except for costs incurred in connection with the development of internal-use software that qualify for capitalization as described in our internal-use software policy. Employee-related expenses recorded in research and development consist of salaries, taxes, benefits and equity-based compensation.

Sales and Marketing Costs

Sales and marketing expenses consist primarily of costs of general marketing and promotional activities, advertising fees used to drive subscriber acquisition, commissions, the production costs to create our advertisements, employee-related expenses and allocated overhead costs. Employee related expenses recorded in sales and marketing are related to employees who manage the brand and consist of salaries, taxes, benefits and equity-based compensation. These expenses are recorded as incurred. The Company pays commissions to employees for enrolling customers into free trial

2. Summary of Significant Accounting Policies (Continued)

memberships. These costs are expensed as incurred, since the Company incurs these costs regardless of whether contracts with customers are obtained. As such, these sales commissions are not incremental costs of obtaining a contract. Marketing and promotional activities cost totaled $2,846 and $15,117 for the years ended December 31, 2020 and 2019, respectively. Employee-related expenses recorded in sales and marketing are related to employees who manage the brand and consist of salaries, taxes, benefits and equity-based compensation.

General and Administrative Costs

General and administrative expenses consist primarily of employee-related expenses for the executive, finance, accounting, legal, and human resources functions. Employee-related expenses consist of salaries, taxes, benefits and equity-based compensation. General and administrative costs also include the Company's warrant expense.

In addition, general and administrative expenses include non-personnel costs, such as legal, accounting and other professional fees, and all other supporting corporate expenses not allocated to other departments.

Cash and Cash Equivalents

The Company defines cash equivalents as all highly liquid investments purchased with original maturities of three months or less when purchased. Cash and cash equivalents consist primarily of short-term treasury bills and amounts held by third party financial institutions for credit and debit card transactions. Cash and cash equivalents as of December 31, 2020 and 2019 was $116,226 and $213,885, respectively, and includes amounts due from third party institutions which generally settle within three business days, of $940 and $1,660 as of December 31, 2020 and 2019, respectively.

Restricted Cash

Restricted cash is composed of cash held as collateral for letters of credit. See Note 8 for additional information.

Marketable Debt Securities

The Company determines the appropriate classification of its investments in marketable debt securities at the time of purchase and reevaluates such designation at each consolidated balance sheet date. The Company has classified and accounted for its marketable debt securities as available-for-sale. The Company carries its available-for-sale securities at fair value and reports the unrealized gains and losses as a component of other comprehensive income.

Accounts Receivable

The Company records trade accounts receivable at the invoiced amount and they do not bear interest. The Company has a policy to review outstanding receivables on a periodic basis for collectability and does not maintain an allowance for doubtful accounts as of December 31, 2020 and 2019.

Property and Equipment, Net

Property and equipment, net is stated at cost, less depreciation and amortization. Depreciation and amortization are calculated using the straight-line method over the estimated useful lives of the assets, which range from 3 to 5 years. Leasehold improvements are amortized based on the shorter of the

2. Summary of Significant Accounting Policies (Continued)

useful lives or the terms of the leases ranging from 1 to 10 years. See Note 6 for additional details on property and equipment.

Internal-Use Software

The Company capitalizes qualifying internal-use software development costs. During the application development phase, costs are capitalized and amortized on a straight-line basis over such software's estimated useful life, which is generally 5 years. Capitalized software development costs are reflected in "Property and equipment, net" in the consolidated balance sheets. Software development costs incurred in the design or maintenance and minor upgrade and enhancement of software without adding additional functionality of software are expensed as incurred and included in "Research and development" in the consolidated statements of operations. See Note 6 for additional details on property and equipment.

Intangible Assets

Purchased brand names and logos that have been determined to have indefinite lives are not subject to amortization, but are tested for impairment annually or more frequently if circumstances indicate impairment may have occurred. Intangible assets with finite lives are amortized on a straight-line basis over their estimated useful lives.

Impairment of Long-Lived Assets

The Company continually monitors events and changes in circumstances that could indicate that the carrying amounts of its long-lived assets, including property and equipment may not be recoverable. When such events or changes in circumstances occur, the Company assesses the recoverability of long-lived assets by determining whether the carrying value of such assets will be recovered through their undiscounted expected future cash flows. If the future undiscounted cash flows are less than the carrying amount of these assets, the Company recognizes an impairment loss based on the excess of the carrying amount over the fair value of the assets. During the years ended December 31, 2020 and 2019, the Company did not recognize any impairment charges on its long-lived assets.

Leases

Lease agreements are categorized at inception as either operating or capital leases. Within the provision of certain office leases, which are classified as operating, there are escalations in payments over the lease term. The effects of the escalations have been reflected in rent expense on a straight-line basis over the expected lease term. Any related lease incentives are recorded as a reduction in rent expense on a straight-line basis over the lease periods. The amount of rent expense recorded in excess of rental payments is reflected as "deferred rent" in the consolidated balance sheets.

Income Taxes

The Company is taxed as a partnership for U.S. federal and state income tax purposes. The provision for income taxes consists of only state and local jurisdictions where partnerships (i.e., flow through entities) are taxable.

The Company accounts for income taxes in accordance with the liability method of accounting for income taxes. Under this method, deferred income tax assets and liabilities are recorded to recognize the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts for income tax purposes. The Company reduces deferred tax assets by a valuation allowance to the extent management concludes it is more likely than not that the

2. Summary of Significant Accounting Policies (Continued)

assets will not be realized. Deferred income taxes are measured by using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred income taxes is recognized in income in the period that includes the enactment date.

The Company accrues liabilities for uncertain tax positions that are not more likely than not to be sustained upon examination as of December 31, 2020 and 2019. Interest and penalties related to uncertain tax positions are recorded in accrued liabilities in the accompanying consolidated balance sheets.

See Note 15 for additional information on income taxes.

Equity-Based Compensation

Under the fair value recognition provisions, the Company measures the equity-based compensation cost at the grant date based on the fair value of the award and recognizes the expense over the requisite service period, subject to the probable achievement of performance conditions, if any. The Company measures the fair value of nonemployee equity-based compensation expense at the grant date based on the fair value of the award and recognizes the expense in the same period and in the same manner the entity would have if it had paid cash for the goods or services. The Company records forfeitures as they occur and does not estimate the number of awards expected to be forfeited.

The fair value of the Company's members' equity units underlying the awards has historically been determined by the board of managers with input from management and independent third-party valuation specialists, as there was no public market for the Company's members' equity units. The board of managers determines the fair value of the members' equity units by considering a number of objective and subjective factors including: the valuation of comparable companies, the Company's operating and financial performance, the lack of liquidity of members' equity units, transactions in the Company's Class A and Class B units, and general and industry specific economic outlook, amongst other factors.

Other Income

Other income primarily reflects a minimum annual guarantee paid to us by a marketing partner and is recognized upon receipt of cash.

Segments

The Company operates only in the United States, as one reportable segment, that provides secure biometric identity verification to its customers through predictable, frictionless experiences across a range of industries. Operating segments are defined as components of an enterprise for which separate financial information is evaluated regularly by the chief operating decision-maker (CODM). The Company defines its CODM as a committee of its chief executive officer and president and chief financial officer, whose role is to make decisions about allocating resources and assessing performance. The Company provides one secure identity platform using biometric data that allows the Company to provide its members offerings that operate on a single platform and are deployed in an identical way. This single platform provides the foundation for all product offerings, whether it be access to the CLEAR lane at an airport, a sports stadium, or through the Health Pass app. The CODM evaluates the Company's financial information, resources, and performance of these resources on a consolidated basis.

3. Revenue

The Company's revenue for the years ended December 31, 2020 and 2019, was $230,796 and $192,284, respectively.

3. Revenue (Continued)

The Company elected the practical expedient permitted to not adjust the transaction price of contracts with a duration of one year or less for the effects of a significant financing component at contract inception.

The Company derives substantially all of its revenue from subscriptions to its consumer aviation service, CLEAR Plus. For the years ended December 31, 2020 and 2019, approximately 13% and 12%, respectively, of membership revenue was derived from fees associated with members in the geographic region of one airport.

Revenue by Geography

For the years ended December 31, 2020 and 2019, all of the Company's revenue was generated in the United States.

Contract liabilities and assets

The Company's deferred revenue balance primarily relates to amounts received from customers for subscriptions paid in advance of the services being provided. The following table presents changes in the deferred revenue balance for the years ended December 31, 2020 and 2019:

	2020	2019
Balance, beginning of year	$ 121,339	$ 77,696
Deferral of revenue	210,174	233,561
Recognition of unearned revenue	(229,971)	(189,918)
Balance, end of year	$ 101,542	$ 121,339

The Company does not have any material variable consideration, such as obligations for returns, refunds, warranties, or amounts payable to customers for which significant estimation or judgment is required as of the reporting date.

4. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets as of December 31, 2020 and 2019, consist of the following:

	2020	2019
Prepaid software licenses	$ 5,504	$2,344
Coronavirus aid, relief, and economic security act retention credit	2,036	—
Other current assets	3,670	2,965
Total	$11,210	$5,309

The Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") is intended to provide economic relief resulting from the COVID-19 pandemic which includes, but is not limited to, employment related costs. For the year ended December 31, 2020, the Company recorded a receivable of $2,036 related to submissions made under the CARES Act. We expect to receive payment by or before December 31, 2021.

5. Fair Value Measurements

The Company values its available-for-sale debt securities and certain liabilities based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between

5. Fair Value Measurements (Continued)

market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs is used to measure fair value into three broad levels, which are described below:

Level 1—Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2—Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in inactive markets or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3—Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

In determining fair value, the Company utilizes valuation techniques that maximize the use of observable inputs to the extent possible, as well as considers counterparty credit risk in its assessment of fair value.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value.

Corporate bonds—Valued at the closing price reported on the active market on which the individual securities, all of which have counterparts with high credit ratings, are traded.

Commercial paper—Valued based on yields currently available on comparable securities of issuers with similar credit ratings.

Money market funds—Valued at the net asset value (NAV) of units of a collective fund. The NAV is used as a practical expedient to estimate fair value. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV.

Class B warrant liability — Valued based on significant inputs not observed in the market and, thus, represents a Level 3 measurement. The Company estimated the fair value of the liability using the Black-Scholes option pricing model and the change in fair value was recognized in general and administrative expenses. Refer to Note 11 for further discussion.

The contractual maturities of investments classified as marketable debt securities are as follows as of December 31, 2020 and 2019:

	2020	2019
Due within 1 year	$ 37,813	$ 33,383
Total marketable debt securities	$ 37,813	$ 33,383

5. Fair Value Measurements (Continued)

The following table represents the amortized cost, gross unrealized gains and losses, and fair market value of the Company's available-for-sale marketable debt securities at December 31, 2020 and 2019.

	For the Year Ended December 31, 2020			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available-for-sale debt securities:				
Commercial paper	$ 11,936	$ 1	$ (5)	$ 11,932
U.S. Treasuries	20,442	2	—	20,444
Corporate bonds	5,354	35	(9)	5,380
Money market funds	57	—	—	57
Total marketable debt securities	$ 37,789	$ 38	$ (14)	$ 37,813

	For the Year Ended December 31, 2019			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available-for-sale debt securities:				
Commercial paper	$ 10,158	$ 15	$ (2)	$ 10,171
Corporate bonds	23,157	10	(4)	23,163
Money market funds	49	—	—	49
Total marketable debt securities	$ 33,364	$ 25	$ (6)	$ 33,383

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

	Fair Value as of December 31, 2020			
	Level 1	Level 2	Level 3	Total
Commercial paper	$ —	$ 11,932	$ —	$ 11,932
U.S. Treasuries	5,380	—	—	5,380
Corporate bonds	20,444	—	—	20,444
Total assets in the fair value hierarchy	25,824	11,932	—	37,756
Money market funds measured at NAV[(a)]	—	—	—	57
Total investments at fair value	**$ 25,824**	**$ 11,932**	**$ —**	**$ 37,813**
Warrant liability	—	—	(17,740)	(17,740)
Total warrant liability at fair value	**$ —**	**$ —**	**$(17,740)**	**$(17,740)**

5. Fair Value Measurements (Continued)

	Fair Value as of December 31, 2019			
	Level 1	Level 2	Level 3	Total
Commercial paper	$ —	$ 10,171	$ —	$ 10,171
Corporate bonds	23,163	—	—	23,163
Total assets in the fair value hierarchy	23,163	10,171	—	33,334
Money market funds measured at NAV[(a)]	—	—	—	49
Total investments at fair value	**$ 23,163**	**$ 10,171**	**$ —**	**$ 33,383**
Warrant liability	$ —	$ —	$(16,853)	$(16,853)
Total warrant liability at fair value	**$ —**	**$ —**	**$(16,853)**	**$(16,853)**

(a) Certain money market funds that were measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the consolidated balance sheets.

The following table provides a summary of changes in fair value of the Company's Level 3 assets and liabilities for the years ended December 31, 2020 and 2019:

	2020	2019
Balance as of January 1	$ (16,853)	$ (13,490)
Warrants issued	—	—
Warrants exercised	—	—
Fair value adjustments	(887)	(3,363)
Balance as of December 31	$ (17,740)	$ (16,853)

See Note 11 for further information regarding these Level 3 fair value measurements.

For certain other financial instruments, including accounts receivable, accounts payable, accrued liabilities, as well as other current liabilities, the carrying amounts approximate the fair value of such instruments due to the short maturity of these balances.

6. Property and Equipment, net

Property and equipment as of December 31, 2020 and 2019, consist of the following:

	Depreciation Period in Years	2020	2019
Internally developed software	5	$ 23,545	$ 16,110
Acquired software	3	7,538	6,662
Equipment	5	18,210	14,798
Leasehold improvements	1–10	6,548	5,332
Furniture and fixtures	5	2,181	2,116
Construction in progress		7,255	2,605
Total property and equipment, cost		65,277	47,623
Less accumulated depreciation		(30,036)	(20,691)
Total property and equipment, net		$ 35,241	$ 26,932

6. Property and Equipment, net (Continued)

Depreciation and amortization expense related to property and equipment for the years ended December 31, 2020 and 2019, was $9,406 and $7,308, respectively. During the year ended December 31, 2020, we disposed of property and equipment of $238, net of accumulated depreciation of $61.

During the years ended December 31, 2020 and 2019, $7,359 and $6,616, respectively, was capitalized in connection with internally developed software. Amortization expense of the remaining capitalized amounts was $3,748 and $4,424 for the years ended December 31, 2020 and 2019, respectively.

7. Intangible Assets, net

Intangible assets consist as of December 31, 2020 and 2019, of the following:

	Amortization Period in Years	2020	2019
Patents	20	$1,293	$ 869
Other indefinite lived intangible assets		310	310
Total intangible assets, cost		1,603	1,179
Less amortization		(39)	(22)
Intangible assets, net		$1,564	$1,157

Amortization expense of intangible assets was $17 and $9 for the years ended December 31, 2020 and 2019, respectively. Amortization expense of intangible assets will be $18 for each of the next five years.

8. Restricted Cash

As of December 31, 2020, and 2019, the Company maintained bank deposits of $6,856 and $6,166, respectively, which were pledged as collateral for long-term letters of credit issued in favor of airports, in connection with the Company's obligations under the Revenue Share agreements. Such amounts also include a letter of credit for the Company's New York City corporate headquarters lease agreement.

In addition, the Company also has a $16,000 restricted cash account against a letter of credit with a credit card company as a reserve against potential future refunds and chargebacks as of December 31, 2020 and 2019.

9. Other Assets

Other assets consist as of December 31, 2020 and 2019, of the following:

	2020	2019
Security deposits	$171	$ 374
Credit card reserve receivables	—	5,182
Loan fees	279	—
Certificates of deposit	459	459
Other long-term assets	62	1,058
Total	$971	$7,073

9. Other Assets (Continued)

Credit card reserve receivables of $5,182 for the year ended December 31, 2019 represents a reserve held by the Company's credit card processor against potential future refunds and chargebacks.

10. Accrued Liabilities

Accrued liabilities consist as of December 31, 2020 and 2019, of the following:

	2020	2019
Accrued compensation and benefits	$ 9,626	$ 7,679
Other accrued liabilities	8,678	10,616
Total	$ 18,304	$ 18,295

11. Warrants

During 2017, the Company issued 70,000 warrants. Each warrant is entitled to purchase one unit of Class B capital at an exercise price of $36.74 per unit and is currently exercisable. As of December 31, 2020, no warrants have been exercised. The warrants expire on January 1, 2024.

As Class B units contain redemption features outside of the Company's control, the warrants embody an obligation to repurchase the Company's own units, and thus the warrants are considered a liability warrant and are measured at fair value, with changes in fair value recognized as a gain or loss to "General and administrative expense" in the consolidated statements of operations. At the end of each reporting period, the Company remeasures the fair value of the outstanding warrants using current assumptions. The fair value of the warrants was affected by the assumptions surrounding unobservable inputs, including the underlying equity price, risk-free interest rate, contractual term, and expected volatility. The fair value of the Company's Class B units underlying the awards has historically been determined by the board of managers with input from management and independent third-party valuation specialists, as there was no public market for the Company's Class B units. The board of managers determines the fair value of the Class B units, volatility and risk-free interest rate by considering a number of objective and subjective factors including: the valuation of comparable companies, the Company's operating and financial performance, the lack of liquidity of Class B units, transactions in the Company's Class B units, and general and industry specific economic outlook, amongst other factors. There were no credit enhancements reflected in the fair value measurement. The fair value of these warrants was estimated based on a Black-Scholes option pricing model as of December 31, 2020 and 2019, and the weighted-average (in aggregate) significant unobservable inputs (Level 3 inputs) used in measuring the warrant liability for the years ended December 31, 2020 and 2019, were as follows:

	2020	2019
Exercise price	$36.74	$36.74
Expected life	3 years	4 years
Volatility	35.10%	27.20%
Risk free interest rate	0.20%	1.80%

During the years ended December 31, 2020 and 2019, the Company recorded expense of $887 and $3,363, respectively, and increased the related warrant liability by the same amount based on the change in fair value of the warrants.

The Company will continue to remeasure the fair value of the liability associated with the warrants to purchase Class B units at the end of each reporting period, until the earlier of the exercise or expiration of the applicable warrants.

11. Warrants (Continued)

On July 9, 2019, the Company issued 650,000 additional warrants. Each warrant is entitled to purchase one Class B unit at an exercise price of $225 per unit based on new customer enrollments and other performance-based vesting criteria. The warrants were accounted for in accordance with the provisions of ASC 718. As of December 31, 2020, none of these warrants have been exercised. These warrants expire on July 9, 2022.

The fair value of these warrants was estimated based on a Black-Scholes option pricing model at the grant date. Key assumptions used during the year ended December 31, 2019:

	2019
Exercise price	$225
Expected life	3 years
Volatility	25%
Risk free interest rate	1.80%

Based on management's probable estimate of the likelihood of achievement of the vesting criteria, the Company recorded expense of $1,832 and $13,088 included in "General and administrative" expense for the years ended December 31, 2020 and 2019, respectively. The company also recorded $137 and $134 included in ''general and administrative'' expense for the years ended December 31, 2020 and 2019 related to immaterial service and performance based Class B warrants. As of December 31, 2020, estimated unrecognized warrant expense was $1,952.

12. Redeemable Capital Units

Pursuant to the terms and conditions of the Company's Operating Agreement, there are two classes of units that contain similar capital voting and economic rights (Class A units and Class B units) and are reflected as temporary equity given the redemption features that are outside of the Company's control.

Class A and B Units

Each holder of Class A units is entitled to one vote for each unit held. Each holder of Class B units is entitled to one vote for each unit held for each matter on which the holders of Class B units are entitled to vote as set forth in the operating agreement. Capital A and B units have a preferential right to return of capital compared to other capital and other profit unit holders.

Additionally, upon a change of control provision, which is determined by Class A and B holders, Class A and B holders could control the form of consideration to be paid out, which is outside of the Company's control. At December 31, 2020 and 2019, the Class A and B units were not redeemable and the likelihood of an occurrence of a change in control was not deemed to be probable. At December 31, 2020 and 2019, the total amount of capital invested for units outstanding held by Class A and Class B members, which equals their liquidation preference, was $555,459 and $422,151, respectively.

During the year ended December 31, 2020, the Company issued 539,277 Class B units through private offerings for proceeds of $146,652, net of offering costs of $1,290. During the year ended December 31, 2020, there were tender offers where the Company repurchased and retired 677,387 Class B units for gross purchase of $182,895, and where the Company repurchased and retired 54,843 Class A units for gross purchase of $14,808.

During the year ended December 31, 2019, the Company issued 720,465 Class B units through private offerings for gross proceeds of $192,442, net of offering costs of $173. During the year ended

12. Redeemable Capital Units (Continued)

December 31, 2019, there were tender offers where the Company repurchased and retired 48,500 Class A units for gross purchase of $10,913.

To the extent the amount paid for repurchases is in excess of the initial carrying amount of the capital contributed, such excess is recorded in accumulated deficit.

13. Members' Deficit

Pursuant to the terms and conditions of the Company's operating agreement, members' deficit consists of restricted stock units (RSU's) that are to be settled in Class C Capital Units. During 2020, RSUs were granted to employees as part of the Company's annual compensation process.

The Company also has 27 classes of nonvoting, noncapital profit units, of which 16 have been issued as of December 31, 2020. Members' deficit reflects equity-based compensation recorded for units granted and expected to vest based on probability of achieving performance-based vesting conditions.

To the extent the amount paid for repurchases at fair value is in excess of the grant date fair value, such excess is recorded in accumulated deficit. Amounts for repurchases in excess of fair value are recorded as compensation expense.

During the years ended December 31, 2020 and 2019, the Company repurchased and retired 284,414 and 20,521, respectively, profit units through tender offers. Such repurchases were at amounts that exceeded the then fair value of the units; therefore, the Company recorded additional expense of $50,551 and $2,928 for the years ended December 31, 2020 and 2019, respectively. For 2020, $44,535 was recorded within general and administrative expense, $5,976 was recorded within research and development, and $40 was recorded within sales and marketing. For 2019, $2,215 was recorded within general and administrative expense, $670 was recorded within research and development, and $43 was recorded within sales and marketing.

Warrants

Refer to Note 11 for information regarding the outstanding warrants on the Company's equity.

14. Incentive Plans

Equity-Based Incentive Plan Awards

The Company has adopted the Alclear Holdings, LLC Equity Incentive Plan to provide grants, on or after August 31, 2016, of equity-based incentives to eligible individuals (employees and nonemployees) or entities providing services to or for the benefit of the Company, which was amended and restated effective September 25, 2020 (as amended and restated, the "Employee Incentive Plan").

Pursuant to the terms and conditions of the Employee Incentive Plan and award agreements, the Company may issue RSUs or profit units (collectively, "Awards"). An RSU is a contractual agreement issued to a grantee, which under the Employee Incentive Plan may be settled in cash or Class C Unit as determined by the Company's board of managers. The Company has the intent and ability to settle such RSUs in Class C Units and, therefore, the Company classifies such RSUs within members' deficit. Class C Units and profit units are not entitled to voting rights.

The Company has the right, not the obligation, to repurchase any vested Class C Units or profit units held by a grantee upon termination of employment at a fair market value.

14. Incentive Plans (Continued)

For the years ended December 31, 2020 and 2019, the Company recognized compensation expense related to employee profit units, excluding repurchases, as follows:

	2020	2019
Employee profit units compensation:		
Cost of direct salaries and benefits	$ 51	$ —
General and administrative	1,056	1,236
Research and development	317	193
Sales and marketing	34	11

RSUs

Pursuant to the Equity Incentive Plan, the Company has issued RSUs to employees and non-employee directors that represent the right to receive Class C Capital Units following the vesting date. The RSUs are subject to both service-based and, in some cases, business performance-based vesting conditions, and all RSUs are subject to a liquidity event vesting condition. RSUs will vest on a specified date, provided the applicable service (generally three years) and, if applicable, business performance condition, as well as the liquidity event condition are satisfied. The liquidity event condition is the occurrence of an initial public offering or change of control prior to the seventh anniversary of the grant date, which was not deemed probable of being met as of December 31, 2020.

The Company estimated the fair value of each award on the date of grant based on the information known to the Company on the date of grant, upon a review of any recent events and their potential impact on the estimated fair value of the units.

The grant-date fair value of the RSUs is amortized over the vesting period or requisite service period (generally three years) assuming the liquidity event condition is probable of being met. During the year of December 31, 2020, the Company granted 21,042 RSUs with a grant-date fair value of $6,102; however, the liquidity event condition was not probable and, therefore, the Company did not record any compensation expense. The Company did not grant any RSUs prior to 2020.

Profit Units

Pursuant to the terms and conditions of the Employee Incentive Plan and award agreement, the Company has issued 16 classes of profit units (C, H, J, K, L, M, O, T, W, X, Y, Z, AA, AB, AC, and AD units) to employees and nonemployees that participate in profits and distributions at varying levels based on the Company's equity value.

Generally profit units will cliff vest on the third anniversary of the grant date provided that the grantee remains in continuous service with the Company through such date, except that 50% of the profit units issued are also subject to long-term revenue and cash-basis earnings performance hurdles (the "Financial Targets"). Therefore, if service condition is not met the grantee will forfeit the entire award and if service condition is met, but Financial Targets are not, the grantee would forfeit up to 50% of the profit units issued.

As of December 31, 2020, the Company analyzed the Financial Targets associated with granted profit units. As the Financial Targets were not probable to be achieved, the Company, therefore, did not record compensation expense related to these units for the years ended December 31, 2020 and 2019.

ALCLEAR HOLDINGS, LLC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(dollars in thousands, except for per unit data, unless otherwise noted)

14. Incentive Plans (Continued)

The following is a summary of activity related to the profit units associated with compensation arrangements during years ended December 31, 2020:

	Units	Weighted-Average Grant-Date Fair Value
Unvested balance, January 1, 2020	713,307	$ 13.51
Granted	188,328	10.89
Vested	(60,035)	1.12
Forfeited	(148,600)	8.42
Unvested balance, December 31, 2020	693,000	$ 14.96

As of December 31, 2020, the aggregate intrinsic value of vested and expected to vest profit units was $51,243.

As of December 31, 2020, estimated unrecognized profit units expense for profit units that are probable of vesting was $2,315 with such expense to be recognized over a weighted -average period of approximately 0.71 years subsequent to December 31, 2020.

15. Income Taxes

A reconciliation of the U.S. statutory income tax rate to the Company's effective tax rate for the years ended December 31, 2020 and 2019, is as follows:

	2020	2019
Tax expense (benefit) at U.S. statutory rate	21%	21%
Effect of flow-through entity	(21)%	(21)%
State taxes	0.3%	0.7%
Remeasurement of state tax	0.5%	0.0%
Permanent differences	(2.2)%	(0.3)%
Valuation allowance	1.2%	(0.4)%
Effective income tax rate	(0.2)%	0.0%

The Company's effective tax rate was (0.2)% and 0% for 2020 and 2019, respectively.

Deferred Taxes	2020	2019
Deferred rent	$ 13	$ 26
Reserves	8	—
Other	1	3
Net operating loss	333	442
Gross deferred tax assets	**355**	**471**
Depreciation and amortization	(131)	(147)
Prepaid expenses and other	(20)	(24)
Gross deferred tax liabilities	**(151)**	**(171)**
Deferred income tax assets before valuation allowance	**204**	**300**
Valuation allowance	(204)	(300)
Net deferred tax asset (liability)	$ —	$ —

15. Income Taxes (Continued)

In 2020, the total valuation allowance for the Company decreased primarily related to decreases in net operating losses for which it was more likely than not that the benefits of these items will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. The estimation of future taxable income and our ability to utilize deferred tax assets can significantly change based on future events.

As of December 31, 2020, the Company had state tax loss carryforwards of approximately $6,571.

Future changes in the ownership of the Company may limit the future utilization of the net operating loss and tax credit carryforwards, as defined by the federal, state, and local tax codes. Accordingly, utilization of the net operating loss carryforwards and credits will be subject to the annual limitation provided by the Code and similar state provisions and may result in the expiration of the net operating losses and credits before utilization. The net operating loss carryforwards will expire at various times through 2038.

The Company accrues liabilities for uncertain tax positions that are not more likely than not to be sustained upon examination as of December 31, 2020 and 2019. Interest and penalties related to uncertain tax positions are recorded in accrued liabilities in the accompanying consolidated balance sheets. The Company had no unrecognized tax benefits at December 31, 2020 and 2019, that, if recognized, would affect its annual effective tax rate.

We are subject to income taxes in the U.S. The statute of limitations for adjustments to our historic tax obligations will vary from jurisdiction to jurisdiction. The tax years for U.S. federal and state income tax purposes open for examination are for the years ending December 31, 2017 and forward.

16. Commitments and Contingencies

Litigation

Various legal proceedings have arisen in the general course of business. We do not believe that there are claims or legal proceedings that, if determined adversely to us, would have a material adverse effect on the business, financial position, results of operations, or cash flows of the Company.

Leases, Sports Stadiums, and Airport Agreements

During 2018, the Company entered into a lease for its new headquarters in New York City, which expires in 2030. Additionally, the Company rents floor and office space in airports under leases expiring through 2025, which include fixed monthly payments. The Company's lease agreements, in addition to base rentals, generally are subject to escalation provisions based on certain costs incurred by the landlord. Certain leases have renewal options that can be exercised at the discretion of the Company.

For the years ended December 31, 2020 and 2019, the Company recorded rent expense of $6,657 and $5,167, respectively, and Revenue Share fee expense of $33,191 and $32,288, respectively.

The Company has commitments for future marketing expenditures to sports stadiums of $4,844 through 2026. For the years ended December 31, 2020 and 2019, marketing expenses related to sports stadiums were approximately $510 and $3,139, respectively.

16. Commitments and Contingencies (Continued)

Future minimum payments under lease and airport agreements are as follows:

	Operating Lease Payments
2021	$ 15,215
2022	13,696
2023	12,479
2024	9,372
2025	6,386
Thereafter	17,274
Total	$ 74,422

17. Related-Party Transactions

As of December 31, 2020 and 2019, the Company's total receivables from related parties were $44 and $0, respectively. As of December 31, 2020, and 2019, the Company's total payables to related parties were $1,606 and $1,969, respectively.

Delta Air Lines

As of December 31, 2020, and 2019, the Company had balances due included in accounts payable and accrued liabilities of approximately $1,606 and $1,969, respectively, to Delta Air Lines, Inc. (Delta), which holds Class B units of the Company. In addition, the Company recorded approximately $6,800 and $5,772 of expense related to Delta included in Revenue Share fee in the consolidated statements of operations for the years ended December 31, 2020 and 2019, respectively.

In 2017, the Company began operations at John F. Kennedy and LaGuardia airports in New York, New York. For these airports, the Company pays a Revenue Share fee to Delta in lieu of paying the airport directly. During the years ended December 31, 2020 and 2019, the Company paid Delta Revenue Share fees of approximately $776 and $191, respectively, relating to members within the catchment area for these New York area airports. As of December 31, 2020 and 2019, there was a balance of approximately $369 and $404, respectively, in "Prepaid Revenue Share fee" related to Delta.

In addition, the Company has an agreement to provide discounted memberships for members who are part of the Delta SkyMiles program. For each membership purchased through the Delta SkyMiles program, the Company pays a Revenue Share fee to Delta. For the years ended December 31, 2020 and 2019, the Company paid Delta approximately $6,086 and $5,783, respectively, in Revenue Share fee received from members who signed up through the Delta SkyMiles program.

United Airlines

As discussed in Note 11, on July 9, 2019 the Company issued 650,000 warrants to United that would convert into Class B units of the Company if certain performance conditions are met.

In addition, the Company has an agreement to provide discounted memberships for members who are part of the United MileagePlus program and to pay United a Revenue Share fee if a certain number of memberships are obtained, which has not yet occurred as of December 31, 2020.

18. Employee Benefit Plan

The Company has a 401(k) savings and investment plan (the "401(k) Plan"). Participants make contributions to the 401(k) Plan in varying amounts, up to the maximum limits allowable under the

18. Employee Benefit Plan (Continued)

Code. There was a discretionary employer contribution of approximately $239 and $268 for the years ended December 31, 2020 and 2019, respectively, that was remitted to the plan in February 2021.

19. Debt

On March 31, 2020, the Company entered into a credit agreement for a three-year $50,000 revolving credit facility, with a group of lenders that expires on March 31, 2023, and has not been drawn against as of December 31, 2020.

The credit agreement contains customary terms and conditions, including limitations on consolidations, mergers, indebtedness, and certain payments, as well as a financial covenant relating to leverage. Borrowings under the credit agreement generally will bear interest between 2.5% and 3.5% per year and will also include interest based on the greater of the prime rate, London InterBank Offered Rate (LIBOR) or New York Federal Reserve Bank (NYFRB) rate, plus an applicable margin for specific interest periods.

In addition, the credit agreement, contains certain other covenants (none of which relate to financial condition), events of default and other customary provisions, and also contains customary LIBOR replacement mechanics. At December 31, 2020, the Company was in compliance with all of the financial and non-financial covenants.

The Company incurred and paid debt issuance costs of $652 for fees relating to this revolving credit facility during the year ended December 31, 2020.

20. Subsequent Events

The Company has evaluated subsequent events through April 15, 2021, the date the consolidated financial statements were available to be issued.

During the first three months of 2021, the Company issued 277,813 Class B units and 1,000 vested warrants to purchase Class B units at an exercise price of $1 per unit that expire in July 2024 through private offerings resulting in gross proceeds of $80,566 and issued 5,310 Class B units with a fair value of $1,540 in exchange for services related to the private offerings.

In March of 2021, the Company issued warrants to purchase 25,862 Class B units as part of a partnership agreement. Each warrant is entitled to purchase one Class B unit at an exercise price of $1 per unit based on certain revenue targets being met and other performance-based vesting criteria. These warrants expire in March of 2026. The Company also repurchased and retired 11,869 Class B units for a total repurchase of $3,442 and 31,972 profit units for a total repurchase of $8,259.

During the month of March, the Company launched airport operations in Sacramento.

Confidential Treatment Requested by Clear Secure, Inc.
Pursuant to 17 C.F.R. Section 200.83

ALCLEAR HOLDINGS, LLC

CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)
(dollars in thousands, except for per unit data)

	March 31, 2021	December 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	$ 175,730	$ 116,226
Accounts receivable	1,077	912
Marketable debt securities	37,750	37,813
Prepaid Revenue Share fee	6,273	5,475
Prepaid expenses and other current assets	15,640	11,210
Total current assets	236,470	171,636
Property and equipment, net	39,230	35,241
Intangible assets, net	1,764	1,564
Restricted cash	22,929	22,856
Other assets	1,109	971
Total assets	$ 301,502	$ 232,268
Liabilities, redeemable capital units, and members' deficit		
Current liabilities:		
Accounts payable	$ 6,127	$ 8,518
Accrued liabilities	19,035	18,304
Warrant liabilities	19,922	17,740
Deferred revenue	113,070	101,542
Total current liabilities	158,154	146,104
Deferred rent	3,667	3,809
Total liabilities	161,821	149,913
Commitments and contingencies (Note 16)		
Redeemable Class A Capital Units, 261,942 units authorized, issued and outstanding at March 31, 2021 and December 31, 2020	2,620	2,620
Redeemable Class B Capital Units, 5,387,947 and 5,361,085 units authorized, and 4,892,713 and 4,621,459 units issued and outstanding at March 31, 2021 and December 31, 2020, respectively	648,040	566,631
Total redeemable capital units	650,660	569,251
Members' deficit:		
Class C Capital Units, 21,042 units authorized, and 0 units issued and outstanding at March 31, 2021 and December 31, 2020	—	—
Profit units, 1,797,075 and 1,868,322 units authorized, issued and outstanding at March 31, 2021 and December 31, 2020, respectively	8,117	7,846
Accumulated other comprehensive income	52	27
Accumulated deficit	(519,148)	(494,769)
Total members' deficit	(510,979)	(486,896)
Total redeemable capital units and members' deficit	139,681	82,355
Total liabilities, redeemable capital units, and members' deficit	$ 301,502	$ 232,268

See notes to consolidated financial statements

Confidential Treatment Requested by Clear Secure, Inc.
Pursuant to 17 C.F.R. Section 200.83

ALCLEAR HOLDINGS, LLC

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)
(dollars in thousands)

	Three Months Ended	
	March 31, 2021	March 31, 2020
Revenue	**$ 50,558**	**$ 61,288**
Operating expenses:		
Cost of revenue share fee	7,769	10,136
Cost of direct salaries and benefits	12,149	17,519
Research and development	9,005	11,616
Sales and marketing	4,956	6,696
General and administrative	27,192	64,870
Depreciation and amortization	2,538	2,294
Operating loss	**(13,051)**	**(51,843)**
Other income (expense):		
Interest income, net	(71)	590
Loss before tax	**(13,122)**	**(51,253)**
Income tax expense	(6)	—
Net loss	**$ (13,128)**	**$ (51,253)**

See notes to consolidated financial statements

ALCLEAR HOLDINGS, LLC

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS) (UNAUDITED) (dollars in thousands)

	Three Months Ended	
	March 31, 2021	March 31, 2020
Net loss	$ (13,128)	$ (51,253)
Other comprehensive income (loss)		
Unrealized gain (loss) on fair value of marketable debt securities, net of tax of $0 and $0	$ 25	$ (64)
Total other comprehensive income (loss)	$ 25	$ (64)
Comprehensive loss	$ (13,103)	$ (51,317)

See notes to consolidated financial statements

Confidential Treatment Requested by Clear Secure, Inc.
Pursuant to 17 C.F.R. Section 200.83

ALCLEAR HOLDINGS, LLC

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN REDEEMABLE CAPITAL UNITS AND MEMBERS' DEFICIT
(UNAUDITED)
(dollars in thousands, except per unit data)

	Redeemable Capital Units				Members' Deficit						
	Class A Units		Class B Units		Class C Units		Profit Units*				
	Number of Units	Amount	Number of Units	Amount	Number of Units	Amount	Number of Profit Units	Amount	Accumulated other comprehensive gain (loss)	Accumulated deficit	Members' deficit total
Balance, January 1, 2020	**316,785**	**$3,168**	**4,759,569**	**$ 432,062**	**—**		**2,113,008**	**$ 8,022**	**$ 3**	**$ (291,354)**	**(283,329)**
Net loss	—	—	—	—	—	—	—	—	—	(51,253)	(51,253)
Other comprehensive loss	—	—	—	—	—	—	—	—	(64)	—	(64)
Issuance of member units, net of costs	—	—	422,039	113,932	—	—	37,700	—	—	—	—
Repurchase and retirement of capital units	(54,843)	(548)	(677,387)	(14,053)	—	—	—	—	—	(183,102)	(183,102)
Repurchase, forfeitures and retirement of profit units	—	—	—	—	—	—	(328,834)	(1,630)	—	(10,829)	(12,459)
Warrant expense	—	—	—	1,441	—	—	—	—	—	—	—
Equity-based compensation expense	—	—	—	—	—	—	—	351	—	—	351
Balance, March 31, 2020	**261,942**	**$2,620**	**4,504,221**	**$ 533,832**	**—**	**$—**	**1,821,874**	**$ 6,743**	**$(61)**	**$ (536,538)**	**(529,856)**
Balance, January 1, 2021	261,942	2,620	4,621,459	566,631	—	—	1,868,322	7,846	27	(494,769)	(486,896)
Net loss	—	—	—	—	—	—	—	—	—	(13,128)	(13,128)
Other comprehensive income	—	—	—	—	—	—	—	—	25	—	25
Issuance of member units, net of costs	—	—	283,123	81,567	—	—	—	—	—	—	—
Repurchase and retirement of capital units	—	—	(11,869)	(439)	—	—	—	—	—	(3,005)	(3,005)
Repurchase, forfeitures and retirement of profit units	—	—	—	—	—	—	(71,247)	(56)	—	(8,246)	(8,302)
Warrant expense	—	—	—	281	—	—	—	—	—	—	—
Equity-based compensation expense	—	—	—	—	—	—	—	327	—	—	327
Balance, March 31, 2021	**261,942**	**$2,620**	**4,892,713**	**$ 648,040**	**—**	**$—**	**1,797,075**	**$ 8,117**	**52**	**$ (519,148)**	**(510,979)**

* Composed of 16 classes of units that participate in profits and distributions at varying levels based on the Company's equity value. See Note 14 for further description.

See notes to consolidated financial statements

ALCLEAR HOLDINGS, LLC

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN CASH FLOWS (UNAUDITED) (dollars in thousands)

	Three Months Ended	
	March 31, 2021	March 31, 2020
Cash flows used in operating activities:		
Net loss	$ (13,128)	$ (51,253)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	2,538	2,294
Equity-based compensation	608	1,792
Warrant liabilities	1,893	—
Changes in operating assets and liabilities:		
Accounts receivable	(165)	(40)
Prepaid expenses and other current assets	(2,885)	1,625
Prepaid Revenue Share fee	(798)	63
Accounts payable	(1,150)	2,255
Accrued liabilities	1,366	(6,771)
Deferred revenue	11,528	7,666
Deferred rent	(142)	523
Net cash used in operating activities	(335)	(41,846)
Cash flows used in investing activities:		
Purchases of marketable debt securities	(47,002)	(25,412)
Sales of marketable debt securities	47,090	21,325
Issuance of loan	—	(250)
Purchases of property and equipment	(8,794)	(4,350)
Capitalized intangible assets	(204)	(169)
Net cash used in investing activities	(8,910)	(8,856)
Cash flows provided by (used in) financing activities:		
Repurchase of members' deficit	(11,744)	(210,162)
Proceeds from issuance of members' deficit, net of cost	80,277	113,944
Issuance of warrants	289	—
Payment of financing costs	—	(577)
Net cash provided by (used in) financing activities	68,822	(96,795)
Net increase (decrease) in cash, cash equivalents, and restricted cash	59,577	(147,497)
Cash, cash equivalents, and restricted cash, beginning of period	139,082	236,051
Cash, cash equivalents, and restricted cash, end of period	$ 198,659	$ 88,554
Cash and cash equivalents	$ 175,730	$ 66,337
Restricted cash	22,929	22,217
Total cash, cash equivalents, and restricted cash	$ 198,659	$ 88,554

Supplemental Noncash Investing and Financing Activities Disclosures:

Purchases of property and equipment with unpaid costs in accounts payable as of March 31, 2021 and March 31, 2020 are $1,438 and $238, respectively, and accrued liabilities are $134 and $410, respectively.

Deferred issuance costs in accrued liabilities as of March 31, 2021 are $1,683.

See notes to consolidated financial statements

ALCLEAR HOLDINGS, LLC

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(dollars in thousands, except for per unit data, unless otherwise noted)

1. Description of Business and Recent Accounting Developments

Description and Organization

Alclear Holdings, LLC (a Limited Liability Company) and its wholly owned subsidiaries (collectively referred to as, “Alclear” or the “Company”) was formed in the state of Delaware on January 21, 2010, and operates under the terms of the Amended and Restated Operating Agreement dated October 1, 2020 (the “Operating Agreement”), which supersedes the previous operating agreement dated November 22, 2019. As a limited liability company, the liability of each unit holder of Alclear Holdings, LLC is limited to its capital contributed.

Recently Adopted Accounting Pronouncements

Emerging Growth Company Status

The Company is an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”). Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. The Company has elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies, until the earlier of the date that it (i) is no longer an emerging growth company or (ii) affirmatively and irrevocably opts out of the extended transition period provided in the JOBS Act. As a result, these condensed consolidated financial statements may not be comparable to companies that comply with the new or revised accounting pronouncements as of public company effective dates.

Intangible Assets

In August 2018, the Financial Accounting Standards Board (“FASB”) issued ASU No. 2018-15, Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40), *Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*. This aligns the accounting for implementation costs incurred in cloud computing arrangements with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. The guidance is effective for public companies for reporting periods after December 15, 2019, and nonpublic companies, including emerging growth companies, annual reporting periods beginning after December 15, 2020, and interim periods within annual periods beginning after December 15, 2021, with early adoption permitted. The Company adopted this guidance as of January 1, 2021 prospectively as allowed by the standard. The adoption did not have a material effect on the Company’s consolidated financial statements.

Income taxes

On January 1, 2021, the Company adopted the accounting pronouncement, ASU 2019-12— *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*, issued by the Financial Accounting Standards Board (“FASB”) that simplifies the accounting for income taxes by eliminating certain exceptions to the guidance in Accounting Standards Codification (ASC) 740 related to intra-period tax allocations and the methodology for calculating income taxes in an interim period. The guidance also simplifies aspects of the accounting for franchise taxes as well as enacted changes in tax laws or rates and clarifies the accounting for transactions that result in a step-up in the tax basis of goodwill. The adoption of this accounting pronouncement did not have a material impact on the Company’s consolidated financial statements.

ALCLEAR HOLDINGS, LLC

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (Continued)
(dollars in thousands, except for per unit data, unless otherwise noted)

1. Description of Business and Recent Accounting Developments (Continued)

Recent Accounting Pronouncements Not Yet Adopted

Leases

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)* (ASU 2016-02), which will require lessees to recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, in its consolidated balance sheets for operating leases. This update also requires a lessee to recognize a single lease cost, calculated so that the cost of the lease is allocated over the lease term, on a generally straight-line basis. In July 2018, the FASB issued ASU No. 2018-10, *Codification Improvements to Topic 842, Leases* (ASU 2018-10), and ASU No. 2018-11, *Leases (Topic 842): Targeted Improvements* (ASU 2018-11), to provide additional guidance for the adoption of ASU 2016-02. ASU 2018-10 clarifies certain provisions and corrects unintended applications of the guidance. ASU 2018-11 provides an alternative transition method, which allows entities the option to present all prior periods under previous lease accounting guidance, while recognizing the cumulative effect of applying the new update as an adjustment to the opening balance of retained earnings in the year of adoption. Public companies were required to adopt ASU 2016-02 for reporting periods after December 15, 2018. In June 2020, the Company adopted ASU No. 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities*, which delays the adoption of ASU 2016-02 for nonpublic companies, including emerging growth companies, to fiscal years beginning after December 15, 2021. The Company plans to adopt this guidance as of January 1, 2022 and is currently evaluating the impact of adopting this new accounting guidance.

Current Expected Credit Losses

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (ASU 2016-13), to replace the incurred loss impairment methodology under current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The Company will be required to use a forward-looking expected credit loss model for accounts receivable, loans, and other financial instruments. Public companies were required to adopt ASU 2016-13 for reporting periods after December 15, 2019. The Company adopted ASU No. 2019-10, *Financial Instruments—Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates*, issued in November 2019, which extended the required adoption date for nonpublic entities, including emerging growth companies. This update will be effective for the Company for fiscal periods beginning after December 15, 2022, with early adoption permitted beginning December 15, 2018. The Company plans to adopt this guidance as of January 1, 2023, and is currently evaluating the potential impact of adopting this new accounting guidance.

2. Summary of Significant Accounting Policies

The accompanying condensed consolidated financial statements of the Company have been prepared pursuant to the rules and regulations of the United States Securities and Exchange Commission (the “SEC”) regarding interim financial reporting. Accordingly, they do not include all of the information and notes required by accounting principles generally accepted in the United States of America (“U.S. GAAP”) for complete financial statements and should be read in conjunction with the audited consolidated financial statements and notes thereto included elsewhere in this filing.

Preparing financial statements requires management to make estimates and assumptions that affect the amounts that are reported in the financial statements and the accompanying disclosures. Although these estimates are based on management’s knowledge of current events and actions that

ALCLEAR HOLDINGS, LLC

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)
(dollars in thousands, except for per unit data, unless otherwise noted)

2. Summary of Significant Accounting Policies (Continued)

Alclear may undertake in the future, actual results may differ materially from the estimates. These condensed consolidated financial statements are presented in U.S. Dollars.

3. Revenue

The Company's revenue for the three months ended March 31, 2021 and 2020, was $50,558 and $61,288, respectively.

The Company elected the practical expedient permitted to not adjust the transaction price of contracts with a duration of one year or less for the effects of a significant financing component at contract inception.

The Company derives substantially all of its revenue from subscriptions to its consumer aviation service, CLEAR Plus. For the three months ended March 31, 2021 and 2020, approximately 15% and 15%, respectively, of membership revenue was derived from fees associated with members in the geographic region of two airports.

Revenue by Geography

For the three months ended March 31, 2021 and 2020, all of the Company's revenue was generated in the United States.

Contract liabilities and assets

The Company's deferred revenue balance primarily relates to amounts received from customers for subscriptions paid in advance of the services being provided. The following table presents changes in the deferred revenue balance for the three months ended March 31:

	2021	2020
Balance, January 1	$101,542	$ 121,399
Deferral of revenue	62,057	68,898
Recognition of unearned revenue	(50,529)	(61,292)
Balance, March 31	$113,070	$ 129,005

The Company does not have any material variable consideration, such as obligations for returns, refunds, warranties, or amounts payable to customers for which significant estimation or judgment is required as of the reporting date.

4. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets as of March 31, 2021 and December 31, 2020, consist of the following:

	March 31, 2021	December 31, 2020
Prepaid software licenses	$ 5,363	$ 5,504
Coronavirus aid, relief, and economic security act retention credit	2,036	2,036
Deferred issuance costs	1,682	—
Other current assets	6,559	3,670
Total	$ 15,640	$ 11,210

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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4. Prepaid Expenses and Other Current Assets (Continued)

The Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") is intended to provide economic relief resulting from the COVID-19 pandemic which includes, but is not limited to, employment related costs. For the year ended December 31, 2020, the Company recorded a receivable of $2,036 related to submissions made under the CARES Act. We expect to receive payment by or before December 31, 2021.

5. Fair Value Measurements

The Company values its available-for-sale debt securities and certain liabilities based on 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. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs is used to measure fair value into three broad levels, which are described below:

Level 1—Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2—Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in inactive markets or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3—Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

In determining fair value, the Company utilizes valuation techniques that maximize the use of observable inputs to the extent possible, as well as considers counterparty credit risk in its assessment of fair value.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value.

Corporate bonds—Valued at the closing price reported on the active market on which the individual securities, all of which have counterparts with high credit ratings, are traded.

Commercial paper—Value is based on yields currently available on comparable securities of issuers with similar credit ratings.

Money market funds—Valued at the net asset value (NAV) of units of a collective fund. The NAV is used as a practical expedient to estimate fair value. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV.

Class B warrant liabilities — Valued based on significant inputs not observed in the market and, thus, represents a Level 3 measurement. The Company estimated the fair value of the liability using the Black-Scholes option pricing model and the change in fair value was recognized in general and administrative expenses. Refer to Note 11 for further discussion.

5. Fair Value Measurements (Continued)

The contractual maturities of investments classified as marketable debt securities are as follows as of March 31, 2021 and December 31, 2020:

	March 31, 2021	December 31, 2020
Due within 1 year	$ 37,750	$ 37,813
Total marketable debt securities	$ 37,750	$ 37,813

	Fair Value as of March 31, 2021			
	Level 1	Level 2	Level 3	Total
Commercial paper	$ —	$ 15,440	$ —	$ 15,440
U.S. Treasuries	18,935	—	—	18,935
Corporate bonds	—	3,256	—	3,256
Total assets in the fair value hierarchy	18,935	18,696	—	37,631
Money market funds measured at NAV(a)	—	—	—	119
Total investments at fair value	**$ 18,935**	**$ 18,696**	**$ —**	**$ 37,750**
Warrant liabilities	—	—	(19,922)	(19,922)
Total warrant liabilities at fair value	**$ —**	**$ —**	**$(19,922)**	**$(19,922)**

	Fair Value as of December 31, 2020			
	Level 1	Level 2	Level 3	Total
Commercial paper	$ —	$ 11,932	$ —	$ 11,932
U.S. Treasuries	5,380	—	—	5,380
Corporate bonds	—	20,444	—	20,444
Total assets in the fair value hierarchy	5,380	32,376	—	37,756
Money market funds measured at NAV(a)	—	—	—	57
Total investments at fair value	**$ 5,380**	**$ 32,376**	**$ —**	**$ 37,813**
Warrant liabilities	$ —	$ —	$(17,740)	$(17,740)
Total warrant liabilities at fair value	**$ —**	**$ —**	**$(17,740)**	**$(17,740)**

(a) Certain money market funds that were measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the condensed consolidated balance sheets.

The following table provides a summary of changes in fair value of the Company's Level 3 warrant liabilities for the three months ended March 31, 2021 and 2020:

	2021	2020
Balance as of January 1	$ (17,740)	$ (16,853)
Warrants issued	(289)	—
Warrants exercised	—	—
Fair value adjustments	(1,893)	—
Balance as of March 31	$ (19,922)	$ (16,853)

See Note 11 for further information regarding these Level 3 fair value measurements.

ALCLEAR HOLDINGS, LLC

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)
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5. Fair Value Measurements (Continued)

For certain other financial instruments, including accounts receivable, accounts payable, accrued liabilities, as well as other current liabilities, the carrying amounts approximate the fair value of such instruments due to the short maturity of these balances.

6. Property and Equipment, net

Property and equipment as of March 31, 2021 and December 31, 2020, consist of the following:

	Depreciation Period in Years	March 31, 2021	December 31, 2020
Internally developed software	5	$ 27,486	$ 23,545
Acquired software	3	7,538	7,538
Equipment	5	18,659	18,210
Leasehold improvements	1–10	6,659	6,548
Furniture and fixtures	5	2,207	2,181
Construction in progress		9,251	7,255
Total property and equipment, cost		71,800	65,277
Less accumulated depreciation		(32,570)	(30,036)
Total property and equipment, net		$ 39,230	$ 35,241

Depreciation and amortization expense related to property and equipment for the three months ended March 31, 2021 and 2020, was $2,534 and $2,290, respectively.

During the three months ended March 31, 2021, $3,941 was capitalized in connection with internally developed software. Amortization expense was $1,131 and $819 for the three months ended March 31, 2021 and 2020, respectively.

7. Intangible Assets, net

Intangible assets consist as of March 31, 2021 and December 31, 2020, of the following:

	Amortization Period in Years	March 31, 2021	December 31, 2020
Patents	20	$ 1,497	$ 1,293
Other indefinite lived intangible assets		310	310
Total intangible assets, cost		1,807	1,603
Less amortization		(43)	(39)
Intangible assets, net		$ 1,764	$ 1,564

Amortization expense of intangible assets was $4 and $4 for the three months ended March 31, 2021 and 2020, respectively.

8. Restricted Cash

As of March 31, 2021, and December 31, 2020, the Company maintained bank deposits of $6,929 and $6,856, respectively, which were pledged as collateral for long-term letters of credit issued in favor

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8. Restricted Cash (Continued)

of airports, in connection with the Company's obligations under the Revenue Share agreements. Such amounts also include a letter of credit for the Company's New York City corporate headquarters lease agreement.

In addition, the Company has a $16,000 restricted cash account against a letter of credit with a credit card company as a reserve against potential future refunds and chargebacks as of March 31, 2021 and December 31, 2020.

9. Other Assets

Other assets consist as of March 31, 2021 and December 31, 2020, of the following:

	March 31, 2021	December 31, 2020
Security deposits	$ 218	$ 171
Loan fees	223	279
Certificates of deposit	459	459
Other long-term assets	209	62
Total	$1,109	$ 971

10. Accrued Liabilities

Accrued liabilities as of March 31, 2021 and December 31, 2020, consists of the following:

	March 31, 2021	December 31, 2020
Accrued compensation and benefits	$ 7,844	$ 9,626
Accrued issuance costs	1,682	—
Other accrued liabilities	9,509	8,678
Total	$ 19,035	$ 18,304

11. Warrants

During 2017, the Company issued 70,000 warrants. Each warrant is entitled to purchase one unit of Class B capital at an exercise price of $36.74 per unit and is currently exercisable. As of March 31, 2021, no warrants have been exercised. The warrants expire on January 1, 2024.

As Class B units contain redemption features outside of the Company's control, the warrants embody an obligation to repurchase the Company's own units, and thus the warrants are considered a liability warrant and are measured at fair value, with changes in fair value recognized as a gain or loss to "General and administrative expense" in the condensed consolidated statements of operations. At the end of each reporting period, the Company remeasures the fair value of the outstanding warrants using current assumptions. The fair value of the warrants was affected by the assumptions surrounding unobservable inputs, including the underlying equity price, risk-free interest rate, contractual term, and expected volatility. The fair value of the Company's Class B units underlying the awards has historically been determined by the board of managers with input from management and independent third-party valuation specialists, as there was no public market for the Company's Class B units. The

ALCLEAR HOLDINGS, LLC

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11. Warrants (Continued)

board of managers determines the fair value of the Class B units, volatility and risk-free interest rate by considering a number of objective and subjective factors including: the valuation of comparable companies, the Company's operating and financial performance, the lack of liquidity of Class B units, transactions in the Company's Class B units, and general and industry specific economic outlook, amongst other factors. There were no credit enhancements reflected in the fair value measurement. The fair value of these warrants was estimated based on a Black-Scholes option pricing model as of March 31, 2021 and 2020, and the weighted-average (in aggregate) significant unobservable inputs (Level 3 inputs) used in measuring the warrant liability for the three months ended March 31, 2021 were as follows:

	March 31, 2021
Exercise price	$36.74
Expected life	3 years
Volatility	50.80%
Risk free interest rate	0.35%

Additionally, during the three months ended March 31, 2021 the Company issued 1,000 vested warrants to purchase Class B units at an exercise price of $1 per unit that expire in 2024 through private offerings. The impact of these warrants were immaterial to the condensed consolidated financial statements.

During the three months ended March 31, 2021 and 2020, the Company recorded expense of $1,893 and $0, respectively and marked to market the related warrant liability by the same amount based on the change in fair value of the warrants.

The Company will continue to remeasure the fair value of the liability associated with the warrants to purchase Class B units at the end of each reporting period, until the earlier of the exercise or expiration of the applicable warrants.

In 2019, the Company issued 650,000 additional warrants. Each warrant is entitled to purchase one Class B unit at an exercise price of $225 per unit based on new customer enrollments and other performance-based vesting criteria. The warrants were accounted for in accordance with the provisions of ASC 718. These warrants expire on July 9, 2022.

The fair value of these warrants was estimated based on a Black-Scholes option pricing model at the grant date. There have been no changes to these assumptions as of March 31, 2021.

Based on management's probable estimate of the likelihood of achievement of the vesting criteria, the Company recorded expense of $130 and $1,432 included in "General and administrative" expense for the three months ended March 31, 2021 and 2020, respectively.

During the three months ended March 31, 2021, the Company issued warrants to purchase 25,862 Class B units as part of a partnership agreement. Each warrant is entitled to purchase one Class B unit at an exercise price of $1 per unit based on certain revenue targets being met and other performance-based vesting criteria. These warrants were accounted for in accordance with the provisions of ASC 718. As of March 31, 2021, none of these warrants have been exercised. These warrants expire on March 11, 2026.

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11. Warrants (Continued)

The fair value of these warrants was estimated based on a Black-Scholes option pricing model at the grant date. Key assumptions used during the three months ended March 31, 2021:

	March 31, 2021
Exercise price	$1.00
Expected life	5 years
Volatility	50.80%
Risk free interest rate	0.92%

Based on management's probable estimate of the likelihood of achievement of the vesting criteria, the Company did not record any expense related to these warrants.

The company also recorded $149 and $0 included in "general and administrative" expense for the three months ended March 31, 2021 and 2020 related to an immaterial number of service and performance based Class B warrants. As of March 31, 2021, estimated unrecognized warrant expense was $1,672.

12. Redeemable Capital Units

Pursuant to the terms and conditions of the Company's Operating Agreement, there are two classes of units that contain similar capital voting and economic rights (A units and B units) and are reflected as temporary equity given the redemption features that are outside of the Company's control.

Class A and B Units

Each holder of Class A units is entitled to one vote for each unit held. Each holder of Class B units is entitled to one vote for each unit held for each matter on which the holders of Class B units are entitled to vote as set forth in the operating agreement. Class A and B units have a preferential right to return of capital compared to other capital and other profit unit holders.

Additionally, upon a change of control provision, which is determined by Class A and B holders, Class A and B holders could control the form of consideration to be paid out, which is outside of the Company's control. At March 31, 2021 and December 31, 2020, the Class A and B units were not redeemable and the likelihood of an occurrence of a change in control was not deemed to be probable. At March 31, 2021 and December 31, 2020, the total amount of capital invested for units outstanding held by Class A and Class B members, which equals their liquidation preference, was $636,875 and $555,459, respectively.

During the three months ended March 31, 2021, the Company issued 277,813 Class B units through private offerings resulting in gross proceeds of $80,566 and issued 5,310 Class B units with a fair value of $1,540 in exchange for services related to the private offerings. In addition the company issued a Class B warrant for 1,000 units that vested upon issuance.

During the three months ended March 31, 2020, the Company issued 422,039 Class B units through private offerings for proceeds of 113,932, net of offering costs.

During the three months ended March 31, 2021, the Company repurchased and retired 11,869 Class B units for a total repurchase of $3,442. During the three months ended March 31, 2020, there were tender offers where the Company repurchased and retired 677,387 Class B units for gross purchase of $182,895, and where the Company repurchased and retired 54,843 Class A units for gross purchase of $14,808.

13. Members' Deficit

Pursuant to the terms and conditions of the Company's operating agreement, members' deficit consists of Class C Capital Units. During 2020, RSUs were granted to employees as part of the Company's annual compensation process.

The Company also has 27 classes of nonvoting, non-capital units, of which 16 have been issued as of March 31, 2021. Members' deficit reflects equity-based compensation recorded for units granted and expected to vest based on probability of achieving performance-based vesting conditions.

To the extent the amount paid for repurchases at fair value is in excess of the grant date fair value, such excess is recorded in accumulated deficit. Amounts for repurchases in excess of fair value are recorded as compensation expense.

During the three months ended March 31, 2021, the Company repurchased 31,972 profit units for a total repurchase of $8,259. For the three months ended March 31, 2020, the Company repurchased 280,434 profit units for a total repurchase of $62,394.

Such repurchases were at amounts that exceeded the then fair value of the units; therefore, the Company recorded additional expense of $712 and $49,934 for the three months ended March 31, 2021 and 2020, respectively. For 2021, $697 was recorded within general and administrative expense, $15 was recorded within research and development, and $0 was recorded within sales and marketing. For 2020, $44,221 was recorded within general and administrative expense, $5,672 was recorded within research and development, and $41 was recorded within sales and marketing.

Warrants

Refer to Note 11 for information regarding the outstanding warrants on the Company's equity.

14. Incentive Plans

Equity-Based Incentive Plan Awards

The Company has adopted the Alclear Holdings, LLC Equity Incentive Plan to provide grants, on or after August 31, 2016, of equity-based incentives to eligible individuals (employees and nonemployees) or entities providing services to or for the benefit of the Company, which was amended and restated effective September 25, 2020 (as amended and restated, the "Employee Incentive Plan").

Pursuant to the terms and conditions of the Employee Incentive Plan and award agreements, the Company may issue RSUs or profit units (collectively, "Awards"). An RSU is a contractual agreements issued to a grantee, which under the Employee Incentive Plan may be settled in cash or Class C Unit as determined by the Company's board of managers. The Company has the intent and ability to settle such RSUs in Class C Units and, therefore, the Company classifies such RSUs within members' deficit. Class C Units and profit units are not entitled to voting rights.

The Company has the right, not the obligation, to repurchase any vested Class C Units or profit units held by a grantee upon termination of employment at a fair market value.

For the three months ended March 31, 2021 and 2020, the Company recognized compensation expense related to employee and non-employee, excluding additional expense related to repurchases, as follows:

14. Incentive Plans (Continued)

	Three Months Ended March 31,	
	2021	2020
Employee Units Compensation:		
General and administrative	301	277
Research and development	47	65
Sales and marketing	(21)	8

RSUs

Pursuant to the Equity Incentive Plan, the Company has issued RSUs to employees and non-employee directors that represent the right to receive Class C Capital Units following the vesting date. The RSUs are subject to both service-based and, in some cases, business performance-based vesting conditions, and all RSUs are subject to a liquidity event vesting condition. RSUs will vest on a specified date, provided the applicable service (generally three years) and, if applicable, business performance condition, as well as the liquidity event condition are satisfied. The liquidity event condition is the occurrence of an initial public offering or change of control prior to the seventh anniversary of the grant date, which was not deemed probable of being met as of March 31, 2021.

The Company estimated the fair value of each award on the date of grant based on the information known to the Company on the date of grant, upon a review of any recent events and their potential impact on the estimated fair value of the units.

The grant-date fair value of the RSUs is amortized over the vesting period or requisite service period (generally three years) assuming the liquidity event condition is probable of being met. During the three months ended March 31, 2021, the Company granted 25,907 RSUs with a grant-date fair value of $7,609; however, the liquidity event condition was not probable and, therefore, the Company did not record any compensation expense. The Company did not grant any RSUs prior to 2020.

Profit Units

Pursuant to the terms and conditions of the Employee Incentive Plan and award agreement, the Company has issued 16 classes of profit units (C, H, J, K, L, M, O, T, W, X, Y, Z, AA, AB, AC, and AD units) to employees and non-employees that participate in profits and distributions at varying levels based on the Company's equity value.

Generally Profit Units will cliff vest on the third anniversary of the grant date provided that the grantee remains in continuous service with the Company through such date, except that 50% of the profit units issued are also subject to long-term revenue and cash-basis earnings performance hurdles (the "Financial Targets"). Therefore, if service condition is not met the grantee will forfeit the entire award and if service condition is met, but Financial Targets are not, the grantee would forfeit up to 50% of the units issued.

As of March 31, 2021, the Company analyzed the Financial Targets associated with granted profit units. As the Financial Targets were not probable to be achieved, the Company, therefore, did not record compensation expense related to these units for the three months ended March 31, 2021 and 2020.

The following is a summary of activity related to the profit units associated with compensation arrangements during three months ended March 31, 2021:

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14. Incentive Plans (Continued)

	Units	Weighted- Average Grant-Date Fair Value
Unvested balance, January 1, 2021	693,000	$ 14.96
Granted	—	—
Vested	(4,200)	7.13
Forfeited	(39,275)	12.78
Unvested balance, March 31, 2021	649,525	15.14

As of March 31, 2021, the aggregate intrinsic value of vested and expected to vest profit units was $344,066.

As of March 31, 2021, estimated unrecognized profit units expense for profit units that are probable of vesting was $1,744 with such expense to be recognized over a weighted -average period of approximately 0.61 subsequent to March 31, 2021.

15. Income Taxes

The Company reported a tax provision of less than $0.1 million on a pretax loss of $12.8 million for the three months ended March 31, 2021, as compared to $0 for the three months ended March 31, 2020. This resulted in an effective tax rate of negative 0.05 percent for the three months ended March 31, 2021 as compared to 0.00 percent for the three months ended March 31, 2020. The Company's effective tax rate differs from the statutory rate primarily due to Partnership income that is not subject to U.S. federal and most state income taxes at the Partnership level.

As of March 31, 2021 and December 31, 2020, there were no unrecognized income tax benefits. The tax years for U.S. federal and state income tax purposes open for examination are for the years ending December 31, 2017 and forward.

16. Commitments and Contingencies

Litigation

Various legal proceedings have arisen in the general course of business. We do not believe that there are claims or legal proceedings that, if determined adversely to us, would have a material adverse effect on the business, financial position, results of operations, or cash flows of the Company.

Leases, Sports Stadiums, and Airport Agreements

During 2018, the Company entered into a lease for its new headquarters in New York City, which expires in 2030. Additionally, the Company rents floor and office space in airports under leases expiring through 2026, which include fixed monthly payments. The Company's lease agreements, in addition to base rentals, generally are subject to escalation provisions based on certain costs incurred by the landlord. Certain leases have renewal options that can be exercised at the discretion of the Company.

For the three months ended March 31, 2021 and 2020, the Company recorded rent expense of $1,541 and $1,509, respectively, and Revenue Share fee expense of $7,769 and $10,136, respectively.

The Company has commitments for future marketing expenditures to sports stadiums of $4,844 through 2026. For the three months ended March 31, 2021 and 2020, marketing expenses related to sports stadiums were approximately $—and $369, respectively.

16. Commitments and Contingencies (Continued)

Future minimum payments under lease and airport agreements are as follows:

	Operating Lease Payments
2021	$ 11,914
2022	13,823
2023	12,607
2024	9,500
2025	6,514
Thereafter	17,306
Total	$ 71,664

17. Related-Party Transactions

As of March 31, 2021 and December 31, 2020, the Company's total payables to related parties were $1,732 and $ 1,606, respectively.

Delta Airlines

As of March 31, 2021, and December 31, 2020, the Company had balances due included in accounts payable and accrued liabilities of approximately $1,732 and $1,606, respectively, to Delta Air Lines, Inc. (Delta), which holds Class B Units of the Company. In addition, the Company recorded approximately $1,914 and $2,187 of expense related to Delta included in Revenue Share fee in the consolidated statements of operations for the three months ended March 31, 2021 and 2020, respectively.

In 2017, the Company began operations at John F. Kennedy and LaGuardia airports in New York, New York. For these airports, the Company pays a Revenue Share fee to Delta in lieu of paying the airport directly. During the three months ended March 31, 2021 and 2020, the Company paid Delta Revenue Share fees of approximately $538 and $230, respectively, relating to members within the catchment area for these New York area airports. As of March 31, 2021 and 2020, there was a balance of approximately $485 and $480, respectively, in "Prepaid Revenue Share fee" related to Delta.

In addition, the Company has an agreement to provide discounted memberships for members who are part of the Delta SkyMiles program. For each membership purchased through the Delta SkyMiles program, the Company pays a Revenue Share fee to Delta. For the three months ended March 31, 2021 and 2020, the Company paid Delta approximately $1,280 and $1,680, respectively, in Revenue Share fee received from members who signed up through the Delta SkyMiles program.

United Airlines

On July 19, 2019 the Company issued 650,000 warrants to United that would convert into Class B Units of the Company if certain performance conditions are met.

In addition, the Company has an agreement to provide discounted memberships for members who are part of the United MileagePlus program and to pay United a Revenue Share fee if a certain number of memberships are obtained, which has not yet occurred as of March 31, 2021.

18. Employee Benefit Plan

The Company has a 401(k) savings and investment plan (the "401(k) Plan"). Participants make contributions to the 401(k) Plan in varying amounts, up to the maximum limits allowable under the

ALCLEAR HOLDINGS, LLC

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (Continued)
(dollars in thousands, except for per unit data, unless otherwise noted)

18. Employee Benefit Plan (Continued)

Code. There was a discretionary employer contribution of approximately $405 and $203 for the three months ended March 31, 2021 and 2020, respectively, that was remitted to the plan in the respective years.

19. Debt

On March 31, 2020, the Company entered into a credit agreement for a three-year $50,000 revolving credit facility, with a group of lenders that expires on March 31, 2023, and has not been drawn against as of March 31, 2021.

The credit agreement contains customary terms and conditions, including limitations on consolidations, mergers, indebtedness, and certain payments, as well as a financial covenant relating to leverage. Borrowings under the credit agreement generally will bear interest between 2.5% and 3.5% per year and will also include interest based on the greater of the prime rate, London InterBank Offered Rate (LIBOR) or New York Federal Reserve Bank (NYFRB) rate, plus an applicable margin for specific interest periods.

In addition, the credit agreement, contains certain other covenants (none of which relate to financial condition), events of default and other customary provisions, and also contains customary LIBOR replacement mechanics. At March 31, 2021, the Company was in compliance with all of the financial and non-financial covenants.

20. Subsequent Events

The Company has evaluated subsequent events through May 21, 2021, the date the condensed consolidated financial statements were available to be issued.

In April 2021, the Company increased its revolver line of credit from $50,000 to $100,000. The balance has not been drawn against.

In April 2021, the Company issued warrants to purchase 83,500 Class B units as part of a partnership agreement. 6,500 warrants are entitled to purchase Class B units at an exercise price of $1 per unit based on performance-based vesting criteria. 77,000 warrants are entitled to purchase Class B units at an exercise price of $290 per unit based on performance-based vesting criteria.

During the month of April, the Company launched airport operations in Oakland.

Confidential Treatment Requested by Clear Secure, Inc.
Pursuant to 17 C.F.R. Section 200.83

Shares

Clear Secure, Inc.

Class A Common Stock

Goldman Sachs & Co. LLC J.P. Morgan Allen & Company LLC

The date of this prospectus is , 2021.

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following sets forth the expenses and costs (other than underwriting discounts and commissions) expected to be incurred in connection with the issuance and distribution of the Class A common stock registered hereby. Other than the SEC registration fee, the NYSE listing fee and the Financial Industry Regulatory Authority filing fee, the amounts set forth below are estimates:

SEC registration fee	$
Stock exchange listing fee	
Financial Industry Regulatory Authority filing fee	
Printing expenses	
Accounting fees and expenses	
Legal fees and expenses	
Transfer agent fees and expenses	
Miscellaneous	
Total	$

Item 14. Indemnification of Directors and Officers.

Section 145(b) of the Delaware General Corporation Law provides, in general, that a corporation shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor because the person is or was a director or officer of the corporation, against any expenses (including attorneys' fees) actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to be indemnified for such expenses which the Court of Chancery or such other court shall deem proper.

Section 145(e) of the Delaware General Corporation Law provides that the expenses incurred by a director, officer, employee or agent of the corporation or a person serving at the request of the corporation as a director, officer, employee or agent of another corporation or enterprise in defending any action, suit or proceeding may be paid in advance of the final disposition of the action, suit or proceeding, subject, in the case of current officers and directors, to the corporation's receipt of an undertaking by or on behalf of such officer or director to repay the amount so advanced if it shall be ultimately determined that such person is not entitled to be indemnified.

Section 145(g) of the Delaware General Corporation Law provides, in general, that a corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director or officer of the corporation against any liability asserted against the person in any such capacity, or arising out of the person's status as such, whether or not the corporation would have the power to indemnify the person against such liability under the provisions of the law. Our certificate of incorporation will provide that, to the fullest extent permitted by applicable law, a director will not be liable to us or our stockholders for monetary damages for breach of fiduciary duty as a director. In addition, our certificate of incorporation will also provide that we will indemnify each director and officer and may indemnify employees and agents, as determined by our board, to the fullest extent provided by the laws of the State of Delaware.

The foregoing statements are subject to the detailed provisions of section 145 of the Delaware General Corporation Law and our certificate of incorporation and by-laws.

Section 102 of the Delaware General Corporation Law permits the limitation of directors' personal liability to the corporation or its stockholders for monetary damages for breach of fiduciary duties as a director except for (i) any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law, (iii) breaches under section 174 of the Delaware General Corporation Law, which relates to unlawful payments of dividends or unlawful stock repurchase or redemptions, and (iv) any transaction from which the director derived an improper personal benefit.

Reference is made to Item 17 for our undertakings with respect to indemnification for liabilities arising under the Securities Act.

We currently maintain insurance policies which, within the limits and subject to the terms and conditions thereof, covers certain expenses and liabilities that may be incurred by directors and officers in connection with proceedings that may be brought against them as a result of an act or omission committed or suffered while acting as a director or officer of the Company.

The underwriting agreement for this offering will provide that each underwriter severally agrees to indemnify and hold harmless our Company, each of our directors, each of our officers who signs the registration statement, and each person who controls our Company within the meaning of the Securities Act but only with respect to written information relating to such underwriter furnished to our Company by or on behalf of such underwriter specifically for inclusion in the documents referred to in the foregoing indemnity.

We expect to enter into an indemnification agreement with each of our executive officers and directors that provides, in general, that we will indemnify them to the fullest extent permitted by law and our certificate of incorporation and by-laws in connection with their service to us or on our behalf.

Item 15. Recent Sales of Unregistered Securities.

Set forth below is information regarding securities sold or granted by us within the past three years that were not registered under the Securities Act. Also included is the consideration, if any, received by us for such securities and information relating to the section of the Securities Act, or rule of the SEC, under which exemption from registration was claimed for such sales and grants.

In April 2021, the registrant sold 100 of its shares of Class A common stock to Alclear for an aggregate consideration of $100. The shares of common stock described above were issued in reliance on the exemption contained in Section 4(a)(2) of the Securities Act on the basis that the transactions did not involve a public offering. No underwriters were involved in the sale.

In connection with the reorganization transactions, based on an assumed initial public offering price of $ per share (the midpoint of the estimated public offering price range set forth on the cover page of this prospectus), the registrant will issue an aggregate of shares of its Class A common stock to the Blocker Post-IPO Stockholders. The shares of Class A common stock described above will be issued in reliance on the exemption contained in Section 4(a)(2) of the Securities Act on the basis that the transaction will not involve a public offering. No underwriters will be involved in the transaction.

In connection with the reorganization transactions, based on an assumed initial public offering price of $ per share (the midpoint of the estimated public offering price range set forth on the cover page of this prospectus), the registrant will issue an aggregate of shares of its Class B common stock and shares of its Class D common stock to the Founder Post-IPO Members and shares of its Class C common stock to the other CLEAR Post-IPO Members. The shares of Class D common stock and Class C common stock described above will be issued in reliance on the exemption contained in Section 4(a)(2) of the Securities Act on the basis that the transaction will not involve a public offering. No underwriters will be involved in the transaction.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits

Exhibit Number	Description
1.1*	Form of Underwriting Agreement.
2.1*	Form of Reorganization Agreement.
3.1*	Form of Second Amended and Restated Certificate of Incorporation of the Registrant.
3.2*	Form of Amended and Restated By-laws of the Registrant.
5.1*	Opinion of Paul, Weiss, Rifkind, Wharton & Garrison LLP as to legality of the Class A common stock.
10.1*	Form of Indemnification Agreement.
10.2*	Form of Exchange Agreement.
10.3*	Form of Registration Rights Agreement.
10.4*	Form of Tax Receivable Agreement.
10.5*	Form of Second Amended and Restated Operating Agreement of Alclear Holdings, LLC.
10.6*	Form of Class C Common Stock Subscription Agreement.
10.7*	Form of Class D Common Stock Subscription Agreement.
10.8*	Clear Secure, Inc. 2021 Omnibus Incentive Plan.
10.9*	Form of Employee Option Award Agreement for use with the Clear Secure, Inc. 2021 Omnibus Incentive Plan.
10.10*	Form of Non-Employee Director Restricted Stock Unit Agreement.
10.11*	Form of Class A Common Stock Purchase Agreement.
10.12*	Form of Unit Purchase Agreement.
10.13	Credit Agreement, dated March 31, 2020, by andamong Alclear Holdings, LLC, the other loan partiesthereto, the lenders party thereto and JPMorganChase Bank, N.A.
10.14	Amendment No. 1 to Credit Agreement, dated April 29, 2021, by and among Alclear Holdings, LLC, the other loan parties thereto, the lenders party thereto and JPMorgan Chase Bank, N.A.
10.15	Other Transaction Agreement, dated January 9, 2020, by and between Alclear, LLC and Transportation Security Administration.
21.1	Subsidiaries of the Registrant.
23.1*	Consent of Ernst & Young LLP, independent registered public accounting firm.
23.2*	Consent of Paul, Weiss, Rifkind, Wharton & Garrison LLP (included in Exhibit 5.1 to this Registration Statement).
24.1*	Powers of Attorney (included on signature page hereto).

* To be filed by amendment.

† Indicates management contract or compensatory plan.

(b) Financial Statement Schedule

See the Index to the consolidated financial statements included on page F-1 for a list of the financial statements included in this registration statement. All schedules not identified above have been omitted because they are not required, are inapplicable, or the information is included in the consolidated financial statements or notes contained in this registration statement.

Item 17. Undertakings.

(a) The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

(b) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(c) The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Confidential Treatment Requested by Clear Secure, Inc.
Pursuant to 17 C.F.R. Section 200.83

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, State of New York, on , 2021.

Clear Secure, Inc.

By: ______________________________

Name:
Title:

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each individual whose signature appears below hereby constitutes and appoints each of Caryn Seidman-Becker, Kenneth Cornick and Matthew Levine, acting singly, his or her true and lawful agent, proxy and attorney-in-fact, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to (i) act on, sign and file with the Securities and Exchange Commission any and all amendments (including post-effective amendments) to this registration statement together with all schedules and exhibits thereto and any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, together with all schedules and exhibits thereto, (ii) act on, sign and file such certificates, instruments, agreements and other documents as may be necessary or appropriate in connection therewith, (iii) act on and file any supplement to any prospectus included in this registration statement or any such amendment or any subsequent registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and (iv) take any and all actions which may be necessary or appropriate in connection therewith, granting unto such agents, proxies and attorneys-in-fact, and each of them, full power and authority to do and perform each and every act and thing necessary or appropriate to be done, as fully for all intents and purposes as he or she might or could do in person, hereby approving, ratifying and confirming all that such agents, proxies and attorneys-in-fact or any of their substitutes may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed on , 2021, by the following persons in the capacities indicated.

Signature	Title
Caryn Seidman-Becker	Chief Executive Officer (Principal Executive Officer) and Chair of the Board of Directors
Kenneth Cornick	President, Chief Financial Officer and Director (Principal Financial and Accounting Officer)
Michael Z. Barkin	Director
Jeffery H. Boyd	Director
Timothy Brosnan	Director
Adam Wiener	Director

Exhibit 10.13

EXECUTION VERSION

CREDIT AGREEMENT

dated as of
March 31, 2020

among

ALCLEAR HOLDINGS, LLC,
as Borrower,

THE OTHER LOAN PARTIES PARTY HERETO,

THE LENDERS PARTY HERETO,

and

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

JPMORGAN CHASE BANK, N.A.
as Sole Bookrunner and Sole Lead Arranger

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CREDIT AGREEMENT dated as of March 31, 2020 (the "***Effective Date***") (as it may be amended, modified, restated, or otherwise supplemented from time to time, this "***Agreement***"), among ALCLEAR HOLDINGS, LLC, a Delaware limited liability company, as the Borrower, the other Loan Parties party hereto, the Lenders party hereto, and JPMORGAN CHASE BANK, N.A., as the Administrative Agent.

WHEREAS, the Borrower has requested that the Lenders extend credit to the Borrower in the form of a revolving credit facility (including a letter of credit subfacility) in an aggregate principal amount of $50,000,000 pursuant to this Agreement; and

WHEREAS, the proceeds of Borrowings hereunder will be used for working capital and other general corporate purposes of the Borrower and the Subsidiaries (including Permitted Acquisitions, Capital Expenditures, and other Investments and Restricted Payments, in each case, to the extent permitted under this Agreement).

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I.
Definitions

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

"***ABR***", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, is bearing interest at a rate determined by reference to the Alternate Base Rate.

"***Acquisition***" means any transaction or series of related transactions by the Borrower or its Subsidiaries resulting, directly or indirectly, in (a) the acquisition of all or substantially all of the assets of any Person (other than an existing Subsidiary), or any business or division of any Person (other than an existing Subsidiary), (b) the acquisition of in excess of fifty percent (50%) of the stock (or other Equity Interests) with ordinary voting power of any Person (other than an existing Subsidiary), or (c) the acquisition of another Person (other than an existing Subsidiary) by a merger, amalgamation or consolidation or any other combination with such Person.

"***Adjusted LIBO Rate***" means, with respect to any Eurodollar Borrowing for any Interest Period or for any ABR Borrowing, an interest rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to (a) the LIBO Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate.

"***Administrative Agent***" means JPMorgan Chase Bank, N.A. in its capacity as administrative agent for the Lenders hereunder, and any successor administrative agent as provided in Article VIII.

"***Administrative Questionnaire***" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"***Affiliate***" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"***Agent Indemnitee***" has the meaning assigned to it in Section 9.03(c) .

"***Aggregate Credit Exposure***" means, at any time, the aggregate Credit Exposure of all the Lenders at such time.

"***Agreement***" has the meaning assigned to it in the introductory paragraph of this Agreement.

"***Alternate Base Rate***" means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the NYFRB Rate in effect on such day plus ½ of 1%, and (c) the Adjusted LIBO Rate for a one-month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1%, provided that, for the purpose of this definition, the Adjusted LIBO Rate for any day shall be based on the LIBO Screen Rate (or if the LIBO Screen Rate is not available for such one month Interest Period, the Interpolated Rate) at approximately 11:00 a.m. London time on such day. Any change in the Alternate Base Rate due to a change in the Prime Rate, the NYFRB Rate or the Adjusted LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate, the NYFRB Rate or the Adjusted LIBO Rate, respectively. If the Alternate Base Rate is being used as an alternate rate of interest pursuant to Section 2.14 (for the avoidance of doubt, only until any amendment has become effective pursuant to Section 2.14(c)), then the Alternate Base Rate shall be the greater of clause (a) and (b) above and shall be determined without reference to clause (c) above. For the avoidance of doubt, if the Alternate Base Rate as determined pursuant to the foregoing would be less than 2.00%, such rate shall be deemed to be 2.00% for purposes of this Agreement.

“***Anti-Corruption Laws***” means all laws, rules, and regulations of any jurisdiction applicable to the Borrower or any of its Subsidiaries from time to time concerning or relating to bribery or corruption.

“***Applicable Percentage***” means, at any time with respect to any Lender, a percentage equal to a fraction the numerator of which is such Lender’s Commitment at such time and the denominator of which is the aggregate Commitments at such time (provided that if the Commitments have terminated or expired, the Applicable Percentages shall be determined based upon such Lender’s share of the Aggregate Credit Exposure at such time); provided that, in accordance with Section 2.20, so long as any Lender shall be a Defaulting Lender, such Defaulting Lender’s Commitment shall be disregarded in the calculations above.

“***Applicable Rate***” means, for any day, with respect to any Loan, (a) 2.50% *per annum* in the case of ABR Loans and (b) 3.50% *per annum* in the case of Eurodollar Loans.

“***Approved Electronic Platform***” has the meaning assigned to it in Section 8.03(a)

“***Approved Fund***” has the meaning assigned to it in Section 9.04(b).

“***Assignment and Assumption***” means an assignment and assumption agreement entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form (including electronic records generated by the use of an electronic platform) approved by the Administrative Agent.

“***Augmenting Lender***” has the meaning assigned to such term in Section 2.22(a).

“***Availability Period***” means the period from and including the Effective Date to but excluding the earlier of the Maturity Date and the date of termination of the Commitments.

“***Bail-In Action***” means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

“***Bail-In Legislation***” means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

“***Banking Services***” means each and any of the following bank services provided to any Loan Party or any Subsidiary by any Lender or any of its Affiliates: (a) credit cards for commercial customers (including, without limitation, “commercial credit cards” and purchasing cards), (b) stored value cards, (c) merchant processing services, and (d) treasury management services (including, without limitation, controlled disbursement, automated clearinghouse transactions, return items, any direct debit scheme or arrangement, overdrafts and interstate depository network services and cash pooling services).

“***Banking Services Obligations***” means any and all obligations of the Loan Parties and their Subsidiaries, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor) in connection with Banking Services.

"***Bankruptcy Code***" means Title 11 of the United States Code entitled "Bankruptcy," as now or hereafter in effect, or any successor thereto, as hereafter amended.

"***Bankruptcy Event***" means, with respect to any Person, when such Person becomes the subject of a voluntary or involuntary bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment or has had any order for relief in such proceeding entered in respect thereof; *provided* that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, unless such ownership interest results in or provides such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permits such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

"***Benchmark Replacement***" means the sum of: (a) the alternate benchmark rate (which may be a SOFR-Based Rate) that has been selected by the Administrative Agent and the Borrower giving due consideration to (i) any selection or recommendation of a replacement rate or the mechanism for determining such a rate by the Relevant Governmental Body and/or (ii) any evolving or then-prevailing market convention for determining a rate of interest as a replacement to the LIBO Rate for U.S. dollar-denominated syndicated credit facilities and (b) the Benchmark Replacement Adjustment; provided that, if the Benchmark Replacement as so determined would be less than 1.00%, the Benchmark Replacement will be deemed to be 1.00% for the purposes of this Agreement; provided further that any such Benchmark Replacement shall be administratively feasible as determined by the Administrative Agent in its reasonable discretion.

"***Benchmark Replacement Adjustment***" means the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the LIBO Rate with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body and/or (ii)any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the LIBO Rate with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated syndicated credit facilities at such time (for the avoidance of doubt, such Benchmark Replacement Adjustment shall not be in the form of a reduction to the Applicable Rate).

"***Benchmark Replacement Conforming Changes***" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Alternate Base Rate," the definition of "Interest Period," timing and frequency of determining rates and making payments of interest and other administrative matters) that the Administrative Agent decides in its reasonable discretion may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of the Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement).

"***Benchmark Replacement Date***" means the earlier to occur of the following events with respect to the LIBO Rate:

(1) in the case of clause (1) or (2) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the LIBO Screen Rate permanently or indefinitely ceases to provide the LIBO Screen Rate; or

(2) in the case of clause (3) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein.

"***Benchmark Transition Event***" means the occurrence of one or more of the following events with respect to the LIBO Rate:

(1) a public statement or publication of information by or on behalf of the administrator of the LIBO Screen Rate announcing that such administrator has ceased or will cease to provide the LIBO Screen Rate, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the LIBO Screen Rate;

(2) a public statement or publication of information by the regulatory supervisor for the administrator of the LIBO Screen Rate, the U.S. Federal Reserve System, an insolvency official with jurisdiction over the administrator for the LIBO Screen Rate, a resolution authority with jurisdiction over the administrator for the LIBO Screen Rate or a court or an entity with similar insolvency or resolution authority over the administrator for the LIBO Screen Rate, in each case which states that the administrator of the LIBO Screen Rate has ceased or will cease to provide the LIBO Screen Rate permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the LIBO Screen Rate; and/or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of the LIBO Screen Rate announcing that the LIBO Screen Rate is no longer representative.

"***Benchmark Transition Start Date***" means (a) in the case of a Benchmark Transition Event, the earlier of (i) the applicable Benchmark Replacement Date and (ii) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication) and (b) in the case of an Early Opt-in Election, the date specified by the Administrative Agent or the Required Lenders, as applicable, by notice to the Borrower, the Administrative Agent (in the case of such notice by the Required Lenders) and the Lenders.

"***Benchmark Unavailability Period***" means, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the LIBO Rate and solely to the extent that the LIBO Rate has not been replaced with a Benchmark Replacement, the period (x) beginning at the time that such Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the LIBO Rate for all purposes hereunder in accordance with Section 2.14 and (y) ending at the time that a Benchmark Replacement has replaced the LIBO Rate for all purposes hereunder pursuant to Section 2.14.

"***Beneficial Ownership Certification***" means a certification regarding beneficial ownership or control as required by the Beneficial Ownership Regulation.

"***Beneficial Ownership Regulation***" means 31 C.F.R. § 1010.230.

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

"***Board***" means the Board of Governors of the Federal Reserve System of the United States of America.

"***Borrower***" means Alclear Holdings, LLC, a Delaware limited liability company.

"***Borrowing***" means Loans of the same Type made, converted or continued on the same date and, in the case of Eurodollar Loans, as to which a single Interest Period is in effect.

"***Borrowing Request***" means a request by the Borrower for a Borrowing in accordance with Section 2.03, which shall be substantially in the form of Exhibit G or any other form approved by the Administrative Agent.

"***Business Day***" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; provided that, when used in connection with a Eurodollar Loan or an ABR Loan based on the Adjusted LIBO Rate, the term "Business Day" shall also exclude any day on which banks are not open for general business in London.

"***Capital Expenditures***" means, without duplication, for any period, with respect to any Person, the aggregate of all expenditures (whether paid in cash or accrued as liabilities) during such period by such Person for the acquisition or leasing (pursuant to a finance lease) of fixed or capital assets or additions to equipment (including replacements, capitalized repairs and improvements during such period) that should be capitalized under GAAP on a consolidated balance sheet of such Person, but excluding (i) the purchase price of equipment that is purchased contemporaneously with the trade-in of existing equipment to the extent that the gross amount of such purchase price is reduced by the credit granted by the seller of such equipment for the equipment being traded in at such time, (ii) Permitted Acquisitions and other Investments permitted pursuant to Section 6.04, (iii) any expenditures which are contractually required to be, and are, reimbursed to the Loan Parties in cash by a third party (including landlords) during such period of calculation and (iv) any expenditures financed with the Net Proceeds received by the Borrower from the issuance of any of its Qualified Equity Interests.

"***Capitalized Software Expenditures***" means, for any period, the aggregate amount of all expenditures (whether paid in cash or accrued as liabilities) by any Person during such period in respect of purchased software or internally developed software and software enhancements that, in conformity with GAAP, are or are required to be reflected as capitalized costs on the consolidated balance sheet (excluding the footnotes thereto) of such Person.

"***Cash Equivalents***" means:

(a) Dollars;

(b)direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States (or any agency or instrumentality thereof to the extent such obligations are backed by the full faith and credit of the United States), in each case maturing within one year from the date of acquisition thereof;

(c)investments in commercial paper maturing within one year from the date of acquisition thereof and having, at such date of acquisition, a rating of at least P-2 (or the equivalent thereof) by Moody's or at least A-2 (or the equivalent thereof) by S&P, or if at the time neither is issuing comparable ratings then a comparable rating of another nationally recognized statistical rating organization;

(d)investments in certificates of deposit, bankers acceptances and time deposits maturing within one year from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of the United States or any State thereof which has a combined capital and surplus and undivided profits of not less than $500,000,000;

(e)fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (b) above and entered into with a financial institution satisfying the criteria described in clause (d) above;

(f)money market funds that (i) comply with the criteria set forth in SEC Rule 2a-7 under the Investment Company Act of 1940, (ii) are rated AAA by S&P and Aaa by Moody's and (iii) have portfolio assets of at least $5,000,000,000;

(g)Indebtedness issued by Persons with a rating of "A" or higher from S&P or "A-2" or higher from Moody's (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another nationally recognized statistical rating organization) maturing with one year from the date of acquisition thereof;

(h)bills of exchange issued in the United States, Canada or a member state of the European Union eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);

(i)interests in any investment company, money market or enhanced high yield fund which invests at least 95% of its assets in instruments of the type specified in clauses (a) through (h) above;

(j)instruments and investments of the type and maturity described in clause (a) through (i) denominated in any foreign currency or of foreign obligors, which investments or obligors are, in the reasonable judgment of the Borrower, comparable in investment quality to those referred to above;

(k)the marketable securities portfolio owned by the Borrower or its direct or indirect Subsidiaries on the Effective Date or as otherwise approved by the Administrative Agent from time to time in its reasonable discretion;

(l)Investments made pursuant to the Borrower's investment policy from time to time to the extent such investment policy (and any amendments thereto) is not materially adverse to the interests of the Lenders and has been approved by the Administrative Agent from time to time in its reasonable discretion; and

(m)solely with respect to any Subsidiary that is a Foreign Subsidiary, investments of comparable tenor and credit quality to those described in the foregoing clauses (b) through (k) customarily utilized in countries in which such Foreign Subsidiary operates for short term cash management purposes.

"***CFC***" means a "controlled foreign corporation" within the meaning of Section 957 of the Code in which any Loan Party is a "United States shareholder" within the meaning of Section 951(b) of the Code.

"***Change in Control***" means (a) at any time prior to an Initial Public Offering, any combination of Permitted Holders shall fail to own beneficially (within the meaning of Rules 13d-3 and 13d-5 of the Exchange Act as in effect on the Effective Date), directly or indirectly, in the aggregate, Equity Interests representing at least a majority of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of the Borrower or (b) at any time on and after an Initial Public Offering, any person or "group" (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act as in effect on the Effective Date), but excluding (x) any employee benefit plan of such person and its Subsidiaries and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan and (y) any combination of Permitted Holders, shall have, directly or indirectly, acquired beneficial ownership of Equity Interests representing 35% or more of the aggregate voting power represented by the issued and outstanding Equity Interests of the Relevant Public Company and the Permitted Holders shall own, directly or indirectly, less than such person or "group" of the aggregate voting power represented by the issued and outstanding Equity Interests of the Relevant Public Company.

"***Change in Law***" means the occurrence after the date of this Agreement (or, with respect to any Lender, such later date on which such Lender becomes a party to this Agreement) of any of the following: (a) the adoption of or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) compliance by any Lender or the Issuing Bank (or, for purposes of Section 2.15(b), by any lending office of such Lender or by such Lender's or the Issuing Bank's holding company, if any) with any request, guideline, requirement or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement; provided that, notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements or directives thereunder or issued in connection therewith or in the implementation thereof, and (y) all requests, rules, guidelines, requirements or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the U.S. or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted, issued or implemented.

"***Charges***" has the meaning assigned to such term in Section 9.17.

"***Code***" means the U.S. Internal Revenue Code of 1986, as amended.

"*Collateral*" means any and all property owned, leased or operated by a Person covered by the Collateral Documents and any and all other property of any Loan Party, now existing or hereafter acquired, that may at any time be, become or be intended to be, subject to a security interest or Lien in favor of the Administrative Agent, on behalf of itself and other Secured Parties, to secure the Secured Obligations; provided that Collateral shall not include any Excluded Property.

"*Collateral Documents*" means, collectively, the Security Agreement, the Mortgages and all other agreements, instruments and documents executed in connection with this Agreement that are intended to create, perfect or evidence Liens to secure the Secured Obligations, including, all other security agreements, pledge agreements, mortgages, deeds of trust, pledges, powers of attorney relating to any of the foregoing and collateral assignments or similar collateral documents whether heretofore, now or hereafter executed by any Loan Party and delivered to the Administrative Agent.

"***Commercial LC Exposure***" means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding commercial Letters of Credit *plus* (b) the aggregate amount of all LC Disbursements relating to commercial Letters of Credit that have not yet been reimbursed by or on behalf of the Borrower. The Commercial LC Exposure of any Lender at any time shall be its Applicable Percentage of the aggregate Commercial LC Exposure at such time.

"*Commitment*" means, with respect to each Lender, the initial amount of each Lender's Commitment set forth on Schedule 2.01 opposite such Lender's name, or in the Assignment and Assumption or other documentation or record (as such term is defined in Section 9-102(a)(70) of the New York Uniform Commercial Code) as provided in Section 9.04(b)(ii)(C), pursuant to which such Lender shall have assumed its Commitment, as applicable, as such commitment may be reduced or increased from time to time pursuant to (a) Section 2.09(a),(b) assignments by or to such Lenders pursuant to Section 9.04 and (c) and increased from time to time pursuant to Section 2.22; provided that at no time shall the Credit Exposure of any Lender exceed its Commitment. The initial aggregate amount of the Lenders' Commitments is $50,000,000.

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

"***Communications***" has the meaning assigned to such term in Section 8.03(c).

"***Compliance Certificate***" means a certificate of a Financial Officer in substantially the form of Exhibit B.

"***Competitor***" means any Person (a) that is an operating company directly and primarily engaged in substantially similar business operations as the Borrower and (b) any of such Person's subsidiaries in each case identified in writing to the Administrative Agent from time to time.

"***Competitor Controller***" means any (a) direct or indirect parent company of a Competitor to the extent reasonably identifiable on the basis of such parent's name and (b) Person that is Controlled by such Competitor in each case identified in writing to the Administrative Agent, excluding in each case of (a) and (b) any Person that is a financial institution, a debt fund or an investment vehicle that is engaged in the business of making, purchasing, holding or otherwise investing in loans, notes, bonds and similar extensions of credit or securities in the ordinary course of business to or of unaffiliated third parties.

"***Compounded SOFR***" means the compounded average of SOFRs for the applicable Corresponding Tenor, with the rate, or methodology for this rate, and conventions for this rate (which may include compounding in arrears with a lookback and/or suspension period as a mechanism to determine the interest amount payable prior to the end of each Interest Period) being established by the Administrative Agent in accordance with:

(1) the rate, or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Governmental Body for determining compounded SOFR; provided that:

(2) if, and to the extent that, the Administrative Agent determines that Compounded SOFR cannot be determined in accordance with clause (1) above, then the rate, or methodology for this rate, and conventions for this rate that the Administrative Agent determines in its reasonable discretion are substantially consistent with any evolving or then-prevailing market convention for determining compounded SOFR for U.S. dollar-denominated syndicated credit facilities at such time;

provided, further, that if the Administrative Agent decides that any such rate, methodology or convention determined in accordance with clause (1) or clause (2) is not administratively feasible for the Administrative Agent, then Compounded SOFR will be deemed unable to be determined for purposes of the definition of "Benchmark Replacement."

"***Connection Income Taxes***" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"***Consolidated***" or "***consolidated***" means, with reference to any term defined herein, that term as applied to the accounts of the Borrower and its Subsidiaries, consolidated in accordance with GAAP.

"***Consolidated EBITDA***" means, with reference to any period, Consolidated Net Income for such periodplus

(a)without duplication and, except with respect to amounts added back pursuant to clauses (xii) (solely in the case of amounts constituting the proceeds of business interruption insurance that are not already included in Consolidated Net Income), (xv) or (xvii), to the extent deducted (and not added back) in determining such Consolidated Net Income for such period,

(i) Consolidated Interest Expense (including net losses (or gains) on Swap Obligations or other derivative instruments entered into for the purpose of hedging interest rate risk, unused line fees, letter of credit fees, facing fees and bank guaranty fees), net of interest income;

(ii) the provision for taxes based on income, revenue, profits or capital, including federal, foreign, state, local, franchise, excise, value added and similar taxes paid or accrued during such period (including in respect of repatriated funds and any future taxes or other levies which replace or are intended to be in lieu of such taxes and any penalties and interest related to such taxes or arising from tax examinations and any Tax Distributions permitted hereunder) net of any tax credits;

(iii) depreciation expense and amortization expense;

(iv) impairment of goodwill and other long-lived assets;

(v) fees, costs and expenses incurred during such period in connection with any issuances of Equity Interests, any Permitted Acquisitions, sale of assets outside the ordinary course of business, Restricted Payments permitted under Section 6.06, any Indebtedness permitted under Section 6.01 and Investments permitted under Section 6.04(a), whether consummated or not consummated, during such period;

(vi) any loss from any sale of long-lived assets outside the ordinary course of business;

(vii) non-cash equity-based compensation expenses for such period;

(viii) fees and expenses incurred during such period in connection with the Loan Documents and the Transactions;

(ix) extraordinary, unusual or non-recurring losses or expenses;

(x) the amount of any non-controlling or minority interest expense consisting of Subsidiary income attributable to minority Equity Interests of third parties in any non-wholly owned Subsidiary;

(xi) the amount of unamortized fees, costs, prepayment premiums and expenses previously paid in cash and capitalized and subsequently expensed in connection with the repayment of Indebtedness and any required prepayment premiums in connection therewith during such period;

(xii) proceeds of business interruption insurance and any expenses and payments covered by third party indemnification, insurance, reimbursement, guaranty, purchase price adjustment or similar arrangement, or otherwise reimbursed or reimbursable by a third party, to the extent that such expenses and payments have been paid or reimbursed in cash during such period;

(xiii) the amount of any cash restructuring and similar charges, severance costs, lease termination costs, retention, recruiting and relocation costs, integration and other business optimization expenses, signing costs, retention or completion bonuses, stock-option or equity-based compensation expenses, transition costs, costs related to the closure or consolidation of facilities, future lease commitments and curtailments or modifications to pension and post-retirement employee benefit plans (including any settlement of pension liabilities), including, without limitation, any one-time expense relating to enhanced accounting function or other transaction costs, and other one-time expenses not otherwise added back to Consolidated EBITDA;

(xiv) the amount of "run-rate" cost savings, synergies and operating expense reductions (the "***Cost Savings***") realized or projected by the Borrower in good faith and certified by a Financial Officer of the Borrower in writing to result from actions taken or with respect to which substantial steps have been taken prior to the last day of such measurement period (or reasonably anticipated to be taken or initiated within twelve (12) months after the date of the relevant event or transaction) with respect to integrating, consolidating or discontinuing operations, headcount reductions or closure of facilities, or otherwise, in each case resulting from acquisitions (whether before or after the Effective Date), dispositions outside the ordinary course of business permitted hereunder, restructurings or cost savings initiatives, which cost savings, synergies and operating expense reductions shall be calculated on a Pro Forma Basis as though they had been realized on the first day of such period, net of the amount of actual benefits realized during such period from such actions that are otherwise included in the calculation of Consolidated EBITDA; *provided* that (i) a Financial Officer of the Borrower shall have provided a reasonably detailed statement or schedule of such Cost Savings and shall have certified to Administrative Agent that such cost savings, synergies, operating improvements and operating expense reductions, as the case may be, are directly attributable to the applicable transaction or initiative, reasonably identifiable, factually supportable and projected by the Borrower in good faith to result from actions that have been taken or are expected to be taken (in the good faith determination of the Borrower), within twelve (12) months after the relevant transaction or initiative, and (ii) the aggregate amount of all add-backs pursuant to this clause (xiv) shall not exceed 15% of Consolidated EBITDA (calculated before giving effect to this clause (xiv)) for such twelve (12) month period;

(xv) the net amount, if any, by which consolidated deferred revenues increased during such period;

(xvi) to the extent not already covered in clauses (a)(i) through (a)(xiv) above, all other non-cash charges, write-downs, expenses, losses or other similar items for such period, including the impact of purchase accounting;

(xvii) currency translation losses related to currency remeasurements of assets or liabilities (including the net loss resulting from hedging agreements for currency exchange risk and revaluations of intercompany balances); and

(xviii)expenses, charges, costs, accruals, reserves and losses (including during the planning, pre-opening and start-up periods) incurred in connection with (A) de novo locations and locations newly acquired in a Permitted Acquisition or other permitted Investments and (B) new lines of business and other strategic initiatives in an amount not to exceed 10% of Consolidated EBITDA (calculated after giving effect to this clause (xviii)).

minus (b) without duplication and except with respect to clauses (iii) and (vii) to the extent included in such Consolidated Net Income for such period, (i) any cash payments made during such period in respect of items described in clauses (a)(vi), (a)(vii), (a)(ix) or (a)(xvi) above subsequent to the fiscal quarter in which the relevant non-cash expenses or losses were taken or incurred, (ii) extraordinary, unusual or non-recurring income or gains, (iii)currency translation gains related to currency remeasurements of assets or liabilities (including the net gain resulting from hedging agreements for currency exchange risk and revaluations of intercompany balances), (iv) gains on disposal of long-lived assets outside the ordinary course of business, and (v) the net amount, if any, by which consolidated deferred revenues decreased during such period.

For the purposes of calculating Consolidated EBITDA for any Reference Period, (x) if at any time during such Reference Period the Borrower or any Subsidiary shall have made any sale or disposition of assets or series of related sales or dispositions of assets (other than to any Loan Party), the Consolidated EBITDA for such Reference Period shall be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the assets that are the subject of such sale or disposition for such Reference Period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto for such Reference Period, and (y) if during such Reference Period the Borrower or any Subsidiary shall have made any Permitted Acquisition or other Investments permitted hereunder, Consolidated EBITDA for such Reference Period shall be calculated after giving effect thereto on a *pro forma* basis as if such Permitted Acquisition or other Investment (including the incurrence or assumption of any Indebtedness in connection therewith) had occurred on the first day of such Reference Period, without duplicating any other add-back to Consolidated EBITDA.

"***Consolidated Funded Debt***" means all Indebtedness of the types described in clauses (a) (solely with respect to obligations for borrowed money), (b), (e), (h) and (k), and, to the extent related to Indebtedness of such types, clauses (f) and (g) of the definition of "Indebtedness," and all Guarantees in respect of any of the foregoing; *provided* that, with respect to such clauses (e) and (k), all obligations in respect of the deferred purchase price of property or services and obligations under any earn-out shall, in each case, be included only if and to the extent such obligations remain unpaid following the due date thereof.

"***Consolidated Interest Expense***" means, for any period, for the Borrower and its Subsidiaries calculated in accordance with GAAP on a consolidated basis for such period (without duplication), all cash interest expense (including interest expense under Finance Lease Obligations that is treated as interest in accordance with GAAP and regularly scheduled dividends paid in cash for such period on or with respect to Disqualified Equity Interests) with respect to all outstanding Indebtedness of the Borrower and the Subsidiaries allocable to such period in accordance with GAAP (including all commissions, discounts and other fees and charges owed with respect to letters of credit and net costs under interest rate Swap Agreements to the extent such costs are allocable to such period in accordance with GAAP) less interest income, excluding (a) one-time cash costs associated with breakage in respect of interest rate Swap Agreements, (b) any "additional interest" or "liquidated damages" with respect to securities for failure to comply with registration rights obligations, (c) penalties and interest relating to taxes, and (d) any expensing of bridge, commitment and other financing fees (including annual agency fees paid to any administrative agent or collateral agent under any credit facilities or the debt instruments or documents).

"***Consolidated Net Income***" means, with reference to any period, the net income (or loss) of the Borrower and its Subsidiaries calculated in accordance with GAAP on a consolidated basis for such period; *provided*, *however*, that there will not be included in such Consolidated Net Income (without duplication): (a) the cumulative effect of a change in accounting principles; (b) any unrealized gains or losses in respect of Swap Obligations or any ineffectiveness recognized in earnings related to qualifying hedge transactions or the fair value of changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of Swap Obligations; and (c) any recapitalization or purchase accounting effects including, but not limited to, adjustments to inventory, property and equipment, software and other intangible assets and deferred revenue in component amounts required or permitted by GAAP and related authoritative pronouncements (including the effects of such adjustments pushed down to the Borrower and the Subsidiaries), as a result of any consummated acquisition, or the amortization or write-off of any amounts thereof (including any write-off of in process research and development).

"***Consolidated Total Assets***" shall mean, as of any date of determination, the total amount of all assets of the Borrower and its Subsidiaries, determined on a consolidated basis in accordance with GAAP as of such date.

"***Consolidated Total Net Leverage Ratio***" means, as of the last day of any fiscal quarter, the ratio of (a) Consolidated Funded Debt as of such date, net of up to $25,000,000 of unrestricted cash and Cash Equivalents of the Borrower and the Guarantors as of such date, to (b) Consolidated EBITDA for the Reference Period ended on such date.

"***Control***" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "***Controlling***" and "***Controlled***" have meanings correlative thereto.

"***Corresponding Tenor***" with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the applicable Interest Period with respect to the LIBO Rate.

"***Cost Savings***" has the meaning assigned to it in the definition of "Consolidated EBITDA".

"***Credit Exposure***" means, with respect to any Lender, at any time, the sum of the aggregate outstanding principal amount of such Lender's Loans and LC Exposure at such time.

"***Credit Party***" means the Administrative Agent, each Issuing Bank or any other Lender.

"***Debtor Relief Laws***" means the Bankruptcy Code, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"***Default***" means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

"***Defaulting Lender***" means any Lender that (a) has failed, within two (2) Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans, (ii) fund any portion of its participations in Letters of Credit, (iii) pay over to any Credit Party any other amount required to be paid by it hereunder, or (iv) comply with its material obligations under this Agreement, unless, in the case of clauses (i) and (iv) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender's good faith determination that a condition precedent to funding or other obligations (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Borrower or any Credit Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender's good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three (3) Business Days after request by a Credit Party, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations) to fund prospective Loans and participations in then outstanding Letters of Credit under this Agreement; provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such Credit Party's (x) receipt of such certification in form and substance satisfactory to it and the Administrative Agent, and (y) becoming compliant with its material obligations under this Agreement, or (d) has become the subject of (A) a Bankruptcy Event or (B) a Bail-In Action.

“***Deferred Acquisition Obligations***” has the meaning set forth in Section 6.01(h).

“***Disclosed Matters***” means the actions, suits, proceedings and the environmental matters disclosed in Schedule 3.06.

“***Disqualified Equity Interests***” means Equity Interests that by their terms (or by the terms of any security into which they are convertible or for which they are exchangeable), or upon the happening of any event, (a) require the payment of any dividends (other than dividends payable solely in shares of Qualified Equity Interests), (b) mature or are mandatorily redeemable or subject to mandatory repurchase or redemption or repurchase at the option of the holders thereof, in whole or in part and whether upon the occurrence of any event, pursuant to a sinking fund obligation, on a fixed date or otherwise, prior to the date that is 91 days following the then Latest Maturity Date at such time (other than upon (i) a “change in control” or (ii) an asset sale or similar event; provided that such “change in control”, asset sale or similar event results in the prior payment in full of the Obligations (other than the contingent obligations for which no claim has been made) and termination of the Commitments), or (c)are convertible or exchangeable, automatically or at the option of any holder thereof, into any debt securities or any Equity Interest referred to in clause (a) or (b) above, prior to the date that is 91 days following the then Latest Maturity Date at such time; provided that if such Equity Interests are issued pursuant to a plan for the benefit of employees of the Borrower or any Subsidiary (or any parent entity thereof), such Equity Interests shall not constitute Disqualified Equity Interests solely because they may be required to be repurchased by the Borrower or its Subsidiaries in order to satisfy applicable statutory or regulatory obligations or as a result of such employee’s termination, death or disability.

“***Dividing Person***” has the meaning assigned to it in the definition of “Division.”

“***Division***” means the division of the assets, liabilities and/or obligations of a Person (the ‘Dividing Person”) among two or more Persons (whether pursuant to a “plan of division” or similar arrangement), which may or may not include the Dividing Person and pursuant to which the Dividing Person may or may not survive.

“***Division Successor***” means any Person that, upon the consummation of a Division of a Dividing Person, holds all or any portion of the assets, liabilities and/or obligations previously held by such Dividing Person immediately prior to the consummation of such Division. A Dividing Person which retains any of its assets, liabilities and/or obligations after a Division shall be deemed a Division Successor upon the occurrence of such Division.

“***Dollars***”, “***dollars***” or “***$***” refers to lawful money of the U.S.

“***Domestic Subsidiary***” means a Subsidiary of Borrower or any other Loan Party to the extent such Subsidiary is organized under the laws of a jurisdiction located in the U.S.; provided, however, no Foreign Subsidiary Holding Company shall be considered a Domestic Subsidiary.

“***Early Opt-in Election***” means the occurrence of:

(i)a determination by the Administrative Agent or a notification by the Required Lenders to the Administrative Agent (with a copy to the Borrower) that the Required Lenders have determined that U.S. dollar-denominated syndicated credit facilities being executed at such time, or that include language similar to that contained in Section 2.14 are being executed or amended, as applicable, to incorporate or adopt a new benchmark interest rate to replace the LIBO Rate, and

(ii) the election by the Administrative Agent or the election by the Required Lenders to declare that an Early Opt-in Election has occurred and the provision, as applicable, by the Administrative Agent of written notice of such election to the Borrower and the Lenders or by the Required Lenders of written notice of such election to the Administrative Agent.

"***ECP***" means an "eligible contract participant" as defined in Section 1(a)(18) of the Commodity Exchange Act or any regulations promulgated thereunder and the applicable rules issued by the Commodity Futures Trading Commission and/or the SEC.

"***EEA Financial Institution***" means (a) any institution established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"***EEA Member Country***" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"***EEA Resolution Authority***" means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"***Effective Date***" has the meaning assigned to it in the introductory paragraph of this Agreement.

"***Electronic Signature***" means an electronic sound, symbol, or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or record.

"***Electronic System***" means any electronic system, including e-mail, e- fax, web portal access for the Borrower and any other Internet or extranet-based site, whether such electronic system is owned, operated or hosted by the Administrative Agent or the Issuing Bank and any of its respective Related Parties or any other Person, providing for access to data protected by passcodes or other security system.

"***Environmental Laws***" means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to (a) the environment, (b) preservation or reclamation of natural resources, (c) the management, Release or threatened Release of any Hazardous Material or (d) health and safety matters.

"***Environmental Liability***" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower or any Subsidiary directly or indirectly resulting from or based upon (a) any violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) any exposure to any Hazardous Materials, (d) the Release or threatened Release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"***Equity Interests***" means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any of such equity interest, but excluding any debt securities convertible or exchangeable into any of the foregoing.

"***ERISA***" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder.

"***ERISA Affiliate***" means any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the Code or Section 4001(a)(14) of ERISA or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"***ERISA Event***" means (a) any "reportable event", as defined in Section 4043 of ERISA or the regulations issued thereunder, with respect to a Plan (other than an event for which the 30-day notice period is waived); (b) the failure to satisfy the "minimum funding standard" (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by the Borrower or any ERISA Affiliate of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by the Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by the Borrower or any ERISA Affiliate of any liability with respect to the withdrawal or partial withdrawal of the Borrower or any ERISA Affiliate from any Plan or Multiemployer Plan; or (g) the receipt by the Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Borrower or any ERISA Affiliate of any notice, concerning the imposition upon the Borrower or any ERISA Affiliate of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent, in critical status or in reorganization, within the meaning of Title IV of ERISA.

"***EU Bail-In Legislation Schedule***" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

"***Eurodollar***" when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted LIBO Rate.

"***Eurodollar Borrowing***" has the meaning given in Section 1.02

"***Eurodollar Loan***" has the meaning given in Section 1.02

"***Events of Default***" has the meaning assigned to such term in Article VII.

"***Excluded Property***" has the meaning assigned to such term in the Security Agreement.

"***Excluded Subsidiary***" means (a) any Subsidiary that is by applicable law or regulation or contractual obligations existing on the date of this Agreement (or, in the case of any newly acquired or organized Subsidiary, in existence at the time of acquisition or organization but not entered into in contemplation thereof) prohibited from Guaranteeing the Obligations, (b) any Subsidiary with respect to which the Administrative Agent and the Borrower agree that the burden or cost or other consequences (including any material adverse tax consequences) of providing a Guarantee of the Obligations would be excessive in view of the practical benefits to be obtained by the Secured Parties therefrom, (c) any Foreign Subsidiary, (d) Subsidiary of a CFC, (e) any not-for-profit Subsidiary, (f)any Subsidiary that is a captive insurance company, (g) any Subsidiary that is a special purpose entity reasonably satisfactory to the Administrative Agent, (h) any Immaterial Subsidiary, (i) any joint venture and (j) any Subsidiary that is a broker-dealer or an investment company under the Investment Company Act of 1940.

"***Excluded Swap Obligation***" means, with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the Guarantee of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor's failure for any reason to constitute an ECP at the time the Guarantee of such Guarantor or the grant of such security interest becomes or would become effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guarantee or security interest is or becomes illegal.

"***Excluded Taxes***" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient: (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan, Letter of Credit or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan, Letter of Credit or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.19(b)) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.17, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 2.17(f) and (d) any withholding Taxes imposed under FATCA.

"***FATCA***" means Sections 1471 through 1474 of the Code as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreement entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

"***Federal Funds Effective Rate***" means, for any day, the rate calculated by the NYFRB based on such day's federal funds transactions by depository institutions (as determined in such manner as the NYFRB shall set forth on its public website from time to time) and published on the next succeeding Business Day by the NYFRB as the effective federal funds rate; provided that, if the Federal Funds Effective Rate as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

"***Finance Lease Obligations***" of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required, subject to Section 1.04, to be classified and accounted for as a balance sheet liability of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP. For the avoidance of doubt, an operating lease will not be a Finance Lease Obligation.

"***Financial Officer***" means the chief financial officer, principal accounting officer, treasurer or controller of the Borrower.

"***Financial Statements***" means the financial statements to be furnished pursuant to Sections 5.01(a) and(b).

"***Flood Laws***" means, collectively, the National Flood Insurance Act of 1968, the Flood Disaster Protection Act of 1973, the National Flood Insurance Reform Act of 1994 (amending 42 USC 4001, et seq.), and the Flood Insurance Reform Act of 2004, as such statutes may be amended or re-codified from time to time, any substitution therefor, and any regulations promulgated thereunder, and all other applicable laws relating to flood insurance.

"***Foreign Lender***" means (a) if the Borrower is a U.S. Person, a Lender that is not a U.S. Person, and (b) if the Borrower is not a U.S. Person, a Lender that is resident or organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes.

“***Foreign Subsidiary***” means any Subsidiary that is not a Domestic Subsidiary.

“***Foreign Subsidiary Holding Company***” means a Subsidiary (a) substantially all of the assets of which are Equity Interests, or Equity Interests and Indebtedness, in one or more CFCs or (b) that is treated as a disregarded entity for U.S. federal income tax purposes and holds Equity Interests in one or more CFCs.

“***GAAP***” means generally accepted accounting principles in the U.S.

“***Governmental Authority***” means the government of the United States, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

“***Guarantee***” of or by any Person (the “***guarantor***”) means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the “***primary obligor***”) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided, that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business.

“***Guaranteed Obligations***” has the meaning assigned to such term in Section 10.01.

“***Guarantor Payment***” has the meaning assigned to such term in Section 10.11(a).

“***Guarantors***” means the Loan Parties (other than the Borrower), and the term “Guarantor” means each or any one of them individually.

“***Hazardous Materials***” means: (a) any substance, material, or waste that is included within the definitions of “hazardous substances,” “hazardous materials,” “hazardous waste,” “toxic substances,” “toxic materials,” “toxic waste,” or words of similar import in any Environmental Law; (b) those substances listed as hazardous substances by the United States Department of Transportation (or any successor agency) (49 C.F.R. 172.101 and amendments thereto) or by the Environmental Protection Agency (or any successor agency) (40 C.F.R. Part 302 and amendments thereto); and (c) any substance, material, or waste that is petroleum, petroleum-related, or a petroleum by-product, asbestos or asbestos-containing material, polychlorinated biphenyls, flammable, explosive, radioactive, freon gas, radon, or a pesticide, herbicide, or any other agricultural chemical.

“***Immaterial Subsidiary***” means each Domestic Subsidiary (other than Domestic Subsidiaries that are Excluded Subsidiaries) (a) which, as of the most recent fiscal quarter of the Borrower, for the period of four consecutive fiscal quarters then ended (determined in accordance with GAAP), has not contributed greater than two and a half percent (2.5%) of consolidated total revenue of the Borrower and its Subsidiaries for such period or (b)which has not contributed greater than two and a half percent (2.5%) of Consolidated Total Assets as of such date; provided that, if at any time the aggregate amount of consolidated total revenue or Consolidated Total Assets attributable to all Domestic Subsidiaries that are Immaterial Subsidiaries (other than Domestic Subsidiaries that are Excluded Subsidiaries) exceeds five percent (5%) of consolidated total revenue for any such period or five percent (5%) of Consolidated Total Assets as of the end of any such fiscal quarter, the Borrower (or, in the event the Borrower has failed to do so within ten (10) days, the Administrative Agent) shall designate sufficient Domestic Subsidiaries as “non-Immaterial Subsidiaries” to eliminate such excess.

“***Impacted Interest Period***” has the meaning assigned to it in the definition of “LIBO Rate.”

"***Increasing Lender***" has the meaning assigned to such term in Section 2.22(a).

"***Indebtedness***" of any Person means, without duplication, (a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) [intentionally omitted], (d) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (e) all obligations of such Person in respect of the deferred purchase price of property or services (excluding accounts payable incurred in the ordinary course of business), (f) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, (g) all Guarantees by such Person of Indebtedness of others, (h) all Finance Lease Obligations of such Person, (i) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty, in each case, to the extent not cash collateralized, (j) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances, (k) obligations under any earn-out (or similar contingent obligations) solely to the extent due and payable, (l) all obligations of such Person to purchase, redeem, retire or otherwise acquire for value any Disqualified Equity Interests, (m) any Off-Balance Sheet Liability and (n) net obligations payable at the termination of any and all Swap Agreements, determined by reference to the termination value thereof to the extent not cash collateralized. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor. Notwithstanding anything to the contrary set forth herein, in no event shall the following constitute Indebtedness: (i) accruals for (A) payroll and (B) other non-interest bearing liabilities accrued in the ordinary course of business, (ii) purchase price holdbacks 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, (iii) trade accounts payable, deferred revenues, liabilities associated with customer prepayments and deposits and other accrued obligations (including transfer pricing and accruals for payroll and other operating expenses accrued in the ordinary course of business), in each case incurred in the ordinary course of business, (iv) operating leases (including, without limitation, real property leases that, pursuant to GAAP, would not be classified and accounted for as a balance sheet liability), (v) customary obligations under employment agreements and deferred compensation, and (vi) prepaid or deferred revenue and deferred tax liabilities.

"***Indemnified Taxes***" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in (a) hereof, Other Taxes.

"***Indemnitee***" has the meaning assigned to such term in Section 9.03(b).

"***Ineligible Institution***" has the meaning assigned to it in Section 9.04(b).

"***Information***" has the meaning assigned to it in Section 9.12.

"***Initial Public Offering***" shall mean the issuance by the Borrower or any parent company of its common Equity Interests in an underwritten primary public offering (other than a public offering pursuant to a registration statement on Form S-8 or S-4) pursuant to an effective registration statement filed with the SEC in accordance with the Securities Act, as amended.

"***Interest Election Request***" means a request by the Borrower to convert or continue a Borrowing in accordance with Section 2.08, in the form of Exhibit J or any other form reasonably approved by the Administrative Agent.

"***Interest Payment Date***" means (a) with respect to any ABR Loan, the first Business Day of each calendar quarter and the Maturity Date, and (b) with respect to any Eurodollar Loan with an Interest Period of three months or less, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurodollar Borrowing with an Interest Period of more than three months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period and the Maturity Date.

"***Interest Period***" means with respect to any Eurodollar Borrowing, the period commencing on the date of such Eurodollar Borrowing and ending on the numerically corresponding day in the calendar month that is one, three or six months thereafter (or 12 months thereafter if, at the time of the relevant Borrowing or conversion or continuation thereof, all Lenders participating therein agree to make an interest period of such duration available), as the Borrower may elect; provided that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

"***Interpolated Rate***" means, at any time, for any Interest Period, the rate per annum (rounded to the same number of decimal places as the LIBO Screen Rate) determined by the Administrative Agent (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the LIBO Screen Rate for the longest period (for which the LIBO Screen Rate is available) that is shorter than the applicable Impacted Interest Period; and (b) the LIBO Screen Rate for the shortest period (for which the LIBO Screen Rate is available) that exceeds the applicable Impacted Interest Period, in each case, at such time; provided that, if any Interpolated Rate shall be less than 1.00%, such rate shall be deemed to be 1.00% for purposes of this Agreement.

"***Investment***" means, as applied to the Borrower and its Subsidiaries, (a) the purchase or acquisition of any Equity Interest, indebtedness or other securities (including any option, warrant or other right to acquire any of the foregoing) of any other Person (including any Subsidiary), (b) any loan, advance or extension of credit (excluding accounts receivable, credit card and debt receivables and trade credit, in each case arising in the ordinary course of business) to, or contribution to the capital of, or Guarantee of any obligations of, any other Person (including any Subsidiary), and (c) any Acquisition. The amount of any Investment shall be the original principal or capital amount thereof less all returns of principal or equity thereon (without adjustment by reason of the financial condition of such other Person) and shall, if made by the transfer or exchange of property other than cash, be deemed to have been made in an original principal or capital amount equal to the fair market value of such property exchanged.

"***IRS***" means the United States Internal Revenue Service.

"***Issuing Bank***" means, individually and collectively, each of JPMorgan, in its capacity as the issuer of Letters of Credit hereunder, and any other Lender from time to time designated by the Borrower as an Issuing Bank, with the consent of such Lender and the Administrative Agent, and their respective successors in such capacity as provided in Section 2.06(i). Any Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by its Affiliates, in which case the term "Issuing Bank" shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate (it being agreed that such Issuing Bank shall, or shall cause such Affiliate to, comply with the requirements of Section 2.06 with respect to such Letters of Credit). If at any time there is more than one Issuing Bank, all singular references to the Issuing Bank shall mean any Issuing Bank, either Issuing Bank, each Issuing Bank, the Issuing Bank that has issued the applicable Letter of Credit, or both (or all) Issuing Banks, as the context may require.

"***Issuing Bank Sublimit***" means, as of the Effective Date, (a) in the case of JPMorgan $30,000,000 and(b) in the case of any other Issuing Bank, such amount as shall be designated to the Administrative Agent and the Borrower in writing by an Issuing Bank; provided that any Issuing Bank shall be permitted at any time to increase or reduce its Issuing Bank Sublimit upon providing five (5) Business Days' prior written notice thereof to the Administrative Agent and the Borrower.

“***Joinder Agreement***” means a Joinder Agreement in substantially the form of Exhibit C.

“***JPMorgan***” means JPMorgan Chase Bank, N.A., a national banking association, in its individual capacity, and its successors.

“***Latest Maturity Date***” means, at any date of determination, the latest maturity date applicable to any Loan or Commitment hereunder at such time (and excluding any earlier acceleration of the Loans or termination of the Commitments), in each case as extended in accordance with this Agreement from time to time.

“***LC Collateral Account***” has the meaning assigned to such term in Section 2.06(j).

“***LC Disbursement***” means any payment made by an Issuing Bank pursuant to a Letter of Credit.

“***LC Exposure***” means, at any time, the sum of the Commercial LC Exposure and the Standby LC Exposure at such time. The LC Exposure of any Lender at any time shall be its Applicable Percentage of the aggregate LC Exposure at such time.

“***Lead Arranger***” means JPMorgan Chase Bank, N.A., in its capacity as the Sole Lead Arranger and Sole Bookrunner.

“***Lender Parent***” means, with respect to any Lender, any Person as to which such Lender is, directly or indirectly, a subsidiary.

“***Lenders***” means the Persons listed on Schedule 2.01 and any other Person that shall have become a Lender hereto pursuant to Section 2.09 or an Assignment and Assumption or otherwise, other than any such Person that ceases to be a Lender hereto pursuant to an Assignment and Assumption or otherwise. Unless the context otherwise requires, the term “Lenders” includes the Issuing Bank. The term “Lender” means each or any one of the Lenders individually.

“***Letters of Credit***” means the letters of credit issued pursuant to this Agreement, and the term “***Letter of Credit***” means any one of them or each of them singularly, as the context may require.

“***Letter of Credit Agreement***” has the meaning assigned to it in Section 2.06(b).

“***LIBO Rate***” means, with respect to any Eurodollar Borrowing for any applicable Interest Period or for any ABR Borrowing, the LIBO Screen Rate at approximately 11:00 a.m., London time, two (2) Business Days prior to the commencement of such Interest Period; provided that, if the LIBO Screen Rate shall not be available at such time for such Interest Period (an “***Impacted Interest Period***”), then the LIBO Rate shall be the Interpolated Rate at such time, subject to Section 2.14 in the event that the Administrative Agent shall conclude that it shall not be possible to determine such Interpolated Rate (which conclusion shall be conclusive and binding absent manifest error). Notwithstanding the above, to the extent that “LIBO Rate” or “Adjusted LIBO Rate” is used in connection with an ABR Borrowing, such rate shall be determined as modified by the definition of Alternate Base Rate.

“***LIBO Screen Rate***” means, for any day and time, with respect to any Eurodollar Borrowing for any Interest Period or for any ABR Borrowing, the London interbank offered rate as administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate for Dollars) for a period equal in length to such Interest Period as displayed on such day and time on pages LIBOR01 or LIBOR02 of the Reuters screen that displays such rate (or, in the event such rate does not appear on a Reuters page or screen, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion); provided that, if the LIBO Screen Rate as so determined would be less than 1.00%, such rate shall be deemed to be 1.00% for the purposes of this Agreement.

“***Lien***” means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset. In no event shall an operating lease be deemed to be a Lien.

"***Loan Documents***" means, collectively, this Agreement, each note delivered pursuant to this Agreement, each Letter of Credit application, continuing agreement or other letter of credit agreement, the Collateral Documents and any other agreements, instruments, documents and certificates executed by or on behalf of any Loan Party and delivered to or in favor of the Credit Parties concurrently herewith or hereafter in connection with the Transactions hereunder. Any reference in this Agreement or any other Loan Document to a Loan Document shall include all appendices, exhibits or schedules thereto, and all amendments, restatements, supplements or other modifications thereto, and shall refer to such Loan Document as the same may be in effect at any and all times such reference becomes operative.

"***Loan Guaranty***" means Article X of this Agreement.

"***Loan Parties***" means, collectively, the Borrower and each Guarantor and their respective successors and assigns, and the term "Loan Party" shall mean any one of them or all of them individually, as the context may require.

"***Loans***" means the loans and advances made by the Lenders to the Borrower pursuant to this Agreement.

"***Margin Stock***" means margin stock within the meaning of Regulations T, U and X, as applicable.

"***Material Adverse Effect***" means any material adverse effect on (i) the business, assets, operations or financial condition of the Borrower and its Subsidiaries taken as a whole, (ii) the ability of the Loan Parties, taken as a whole, to perform any of their obligations under the Loan Documents to which they are a party, (iii) the Collateral (taken as a whole), or the Administrative Agent's liens (on behalf of itself and the Lenders) on the Collateral or the priority of such liens except as a result of the Administrative Agent's failure to maintain possession of any stock certificates, promissory notes or other instruments delivered to it under the Collateral Documents or file Uniform Commercial Code continuation statements, or (iv) the rights of or benefits available to the Administrative Agent, the Issuing Bank or the Lenders under the Loan Documents, taken as a whole.

"***Material Indebtedness***" means any Indebtedness (other than the Loans and Letters of Credit), or obligations in respect of one or more Swap Agreements, of any one or more of the Borrower and its Subsidiaries in an aggregate principal amount exceeding the Threshold Amount. For purposes of determining Material Indebtedness, the "principal amount" of the obligations of the Borrower or any Subsidiary in respect of any Swap Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that the Borrower or such Subsidiary would be required to pay if such Swap Agreement were terminated at such time.

"***Maturity Date***" means March 31, 2023.

"***Maximum Liability***" has the meaning assigned to such term in Section 10.10.

"***Maximum Rate***" has the meaning assigned to such term in Section 9.17.

"***Moody's***" means Moody's Investors Service, Inc.

"***Mortgage***" means any mortgage, deed of trust, deed to secure debt or similar instrument, in form and substance reasonably satisfactory to the Administrative Agent and executed by any Loan Party in favor of (or for the benefit of) the Administrative Agent and the Secured Parties, granting to the Administrative Agent, for the benefit of itself and the Secured Parties, a perfected first priority Lien in and upon the real property and improvements covered thereby, as the same may be amended, modified, restated or otherwise supplemented time to time. In the sole discretion of Administrative Agent, any "Mortgage" or "Mortgages" may take the form of assignments of, and amendments and restatements of, existing mortgages or deeds of trust encumbering any applicable Mortgaged Property.

"***Mortgaged Property***" means any real property (together with all improvements located thereon) that is subject to a Mortgage.

"***Multiemployer Plan***" means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"***Net Proceeds***" means, with respect to any event, (a) the cash proceeds received in respect of such event including (i) any cash received in respect of any non-cash proceeds (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable or otherwise, but excluding any interest payments, and payments received from any escrow described in clause (iv) below upon release from such escrow), but only as and when received in cash, (ii) in the case of a casualty, casualty insurance proceeds and (iii) in the case of a condemnation or similar event, condemnation awards and similar payments, net of (b) the sum of (i) all reasonable fees and out-of-pocket expenses paid to third parties (other than Affiliates) in connection with such event (including commissions, discounts, transfer taxes and legal, accounting and other professional and transactional fees), (ii) in the case of a sale, transfer or other disposition of an asset (including pursuant to a sale and leaseback transaction or a casualty or a condemnation or similar proceeding), the amount of all payments required to be made as a result of such event to repay Indebtedness (other than the Loans) secured by such asset or otherwise subject to mandatory prepayment as a result of such event, (iii) the amount of all taxes paid (or reasonably estimated to be payable) and the amount of any reserves established to fund contingent liabilities reasonably estimated to be payable, in each case during the year that such event occurred or the next succeeding year and that are directly attributable to such event (as determined reasonably and in good faith by a Financial Officer) and (iv) in the case of a sale, any funded escrow established pursuant to the documents evidencing any such sale to secure any indemnification obligations or adjustments to the purchase price associated with any such sale.

"***Non-Consenting Lender***" has the meaning assigned to such term in Section 9.02(d).

"***Note***" means a promissory note of the Borrower payable to any Lender or its registered assigns, substantially in the form of Exhibit I hereto, evidencing the aggregate Indebtedness of the Borrower to such Lender resulting from the Loans made by such Lender.

"***NYFRB***" means the Federal Reserve Bank of New York.

"***NYFRB Rate***" means, for any day, the greater of (a) the Federal Funds Effective Rate in effect on such day and (b) the Overnight Bank Funding Rate in effect on such day (or for any day that is not a Business Day, for the immediately preceding Business Day); provided that if none of such rates are published for any day that is a Business Day, the term "NYFRB Rate" means the rate for a federal funds transaction quoted at 11:00 a.m. New York City time on such day received by the Administrative Agent from a federal funds broker of recognized standing selected by it; provided, further, that if any of the aforesaid rates as so determined would be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

"***Obligated Party***" has the meaning assigned to such term in Section 10.02.

"***Obligations***" means all advances to, and debts, liabilities, obligations, covenants and duties of, the Borrower arising under any Loan Document with respect to any Loan or Letter of Credit, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against the Borrower of any proceeding under any Debtor Relief Laws naming the Borrower as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding.

"***Off-Balance Sheet Liability***" of a Person means (a) any repurchase obligation or liability of such Person with respect to accounts or notes receivable sold by such Person, (b) any indebtedness, liability or obligation under any so-called "synthetic lease" transaction entered into by such Person, or (c) any indebtedness, liability or obligation arising with respect to any other transaction which is the functional equivalent of borrowing but which does not constitute a liability on the balance sheet of such Person (other than operating leases).

"***Other Connection Taxes***" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan, Letter of Credit or Loan Document).

"***Other Taxes***" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.19).

"***Overnight Bank Funding Rate***" means, for any day, the rate comprised of both overnight federal funds and overnight Eurodollar borrowings by U.S.-managed banking offices of depository institutions (as such composite rate shall be determined by the NYFRB as set forth on its public website from time to time) and published on the next succeeding Business Day by the NYFRB as an overnight bank funding rate.

"***Paid in Full***" or "***Payment in Full***" means, (a) the payment in full in cash of all outstanding Loans and LC Disbursements, together with accrued and unpaid interest thereon, (b) the termination, expiration, or cancellation and return of all outstanding Letters of Credit (or alternatively, with respect to each such Letter of Credit, the furnishing to the Administrative Agent of a cash deposit, or at the discretion of the Administrative Agent a backup standby letter of credit satisfactory to the Administrative Agent and the Issuing Bank, in an amount equal to 105% of the LC Exposure as of the date of such payment), (c) the payment in full in cash of the accrued and unpaid fees, (d) the payment in full in cash of all reimbursable expenses and other Secured Obligations (other than Unliquidated Obligations for which no claim has been made and other obligations expressly stated to survive such payment and termination of this Agreement), together with accrued and unpaid interest thereon, (e) the termination of all Commitments, and (f) the termination of the Swap Agreement Obligations and the Banking Services Obligations or entering into other arrangements satisfactory to the Secured Parties counterparties thereto.

"***Participant***" has the meaning assigned to such term in Section 9.04(c).

"***Participant Register***" has the meaning assigned to such term in Section 9.04(d).

"***Participation Fee***" has the meaning assigned to such term in Section 2.12(b).

"***PBGC***" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

"***Perfection Certificate***" means that certain perfection certificate of the Loan Parties dated as of the Effective Date.

"***Permitted Acquisition***" means any Acquisition by the Borrower or any Subsidiary that satisfies all of the following conditions:

(a)immediately before the consummation thereof and giving effect to such Acquisition and the incurrence or assumption of any Indebtedness in connection therewith, no Event of Default shall have occurred, exist and be continuing;

(b) immediately after giving effect to such Acquisition the Borrower shall be in compliance with Section 6.03(b);

(c)immediately after giving effect to such Acquisition, the Borrower shall be in compliance on a Pro Forma Basis with the financial covenant set forth in Section 6.10, recomputed as of the last day of the most recently ended Reference Period for which Financial Statements are available;

(d)to the extent required in accordance with Sections 5.10 and 5.11, (i) the property, assets and businesses acquired in such Acquisition shall become Collateral, (ii) any such newly created or acquired Subsidiary that is required to become a Guarantor shall become a Guarantor and (iii) in the case of an Acquisition involving the merger, amalgamation or consolidation of any Loan Party, the surviving entity shall be or shall become concurrently with such Acquisition a Loan Party; *provided*, that if any security interest in any Collateral (including the creation or perfection of any security interest) is not or cannot reasonably be created and/or perfected on the closing date of such Permitted Acquisition after Borrower's use of commercially reasonable efforts to do so, or without undue burden or expense, then the creation and/or perfection of any such Collateral shall not constitute a requirement to consummate such Permitted Acquisition, but instead shall be created and/or perfected within ninety (90) days after the closing date of such Permitted Acquisition or such later date as the Administrative Agent may reasonably agree; and

(e)the cash (and Cash Equivalent) consideration paid for Permitted Acquisitions of Subsidiaries that are not a Loan Parties and Permitted Acquisitions of assets that are not owned by Loan Parties shall not exceed, in the aggregate, $35,000,000 (excluding any amounts funded with (x) the Net Proceeds from any issuance of Qualified Equity Interests of the Borrower and/or the consideration for such Permitted Acquisition is in the form of Qualified Equity Interests of the Borrower or (y) cash and Cash Equivalents of any Subsidiaries that are not Loan Parties).

"***Permitted Encumbrances***" means:

(a) Liens for Taxes to the extent that payment of the same may be postponed or is not required in accordance with the provisions of Section 5.04;

(b)real property lessors', carriers', laborers', warehousemen's, mechanics', materialmen's, repairmen's and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than thirty (30) days or are being contested in compliance with Section 5.04;

(c)pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations or other similar legislation, or in connection with appeal and similar bonds incidental to litigation;

(d)(i) pledges and deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business (including such deposits to secure letters of credit issued for such purpose) and (ii) pledges and deposits in the ordinary course of business securing liability for reimbursement or indemnification obligations of (including obligations in respect of letters of credit or bank guarantees for the benefit of) insurance carriers providing property, casualty or liability insurance to the Borrower or any Subsidiary;

(e) judgment liens in respect of judgments that do not constitute an Event of Default under clause (k) of Article VII;

(f)easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or materially interfere with the ordinary conduct of business of the Borrower or any Subsidiary;

(g)leases, licenses, subleases or sublicenses (other than exclusive licenses of intellectual property) granted to third parties in the ordinary course of business and not interfering in any material respect with the ordinary conduct of business of the Borrower or any Subsidiary; and

(h) with respect to any Foreign Subsidiary, other Liens and privileges arising mandatorily by any Requirement of Law;

provided that the term "Permitted Encumbrances" shall not include any Lien securing Indebtedness for borrowed money.

"***Permitted Holders***" means each owner of Equity Interests of the Borrower as of the Effective Date and their Affiliates.

"***Person***" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"***Plan***" means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"***Plan Asset Regulations***" means 29 CFR § 2510.3-101 *et seq.*, as modified by Section 3(42) of ERISA, as amended from time to time.

"***Prime Rate***" means the rate of interest last quoted by The Wall Street Journal as the "Prime Rate" in the U.S. or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the "bank prime loan" rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Administrative Agent) or any similar release by the Board (as determined by the Administrative Agent). Each change in the Prime Rate shall be effective from and including the date such change is publicly announced or quoted as being effective.

"***Pro Forma Basis***" means, with respect to compliance with any test or covenant, that Consolidated EBITDA shall be calculated giving effect to (a) additional add backs (subject to the cap or limitation on the amount of each add back or type of add back set forth in the definition of Consolidated EBITDA) which are (i) determined by Borrower on a basis consistent with Article 11 of Regulation S-X promulgated under the Securities Exchange Act of 1934 and as interpreted by the staff of the SEC (or any successor agency); (ii) recommended by any due diligence quality of earnings report conducted by (y) a firm of independent public accountants of recognized national standing or (z) any other accounting firm reasonably satisfactory to the Administrative Agent, selected by the Borrower and retained by the Borrower; or (iii) otherwise determined in such other manner reasonably acceptable to the Administrative Agent, and (b) pro forma adjustments, without duplication for any add backs otherwise added back in Consolidated EBITDA, in each case as if such Acquisition, Permitted Acquisitions, related Indebtedness, or permitted asset sales, synergies, cost savings, fees, costs or expenses had occurred at the beginning of the applicable period; *provided*, for the avoidance of doubt, that notwithstanding the foregoing, the caps or limitations on the amounts of respective add backs set forth in the definition of Consolidated EBITDA will not be exceeded with respect to any pro forma adjustments set forth in clause (b) above.

"***Projections***" has the meaning assigned to such term in Section 5.01(f).

"***PTE***" means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

"***Qualified ECP Guarantor***" means, in respect of any Swap Obligation, each Loan Party that has total assets exceeding $10,000,000 at the time the relevant Loan Guaranty or grant of the relevant security interest becomes or would become effective with respect to such Swap Obligation or such other person as constitutes an "eligible contract participant" under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another person to qualify as an "eligible contract participant" at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

"***Qualified Equity Interests***" means any Equity Interests other than Disqualified Equity Interests.

"***Recipient***" means, as applicable, (a) the Administrative Agent, (b) any Lender and (c) any Issuing Bank, or any combination thereof (as the context requires).

"***Reference Period***" means, as of the last day of any fiscal quarter, the period of four (4) consecutive fiscal quarters of the Borrower and its Subsidiaries ending on such date.

"***Register***" has the meaning assigned to such term in Section 9.04(b)(iv).

"***Regulation D***" means Regulation D of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

"***Regulation T***" means Regulation T of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

"***Regulation U***" means Regulation U of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

"***Regulation X***" means Regulation X of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

"***Related Parties***" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, partners, members, trustees, employees, agents, administrators, managers, representatives and advisors of such Person and such Person's Affiliates.

"***Release***" means any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, migrating, disposing, or dumping of any substance into the environment.

"***Relevant Governmental Body***" means the Federal Reserve Board and/or the NYFRB, or a committee officially endorsed or convened by the Federal Reserve Board and/or the NYFRB or, in each case, any successor thereto.

"***Relevant Public Company***" shall mean the parent that is the registrant with respect to an Initial Public Offering.

"***Required Lenders***" means, subject to Section 2.20, at any time, Lenders having Credit Exposure and Unfunded Commitments representing more than 50% of the sum of the Aggregate Credit Exposure and Unfunded Commitments at such time; provided that, for purposes of declaring the Loans to be due and payable pursuant to Article VII, and for all purposes after the Loans become due and payable pursuant to Article VII or the Commitments expire or terminate, then, as to each Lender, the Unfunded Commitment of each Lender shall be deemed to be zero.

"***Requirement of Law***" means, with respect to any Person, (a) the charter, articles or certificate of organization or incorporation and bylaws or operating, management or partnership agreement, or other organizational or governing documents of such Person and (b) any statute, law (including common law), treaty, rule, regulation, code, ordinance, order, decree, writ, judgment, injunction or determination of any arbitrator or court or other Governmental Authority (including Environmental Laws), in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"***Responsible Officer***" of any Person means the chief executive officer, general counsel, president, vice president or any Financial Officer of such Person, and any other officer (or, in the case of any such Person that is a Foreign Subsidiary, director or managing partner or similar official) of such Person with responsibility for the administration of the obligations of such Person under this Agreement.

"***Restricted Payment***" means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in the Borrower or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interests in the Borrower or any Subsidiary or any option, warrant or other right to acquire any such Equity Interests in the Borrower, other than the payment of compensation in the ordinary course of business to holders of any such Equity Interests who are employees of the Borrower or any Subsidiary on such date of payment.

"***S&P***" means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business.

"***Sanctioned Country***" means, at any time, a country, region or territory which is itself the subject or target of any Sanctions (at the time of this Agreement, Crimea, Cuba, Iran, North Korea and Syria).

"***Sanctioned Person***" means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, or by the United Nations Security Council, the European Union, any European Union member state, Her Majesty's Treasury of the United Kingdom, or other relevant sanctions authority, (b) any Person operating, organized or resident in a Sanctioned Country, (c) any Person owned or controlled by any such Person or Persons described in the foregoing clauses (a) or (b) or (d) any Person otherwise the subject of any Sanctions.

"***Sanctions***" means all economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, or (b) the United Nations Security Council, the European Union, any European Union member state, Her Majesty's Treasury of the United Kingdom, or other relevant sanctions authority.

"***SEC***" means the Securities and Exchange Commission of the United States of America.

"***Secured Obligations***" means all Obligations, together with all Banking Services Obligations and Swap Agreement Obligations owing to one or more Lenders or their respective Affiliates by any Loan Party; provided that the definition of "Secured Obligations" shall not create any guarantee by any Guarantor of (or grant of security interest by any Guarantor to support, as applicable) any Excluded Swap Obligations of such Guarantor for purposes of determining any obligations of any Guarantor.

"***Secured Parties***" means (a) the Lenders, (b) the Administrative Agent, (c) each Issuing Bank, (d) each provider of Banking Services, to the extent the Banking Services Obligations in respect thereof constitute Secured Obligations, (e) each counterparty to any Swap Agreement, to the extent the obligations thereunder constitute Secured Obligations, (f) the beneficiaries of each indemnification obligation undertaken by any Loan Party under any Loan Document and (g) the successors and permitted assigns of each of the foregoing.

"***Security Agreement***" means that certain Pledge and Security Agreement (including any and all supplements thereto), dated as of the Effective Date, among the Loan Parties and the Administrative Agent, for the benefit of the Administrative Agent and the other Secured Parties, and any other pledge or security agreement securing the Secured Obligations entered into, after the date of this Agreement by such Loan Parties (as required by this Agreement or any other Loan Document) or any other Loan Party for the benefit of the Administrative Agent and the Secured Parties, as the same may be amended, modified, restated or otherwise supplemented from time to time.

"***SOFR***" with respect to any day means the secured overnight financing rate published for such day by the NYFRB, as the administrator of the benchmark (or a successor administrator), on the Federal Reserve Bank of New York's Website.

"***SOFR-Based Rate***" means SOFR, Compounded SOFR or Term SOFR.

"***Solvency Certificate***" means the solvency certificate executed and delivered by a Financial Officer of the Borrower on the Effective Date, substantially in the form of Exhibit H.

"***Solvent***" means, with respect to the Borrower and its Subsidiaries, on a consolidated basis, that as of the date of determination (a) the fair value of the assets of the Borrower and its Subsidiaries, on a consolidated basis, exceeds, on a consolidated basis, their debts and liabilities, subordinated, contingent or otherwise; (b) the present fair saleable value of the property of the Borrower and its Subsidiaries, on a consolidated basis, will be or is greater than the amount that will be required to pay the probable liability, on a consolidated basis, of their debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (c)the Borrower and its Subsidiaries, on a consolidated basis, are able to pay their debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (d) the Borrower and its Subsidiaries, on a consolidated basis, are not engaged in, and are not about to engage in, business for which they have unreasonably small capital. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that would reasonably be expected to become an actual and matured liability.

"***Standby LC Exposure***" means, at any time, the sum of (a) the aggregate undrawn amount of all standby Letters of Credit outstanding at such time *plus* (b) the aggregate amount of all LC Disbursements relating to standby Letters of Credit that have not yet been reimbursed by or on behalf of the Borrower at such time. The Standby LC Exposure of any Lender at any time shall be its Applicable Percentage of the aggregate Standby LC Exposure at such time.

"***Statutory Reserve Rate***" means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentage (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Federal Reserve Board to which the Administrative Agent is subject with respect to the Adjusted LIBO Rate, for eurocurrency funding (currently referred to as "Eurocurrency liabilities" in Regulation D). Such reserve percentage shall include those imposed pursuant to Regulation D of the Board. Eurodollar Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under Regulation D of the Board or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"***Subordinated Indebtedness***" means any Indebtedness of the Borrower or any Subsidiary that is expressly subordinated by a written agreement (a) in right of payment and performance to the Obligations and/or (b) in respect of security to the Liens securing the Secured Obligations, in each case, to the reasonable satisfaction of the Administrative Agent.

"***subsidiary***" means, with respect to any Person (the "***parent***") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise Controlled, by the parent and/or one or more subsidiaries of the parent.

"***Subsidiary***" means any direct or indirect subsidiary of the Borrower.

"***Swap Agreement***" means any agreement with respect to any swap, forward, spot, future, credit default or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Borrower or the Subsidiaries shall be a Swap Agreement.

"***Swap Agreement Obligations***" means any and all obligations of the Loan Parties and their Subsidiaries, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (a) any Swap Agreement permitted hereunder with a Lender or an Affiliate of a Lender, and (b) any cancellations, buy backs, reversals, terminations or assignments of any Swap Agreement transaction permitted hereunder with a Lender or an Affiliate of a Lender.

"***Swap Obligation***" means, with respect to any Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act or any rules or regulations promulgated thereunder.

"***Tax Distribution***" means, for so long as the Borrower is classified as a partnership or a disregarded entity for U.S. federal income tax purposes, dividends or distributions made from time to time by any Loan Party to enable members or other beneficial owners of Borrower to pay their U.S. federal and state income tax liabilities in respect of income earned by the Borrower.

"***Taxes***" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), value added taxes, or any other goods and services, use or sales taxes, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"***Term SOFR***" means the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

"***Threshold Amount***" means the greater of (x) $10,000,000 and (y) 15% of Consolidated EBITDA as of the last day of the most recently ended Reference Period for which Financial Statements are available.

"***Transactions***" means the execution, delivery and performance by each Loan Party of each Loan Document to which it is a party, the borrowing of Loans, the use of the proceeds of the Loans hereunder and the issuance of Letters of Credit hereunder.

"***Type***", when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted LIBO Rate, the Alternate Base Rate.

"***UCC***" means the Uniform Commercial Code as in effect from time to time in the State of New York or in any other state, the laws of which are required to be applied in connection with the issue of perfection of security interests.

"***Unadjusted Benchmark Replacement***" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment; provided that, if the Unadjusted Benchmark Replacement as so determined would be less than 1.00%, the Unadjusted Benchmark Replacement will be deemed to be 1.00% for the purposes of this Agreement.

"***Unfunded Commitment***" means, with respect to each Lender, the Commitment of such Lender less its Credit Exposure.

"***Unliquidated Obligations***" means, at any time, any Secured Obligations (or portion thereof) that are contingent in nature or unliquidated at such time, including any Secured Obligation that is: (a) an obligation to reimburse a bank for drawings not yet made under a letter of credit issued by it; (b) any other obligation (including any guarantee) that is contingent in nature at such time; or (c) an obligation to provide collateral to secure any of the foregoing types of obligations.

"***U.S.***" or "***United States***" means the United States of America.

"***U.S. Person***" means a "United States person" within the meaning of Section 7701(a)(30) of the Code.

"***USA Patriot Act***" has the meaning assigned to such term in Section 9.14.

"***Withdrawal Liability***" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

"*Write-Down and Conversion Powers*" means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

SECTION 1.02 Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Type (e.g., a "***Eurodollar Loan***"*)*. Borrowings also may be classified and referred to by Type (e.g., a "***Eurodollar Borrowing***").

SECTION 1.03 Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise, (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference in any definition to the phrase "at any time" or "for any period" shall refer to the same time or period for all calculations or determinations within such definition, (f) any law, rule or regulation herein shall, unless otherwise specified, refer to such law, rule or regulation as amended, modified or supplemented from time to time and (g) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 1.04 Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; *provided* that, if after the date hereof there occurs any change in GAAP or in the application thereof on the operation of any provision hereof and the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of such change in GAAP or in the application thereof (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such is provision amended in accordance herewith. Notwithstanding the foregoing and for the avoidance of doubt, notwithstanding any change in GAAP after December 31, 2018 that would require lease obligations that would be treated as operating leases as of the date hereof to be classified and accounted for as financing leases or otherwise reflected on the Borrowers' consolidated balance sheet, for the purposes of determining compliance with any covenant contained herein, such obligations (whether entered into as of the date hereof or thereafter) shall be treated in the same manner as operating leases are treated on December 31, 2018. Notwithstanding any other provision contained herein, (i) all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made (x) without giving effect to any election under Financial Accounting Standards Board Accounting Standards Codification 825 (or any other Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of the Borrower or any Subsidiary at "fair value", as defined therein and (y) without giving effect to any treatment of Indebtedness in respect of convertible debt instruments under Accounting Standards Codification 470-20 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any such Indebtedness in a reduced or bifurcated manner as described therein, and such Indebtedness shall at all times be valued at the full stated principal amount thereof.

SECTION 1.05 Status of Obligations. In the event that any Loan Party shall at any time issue or have outstanding any Subordinated Indebtedness, the Borrower shall take or cause such other Loan Party to take all such actions as shall be necessary to cause the Secured Obligations to constitute senior indebtedness (however denominated) in respect of such Subordinated Indebtedness. Without limiting the foregoing, the Secured Obligations are hereby designated as "senior indebtedness" and as "designated senior indebtedness" and words of similar import under and in respect of any indenture or other agreement or instrument under which such Subordinated Indebtedness is outstanding.

SECTION 1.06 Interest Rates; LIBOR Notification. The interest rate on Eurodollar Loans is determined by reference to the LIBO Rate, which is derived from the London interbank offered rate. The London interbank offered rate is intended to represent the rate at which contributing banks may obtain short-term borrowings from each other in the London interbank market. In July 2017, the U.K. Financial Conduct Authority announced that, after the end of 2021, it would no longer persuade or compel contributing banks to make rate submissions to the ICE Benchmark Administration (together with any successor to the ICE Benchmark Administrator, the "I BA") for purposes of the IBA setting the London interbank offered rate. As a result, it is possible that commencing in 2022, the London interbank offered rate may no longer be available or may no longer be deemed an appropriate reference rate upon which to determine the interest rate on Eurodollar Loans. In light of this eventuality, public and private sector industry initiatives are currently underway to identify new or alternative reference rates to be used in place of the London interbank offered rate. Upon the occurrence of a Benchmark Transition Event or an Early Opt-In Election, Section 2.14(c) provides a mechanism for determining an alternative rate of interest. The Administrative Agent will notify the Borrower, as required pursuant to Section 2.14(e), of any change to the reference rate upon which the interest rate on Eurodollar Loans is based. However, the Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission or any other matter related to the London interbank offered rate or other rates in the definition of "LIBO Rate" or with respect to any alternative or successor rate thereto, or replacement rate thereof (including, without limitation, (i) any such alternative, successor or replacement rate implemented pursuant to Section 2.14(c), whether upon the occurrence of a Benchmark Transition Event or an Early Opt-in Election, and (ii)the implementation of any Benchmark Replacement Conforming Changes pursuant to Section 2.14(d)), including without limitation, whether the composition or characteristics of any such alternative, successor or replacement reference rate will be similar to, or produce the same value or economic equivalence of, the LIBO Rate or have the same volume or liquidity as did the London interbank offered rate prior to its discontinuance or unavailability.

SECTION 1.07 Pro Forma Calculations. With respect to any period during which the Transactions occur, for purposes of the calculation of the Consolidated EBITDA, Consolidated Total Assets, Consolidated Total Net Leverage Ratio or for any other similar purpose hereunder, with respect to such period shall be made on a Pro Forma Basis.

SECTION 1.08 Rounding. Any financial ratios required to be maintained pursuant to this Agreement (or required to be satisfied in order for a specific action to be permitted under this Agreement) shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up for five). For example, if the relevant ratio is to be calculated to the hundredth decimal place and the calculation of the ratio is 5.125, the ratio will be rounded up to 5.13.

ARTICLE II.
The Credits

SECTION 2.01 Commitments. Subject to the terms and conditions set forth herein, each Lender severally (and not jointly) agrees to make Loans in Dollars to the Borrower from time to time during the Availability Period in an aggregate principal amount that will not result (after giving effect to any application of proceeds of such Borrowing pursuant to Section 2.10) in (a) such Lender's Credit Exposure exceeding such Lender's Commitment or (b) the Aggregate Credit Exposure exceeding the aggregate Commitments. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Loans.

SECTION 2.02 Loans and Borrowings.

(a)Each Loan shall be made as part of a Borrowing consisting of Loans made by the Lenders ratably in accordance with their respective Commitments. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; *provided* that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(b)Subject to Section 2.14, each Borrowing shall be comprised entirely of ABR Loans or Eurodollar Loans as the Borrower may request in accordance herewith. Each Lender at its option may make any Eurodollar Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan (and in the case of an Affiliate, the provisions of Section 2.14, 2.15, 2.16 and 2.17 shall apply to such Affiliate to the same extent as to such Lender); *provided* that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

(c)At the commencement of each Interest Period for any Eurodollar Borrowing, such Borrowing shall be in an aggregate amount that is (x) an integral multiple of $100,000 and not less than $500,000 or (y) such lesser amount constituting the remaining undrawn Commitments. At the time that each ABR Borrowing is made, such Borrowing shall be in an aggregate amount that is (x) an integral multiple of $100,000 and not less than $500,000 or (y) such lesser amount constituting the remaining undrawn Commitments; *provided* that an ABR Borrowing may be in an aggregate amount that is equal to the entire unused balance of the total Commitments or that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.06(e). Borrowings of more than one Type may be outstanding at the same time; *provided* that there shall not at any time be more than a total of eight (8) Eurodollar Borrowings outstanding.

(d)Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

SECTION 2.03 Requests for Borrowings. To request a Borrowing, the Borrower shall notify the Administrative Agent of such request by submitting a Borrowing Request (a) in the case of a Eurodollar Borrowing, not later than 11:00 a.m., New York City time, three (3) Business Days before the date of the proposed Borrowing or (b) in the case of an ABR Borrowing, not later than 11:00 a.m., New York City time, on the day of the proposed Borrowing; *provided* that any such notice of an ABR Borrowing to finance the reimbursement of an LC Disbursement as contemplated by Section 2.06(e) may be given not later than 10:00 a.m., New York City time, on the date of the proposed Borrowing. Each such Borrowing Request shall be irrevocable and shall be signed by a Responsible Officer of the Borrower. Each such Borrowing Request shall specify the following information in compliance with Section 2.02:

(i) the aggregate amount of the requested Borrowing;

(ii) the date of such Borrowing, which shall be a Business Day;

(iii) whether such Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing;

(iv)in the case of a Eurodollar Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period"; and

(v) the location and number of the Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.07.

If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be an ABR Borrowing. If no Interest Period is specified with respect to any requested Eurodollar Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section 2.03, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

SECTION 2.04 [Intentionally Omitted].

SECTION 2.05 [Intentionally Omitted].

SECTION 2.06 Letters of Credit.

(a) General. Subject to the terms and conditions set forth herein, the Borrower may request the issuance of Letters of Credit in Dollars as the applicant thereof for the support of its or its Subsidiaries' obligations, in a form reasonably acceptable to the Administrative Agent and the Issuing Bank, at any time and from time to time during the Availability Period. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any Letter of Credit Agreement, the terms and conditions of this Agreement shall control. Notwithstanding anything herein to the contrary, the Issuing Bank shall have no obligation hereunder to issue, and shall not issue, any Letter of Credit (i) the proceeds of which would be made available to any Person (A) to fund any activity or business of or with any Sanctioned Person, or in any country or territory that, at the time of such funding, is the subject of any Sanctions or (B) in any manner that would result in a violation of any Sanctions by any party to this Agreement, (ii) if any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the Issuing Bank from issuing such Letter of Credit, or any Requirement of Law relating to the Issuing Bank or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the Issuing Bank shall prohibit, or request that the Issuing Bank refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the Issuing Bank with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the Issuing Bank is not otherwise compensated hereunder) not in effect on the Effective Date, or shall impose upon the Issuing Bank any unreimbursed loss, cost or expense which was not applicable on the Effective Date and which the Issuing Bank in good faith deems material to it, or (iii) if the issuance of such Letter of Credit would violate one or more policies of the Issuing Bank applicable to letters of credit generally; *provided* that, notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements or directives thereunder or issued in connection therewith or in the implementation thereof, and (y) all requests, rules, guidelines, requirements or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the U.S. or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed not to be in effect on the Effective Date for purposes of clause (ii) above, regardless of the date enacted, adopted, issued or implemented.

(b) Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the Borrower shall hand deliver or fax (or transmit through Electronic Systems, if arrangements for doing so have been approved by the Issuing Bank) to the Issuing Bank and the Administrative Agent (reasonably in advance of the requested date of issuance, amendment, renewal or extension, but in any event no less than three Business Days) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section 2.06), the amount of such Letter of Credit, the name and address of the beneficiary thereof, and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. In addition, as a condition to any such Letter of Credit issuance, the Borrower shall have entered into a continuing agreement (or other letter of credit agreement) for the issuance of letters of credit and/or shall submit a letter of credit application, in each case, as required by the Issuing Bank and using such Issuing Bank's standard form (each, a "Letter of Credit Agreement"). A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension (i) the aggregate LC Exposure shall not exceed the Issuing Bank Sublimit (unless otherwise agreed by the Borrower and the applicable Issuing Bank), (ii)no Lender's Credit Exposure shall exceed its Commitment and (iii) the Aggregate Credit Exposure shall not exceed the aggregate Commitments. Notwithstanding the foregoing or anything to the contrary contained herein, no Issuing Bank shall be obligated to issue or modify any Letter of Credit if, immediately after giving effect thereto, the outstanding LC Exposure in respect of all Letters of Credit issued by such Person and its Affiliates would exceed such Issuing Bank's Issuing Bank Sublimit. Without limiting the foregoing and without affecting the limitations contained herein, it is understood and agreed that the Borrower may from time to time request that an Issuing Bank issue Letters of Credit in excess of its individual Issuing Bank Sublimit in effect at the time of such request, and each Issuing Bank agrees to consider any such request in good faith. Any Letter of Credit so issued by an Issuing Bank in excess of its individual Issuing Bank Sublimit then in effect shall nonetheless constitute a Letter of Credit for all purposes of the Credit Agreement, and shall not affect the Issuing Bank Sublimit of any other Issuing Bank, subject to the limitations on the aggregate LC Exposure set forth in clause (i) of this Section 2.06(b).

(c) Expiration Date. Each Letter of Credit shall expire (or be subject to termination or non-renewal by notice from the Issuing Bank to the beneficiary thereof) at or prior to the close of business on the earlier of (i)the date that is one year after the date of the issuance of such Letter of Credit and (ii) the date that is five Business Days prior to the Maturity Date; *provided* that any Letter of Credit with a one year tenor may contain customary automatic renewal provisions acceptable to the Issuing Bank pursuant to which the expiration date of such Letter of Credit shall be automatically extended for a period of up to 12 months (but not to a date later than the date set forth in clause (ii) above, except to the extent otherwise cash collateralized or backstopped pursuant to arrangements reasonably acceptable to the Issuing Bank and the Administrative Agent).

(d) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of the Issuing Bank or the Lenders, the Issuing Bank hereby grants to each Lender, and each Lender hereby acquires from the Issuing Bank, a participation in such Letter of Credit equal to such Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the Issuing Bank, such Lender's Applicable Percentage of each LC Disbursement in Dollars made by the Issuing Bank and not reimbursed by the Borrower on the date due as provided in paragraph (e) of this Section 2.06, or of any reimbursement payment required to be refunded to the Borrower for any reason. Each Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever in Dollars.

(e) Reimbursement. If the Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, the Borrower shall reimburse such LC Disbursement by paying to the Administrative Agent an amount equal to such LC Disbursement not later than 11:00 a.m., New York City time, on (i) the Business Day that the Borrower receives notice of such LC Disbursement, if such notice is received prior to 9:00 a.m., New York City time, on the day of receipt, or (ii) the Business Day immediately following the day that the Borrower receives such notice, if such notice is received after 9:00 a.m., New York City time, on the day of receipt; provided that, if such LC Disbursement is greater than or equal to $1,000,000, the Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.03 that such payment be financed with an ABR Borrowing in an equivalent amount and, to the extent so financed, the Borrower's obligation to make such payment shall be discharged and replaced by the resulting ABR Borrowing. If the Borrower fails to make such payment when due, the Administrative Agent shall notify each Lender of the applicable LC Disbursement, the payment then due from the Borrower in respect thereof, and such Lender's Applicable Percentage thereof. Promptly following receipt of such notice, each Lender shall pay to the Administrative Agent its Applicable Percentage of the payment then due from the Borrower, in the same manner as provided in Section 2.07 with respect to Loans made by such Lender (and Section 2.07 shall apply, mutatis mutandis, to the payment obligations of the Lenders), and the Administrative Agent shall promptly pay to the Issuing Bank the amounts so received by it from the Lenders. Promptly following receipt by the Administrative Agent of any payment from the Borrower pursuant to this paragraph, the Administrative Agent shall distribute such payment to the Issuing Bank or, to the extent that Lenders have made payments pursuant to this paragraph to reimburse the Issuing Bank, then to such Lenders and the Issuing Bank, as their interests may appear. Any payment made by a Lender pursuant to this paragraph to reimburse the Issuing Bank for any LC Disbursement (other than the funding of ABR Loans as contemplated above) shall not constitute a Loan and shall not relieve the Borrower of its obligation to reimburse such LC Disbursement.

(f) Obligations Absolute. The Borrower's obligation to reimburse LC Disbursements as provided in paragraph (e) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit, any Letter of Credit Agreement or this Agreement, or any term or provision therein or herein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii)any payment by the Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrower's obligations hereunder (other than the defense of payment or performance). Neither the Administrative Agent, the Lenders nor the Issuing Bank, nor any of their Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the Issuing Bank; *provided* that the foregoing shall not be construed to excuse the Issuing Bank from liability to the Borrower to the extent of any direct damages (as opposed to special, indirect, consequential or punitive damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower that are caused by the Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of the Issuing Bank (as finally determined by a court of competent jurisdiction), the Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(g) Disbursement Procedures. The Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. The Issuing Bank shall promptly notify the Administrative Agent and the Borrower by telephone (confirmed by fax or through Electronic Systems) of such demand for payment and whether the Issuing Bank has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Borrower of its obligation to reimburse the Issuing Bank and the Lenders with respect to any such LC Disbursement.

(h) Interim Interest. If the Issuing Bank shall make any LC Disbursement, then, unless the Borrower shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Borrower reimburses such LC Disbursement, at the rate per annum then applicable to ABR Loans and such interest shall be due and payable on the date when such reimbursement is due and payable; provided that, if the Borrower fails to reimburse such LC Disbursement when due pursuant to paragraph (e) of this Section, then Section 2.13(c) shall apply. Interest accrued pursuant to this paragraph shall be for the account of the Issuing Bank, except that interest accrued on and after the date of payment by any Lender pursuant to paragraph (e) of this Section to reimburse the Issuing Bank shall be for the account of such Lender to the extent of such payment.

(i) Replacement and Resignation of an Issuing Bank.

(i)Any Issuing Bank may be replaced at any time by written agreement among the Borrower, the Administrative Agent, the replaced Issuing Bank and the successor Issuing Bank. The Administrative Agent shall notify the Lenders of any such replacement of the Issuing Bank. At the time any such replacement shall become effective, the Borrower shall pay all unpaid fees accrued for the account of the replaced Issuing Bank pursuant to Section 2.12(b). From and after the effective date of any such replacement, (x) the successor Issuing Bank shall have all the rights and obligations of the Issuing Banks under this Agreement with respect to Letters of Credit to be issued thereafter and (y) references herein to the term "Issuing Bank" shall be deemed to refer to such successor or to any previous Issuing Banks, or to such successor and all previous Issuing Banks, as the context shall require. After the replacement of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit then outstanding and issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(ii)Subject to the appointment and acceptance of a successor Issuing Bank by the Borrower and the Administrative Agent, the Issuing Bank may resign as an Issuing Bank at any time upon thirty days' prior written notice to the Administrative Agent, the Borrower and the Lenders, in which case, such resigning Issuing Bank shall be replaced in accordance with this Section 2.06(i).

(j) Cash Collateralization. If any Event of Default shall occur and be continuing, on the Business Day that the Borrower receives written notice from the Administrative Agent or the Required Lenders demanding the deposit of cash collateral pursuant to this paragraph, the Borrower shall deposit in an account of a Loan Party maintained with the Administrative Agent or that is subject to a Control Agreement (the "***LC Collateral Account***"), an amount in cash (or in a manner otherwise acceptable to the Administrative Agent) equal to 105% of the LC Exposure as of such date plus accrued and unpaid interest thereon; *provided* that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Borrower described in clause (h) or (i) of Article VII. The Borrower also shall deposit cash collateral in accordance with this paragraph as and to the extent required by Section 2.11(b) or 2.20. Each such deposit shall be held by the Administrative Agent as collateral for the payment and performance of the Secured Obligations. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over the LC Collateral Account and the Borrower hereby grants the Administrative Agent a security interest in the LC Collateral Account and all moneys or other assets on deposit therein or credited thereto. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Administrative Agent and at the Borrower's risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Administrative Agent to reimburse the Issuing Bank for LC Disbursements for which it has not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrower for the LC Exposure at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of the Required Lenders), be applied to satisfy other Secured Obligations. If the Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to the Borrower within three (3) Business Days after all Events of Default have been cured or waived.

(k) Issuing Bank Reports to the Administrative Agent. Unless otherwise agreed by the Administrative Agent, each Issuing Bank shall, in addition to its notification obligations set forth elsewhere in this Section, report in writing to the Administrative Agent (i) periodic activity (for such period or recurrent periods as shall be requested by the Administrative Agent) in respect of Letters of Credit issued by such Issuing Bank, including all issuances, extensions, amendments and renewals, all expirations and cancelations and all disbursements and reimbursements, (ii) reasonably prior to the time that such Issuing Bank issues, amends, renews or extends any Letter of Credit, the date of such issuance, amendment, renewal or extension, and the stated amount of the Letters of Credit issued, amended, renewed or extended by it and outstanding after giving effect to such issuance, amendment, renewal or extension (and whether the amounts thereof shall have changed), (iii) on each Business Day on which such Issuing Bank makes any LC Disbursement, the date and amount of such LC Disbursement, (iv) on any Business Day on which the Borrower fails to reimburse an LC Disbursement required to be reimbursed to such Issuing Bank on such day, the date of such failure and the amount of such LC Disbursement, and (v) on any other Business Day, such other information as the Administrative Agent shall reasonably request as to the Letters of Credit issued by such Issuing Bank.

(l) LC Exposure Determination. For all purposes of this Agreement, the amount of a Letter of Credit that, by its terms or the terms of any document related thereto, provides for one or more automatic increases in the stated amount thereof shall be deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at the time of determination.

(m) [Intentionally Omitted].

(n) Letters of Credit Issued for Account of Subsidiaries. Notwithstanding that a Letter of Credit issued or outstanding hereunder supports any obligations of, or is for the account of, a Subsidiary, or states that a Subsidiary is the “account party,” “applicant,” “customer,” “instructing party,” or the like of or for such Letter of Credit, and without derogating from any rights of the applicable Issuing Bank (whether arising by contract, at law, in equity or otherwise) against such Subsidiary in respect of such Letter of Credit, the Borrower (i) shall reimburse, indemnify and compensate the applicable Issuing Bank hereunder for such Letter of Credit (including to reimburse any and all drawings thereunder) as if such Letter of Credit had been issued solely for the account of the Borrower and (ii) irrevocably waives any and all defenses that might otherwise be available to it as a guarantor or surety of any or all of the obligations of such Subsidiary in respect of such Letter of Credit. The Borrower hereby acknowledges that the issuance of such Letters of Credit for its Subsidiaries inures to the benefit of the Borrower, and that the Borrower’s business derives substantial benefits from the businesses of such Subsidiaries.

SECTION 2.07 Funding of Borrowings.

(a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof solely by wire transfer of immediately available funds by 2:00 p.m., New York City time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders in an amount equal to such Lender’s Applicable Percentage. The Administrative Agent will make such Loans available to the Borrower by promptly crediting the funds so received in the aforesaid account of the Administrative Agent to the Funding Account(s); provided that ABR Loans made to finance the reimbursement of an LC Disbursement as provided in Section 2.06(e) shall be remitted by the Administrative Agent to the Issuing Bank.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender’s share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower each severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrower, the interest rate applicable to ABR Loans. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender’s Loan included in such Borrowing; provided that any interest received from the Borrower by the Administrative Agent during the period beginning when Administrative Agent funded the Borrowing until such Lender pays such amount shall be solely for the account of the Administrative Agent.

SECTION 2.08 Interest Elections.

(a)Each Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurodollar Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurodollar Borrowing, may elect Interest Periods therefor, all as provided in this Section 2.08. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing.

(b)To make an election pursuant to this Section, the Borrower shall notify the Administrative Agent of such election either in writing (delivered by hand or fax) by delivering an Interest Election Request signed by a Financial Officer of the Borrower or through Electronic Systems, if arrangements for doing so have been approved by the Administrative Agent, by the time that a Borrowing Request would be required under Section 2.03 if the Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such Interest Election Request shall be irrevocable.

(c)Each Interest Election Request (including requests submitted through Electronic Systems) shall specify the following information in compliance with Section 2.02:

(i)the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing; and

(iv)if the resulting Borrowing is a Eurodollar Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term “Interest Period”.

If any such Interest Election Request requests a Eurodollar Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month’s duration.

(d)Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender’s portion of each resulting Borrowing.

(e)If the Borrower fails to deliver a timely Interest Election Request with respect to a Eurodollar Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be continued as a Eurodollar Borrowing for an additional Interest Period of one month. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Borrower, then, so long as an Event of Default is continuing (i) no outstanding Borrowing may be converted to or continued as a Eurodollar Borrowing and (ii) unless repaid, each Eurodollar Borrowing shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto.

SECTION 2.09 Termination and Reduction of Commitments.

(a) Unless previously terminated, all of the Commitments shall terminate on the Maturity Date.

(b)The Borrower may at any time terminate, or from time to time reduce, the Commitments; *provided* that (i) each reduction of the Commitments shall be in an amount that is (x) an integral multiple of $250,000 and not less than $500,000 or (y) such lesser amount constituting the remaining undrawn Commitments and (ii) the Borrower shall not terminate or reduce the Commitments if, after giving effect to any concurrent prepayment of the Loans in accordance with Section 2.11, the Aggregate Credit Exposure would exceed the aggregate Commitments.

(c)The Borrower shall notify the Administrative Agent of any election to terminate or reduce the Commitments under paragraph (b) of this Section 2.09 at least three Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section 2.09 shall be irrevocable; *provided* that a notice of termination of the Commitments delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities or transactions, in which case such notice may be revoked or extended by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Commitments shall be permanent. Each reduction of the Commitments shall be made ratably among the Lenders in accordance with their respective Commitments.

SECTION 2.10 Repayment of Loans; Evidence of Debt.

(a)The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Loan on the Maturity Date.

(b)Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the Indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c)The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d)The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section 2.10 shall be *prima facie* evidence of the existence and amounts of the Obligations recorded therein; *provided* that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.

(e)Any Lender may request in writing to the Borrower that Loans made by it be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note payable to such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and substantially in the form of Exhibit I. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form payable to the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

SECTION 2.11 Prepayment of Loans.

(a)The Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, subject to prior notice in accordance with paragraph (e) of this Section 2.11 and, if applicable, payment of any break funding expenses under Section 2.16; *provided* that each prepayment shall be in an aggregate amount that is (x) an integral multiple of $250,000 and not less than $500,000 or (y) such lesser amount constituting the entire outstanding amount of such Borrowing. In the absence of such direction by the Borrower, voluntary prepayments shall be applied first, to any outstanding ABR Loans until such ABR Loans are repaid in full, and then, to any outstanding Eurodollar Loans (in each case, in direct order of maturity).

(b)The Borrower shall notify the Administrative Agent in writing or by telephone (confirmed by fax) or through Electronic Systems, if arrangements for doing so have been approved by the Administrative Agent, of any prepayment hereunder (i) in the case of prepayment of a Eurodollar Borrowing, not later than 1:00 p.m., New York City time, three (3) Business Days before the date of the proposed prepayment, or (ii) in the case of prepayment of an ABR Borrowing, not later than 1:00 p.m., New York City time, on the date of the proposed prepayment. Each such telephone and written notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; *provided* that, if a notice of prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.09 or is otherwise conditioned upon the consummation of a transaction, then such notice of prepayment may be revoked (or extended) if such notice of termination is revoked or extended in accordance with Section 2.09 or such transaction does not occur. Promptly following receipt of any such notice relating to a Borrowing, the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.02, except as necessary to apply fully the required amount of a mandatory prepayment. Each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued but unpaid interest to the extent required by Section 2.13.

SECTION 2.12 Fees.

(a)The Borrower agrees to pay to the Administrative Agent for the account of each Lender a commitment fee, which shall accrue at the rate of 0.50% per annum on the average daily unused amount of the Commitment of such applicable Lender during the period from and including the Effective Date to but excluding the date on which the Lenders' Commitments terminate; *provided,* that no commitment fee shall accrue on the Commitment of a Defaulting Lender for so long as such Lender is a Defaulting Lender. Accrued commitment fees shall be payable in arrears on the first Business Day of each fiscal quarter of each year and on the date on which the Commitments terminate, commencing on the first such date to occur after the date hereof. All commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(b)The Borrower agrees to pay (i) to the Administrative Agent for the account of each Lender a participation fee with respect to its participations in Letters of Credit (the "***Participation Fee***"), which shall accrue at the same Applicable Rate used to determine the interest rate applicable to Eurodollar Loans on the average daily amount of such Lender's LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Effective Date to but excluding the later of the date on which such Lender's Commitment terminates and the date on which such Lender ceases to have any LC Exposure; *provided*, that, with respect to each Letter of Credit, the Participation Fee shall equal 1.00% per annum to the extent that the Borrower shall deposit in an account maintained with the Administrative Agent, an amount in cash or Cash Equivalents equal to 105% of the LC Exposure as of such date with respect to such Letter of Credit (or such lesser amount as agreed by the Administrative Agent), and (ii) to the Issuing Bank a fronting fee, which shall accrue at the rate of 0.125% per annum on the average daily amount of the LC Exposure attributable to Letters of Credit issued by such Issuing Bank (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Effective Date to but excluding the later of the date of termination of the Commitments and the date on which there ceases to be any LC Exposure, as well as the Issuing Bank's standard fees and commissions with respect to the issuance, amendment, cancellation, negotiation, transfer, presentment, renewal or extension of any Letter of Credit or processing of drawings thereunder (if consistent with customary practices of such Issuing Bank, pursuant to written documentation separately agreed to by the Borrower). Participation fees and fronting fees accrued through and including the last day of March, June, September and December of each year shall be payable on the third Business Day following such last day, commencing on the first such date to occur after the Effective Date; provided that all such fees shall be payable on the date on which the Commitments terminate and any such fees accruing after the date on which the Commitments terminate shall be payable on demand. Any other fees payable to the Issuing Bank pursuant to this paragraph shall be payable within ten (10) days after written demand. All participation fees and fronting fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(c)The Borrower agrees to pay to the Administrative Agent and the Lead Arranger, for their own respective accounts, fees payable in the amounts and at the times separately agreed upon in writing between the Borrower, on the one hand, and the Administrative Agent and the Lead Arranger, on the other.

(d)All fees payable hereunder shall be paid on the dates due, in dollars in immediately available funds, to the Administrative Agent (or to the Issuing Bank, in the case of fees payable to it) for distribution, in the case of commitment fees and participation fees, to the Lenders. Fees paid shall not be refundable under any circumstances.

SECTION 2.13 Interest.

(a) The Loans comprising each ABR Borrowing shall bear interest at the Alternate Base Rate plus the Applicable Rate.

(b)The Loans comprising each Eurodollar Borrowing shall bear interest at the Adjusted LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(c)Notwithstanding the foregoing, during the occurrence and continuance of an Event of Default, the Administrative Agent or the Required Lenders may, at their option, by written notice to the Borrower (which notice may be revoked at the option of the Required Lenders notwithstanding any provision of Section 9.02 requiring the consent of "each Lender affected thereby" for reductions in interest rates), declare that (i) all Loans that are overdue shall bear interest at 2% plus the rate otherwise applicable to such Loans as provided in the preceding paragraphs of this Section or (ii) in the case of any other amount hereunder that is overdue, such amount shall accrue at 2% plus the rate applicable to such fee or other obligation as provided hereunder.

(d)Accrued interest on each Loan (for ABR Loans, accrued through the last day of the prior calendar month) shall be payable in arrears on each Interest Payment Date for such Loan and, in the case of Loans, upon termination of the Commitments; *provided* that (i) interest accrued pursuant to paragraph (c) of this Section 2.13 shall be payable on written demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Loan prior to the end of the Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurodollar Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(e)All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate, Adjusted LIBO Rate or LIBO Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.14 Alternate Rate of Interest; Illegality.

(a) If prior to the commencement of any Interest Period for a Eurodollar Borrowing:

(i)the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate or the LIBO Rate, as applicable (including, without limitation, by means of an Interpolated Rate or because the LIBO Screen Rate is not available or published on a current basis) for such Interest Period; provided that no Benchmark Transition Event shall have occurred at such time; or

(ii)the Administrative Agent is advised by the Required Lenders that the Adjusted LIBO Rate or the LIBO Rate, as applicable, for such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders through Electronic Systems as provided inSection 9.01 as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (A) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurodollar Borrowing shall be ineffective and any such Eurodollar Borrowing shall be repaid or converted into an ABR Borrowing on the last day of the then current Interest Period applicable thereto, and (B) if any Borrowing Request requests a Eurodollar Borrowing (or if in the absence of instructions, a Borrowing would automatically have continued as or been converted into a Eurodollar Borrowing), such Borrowing shall be made as (or continued as or converted into) an ABR Borrowing; *provided* that if the circumstances giving rise to such notice affect only one Type of Borrowings, then the other Type of Borrowings shall be permitted.

(b)If any Lender determines that any Requirement of Law has made it unlawful, or if any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable lending office to make, maintain, fund or continue any Eurodollar Borrowing, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, dollars in the London interbank market, then, on notice thereof by such Lender to the Borrower through the Administrative Agent, any obligations of such Lender to make, maintain, fund or continue Eurodollar Loans or to convert ABR Borrowings to Eurodollar Borrowings will be suspended until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, the Borrower will upon demand from such Lender (with a copy to the Administrative Agent), either prepay or convert all Eurodollar Borrowings of such Lender to ABR Borrowings, either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Eurodollar Borrowings to such day, or immediately, if such Lender may not lawfully continue to maintain such Loans. Upon any such prepayment or conversion, the Borrower will also pay accrued interest on the amount so prepaid or converted.

(c)Notwithstanding anything to the contrary herein or in any other Loan Document, upon the occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, the Administrative Agent and the Borrower may amend this Agreement to replace the LIBO Rate with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m. on the fifth (5th) Business Day after the Administrative Agent has posted such proposed amendment to all Lenders and the Borrower, so long as the Administrative Agent has not received, by such time, written notice of objection to such proposed amendment from Lenders comprising the Required Lenders; provided that, with respect to any proposed amendment containing any SOFR-Based Rate, the Lenders shall be entitled to object only to the Benchmark Replacement Adjustment contained therein. Any such amendment with respect to an Early Opt-in Election will become effective on the date that Lenders comprising the Required Lenders have delivered to the Administrative Agent written notice that such Required Lenders accept such amendment. No replacement of LIBO Rate with a Benchmark Replacement will occur prior to the applicable Benchmark Transition Start Date.

(d)In connection with the implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.

(e)The Administrative Agent will promptly notify the Borrower and the Lenders of (i) any occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes and (iv) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or Lenders pursuant to this Section 2.14, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section 2.14.

(f)Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurodollar Borrowing shall be ineffective and any such Eurodollar Borrowing shall be repaid or converted into an ABR Borrowing on the last day of the then current Interest Period applicable thereto, and if any Borrowing Request requests a Eurodollar Borrowing, such Borrowing shall be made as an ABR Borrowing.

SECTION 2.15 Increased Costs.

(a) If any Change in Law shall:

(i)impose, modify or deem applicable any reserve, special deposit, liquidity or similar requirement (including any compulsory loan requirement, insurance charge or other assessment) against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted LIBO Rate) or the Issuing Bank;

(ii)impose on any Lender or the Issuing Bank or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender or any Letter of Credit or participation therein; or

(iii)subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, continuing, converting into or maintaining any Loan (or of maintaining its obligation to make any such Loan) or to increase the cost to such Lender, the Issuing Bank or such other Recipient of participating in, issuing or maintaining any Letter of Credit or to reduce the amount of any sum received or receivable by such Lender, the Issuing Bank or such other Recipient hereunder (whether of principal, interest or otherwise), then the Borrower will, following receipt of a certificate from such Lender or Issuing Bank in accordance with clause (c) of this Section 2.15, pay to such Lender, the Issuing Bank or such other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender, the Issuing Bank or such other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b)If any Lender or the Issuing Bank determines in good faith that any Change in Law regarding capital or liquidity requirements has or would have the effect of materially reducing the rate of return on such Lender's or the Issuing Bank's capital or on the capital of such Lender's or the Issuing Bank's holding company, if any, as a consequence of any Loan Document or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by the Issuing Bank, to a level below that which such Lender or the Issuing Bank or such Lender's or the Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or the Issuing Bank's policies and the policies of such Lender's or the Issuing Bank's holding company with respect to capital adequacy and liquidity), then from time to time the Borrower will, following receipt of a certificate from such Lender or the Issuing Bank in accordance with clause (c) of this Section 2.15, pay to such Lender or the Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or the Issuing Bank or such Lender's or Issuing Bank's holding company for any such reduction suffered.

(c)A certificate of a Lender or the Issuing Bank setting forth the amount or amounts necessary to compensate such Lender or the Issuing Bank or its holding company, as the case may be, as specified in paragraph (a)or (b) of this Section 2.15 shall be delivered to the Borrower and shall be conclusive absent manifest error; *provided*, that in each case such Lender or Issuing Bank shall determine such amount or amounts in good faith and in a manner generally consistent with such Lender's or Issuing Bank's treatment of similarly situated borrowers of such Lender or Issuing Bank (with respect to similarly affected commitments, loans or participations under agreements having provisions similar to this Section 2.15) after consideration of such factors as such Lender or Issuing Bank then reasonably determines to be relevant. The Borrower shall pay such Lender or the Issuing Bank, as the case may be, the amount shown as due on any such certificate within fifteen (15) days after receipt thereof.

(d)Failure or delay on the part of any Lender or the Issuing Bank to demand compensation pursuant to this Section 2.15 shall not constitute a waiver of such Lender's or the Issuing Bank's right to demand such compensation; *provided* that the Borrower shall not be required to compensate a Lender or the Issuing Bank pursuant to this Section 2.15 for any increased costs or reductions incurred more than 270 days prior to the date that such Lender or the Issuing Bank, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or the Issuing Bank's intention to claim compensation therefor by delivery of a certificate in accordance with clause (c) of this Section 2.15; *provided further* that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 270-day period referred to above shall be extended to include the period of retroactive effect thereof.

SECTION 2.16 Break Funding Payments. In the event of (a) the payment of any principal of any Eurodollar Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default or as a result of any prepayment pursuant to Section 2.11), (b) the conversion of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Eurodollar Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.11(b) and is revoked in accordance therewith), or (d) the assignment of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.19, then, in any such event, after receipt of a written request by such Lender (which request shall set forth the basis for requesting such amount and, absent manifest error, the amount requested shall be conclusive), the Borrower shall compensate such Lender for the loss, cost and expense attributable to such event, but excluding any losses of anticipated profits. In the case of a Eurodollar Loan, such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Loan had such event not occurred, at the Adjusted LIBO Rate that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan), over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for dollar deposits of a comparable amount and period from other banks in the eurodollar market, but excluding any losses of anticipated profits. A certificate of any Lender setting forth the amount or amounts that such Lender is entitled to receive pursuant to this Section 2.16, showing in reasonable detail the basis for the calculation thereof, shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within fifteen (15) days after receipt thereof.

SECTION 2.17 Payments Free of Taxes.

(a)All payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable withholding agent) requires the deduction or withholding of any Tax from any such payment by a withholding agent, then the applicable withholding agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 2.17) the applicable Lender (or, in the case of any amount received by the Administrative Agent for its own account, the Administrative Agent) receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) Payment of Other Taxes by the Loan Parties. The Loan Parties shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for, Other Taxes.

(c) Evidence of Payments. As soon as practicable after any payment of Taxes by any Loan Party to a Governmental Authority pursuant to this Section 2.17, such Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(d) Indemnification by the Loan Parties. The Loan Parties shall jointly and severally indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 2.17) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within ten (10) days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 9.04(c) relating to the maintenance of a Participant Register and (iii)any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to setoff and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to such Lender from any other source against any amount due to the Administrative Agent under this paragraph (e).

(f) Status of Lenders.

(i)Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.17(f)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Person:

(A)any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), an executed copy of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B)any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1)in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the U.S. is a party (x) with respect to payments of interest under any Loan Document, an executed copy of IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) an executed copy of IRS Form W-8ECI;

(3)in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit D-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10-percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) an executed copy of IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable; or

(4)to the extent a Foreign Lender is not the beneficial owner, an executed copy of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, a U.S. Tax Compliance Certificate substantially in the form of Exhibit D-2 or Exhibit D-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit D-4 on behalf of each such direct and indirect partner;

(C)any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D)if a payment made to a Recipient under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Recipient were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Recipient shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Recipient has complied with such Recipient's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(g) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.17 (including by the payment of additional amounts pursuant to this Section 2.17), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 2.17 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (g) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (g), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (g) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph (g) shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(h) Survival. Each party's obligations under this Section 2.17 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

(i) Defined Terms. For purposes of this Section 2.17, the term "Lender" includes any Issuing Bank and the term "applicable law" includes FATCA.

SECTION 2.18 Payments Generally; Allocation of Proceeds; Pro Rata Treatment; Sharing of Set-offs.

(a)The Borrower shall make each payment required to be made by it hereunder (whether of principal, interest, fees or reimbursement of LC Disbursements, or of amounts payable under Section 2.15, 2.16 or 2.17, or otherwise) at or prior to the time expressly required hereunder (or, if not such time is expressly required, no later than 1:00 p.m., New York City time), on the date when due, in immediately available funds, without set off, recoupment or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at its offices at 270 Park Avenue, New York, New York, except payments to be made directly to the Issuing Banks as expressly provided herein and except that payments pursuant to Sections 2.15, 2.16, 2.17 and 9.03 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in dollars.

(b)Any proceeds of Collateral received by the Administrative Agent (i) not constituting either (A) a specific payment of principal, interest, fees or other sum payable under the Loan Documents (which shall be applied as specified by the Borrower), or (B) a mandatory prepayment (which shall be applied in accordance with Section 2.11) or (ii) after an Event of Default has occurred and is continuing and the Administrative Agent so elects or the Required Lenders so direct, shall be applied ratably first, to pay any fees, indemnities, or expense reimbursements then due to the Administrative Agent and the Issuing Bank from the Borrower (other than in connection with Banking Services Obligations or Swap Agreement Obligations), second, to pay any fees, indemnities, or expense reimbursements then due to the Lenders from the Borrower (other than in connection with Banking Services Obligations or Swap Agreement Obligations), third, to pay interest then due and payable on the Loans ratably, fourth, to prepay principal on the Loans and unreimbursed LC Disbursements and to pay any amounts owing in respect of Swap Agreement Obligations and Banking Services Obligations up to and including the amount most recently provided to the Administrative Agent pursuant to Section 2.22, ratably, fifth, to pay an amount to the Administrative Agent equal to one hundred five percent (105%) of the aggregate LC Exposure, to be held as cash collateral for such Obligations, and sixth, to the payment of any other Secured Obligation due to the Administrative Agent or any Lender from the Borrower or any other Loan Party. Notwithstanding anything to the contrary contained in this Agreement, unless so directed by the Borrower, or unless an Event of Default is in existence, neither the Administrative Agent nor any Lender shall apply any payment which it receives to any Eurodollar Loan, except (i) on the expiration date of the Interest Period applicable thereto, or (ii) in the event, and only to the extent, that there are no outstanding ABR Loans and, in any such event, the Borrower shall pay the break funding payment required in accordance with Section 2.16. The Administrative Agent and the Lenders shall have the continuing and exclusive right to apply and reverse and reapply any and all such proceeds and payments to any portion of the Secured Obligations. Notwithstanding the foregoing, Secured Obligations arising under Banking Services Obligations or Swap Agreement Obligations shall be excluded from the application described above and paid in clause sixth if the Administrative Agent has not received written notice thereof, together with such supporting documentation as the Administrative Agent may have reasonably requested from the applicable provider of such Banking Services or Swap Agreements.

(c)At the election of the Administrative Agent during the continuance of an Event of Default, all payments of principal, interest, LC Disbursements, fees, premiums, reimbursable expenses (including, without limitation, all reimbursement for fees, costs and expenses pursuant to Section 9.03), and other sums payable under the Loan Documents, may be paid from the proceeds of Borrowings made hereunder, whether made following a request by the Borrower pursuant to Section 2.03 or a deemed request as provided in this Section, or may be deducted from any deposit account of the Borrower maintained with the Administrative Agent. The Borrower hereby irrevocably authorizes, during the continuance of an Event of Default, (i) the Administrative Agent to make a Borrowing for the purpose of paying each payment of principal, interest and fees as it becomes due and payable hereunder or any other amount due and payable under the Loan Documents and agrees that all such amounts charged shall constitute Loans, and that all such Borrowings shall be deemed to have been requested pursuant to Section 2.03, and (ii) the Administrative Agent to charge any deposit account of the Borrower maintained with the Administrative Agent for each payment of principal, interest and fees as it becomes due and payable hereunder or any other amount due and payable under the Loan Documents.

(d)If any Lender shall, by exercising any right of set off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or participations in LC Disbursements resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and participations in LC Disbursements and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans and participations in LC Disbursements of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and participations in LC Disbursements; *provided* that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in LC Disbursements to any assignee or participant, other than to the Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(e)Unless the Administrative Agent shall have received, prior to any date on which any payment is due to the Administrative Agent for the account of the Lenders or the Issuing Bank pursuant to the terms hereof or any other Loan Document (including any date that is fixed for prepayment by notice from the Borrower to the Administrative Agent pursuant to Section 2.11(c)), notice from the Borrower that the Borrower will not make such payment or prepayment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the Issuing Bank, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders or the Issuing Bank, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or Issuing Bank with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(f)The Administrative Agent may from time to time provide the Borrower with account statements or invoices with respect to any of the Secured Obligations (the "Statements"). The Administrative Agent is under no duty or obligation to provide Statements, which, if provided, will be solely for the Borrower's convenience. Statements may contain estimates of the amounts owed during the relevant billing period, whether of principal, interest, fees or other Secured Obligations. If the Borrower pays the full amount indicated on a Statement on or before the due date indicated on such Statement, the Borrower shall not be in default of payment with respect to the billing period indicated on such Statement; provided that acceptance by the Administrative Agent, on behalf of the Lenders, of any payment that is less than the total amount actually due at that time (including but not limited to any past due amounts) shall not constitute a waiver of the Administrative Agent's or the Lenders' right to receive payment in full at another time.

SECTION 2.19 Mitigation Obligations; Replacement of Lenders.

(a)If any Lender requests compensation under Section 2.15, or if the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Sections 2.15 or 2.17, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable and documented out-of-pocket costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b)If (i) any Lender requests compensation under Section 2.15, (ii) the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, or (iii) any Lender becomes a Defaulting Lender or a Non-Consenting Lender, then, in each case, the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights (other than its existing rights to payments pursuant to Sections 2.15 or 2.17) and obligations under the Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); *provided* that (i) to the extent required under Section 9.04, the Borrower shall have received the prior written consent of the Administrative Agent (and if a Commitment is being assigned, the Issuing Bank), which consent shall not unreasonably be withheld or delayed, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and funded participations in LC Disbursements, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts), (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.15 or payments required to be made pursuant to Section 2.17, such assignment will result in a reduction in such compensation or payments, and (iv) in the case of any assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation permanently cease to apply. Each party hereto agrees that (i) an assignment and delegation required pursuant to this paragraph may be effected pursuant to an Assignment and Assumption executed by the Borrower, the Administrative Agent and the assignee (or, to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to an Approved Electronic Platform as to which the Administrative Agent and such parties are participants), and (ii) the Lender required to make such assignment and delegation need not be a party thereto in order for such assignment to be effective and shall be deemed to have consented to and be bound by the terms thereof; provided that, following the effectiveness of any such assignment, the other parties to such assignment agree to execute and deliver such documents necessary to evidence such assignment as reasonably requested by the applicable Lender, provided further that any such documents shall be without recourse to or warranty by the parties thereto.

SECTION 2.20 Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) fees shall cease to accrue on the unfunded portion of the Commitment of such Defaulting Lender pursuant to Section 2.12(a);

(b)any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Section 2.18(b) or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 9.08 shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; *second*, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to any Issuing Bank hereunder; *third*, to cash collateralize the Issuing Banks' LC Exposure with respect to such Defaulting Lender in accordance with this Section 2.20;*fourth*, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *fifth*, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (y)cash collateralize the Issuing Banks' future LC Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with this Section 2.20; *sixth*, to the payment of any amounts owing to the Lenders, the Issuing Banks as a result of any judgment of a court of competent jurisdiction obtained by any Lender, the Issuing Banks against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement or under any other Loan Document; *seventh*, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement or under any other Loan Document; and *eighth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; *provided* that if (x) such payment is a payment of the principal amount of any Loans or LC Disbursements in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 4.02 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and LC Disbursements owed to, all non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or LC Disbursements owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in the Borrower's obligations corresponding to such Defaulting Lender's LC Exposure are held by the Lenders pro rata in accordance with the Commitments without giving effect to clause (d) below. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post cash collateral pursuant to this Section 2.20 shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(c)the Commitment and Credit Exposure of such Defaulting Lender shall not be included in determining whether all Lenders or the Required Lenders, as applicable, have taken or may take any action hereunder (including any consent to any amendment, waiver or other modification pursuant to Section 9.02) and such Defaulting Lender shall not be entitled to vote thereon; *provided* that any amendment, waiver or other modification requiring the consent of all Lenders or each affected Lender affected which affects such Defaulting Lender disproportionately when compared to the other affected Lenders, or increases or extends the Commitment of such Defaulting Lender, shall require the consent of such Defaulting Lender;

(d) if any LC Exposure exists at the time such Lender becomes a Defaulting Lender and such Lender is a Lender then:

(i) all or any part of the LC Exposure of such Defaulting Lender shall be reallocated among the non-Defaulting Lenders in accordance with their respective Applicable Percentages but only (x) to the extent that such reallocation does not, as to any non-Defaulting Lender, cause such non-Defaulting Lender's Credit Exposure to exceed its Commitment and (y) if the conditions set forth in Section 4.02 are satisfied at such time;

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Borrower shall within one (1) Business Day following notice by the Administrative Agent, cash collateralize for the benefit of the Issuing Bank only the Borrower's obligations corresponding to such Defaulting Lender's LC Exposure (after giving effect to any partial reallocation pursuant to clause (i) above) in accordance with the procedures set forth in Section 2.06(j) for so long as such LC Exposure is outstanding;

(iii) if the Borrower cash collateralizes any portion of such Defaulting Lender's LC Exposure pursuant to clause (ii) above, the Borrower shall not be required to pay any fees to such Defaulting Lender pursuant to Section 2.12(b) with respect to such Defaulting Lender's LC Exposure during the period such Defaulting Lender's LC Exposure is cash collateralized;

(iv) if the LC Exposure of the non-Defaulting Lenders is reallocated pursuant to clause (i) above, then the fees payable to the Lenders pursuant to Section 2.12(a) and 2.12(b) shall be adjusted in accordance with such non-Defaulting Lenders' Applicable Percentages; and

(v) if all or any portion of such Defaulting Lender's LC Exposure is neither reallocated nor cash collateralized pursuant to clause (i) or (ii) above, then, without prejudice to any rights or remedies of the Issuing Bank or any other Lender hereunder, all letter of credit fees payable under Section 2.12(b) with respect to such Defaulting Lender's LC Exposure shall be payable to the Issuing Bank until and to the extent that such LC Exposure is reallocated and/or cash collateralized; and

(e)so long as such Lender is a Defaulting Lender and a Lender, the Issuing Bank shall not be required to issue, amend or increase any Letter of Credit, unless it is satisfied that the related exposure and such Defaulting Lender's then outstanding LC Exposure will be 100% covered by the Commitments of the non-Defaulting Lenders and/or cash collateral will be provided by the Borrower in accordance with Section 2.20(d), and LC Exposure related to any newly issued or increased Letter of Credit shall be allocated among non-Defaulting Lenders in a manner consistent with Section 2.20(d)(i) (and such Defaulting Lender shall not participate therein).

If (i) a Bankruptcy Event or a Bail-In Action with respect to a Lender Parent shall occur following the date hereof and for so long as such event shall continue or (ii) any Issuing Bank has a good faith belief that any Lender has defaulted in fulfilling its obligations under one or more other agreements in which such Lender commits to extend credit, the Issuing Bank shall not be required to issue, amend or increase any Letter of Credit, unless the Issuing Bank, as the case may be, shall have entered into arrangements with the Borrower or such Lender, satisfactory to each Issuing Bank, as the case may be, to defease any risk to it in respect of such Lender hereunder.

In the event that the Administrative Agent, the Borrower and each Issuing Bank each agrees that a Defaulting Lender that is a Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the LC Exposure of the Lenders shall be readjusted to reflect the inclusion of such Lender's Commitment and on such date such Lender shall purchase at par such of the Loans of the other Lenders as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Applicable Percentage.

SECTION 2.21 Returned Payments. If, after receipt of any payment which is applied to the payment of all or any part of the Obligations (including a payment effected through exercise of a right of setoff), the Administrative Agent or any Lender is for any reason compelled to surrender such payment or proceeds to any Person because such payment or application of proceeds is invalidated, declared fraudulent, set aside, determined to be void or voidable as a preference, impermissible setoff, or a diversion of trust funds, or for any other reason (including pursuant to any settlement entered into by the Administrative Agent or such Lender in its discretion), then the Obligations or part thereof intended to be satisfied shall be revived and continued and this Agreement shall continue in full force as if such payment or proceeds had not been received by the Administrative Agent or such Lender. The provisions of this Section 2.21 shall be and remain effective notwithstanding any contrary action which may have been taken by the Administrative Agent or any Lender in reliance upon such payment or application of proceeds. The provisions of this Section 2.21 shall survive the termination of this Agreement.

SECTION 2.22 Expansion Option; Incremental Facilities.

(a)The Borrower may from time to time elect to increase the Commitments in a minimum amount of $5,000,000 and an integral multiple of $1,000,000 in excess thereof so long as, after giving effect thereto, the aggregate amount of all such Commitment increases does not exceed $50,000,000. Each request from the Borrower pursuant to this Section 2.22 shall set forth the requested amount and proposed terms of the relevant Commitment increase. The Borrower may arrange for any such Commitment increase to be provided by one or more Lenders (each Lender so agreeing to an increase in its Commitment, an "***Increasing Lender***"), or by one or more new banks, financial institutions or other entities (each such new bank, financial institution or other entity, an "***Augmenting Lender***"), to increase the existing Commitments; *provided*, that (i) each Augmenting Lender (other than any Affiliate of an existing Lender) shall, to the extent required by Section 9.04, be subject to the approval of the Administrative Agent and the Issuing Bank, which approvals shall not be unreasonably withheld, conditioned or delayed, and (ii) (A) in the case of an Increasing Lender, the Borrower and such Increasing Lender execute an agreement substantially in the form of Exhibit E, and (B) in the case of an Augmenting Lender, the Borrower and such Augmenting Lender execute an agreement substantially in the form of Exhibit F hereto. No existing Lender shall have any obligation or be required to provide any Commitment increase unless it expressly so agrees. No consent of any Lender (other than the Lenders participating in such Commitment increase) shall be required for any such increase pursuant to this Section 2.22.

(b)Commitment increases created pursuant to this Section 2.22 shall become effective on the date agreed by the Borrower, the Administrative Agent and the relevant Increasing Lenders or Augmenting Lenders, and the Administrative Agent shall notify each Lender thereof. Notwithstanding the foregoing, no increase in the Commitments (or in the Commitment of any Lender) shall become effective under this paragraph unless (i) on the proposed date of the effectiveness of such Commitment increase: (A) (1) the representations and warranties of the Borrower set forth in this Agreement are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representation or warranty to the extent that it is already qualified or modified by materiality in the text thereof) as of such date; and (2) no Default exists on such date; and (B) the Borrower shall be in compliance on a Pro Forma Basis with the financial covenant set forth in Section 6.10, recomputed (1) as if such Commitment increase (and the application of proceeds thereof to the repayment of any other Indebtedness) had occurred on the first day of the Reference Period then most recently ended for which the Borrower has delivered Financial Statements (treating all such Commitment increases as fully drawn), and (2) with Consolidated Funded Debt measured as of the date of and immediately after giving effect to any funding in connection with such Commitment increase (and the application of proceeds thereof to the repayment of any other Indebtedness) and (3) with Consolidated EBITDA measured for the Reference Period then most recently ended for which the Borrower has delivered Financial Statements; and (ii) solely to the extent the Borrower in its sole discretion has agreed to pay additional fees to the Administrative Agent or the Lenders in connection with such Commitment increase, the Borrower shall have paid to the Administrative Agent and the Lenders such fees; *provided*, *however*, that the conditions set forth in clauses (i) and (ii) shall be subject to Section 5.10.

(c) On the effective date of any increase in the Commitments, (i) to the extent applicable, each relevant Increasing Lender and Augmenting Lender shall make available to the Administrative Agent such amounts in immediately available funds as the Administrative Agent shall determine, for the benefit of the other Lenders, as being required in order to cause, after giving effect to such Commitment increase and the use of such amounts to make payments to such other Lenders, each Lender's portion of the outstanding Loans of all the Lenders to equal its Applicable Percentage of such outstanding Loans and (ii) the Borrower shall be deemed to have repaid and reborrowed all outstanding Loans as of the date of any increase in the Commitments (with such reborrowing to consist of the Types of Loans, with related Interest Periods if applicable, specified in a notice delivered by the Borrower, in accordance with the requirements of Section 2.03). The deemed payments made pursuant to clause (ii) of the immediately preceding sentence shall be accompanied by payment of all accrued interest on the amount prepaid and, in respect of each Eurodollar Loan, shall be subject to indemnification by the Borrowers pursuant to the provisions of Section 2.16 if the deemed payment occurs other than on the last day of the related Interest Periods. The terms (including interest, fees and amortization) of any increase in the Commitments shall be the same as those of the existing Commitments.

(d) The Borrower and the Administrative Agent may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent, to effect the provisions of this Section 2.22. Nothing contained in this Section 2.22 shall constitute, or otherwise be deemed to be, a commitment on the part of any Lender to increase its Commitment hereunder at any time.

SECTION 2.23 Banking Services and Swap Agreements. Each Lender or Affiliate thereof providing Banking Services for, or having Swap Agreements with, any Loan Party or any Subsidiary shall deliver to the Administrative Agent, promptly after entering into such Banking Services or Swap Agreements, written notice setting forth the aggregate amount of all Banking Services Obligations and Swap Agreement Obligations of such Loan Party or Subsidiary thereof to such Lender or Affiliate (whether matured or unmatured, absolute or contingent). In furtherance of that requirement, each such Lender or Affiliate thereof shall furnish the Administrative Agent, from time to time after a significant change therein or upon a request therefor, a summary of the amounts due or to become due in respect of such Banking Services Obligations and Swap Agreement Obligations. The most recent information provided to the Administrative Agent shall be used in determining which tier of the waterfall, contained in Section 2.18(b), such Banking Services Obligations and/or Swap Agreement Obligations will be placed.

ARTICLE III.
Representations and Warranties

The Borrower and each other Loan Party represents and warrants to the Lenders that:

SECTION 3.01 Organization; Powers. Each of the Borrower and its Subsidiaries is duly organized or incorporated, validly existing and in good standing under the laws of the jurisdiction of its organization or incorporation, has all requisite power and authority to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required.

SECTION 3.02 Authorization; Enforceability. The Transactions are within each Loan Party's organizational or constitutional powers and have been duly authorized by all necessary organizational and, if required, stockholder or other equity holder action. Each Loan Document to which each Loan Party is a party has been duly executed and delivered by such Loan Party and constitutes a legal, valid and binding obligation of such Loan Party, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.03 Governmental Approvals; No Conflicts. The Transactions (i) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect, except for filings necessary to perfect Liens created pursuant to the Loan Documents and except as would not reasonably be expected to result in a Material Adverse Effect, (ii) will not violate in any respect any applicable law or regulation or the charter, by-laws or other organizational or constitutional documents of the Borrower or any of its Subsidiaries or any order of any Governmental Authority except as would not reasonably be expected to result in a Material Adverse Effect, (iii) will not violate or result in a default under any indenture, agreement or other instrument binding upon the Borrower or any of its Subsidiaries or its assets, or give rise to a right thereunder to require any payment to be made by the Borrower or any of its Subsidiaries except as would not reasonably be expected to result in a Material Adverse Effect, and (iv) will not result in the creation or imposition of any Lien on any asset of the Borrower or any of its Subsidiaries (other than Liens created pursuant to or otherwise permitted under the Loan Documents).

SECTION 3.04 Financial Condition; No Material Adverse Change.

(a) The Borrower has heretofore furnished to the Lenders its consolidated balance sheet and statements of income, stockholders equity and cash flows (i) as of and for the fiscal year ended December 31, 2018, reported on by its independent public accountants and (ii) as of and for the fiscal month and the portion of the fiscal year ended December 31, 2019. All such financial statements are prepared in accordance with GAAP applied on a consistent basis throughout the periods specified and present fairly the financial position of the Borrower and its Subsidiaries as of such dates and the results of the operations and cash flows of the Borrower and its Subsidiaries for such periods, in all material respects.

(b) Since December 31, 2018, there has been no event, development or circumstance that, individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect.

SECTION 3.05 Properties; Intellectual Property.

(a) As of the date of this Agreement, Schedule 3.05 sets forth the address of each parcel of real property that is owned or leased by any Loan Party. Each of the Borrower and its Subsidiaries has good title to, or valid leasehold interests in, all its real and personal property material to its business, except (x) for defects in title that do not interfere with its ability to conduct its business as conducted from time to time or to utilize such properties for their intended purposes and (y) to the extent encumbered by Liens permitted under the Loan Documents.

(b) A correct and complete list of all intellectual property owned by any Loan Party or any Subsidiary that is registered or applied for with the United States Patent and Trademark Office, the United States Copyright Office or any other similar government or administrative agency, as of the date of this Agreement, is set forth on Schedule 3.05. Each of the Borrower and its Subsidiaries owns, or is licensed to use, all trademarks, trade names, copyrights, patents, trade secrets and other intellectual property used in or otherwise necessary and material to its business as currently conducted, and the operation of their respective business by the Borrower and its Subsidiaries does not infringe upon or violate the rights of any other Person, except for any such infringements or violations that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.06 Litigation and Environmental Matters.

(a) There are no actions, suits, proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of the Borrower, threatened in writing against or affecting the Borrower or any of its Subsidiaries (i) as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, would reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect (other than the Disclosed Matters) or (ii) that involve any Loan Document or the Transactions.

(b) Except for the Disclosed Matters (i) no Loan Party nor any of its Subsidiaries has received written notice of any claim with respect to any Environmental Liability or knows of any basis for any such Environmental Liability, in each case, except as would not reasonably be expected to result in a Material Adverse Effect and (ii) except with respect to any other matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, no Loan Party nor any of its Subsidiaries (1) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law or (2) has become subject to any Environmental Liability.

(c) Since the date of this Agreement, there has been no change in the status of the Disclosed Matters that, individually or in the aggregate, has resulted in, or materially increased the likelihood of, a Material Adverse Effect.

SECTION 3.07 Compliance with Laws and Agreements. Each of the Borrower and its Subsidiaries is in compliance with all laws, regulations and orders of any Governmental Authority applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.08 Investment Company Status. Neither the Borrower nor any of its Subsidiaries is an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940.

SECTION 3.09 Taxes. Each Loan Party and each Subsidiary has timely filed or caused to be filed all U.S. federal income and all other material Tax returns and reports required to have been filed and has paid or caused to be paid all material Taxes (including withholding Taxes) required to have been paid by it, except Taxes that are being contested in good faith by appropriate proceedings and for which such Loan Party or such Subsidiary has set aside on its books adequate reserves in accordance with GAAP. No claims or investigations are being or, to the knowledge of any Loan Party, reasonably likely to be, made or conducted against any Loan Party with respect to Taxes except as would not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.10 ERISA.

(a) No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect. The present value of all accumulated benefit obligations under each Plan (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed the fair market value of the assets of such Plan.

(b) As of the Effective Date, the Borrower is not and will not be using "plan assets" (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) of one or more Benefit Plans in connection with the Loans, the Letters of Credit or the Commitments.

SECTION 3.11 Disclosure.

(a) No written information of a factual nature other than the projections, other forward-looking information and information of a general economic or industry specific nature furnished by or by a representative of the Borrower on behalf of the Borrower or any of its Subsidiaries in connection with this Agreement or any other Loan Document (as modified or supplemented by other information so furnished) when taken as a whole contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, when taken as a whole, not materially misleading in light of the circumstances under which such statements are made; *provided* that, with respect to any projections, other forward-looking information and information of a general economic or industry specific nature, the Borrower represents only that such projections, other forward-looking information and information of a general economic or industry specific nature were prepared in good faith based upon assumptions believed by the Borrower to be reasonable at the time delivered and, if such projections were delivered prior to the Effective Date, as of the Effective Date, it being recognized by Lenders that any such projections other forward-looking information and information of a general economic or industry specific nature are subject to significant uncertainties and contingencies, many of which are beyond the Loan Parties' control, that no assurance can be given that any particular projections will be realized and that actual results may differ and that such differences may be material and are not a guarantee of performance.

(b) As of the Effective Date, to the best knowledge of the Borrower, the information included in the Beneficial Ownership Certification provided on or prior to the Effective Date to any Lender in connection with this Agreement is true and correct in all material respects.

SECTION 3.12 No Default. No Default or Event of Default exists or would result from the incurrence by the Borrower or any Subsidiary of any Obligations hereunder or under any other Loan Document.

SECTION 3.13 Solvency. The Borrower and the Subsidiaries, on a consolidated basis, are Solvent.

SECTION 3.14 Insurance. Schedule 3.14 sets forth a description of all insurance maintained by or on behalf of the Loan Parties and the Subsidiaries as of the Effective Date. The Borrower believes that the insurance maintained by or on behalf of the Borrower and its Subsidiaries is adequate and customary for companies engaged in the same or similar businesses of similar size operating in the same or similar locations.

SECTION 3.15 Capitalization and Subsidiaries. As of the Effective Date, Schedule 3.15 is a complete list of each of the Borrower's Subsidiaries and such Subsidiary's jurisdiction of incorporation. All of the issued and outstanding Equity Interests owned by any Loan Party in each of its Subsidiaries have been (to the extent such concepts are relevant with respect to such ownership interests) duly authorized and issued and are fully paid and non-assessable.

SECTION 3.16 Security Interest in Collateral. The provisions of this Agreement and the other Loan Documents create legal and valid Liens on and security interests in, all the Collateral purported to be secured by the Collateral Documents in favor of the Administrative Agent, for the benefit of the Secured Parties, and such Liens constitute perfected and continuing Liens on the Collateral, securing the Secured Obligations, enforceable against the applicable Loan Party and all third parties, and having priority over all other Liens on the Collateral except (i) Permitted Encumbrances to the extent any such Permitted Encumbrances would have priority over the Liens in favor of the Administrative Agent pursuant to any applicable law, (ii) Liens perfected only by possession (including possession of any certificate of title), but only to the extent the Administrative Agent has not obtained or does not maintain possession of such Collateral and (iii) any other Liens not required to be perfected under the Loan Documents or by the Administrative Agent.

SECTION 3.17 Employment Matters. There are no strikes, lockouts or slowdowns against any Loan Party or any Subsidiary pending or, to the knowledge of the Loan Parties, threatened in writing that could reasonably be expected to result in a Material Adverse Effect. The hours worked by and payments made to employees of the Loan Parties and the Subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable federal, state, local or foreign law dealing with such matters in a manner resulting in liabilities that could reasonably be expected to result in a Material Adverse Effect. All payments due from any Loan Party or any Subsidiary, or for which any claim may be made against any Loan Party or any Subsidiary, on account of wages and employee health and welfare insurance and other benefits, have been paid or accrued as a liability on the books of the Loan Party or such Subsidiary to the extent required by GAAP.

SECTION 3.18 Margin Regulations. No Loan Party is engaged and will not engage, principally or as one of its important activities, in the business of purchasing or carrying Margin Stock, or extending credit for the purpose of purchasing or carrying Margin Stock, and no part of the proceeds of any Borrowing or Letter of Credit hereunder will be used to buy or carry any Margin Stock. Following the application of the proceeds of each Borrowing or drawing under each Letter of Credit, not more than 25% of the value of the assets (either of any Loan Party only or of the Loan Parties and their Subsidiaries on a consolidated basis) will be Margin Stock.

SECTION 3.19 Anti-Corruption and Anti-Terrorism Laws and Sanctions.

(a) Each Loan Party has implemented and maintains in effect policies and procedures designed to ensure compliance by such Loan Party, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and such Loan Party, its Subsidiaries and their respective officers and directors and, to the knowledge of such Loan Party, its employees and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of (a) any Loan Party, any Subsidiary, any of their respective directors or officers or employees, or (b) to the knowledge of any such Loan Party or Subsidiary, any agent of such Loan Party or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No Borrowing or Letter of Credit, use of proceeds, Transaction or other transaction contemplated by this Agreement or the other Loan Documents will violate Anti-Corruption Laws or applicable Sanctions.

(b) Use of Proceeds. The proceeds of the Loans will be used only (i) to pay fees, costs and expenses incurred in connection with the Transactions and (ii) for working capital and other general corporate purposes of the Borrower and the Subsidiaries (including the financing of Permitted Acquisitions, Capital Expenditures, Investments, Restricted Payments and the refinancing of Indebtedness, in each case, not prohibited by the Loan Documents).

SECTION 3.20 Federal Reserve Regulations. Neither the Borrower nor any Subsidiary is engaged principally, or as one of its important activities, in the business of extending credit for the purpose, whether immediate, incidental or ultimate, of buying or carrying margin stock (as defined in Regulation U of the Board), and no part of the proceeds of any Loan will be used, directly or indirectly, to buy or carry, or to extend credit to others to buy or carry, any margin stock or for any other purpose that entails a violation of any Regulations of the Board, including Regulations T, U and X.

SECTION 3.21 EEA Financial Institution. No Loan Party is an EEA Financial Institution.

SECTION 3.22 Plan Assets; Prohibited Transactions. None of the Loan Parties or any of their Subsidiaries is an entity deemed to hold "plan assets" (within the meaning of the Plan Asset Regulations), and neither the execution, delivery nor performance of the transactions contemplated under this Agreement, including the making of any Loan and the issuance of any Letter of Credit hereunder, will give rise to a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, assuming that none of the Lenders use "plan assets" (within the meaning of the Plan Asset Regulations) of one or more Benefit Plans in connection with the Loans or the Letters of Credit.

ARTICLE IV.
Conditions

SECTION 4.01 Effective Date. The obligations of the Lenders hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 9.02):

(a) The Administrative Agent (or its counsel) shall have received from each party hereto either (i) a counterpart of this Agreement signed on behalf of such party or (ii) written evidence satisfactory to the Administrative Agent (which may include telecopy transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement.

(b) The Administrative Agent (or its counsel) shall have received:

(i) subject to Section 5.13 from the Loan Parties executed counterparts of the Collateral Documents set forth on Schedule 4.01(b) to be entered into on and as of the Effective Date and prior to the funding of any Loans on the Effective Date;

(ii) from the Borrower, a Note executed by the Borrower for each Lender requesting a Note at least two (2) Business Days prior to the Effective Date;

(iii) with respect to each Loan Party, UCC-1 financing statements in a form appropriate for filing in the state of organization of such Loan Party;

(iv) delivery of original stock or share certificates for certificated Equity Interests of each Subsidiary that constitutes Collateral, together with appropriate duly executed instruments of transfer endorsed in blank;

(v) all promissory notes evidencing the Collateral accompanied by instruments of transfer endorsed in blank;

(vi) an executed Perfection Certificate;

(vii) the results of a recent lien search in the jurisdiction of organization of each Loan Party and its respective Subsidiaries and each jurisdiction where assets of each Loan Party and its respective Subsidiaries are located, and the results of search reports in respect of the intellectual property of each Loan Party and its Subsidiaries, and such search shall reveal no Liens on any of the assets of such Loan Parties and its Subsidiaries except for liens permitted by Section 6.02 or discharged on or prior to the Effective Date pursuant to a pay-off letter or other documentation reasonably satisfactory to the Administrative Agent; and

(viii) insurance certificates satisfying the requirements of Section 5.05.

(c) The Administrative Agent shall have received a favorable written opinion (addressed to the Administrative Agent and the Lenders and dated the Effective Date) of Goodwin Procter LLP, counsel for the Loan Parties, and covering such matters relating to the Loan Parties, this Agreement, or other Loan Documents as the Administrative Agent shall reasonably request.

(d) The Administrative Agent shall have received: (i) a copy of each organizational or constitutional document of each Loan Party and, to the extent applicable, certified as of a recent date by the appropriate governmental official; (ii) signature and incumbency certificates of the officers of the Loan Parties executing the Loan Documents to which it is a party as of the Effective Date and prior to the funding of any Borrowing as of the Effective Date; (iii) resolutions of the board of directors (or, if applicable, shareholders) or similar governing body of each Loan Party approving and authorizing the execution, delivery and performance of this Agreement and the other Loan Documents to which such Loan Party is a party as of the Effective Date and prior to the funding of the any Borrowing, certified as of the Effective Date by such Loan Party as being in full force and effect without modification or amendment; and (iv) a good standing certificate (to the extent such concept is known in the relevant jurisdiction) from the applicable Governmental Authority of each Loan Party's respective jurisdiction of incorporation, organization or formation dated as of a recent date prior to the Effective Date.

(e) The Administrative Agent shall have received all fees due and payable on or prior to the Effective Date, and, to the extent invoiced at least one day prior to the Effective Date, shall have been reimbursed for all out of pocket expenses (including legal fees and expenses) required to be reimbursed by the Borrower hereunder.

(f) The Administrative Agent shall have received a Borrowing Request relating to the Borrowing on the Effective Date (to the extent applicable).

(g) The Administrative Agent shall have received a Solvency Certificate.

(h) (A) The Administrative Agent shall have received at least five (5) days prior to the Effective Date all documentation and other information with respect to the Borrower and the Guarantors required under applicable "know your customer" and anti-money laundering rules and regulations, including the USA Patriot Act, as the Administrative Agent and Lenders shall have reasonably requested prior to the Effective Date; and (B) to the extent the Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, at least five (5) days prior to the Effective Date, any Lender that has requested, prior to the Effective Date, a Beneficial Ownership Certification in relation to the Borrower shall have received such Beneficial Ownership Certification (*provided* that, upon the execution and delivery by such Lender of its signature page to this Agreement, the condition set forth in this clause (B) shall be deemed to be satisfied).

(i) The representations and warranties of the Borrower and each Loan Party set forth in this Agreement shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representation or warranty to the extent that it is already qualified or modified by materiality in the text thereof).

(j) No Default or Event of Default hereunder shall have occurred and be continuing.

(k) Since December 31, 2018, no Material Adverse Effect shall have occurred or exist, and there has been no event, development or circumstance that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

(l)The Administrative Agent shall have received a certificate of a Responsible Officer of Borrower certifying that each of the conditions specified in paragraphs (i), (j) and (k) of this Section 4.01 has been satisfied.

(m)The Administrative Agent shall have received (i) audited consolidated financial statements of the Borrower and its Subsidiaries for the fiscal years ended as of December 31, 2018 and December 31, 2017, and the related audited consolidated statements of income, shareholders' equity and cash flows of the Borrower and its Subsidiaries for such fiscal years and (ii) unaudited interim consolidated financial statements of the Borrower and its Subsidiaries for each fiscal quarter ended after the date of the latest applicable financial statements delivered pursuant to clause (i) of this paragraph as to which such financial statements are available, and such financial statements shall not, in the reasonable judgment of the Administrative Agent, reflect any material adverse change in the consolidated financial condition of the Borrower and its Subsidiaries, as reflected in the audited, consolidated financial statements described in clause (i) of this paragraph.

(n) [Intentionally Omitted].

(o)Each document (including any Uniform Commercial Code financing statement or federal intellectual property filings) required by the Collateral Documents or under law or reasonably requested by the Administrative Agent to be filed, registered or recorded in order to create in favor of the Administrative Agent, for the benefit of the Secured Parties, a perfected Lien on the Collateral described therein, prior and superior in right to any other Person (other than with respect to Liens expressly permitted by Section 6.02), shall be in proper form for filing, registration or recordation.

SECTION 4.02 Each Credit Event. The obligation of each Lender to make a Loan on the occasion of any Borrowing and of the Issuing Bank to issue, amend, renew or extend any Letter of Credit, in each case, is subject to the satisfaction of each of the following conditions:

(a) The representations and warranties of the Borrower and each Loan Party set forth in this Agreement or the other Loan Documents shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representation or warranty to the extent that it is already qualified or modified by materiality in the text thereof) on and as of the date of such Borrowing or the date of issuance, amendment, renewal or extension of such Letter of Credit, as applicable (except to the extent any such representation or warranty expressly relates to an earlier date, in which case, such representation or warranty shall be true and correct in all material respects as of such earlier date), and the Administrative Agent shall have received a certificate to that effect dated such date and executed by a Financial Officer of the Borrower.

(b) At the time of and immediately after giving effect to such Borrowing or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable, no Default or Event of Default shall have occurred and be continuing.

(c) The Administrative Agent shall have received a Borrowing Request meeting the requirements of Section 2.03.

Each Borrowing (*provided* that a conversion or a continuation of a Borrowing shall not constitute a "Borrowing" for purposes of this Section 4.02) and each issuance, amendment, renewal or extension of a Letter of Credit shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in paragraphs (a) and (b) of this Section 4.02.

ARTICLE V.
Affirmative Covenants

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been Paid in Full and all Letters of Credit shall have expired or terminated in each case, without any pending draw, and all LC Disbursements shall have been reimbursed (or cash collateralized in accordance with the terms herein), the Borrower covenants and agrees with the Lenders that:

SECTION 5.01 Financial Statements; and Other Information. The Borrower will furnish to the Administrative Agent (for distribution to the Lenders):

(a) within 120 days after the end of each fiscal year of the Borrower (beginning with the fiscal year ended December 31, 2019), its audited consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year (beginning with such reports delivered with respect to the fiscal year ending December 31, 2020), all reported on by independent public accountants of recognized national standing (without qualification, commentary or exception, and without any qualification or exception as to the scope of such audit other than a qualification resulting solely from an upcoming maturity date for the Loans occurring within one year from the time such opinion is delivered) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied;

(b) within 45 days (or 60 days in the case of the three fiscal quarters ending after the Effective Date for which delivery is required hereunder) after the end of each fiscal quarter of the Borrower (beginning with the fiscal quarter ending March 31, 2020), its consolidated balance sheet and related statements of operations and cash flows as of the end of and for such fiscal quarter and the then elapsed portion of such fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year (beginning with such reports that are delivered with respect to the fiscal quarter ending March 31, 2021), all certified by a Financial Officer as presenting fairly in all material respects the financial condition as of the date thereof and results of operations of the Borrower and its consolidated Subsidiaries on a consolidated basis for the periods covered thereby in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes;

(c) [intentionally omitted];

(d)concurrently with any delivery of financial statements under clause (a) or (b) above, a Compliance Certificate (i) certifying, in the case of the financial statements delivered under clause (b), that such financial statements present fairly in all material respects the financial condition and results of operations of the Borrower and its consolidated Subsidiaries on a consolidated basis as of the date thereof in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes, (ii) certifying as to whether a Default has occurred and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (iii) setting forth reasonably detailed calculations demonstrating compliance with Section 6.10 and (iv) setting forth the information required under the Security Agreement;

(e) [intentionally omitted];

(f)as soon as available, and in any event no later than 90 days after the end of each fiscal year of the Borrower and its Subsidiaries, a consolidated budget for the following fiscal year in each case in the form normally prepared and presented to management (collectively, the "***Projections***");

(g)promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of the Borrower or any Subsidiary, or compliance with the terms any Loan Document, as the Administrative Agent (or any Lender through the Administrative Agent) may reasonably request and to the extent reasonably available to the Borrower; *provided*, none of the Borrower or any Subsidiary will be required to disclose or deliver information (i) in respect of which disclosure to the Administrative Agent or any Lender (or their respective representatives or contractors) is prohibited by any law, any fiduciary duty or by any binding agreement, (ii) that constitutes trade secrets or proprietary information or (iii) that is subject to attorney-client privilege or constitutes attorney work product; and

(h)promptly following any request therefor, information and documentation reasonably requested by the Administrative Agent or any Lender for purposes of compliance with applicable "know your customer" and anti-money laundering rules and regulations, including the USA Patriot Act and the Beneficial Ownership Regulation, as applicable.

SECTION 5.02 Notices of Material Events. The Borrower will furnish to the Administrative Agent (for distribution to the Lenders) prompt written notice of the following:

(a)Promptly upon becoming aware of the existence of any condition or event that constitutes a Default or Event of Default, written notice thereof specifying the nature and duration, thereof and the action being or proposed to be taken with respect thereto;

(b)Promptly upon becoming aware of any litigation or of any investigative proceedings by a Governmental Authority commenced or threatened in writing against the Borrower or any of its Subsidiaries of which they have notice, the outcome of which could reasonably be expected to have a Material Adverse Effect on the Borrower and its Subsidiaries on a consolidated basis, written notice thereof and the action being or proposed to be taken with respect thereto;

(c)Promptly upon becoming aware of the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in liability of the Borrower and its Subsidiaries in an aggregate amount exceeding the Threshold Amount;

(d)Promptly upon becoming aware of the existence of any casualty or other insured damage to any portion of the Collateral with a value in excess of the Threshold Amount or the commencement of any action or proceeding for the taking of any portion of the Collateral in excess of the Threshold Amount or interest therein under power of eminent domain or by condemnation or similar proceeding; and

(e)Promptly after any occurrence or after becoming aware of any condition affecting the Borrower or any Subsidiary that results in, or could reasonably be expected to result in, a Material Adverse Effect.

Each notice delivered under this Section 5.02 shall be accompanied by a statement of a Financial Officer or other executive officer of the Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 5.03 Existence; Conduct of Business. Each Loan Party will, and will cause each Subsidiary to, (a) do or cause to be done all things reasonably necessary to preserve, renew and keep in full force and effect its legal existence and the rights, qualifications, licenses, permits, franchises, governmental authorizations, intellectual property rights, licenses and permits material to the conduct of the Borrower's business when taken as a whole, and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted, except, in each case, where failure to maintain such requisite authority or failure to maintain such right, qualification, license, permit, franchise, governmental authorization, intellectual property right, license or permit would not reasonably be expected to result in a Material Adverse Effect; *provided* that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution permitted under Section 6.03 and (b) carry on and conduct its business in substantially the same manner and in substantially the same fields of enterprise as it is presently conducted or as are reasonably related, incidental, ancillary or complementary to or a natural extension of the same.

SECTION 5.04 Payment of Obligations. Each Loan Party will, and will cause each Subsidiary to, pay or discharge all U.S. federal and all other material Taxes, before the same shall become delinquent or in default (taking into account applicable grace periods), except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) such Loan Party or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (c) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect; *provided*, that each Loan Party will, and will cause each Subsidiary to, remit material withholding Taxes and other payroll Taxes to appropriate Governmental Authorities as and when due and payable, notwithstanding the foregoing exceptions.

SECTION 5.05 Maintenance of Properties. Each Loan Party will, and will cause each Subsidiary to, keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear and damage by fire or other casualty excepted.

SECTION 5.06 Books and Records; Inspection Rights. Each Loan Party will, and will cause each Subsidiary to, (a) keep proper books of record and account in which true and complete entries in all material respects in accordance with GAAP will be made reflecting all of its and its Subsidiaries business and financial transactions; *provided* that, it being understood and agreed that Foreign Subsidiaries may maintain individual books and records in conformity with generally accepted accounting principles that are applicable in their respective jurisdiction of organization, and (b) permit any representatives designated by the Administrative Agent on behalf of the Lenders (including employees of the Administrative Agent, any Lender or any consultants, accountants, lawyers, agents and appraisers retained by the Administrative Agent, in each case, who have signed a non-disclosure agreement in form and substance reasonably satisfactory to the Borrower), upon reasonable prior written notice, to visit and inspect its properties, to examine and make copies from its books and records, including to discuss its affairs, finances and condition with its officers, all at such reasonable times during Borrower's normal business hours and as often as reasonably requested. The Loan Parties acknowledge that the Administrative Agent, after exercising its rights of inspection, may prepare and distribute to the Lenders certain reports pertaining to the Loan Parties' assets for internal use by the Administrative Agent and the Lenders. In the absence of a continuing Event of Default only one such examination in any period of 12 consecutive calendar months shall be conducted (as coordinated by the Administrative Agent) and shall be at the Borrower's expense, and during the continuance of an Event of Default all such examinations shall be at the Borrower's expense (and may occur with greater frequency); *provided*, that any and all expenses incurred by a Lender pursuant to this Section 5.06 shall be solely at such Lender's expense and Borrower shall have no obligation to reimburse any such Lender's expenses. Notwithstanding anything to the contrary in this Section 5.06, none of the Borrower or any Subsidiary will be required to disclose, permit the inspection, examination or making copies of abstracts of, or discussion of, any document, information or other matter (i) in respect of which disclosure to the Administrative Agent or any Lender (or their respective representatives or contractors) is prohibited by any law or by any binding agreement or (ii) that is subject to attorney-client privilege or constitutes attorney work product.

SECTION 5.07 Compliance with Laws. The Borrower will, and will cause each of its Subsidiaries to, comply with all material laws, rules, regulations and orders of any Governmental Authority applicable to it or its property (including without limitation Environmental Laws), except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. The Borrower will maintain in effect and enforce policies and procedures designed to ensure compliance in all material respects by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

SECTION 5.08 Use of Proceeds and Letters of Credit. The proceeds of the Loans will be used only for purposes permitted under Section 3.18(b). No part of the proceeds of any Loan will be used, whether directly or indirectly, to buy or carry, or to extend credit to others to buy or carry, any Margin Stock or for any other purpose that entails a violation of any of the Regulations of the Board, including Regulations T, U and X. All Letters of Credit will be issued only to support general corporate purposes of the Borrower and its Subsidiaries. The Borrower will not request any Borrowing or Letter of Credit, and the Borrower shall not use, and shall procure that its Subsidiaries and its or their respective directors, officers, employees and agents shall not use, the proceeds of any Borrowing or Letter of Credit (a) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (b) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, except to the extent permitted for a Person required to comply with Sanctions, or (c) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

SECTION 5.09 Insurance.

(a) General. Each Loan Party will, and will cause each Subsidiary to, maintain with financially sound and reputable carriers (a) insurance in such amounts (with no greater risk retention) and against such risks and such other hazards, as the senior officers of the Borrower in the exercise of their reasonable judgment deem to be adequate, as are customary in the industry for companies of established reputation engaged in the same or similar business in the same or similar locations and owning or operating similar properties and shall be reasonably satisfactory to the Administrative Agent (it being agreed that insurance that is substantially similar to that in effect on the Effective Date is reasonably satisfactory to the Administrative Agent), and (b) all insurance required pursuant to the Collateral Documents. The Borrower will furnish to the Administrative Agent, upon reasonable request of the Administrative Agent, information in reasonable detail as to the insurance so maintained. The Borrower shall deliver, within 90 days after the Effective Date, to the Administrative Agent endorsements (x) to all property or casualty insurance policies covering Collateral naming the Administrative Agent as lender loss payee, (y) to all general liability and other liability policies naming the Administrative Agent an additional insured, which endorsements shall be in effect at all times and (z) providing that 30 days' advance notice will be given to Administrative Agent prior to any cancellation or non-renewal of such policy (or 10 days' advance notice prior to any such cancellation due to non-payment of premium). In the event the Borrower or any Subsidiary at any time hereafter shall fail to obtain or maintain any of the policies or insurance required herein or to pay any premium in whole or in part relating thereto, then the Administrative Agent, without waiving or releasing any obligations or resulting Default hereunder, may at any time or times thereafter (but shall be under no obligation to do so), in consultation with the Borrower, obtain and maintain such policies of insurance and pay such premiums and take any other action with respect thereto which the Administrative Agent reasonably deems advisable to ensure compliance under this Section 5.09. All sums so disbursed by the Administrative Agent shall constitute part of the Obligations, payable as provided in this Agreement. No later than ninety (90) days (as such period may be extended in the reasonable discretion of the Administrative Agent) after the Effective Date (or the date any such insurance is obtained, renewed or extended in the case of insurance obtained, renewed or extended after the Effective Date), the Borrower will cause all property and casualty insurance policies with respect to Collateral to be endorsed or otherwise amended to include a lender's loss payable, mortgagee or additional insured, as applicable, endorsement, or otherwise reasonably satisfactory to the Administrative Agent.

(b) Flood Insurance. With respect to each Mortgaged Property (if any) that is located or lies within a "special flood hazard area" as designated on maps prepared by the Federal Emergency Management Agency (FEMA), the Borrower or other applicable Loan Party (A) will maintain, with financially sound and reputable insurance companies, a flood insurance policy or policies (whether or not coverage is available from the National Flood Insurance Program and whether or not required by the Flood Laws), in form and substance acceptable to the Administrative Agent covering each such Mortgaged Property on terms reasonably acceptable to the Administrative Agent and otherwise sufficient to comply with all applicable Flood Laws, and (B) promptly upon the reasonable request of the Administrative Agent, will deliver to the Administrative Agent evidence of such compliance in form and substance reasonably acceptable to the Administrative Agent, including, without limitation, evidence of annual renewals of such insurance.

SECTION 5.10 Additional Subsidiaries. In the event (i) the Borrower acquires or creates any Subsidiary (other than an Excluded Subsidiary) or (ii) any Excluded Subsidiary ceases to be an Excluded Subsidiary after the Effective Date, the Borrower shall forthwith promptly (and in any event within 60 days (or such longer time as the Administrative Agent may agree in its reasonable discretion) after the acquisition or creation of such Subsidiary, or change in such Subsidiary's status as an Excluded Subsidiary) cause such Subsidiary to become a Guarantor by delivering to the Administrative Agent (x) a Joinder Agreement, duly executed by such Subsidiary, pursuant to which such Subsidiary agrees to be bound by the terms and provisions of this Agreement, and (y) such joinders or supplements to the Security Agreement and/or the other relevant Collateral Documents and such other documents as the Administrative Agent shall deem necessary or advisable to perfect the Lien in any property of such Subsidiary which constitutes Collateral in accordance with all applicable Requirements of Law, including the filing of financing statements in such jurisdictions as may be reasonably requested by the Administrative Agent and such joinders to be accompanied by appropriate corporate resolutions, other corporate organizational documentation and customary legal opinions upon the reasonable request of the Administrative Agent in form and substance reasonably satisfactory to the Administrative Agent and its counsel.

SECTION 5.11 Additional Collateral; Further Assurances.

(a) The Borrower will, and will cause each Subsidiary (other than an Excluded Subsidiary) to, cause (i)all of its personal property (whether tangible, intangible or mixed, subject to the exceptions expressly contained in the Security Agreement) and (ii) subject to other applicable provisions of this Agreement, all of its fee-owned real property, if any, having a fair market value (as reasonably determined by the Borrower) of $5,000,000 or more, to be subject at all times to first priority, perfected Liens (including a Mortgage, in the case of such real property) in favor of the Administrative Agent for the benefit of the Secured Parties to secure the Secured Obligations in accordance with the terms and conditions of the Collateral Documents, subject in any case to Liens permitted by Section 6.02.

(b)Without limiting the foregoing, the Borrower will, and will cause each Subsidiary (other than an Excluded Subsidiary) to, execute and deliver, or cause to be executed and delivered, to the Administrative Agent such documents, agreements and instruments, and will take or cause to be taken such further actions (including the filing and recording of financing statements and other documents and such other actions or deliveries of the type required by Section 4.01, as applicable), which may be required by law or which the Administrative Agent may, from time to time, reasonably request to carry out the terms and conditions of this Agreement and the other Loan Documents and to ensure perfection and priority of the Liens created or intended to be created by the Collateral Documents (and subject to the exceptions set forth therein), all in form and substance reasonably satisfactory to the Administrative Agent.

(c)Notwithstanding the foregoing, under no circumstance will any Loan Party be required to execute any Collateral Documents governed by the laws of any jurisdiction other than the United States.

SECTION 5.12 Accuracy of Information. The Borrower will ensure that any written information of a factual nature other than the projections, other forward-looking information and information of a general economic or industry specific nature furnished by or by a representative of the Borrower on behalf of the Borrower or any of its Subsidiaries in connection with this Agreement or any other Loan Document (as modified or supplemented by other information so furnished) when taken as a whole does not contain any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, when taken as a whole, not materially misleading in light of the circumstances under which such statements are made; *provided*, that with respect to any projections, the Borrower covenants only that it will cause the projections to be prepared in good faith based upon assumptions believed by the Borrower to be reasonable at the time made, it being recognized by Lenders that such projections as to future events are not to be viewed as facts and that actual results during the period or periods covered by any such projections may differ materially from the projected results.

SECTION 5.13 Post-Closing Covenant. The Borrower agrees to deliver, or cause to be delivered (or to use commercially reasonable efforts to deliver or cause to be delivered, to the extent applicable and specified on Schedule 5.13), to the Administrative Agent, the items described on Schedule 5.13 hereof on or before the dates specified with respect to such items, or such later dates as may be agreed to by the Administrative Agent in its reasonable discretion.

SECTION 5.14 Depository Banks. Within ninety (90) days after the Effective Date, each Loan Party and each Subsidiary shall use good faith efforts to move and perform its banking services with JPMorgan (and its Affiliates), which will include endeavoring to utilize JPMorgan as its principal operating bank in each jurisdiction in which JPMorgan (or its Affiliates) is able to provide banking services to such Loan Party or Subsidiary without undue operational burden or expense relative to the median market for each service. These banking services include, but are not limited to, the primary operating accounts of each Loan Party and each Subsidiary and their corporate credit cards and the issuances of new and renewed/amended letters of credit. Notwithstanding the foregoing, the Loan Parties and their Subsidiaries shall be permitted to utilize existing credit card payment processor services for the remainder of the existing credit card processor agreement (not to be amended) . Upon renewal or amendment, Loan Party and each subsidiary shall make good faith efforts to execute its primary credit card payment process services with JPMorgan (and its Affiliates) without undue burden or expense relative to the median market for each service.

ARTICLE VI.
Negative Covenants

Until the Commitments have expired or terminated and the principal of and interest on each Loan and all fees payable hereunder have been Paid in Full and all Letters of Credit have expired or terminated, in each case, without any pending draw, and all LC Disbursements shall have been reimbursed (or cash collateralized or backstopped in accordance with the terms herein), the Borrower covenants and agrees with the Lenders that:

SECTION 6.01 Indebtedness. The Borrower will not, and will not permit any Subsidiary to, create, incur, assume or permit to exist any Indebtedness, except:

(a) Indebtedness created under the Loan Documents;

(b)Indebtedness existing on the date hereof and set forth in Schedule 6.01, and modifications, replacements, restructurings, refinancings, refundings, renewals, amendments, restatements or extensions of any such Indebtedness; *provided* that the amount of such Indebtedness is not increased at the time of such modification, replacement, restructuring, refinancing, refunding, renewal, amendment, restatement or extension (unless the additional amount is permitted pursuant to another provision of this Section 6.01) except by an amount equal to accrued but unpaid interest thereon, a reasonable premium or other reasonable similar amount paid, and reasonable fees and expenses incurred, in connection with such modification, replacement, restructuring, refinancing, refunding, renewal, amendment, restatement or extension;

(c) Indebtedness of the Borrower to any Subsidiary and of any Subsidiary to the Borrower or any other Subsidiary; *provided* that (A) Indebtedness of any Subsidiary that is not a Loan Party to the Borrower or any other Loan Party shall be subject to Section 6.04(g) and (B) Indebtedness of any Loan Party to any Subsidiary that is not a Loan Party shall be subordinated to the Secured Obligations on terms reasonably satisfactory to the Administrative Agent;

(d) Guarantees by the Borrower of Indebtedness of any Subsidiary and by any Subsidiary of Indebtedness of the Borrower or any other Subsidiary; *provided* that (A) the Indebtedness so Guaranteed is permitted under this Section 6.01, (B) Guarantees by the Borrower or any Subsidiary that is a Loan Party of Indebtedness of any Subsidiary that is not a Loan Party shall be subject to Section 6.04(h) and (C) Guarantees permitted under this clause (d) shall be subordinated to the Secured Obligations of the applicable Subsidiary on the same terms as the Indebtedness so Guaranteed is subordinated to the Secured Obligations;

(e) Indebtedness consisting of guarantees resulting from endorsement of negotiable instruments for collection by Borrower or any other Loan Party incurred in the ordinary course of business;

(f) Indebtedness incurred to finance Capital Expenditures, including Finance Lease Obligations, and any Indebtedness incurred or assumed in connection with the acquisition, restoration, construction or improvement of any fixed or capital assets, including real property, or secured by a Lien on any such assets prior to the acquisition thereof, and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount (plus any accrued but unpaid interest (including any portion thereof which is payable in kind in accordance with the terms of such extended, renewed or replaced Indebtedness) and premium payable by the terms of such Indebtedness thereon and fees and expenses associated therewith), result in an earlier maturity date or decreased remaining weighted average life to maturity thereof or change the parties directly or indirectly responsible for the payment thereof; *provided* that such Indebtedness is incurred prior to or within one hundred eighty (180) days after such acquisition or the completion of such construction or improvement; *provided further* that (A)if secured, the collateral therefor consists solely of the assets being financed, the products and proceeds thereof and books and records related thereto, and (B) the aggregate outstanding principal amount of such Indebtedness does not exceed the greater of (x) $15,000,000 and (y) 25% of Consolidated EBITDA as of the last day of the most recently ended Reference Period for which Financial Statements are available;

(g)Indebtedness of any Person that becomes a Subsidiary after the date hereof; *provided* that (i) such Indebtedness exists at the time such Person becomes a Subsidiary and is not created in contemplation of or in connection with such Person becoming a Subsidiary and (ii) the aggregate principal amount of Indebtedness permitted by this clause (g) shall not exceed the greater of (x) $10,000,000 and (y) 20.0% of Consolidated EBITDA as of the last day of the most recently ended Reference Period for which Financial Statements are available at any time outstanding;

(h) Indebtedness incurred by Borrower or its Subsidiaries arising (A) from agreements providing for indemnification, adjustment of purchase price, working capital or similar obligations (including customary earn-outs, and any other deferred payments of a similar nature incurred in connection with any investment by any Subsidiary), in each case, whether or not evidenced by a note, and incurred or assumed in connection with any Permitted Acquisition or any asset sale permitted under this Agreement or Investment permitted under this Agreement (any such obligations, "***Deferred Acquisition Obligations***"), or (B) from guarantees or letters of credit, surety bonds, bid bonds, appeal bonds, performance bonds or other similar obligations securing the performance of Borrower or any Subsidiary pursuant to such agreements;

(i)Indebtedness in respect of treasury, depositary, cash management and netting services, automatic clearing house arrangements, overdraft protections and other financial accommodations of the nature described in the definition of "Banking Services" and otherwise in connection with securities accounts, deposit accounts and employees' credit or purchase cards, in each case incurred in the ordinary course of business;

(j) Indebtedness consisting of financing of insurance premiums and other Indebtedness owed to any Person (including obligations in respect of letters of credit, bankers' acceptances or similar instruments issued for the benefit of such Person) providing workers' compensation, health, disability or other employee benefits or property, casualty, liability insurance, self-insurance, including pursuant to reimbursement or indemnification obligations to such Person, in each case incurred in the ordinary course of business consistent with past practice;

(k) Indebtedness under Swap Agreements permitted under Section 6.05;

(l) other Indebtedness in an aggregate principal amount not exceeding the greater of (x) $10,000,000 and (y) 20% of Consolidated EBITDA as of the last day of the most recently ended Reference Period for which Financial Statements are available at any time outstanding;

(m) Indebtedness of any Subsidiary as an account party in respect of trade letters of credit;

(n) Indebtedness consisting of usual and customary take or pay obligations contained in supply arrangements incurred in the ordinary course of business;

(o) Indebtedness representing deferred compensation to employees incurred in the ordinary course of business;

(p)Indebtedness consisting of promissory notes issued to current or former officers, directors and employees of Borrower or any Subsidiary, their respective estates, spouses or former spouses issued in exchange for the purchase or redemption by Borrower or such Subsidiary of its Equity Interests to the extent permitted by clause (vi) of Section 6.06(a);

(q)Indebtedness of any non-Loan Party Subsidiary incurred to finance working capital needs or for other general corporate purposes, not to exceed at any time outstanding the greater of (x) $6,000,000 and (y) 10% of Consolidated EBITDA as of the last day of the most recently ended Reference Period for which Financial Statements are available;

(r)letters of credit in an aggregate principal (or face) amount at any time outstanding not to exceed (i) the greater of (x) $20,000,000 and (y) 30% of Consolidated EBITDA as of the last day of the most recently ended Reference Period for which Financial Statements are available plus (ii) the aggregate principal (or face) amount of letters of credit in existence on the Effective Date issued by financial institutions that are Lenders as of the Effective Date;

(s) to the extent constituting Indebtedness, judgments not constituting an Event of Default under clause (k) of Article VII;

(t)Indebtedness arising from netting services, the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds and other Indebtedness arising in connection with deposit accounts, credit cards, purchasing cards and cash management services, in each case, in the ordinary course of business; and

(u) to the extent constituting Indebtedness, advances in respect of transfer pricing or shared services agreements that are permitted by Section 6.04(z).

SECTION 6.02 Liens. No Loan Party will, nor will it permit any Subsidiary to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, except:

(a) Permitted Encumbrances;

(b) Liens created pursuant to any Loan Document, including the Secured Obligations;

(c) any Lien on any property or asset of the Borrower or any Subsidiary existing on the date hereof and set forth in Schedule 6.02, including any extensions or amendments thereof; *provided* that (i) such Lien shall not apply to any other property or asset of the Borrower or any Subsidiary (other than proceeds and replacements of such property or assets and additions and accessions thereto) and (ii) such Lien shall secure only those obligations which it secures on the date hereof and extensions, renewals and replacements thereof permitted under Section 6.01(b);

(d) any Lien existing on any property or asset prior to the acquisition thereof by the Borrower or any Subsidiary or existing on any property or asset of any Person that becomes a Subsidiary after the date hereof prior to the time such Person becomes a Subsidiary; *provided* that (i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Subsidiary, as the case may be, (ii) such Lien shall not apply to any other property or assets of the Borrower or any Subsidiary (other than proceeds and replacements of such property or assets and additions and accessions thereto) and (iii) such Lien shall secure only those obligations which it secures on the date of such acquisition or the date such Person becomes a Subsidiary, as the case may be and extensions, renewals and replacements thereof permitted pursuant to Section 6.01;

(e) Liens on fixed or capital assets acquired, constructed, developed, restored, replaced, maintained or improved by the Borrower or any Subsidiary (including any such assets made the subject of a Finance Lease Obligation); *provided* that (i) such security interests secure Indebtedness permitted by clause (f) of Section 6.01, (ii) such security interests and the Indebtedness secured thereby are incurred prior to or within one hundred eighty (180) days after such acquisition or the completion of such construction or improvement, (iii) the Indebtedness secured thereby does not exceed the cost of acquiring, constructing or improving such fixed or capital assets and (iv) such security interests shall not apply to any other property or assets of the Borrower or any Subsidiary (other than any replacements of such property or assets and additions and accessions thereto and the proceeds and the products thereof and customary security deposits in respect thereof and in the case of multiple financings of equipment provided by any lender and permitted under Section 6.01(f), other equipment financed by such lender and permitted under Section 6.01(f));

(f) Liens arising out of sale and leaseback transactions permitted by Section 6.11;

(g) bankers liens, rights of set-off and similar Liens incurred on deposits made in the ordinary course of business;

(h) Liens on deposits pursuant to Swap Agreements to secure obligations thereunder to the extent such Swap Agreements are permitted hereunder;

(i) leases, subleases, and non-exclusive licenses or sublicenses granted to third parties in the ordinary course of business, and exclusive licenses granted to third parties; *provided* that the fair market value of all property for which exclusive licenses (other than intercompany exclusive licenses between and/or among Loan Parties) are granted shall not exceed the greater of (x) $9,000,000 and (y) 15% of Consolidated EBITDA as of the last day of the most recently ended Reference Period for which Financial Statements are available, at any time during the term of this Agreement;

(j) 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;

(k) purported Liens evidenced by the filing of precautionary UCC financing statements relating solely to operating leases of personal property entered into in the ordinary course of business;

(l) Liens arising by operation of law or contract on insurance policies and proceeds thereof to secure premiums payable thereunder;

(m) Liens arising solely on any cash earnest money deposits, escrow arrangements or similar arrangements made by Borrower or any of its Subsidiaries in connection with any letter of intent or purchase agreement permitted hereunder;

(n) [intentionally omitted];

(o)in connection with the sale or transfer of any other assets in a transaction permitted under Section 6.12, customary rights and restrictions contained in agreements relating to such sale or transfer pending the completion thereof;

(p)Liens arising out of conditional sale, title retention, consignment or similar arrangements for sale of goods by Borrower or any Subsidiaries in the ordinary course of business;

(q)Liens in connection with cash collateral and Cash Equivalents securing letters of credit permitted under Section 6.01(r) in an aggregate amount not exceeding 105% of the face amount of such letters of credit;

(r)other Liens; *provided* that, as of the Effective Date or immediately after giving pro forma effect to the creation, incurrence or assumption of any such Lien or of any Indebtedness secured in reliance on this clause (r) and any substantially concurrent use of proceeds thereof, the aggregate amount of Indebtedness secured by such Lien shall not exceed the greater of (x) $7,500,000 and (y) 15% of Consolidated EBITDA as of the last day of the most recently ended Reference Period for which Financial Statements are available and to the extent such Indebtedness is permitted under Section 6.01(l);

(s)Liens granted by a Subsidiary that is not a Loan Party in favor of any Loan Party in respect of Indebtedness or other obligations owed by such Subsidiary to such Loan Party;

(t) Liens of bailees in the ordinary course of business;

(u)Liens securing obligations (other than obligations representing Indebtedness for borrowed money) under operating, reciprocal easement or similar agreements entered into in the ordinary course of business of the Borrower and its Subsidiaries; and

(v) utility and similar deposits in the ordinary course of business.

SECTION 6.03 Fundamental Changes.

(a)No Loan Party will, nor will it permit any Subsidiary to, merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or liquidate or dissolve, except that, (i) any Subsidiary may merge into or liquidate or dissolve into, or consolidate with, the Borrower in a transaction in which the surviving entity is the Borrower, (ii) any Subsidiary may merge into or liquidate or dissolve into, or consolidate with, any Subsidiary in a transaction in which the surviving entity is a Subsidiary and, if any party to such merger is a Loan Party, is or becomes a Loan Party within thirty (30) days (or such longer period as the Administrative Agent may reasonably agree) of such merger, liquidation or consolidation, and (iii) any Subsidiary may liquidate or dissolve if the Borrower determines in good faith that such liquidation or dissolution is in the best interests of the Borrower and is not materially disadvantageous to the Secured Parties; *provided*, that any such merger involving a wholly-owned Subsidiary merging into a non-wholly-owned Subsidiary (with such non-wholly-owned Subsidiary surviving such merger) shall not be permitted unless also permitted under Section 6.04,

(b)No Loan Party will, nor will it permit any Subsidiary to, consummate a Division as the Dividing Person, without the prior written consent of Administrative Agent. Without limiting the foregoing, if any Loan Party that is a limited liability company consummates a Division (with or without the prior consent of Administrative Agent as required above), each Division Successor shall be required to comply with the obligations set forth in Section 1 and the other further assurances obligations set forth in the Loan Documents and become a Loan Party under this Agreement and the other Loan Documents.

(c)The Borrower will not, and will not permit any of its Subsidiaries to, engage to any material extent in any business other than businesses of the type conducted by the Borrower and its Subsidiaries on the date of execution of this Agreement and businesses ancillary, incidental, complementary or reasonably related thereto or reasonable extensions thereof.

SECTION 6.04 Investments, Loans, Advances, Guarantees and Acquisitions. No Loan Party will, nor will it permit any Subsidiary to, make or maintain any Investments other than:

(a)Investments existing on the date hereof in or to Subsidiaries and set forth on Schedule 6.04 and any extensions or amendments thereto not increasing the principal or capital amount thereof;

(b) Cash Equivalents;

(c) Capital Expenditures and Capitalized Software Expenditures;

(d) normal trade credit extended in the ordinary course of business and consistent with prudent business practice;

(e)advances or loans to officers, directors or employees of the Borrower or its Subsidiaries for business related, education, entertainment, travel or moving expenses to be incurred in the ordinary course of business in an amount not to exceed the greater of (x) $1,000,000 and (y) 2.0% of Consolidated EBITDA as of the last day of the most recently ended Reference Period for which Financial Statements are available, in the aggregate outstanding at any one time,

(f)Investments by the Borrower and the Subsidiaries in Equity Interests in, or capital or asset contributions to, their respective Subsidiaries; *provided*, that (i) any such Equity Interests held by a Loan Party shall be pledged pursuant to a Collateral Document to the extent required thereby (subject to the limitations and exceptions set forth in the applicable Collateral Document) and (ii) the aggregate amount of Investments by Loan Parties in Subsidiaries that are not Loan Parties (together with outstanding intercompany loans to Subsidiaries that are not Loan Parties permitted under Section 6.04(g) and outstanding Guarantees of Indebtedness of Subsidiaries that are not Loan Parties permitted under Section 6.04(h)) shall not exceed in the aggregate at any time outstanding, the greater of (x) $15,000,000 and (y) 25% of Consolidated EBITDA as of the last day of the most recently ended Reference Period for which Financial Statements are available;

(g)loans or advances made by the Borrower to any Subsidiary and made by any Subsidiary to the Borrower or any other Subsidiary; *provided*, that, (i) any such loans and advances made by a Loan Party shall be evidenced by a promissory note (which may be a global note) pledged pursuant to a Collateral Document and (ii) the amount of such loans and advances made by Loan Parties to Subsidiaries that are not Loan Parties (together with outstanding Investments in Subsidiaries that are not Loan Parties permitted under Section 6.04(f) and outstanding Guarantees of Indebtedness of Subsidiaries that are not Loan Parties permitted under Section 6.04(h)) shall not exceed in the aggregate at any time outstanding, the greater of (x) $15,000,000 and (y) 25% of Consolidated EBITDA as of the last day of the most recently ended Reference Period for which Financial Statements are available;

(h)Guarantees constituting Indebtedness permitted by Section 6.01; *provided*, that the aggregate principal amount of Indebtedness of Subsidiaries that are not Loan Parties that is Guaranteed by any Loan Party shall (together with outstanding Investments in Subsidiary that are not Loan Parties permitted under Section 6.04(f) and outstanding intercompany loans to Subsidiaries that are not Loan Parties permitted under Section 6.04(g)) shall not exceed, in the aggregate at any time outstanding, the greater of (x) $15,000,000 and (y) 25% of Consolidated EBITDA as of the last day of the most recently ended Reference Period for which Financial Statements are available;

(i) Loans or advances made by the Borrower or any Subsidiary to any Person (including employees) not in the ordinary course of business not to exceed the greater of (x) $1,000,000 and (y) 2% of Consolidated EBITDA as of the last day of the most recently ended Reference Period for which Financial Statements are available, in the aggregate outstanding at any one time;

(j) Permitted Acquisitions;

(k) Investments in cash and Cash Equivalents and obligations under Swap Agreements permitted by Section 6.05;

(l) Investments consisting of security deposits with utilities and other like Persons made in the ordinary course of business;

(m)Investments received in connection with any insolvency proceedings in respect of any customers, suppliers or clients and in settlement of delinquent obligations of, and other disputes with, customers, suppliers or clients;

(n)Investments of any Person existing at the time such Person becomes a Subsidiary or consolidates, amalgamates or merges with the Borrower or any Subsidiary (including in connection with an Acquisition or other Investment permitted hereunder); *provided* that such Investment was not made in contemplation of such Person becoming a Subsidiary or such consolidation, amalgamation or merger;

(o)upon foreclosure (or transfer of title in lieu of foreclosure) with respect to any secured Investment in a Person other than the Borrower or a Subsidiary and that, in each case, was made without contemplation of such foreclosure (or transfer of title in lieu of foreclosure);

(p) Investments in the ordinary course of business consisting of Article III endorsements for collection or deposit;

(q)the Borrower and its Subsidiaries may acquire and hold receivables and similar items owing to them in the ordinary course of business and payable or dischargeable in accordance with customary trade terms;

(r) Investments constituting customary deposits made in connection with the purchase of goods or services in the ordinary course of business;

(s)Investments consisting of promissory notes and other non-cash consideration, in each case received in connection with asset sales or dispositions permitted by Section 6.12 (other than Section 6.12(s) or Section 6.12(t) (to the extent relating to Section 6.12(s)); *provided* that the applicable Loan Party complies with the requirements of the applicable Collateral Document with respect to any such promissory notes or other instruments;

(t) advances of payroll payments to employees in the ordinary course of business and Investments made pursuant to employment and severance arrangements of officers and employees in the ordinary course of business and transactions pursuant to stock option plans and employee benefit plans and arrangements in the ordinary course of business;

(u) any endorsement of a check or other medium of payment for deposit or collection, or any similar transaction in the normal course of business;

(v) Investments to the extent that the consideration for such Investments is made solely with the Qualified Equity Interests of the Borrower;

(w) [intentionally omitted];

(x)other Investments (as valued at the fair market value (as determined in good faith by the Borrower) of such Investment at the time each such Investment is made); *provided* that as of the last day of the most recently ended Reference Period for which Financial Statements are available after giving effect to any such Investment the Consolidated Total Net Leverage Ratio is not greater than 2.75 to 1.00 on a Pro Forma Basis;

(y)other Investments in an aggregate principal amount not exceeding the greater of (x) $6,000,000 and (y) 10% of Consolidated EBITDA as of the last day of the most recently ended Reference Period for which Financial Statements are available at any time outstanding; and

(z)to the extent constituting Investments, advances in respect of transfer pricing and cost-sharing arrangements (i.e. “cost-plus” arrangements) and associated “true-up” payments, in each case, that are in the ordinary course of business.

SECTION 6.05 Swap Agreements. The Borrower will not, and will not permit any of its Subsidiaries to, enter into any Swap Agreement, except (a) Swap Agreements entered into to hedge or mitigate risks to which the Borrower or any Subsidiary has actual exposure (other than those in respect of Equity Interests of the Borrower or any of its Subsidiaries) or (b) Swap Agreements entered into in order to effectively cap, collar or exchange interest rates (from fixed to floating rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of the Borrower or any Subsidiary.

SECTION 6.06 Restricted Payments.

(a)No Loan Party will, nor will it permit any Subsidiary to make any Restricted Payment, or incur any obligation (contingent or otherwise) to do so (unless such obligation is contingent upon the termination of the Commitments and the payment in full of all Loans, interest and fees hereunder), except:

(i) the Borrower may declare and pay dividends with respect to its Equity Interests payable solely in additional shares of its Qualified Equity Interests;

(ii)(A) Subsidiaries may declare and pay dividends ratably with respect to their Equity Interests to the Borrower or any other Person pro rata and (B) any Subsidiary may declare and pay Restricted Payments to any Loan Party;

(iii)Restricted Payments in connection with transfer pricing or shared services agreements to the extent advances related thereto are permitted pursuant to Section 6.04(z);

(iv) [intentionally omitted];

(v) the Borrower may make Restricted Payments of up to an aggregate of (i) the greater of (x)$6,000,000 and (y) 10% of Consolidated EBITDA as of the last day of the most recently ended Reference Period for which Financial Statements are available per fiscal year (when taken together with Section 6.06(b)(vii)(i)) plus (ii) an unlimited amount so long as, solely in the case of this clause (v)(ii), as of the last day of the most recently ended Reference Period for which Financial Statements are available after giving effect to any such Restricted Payment the Consolidated Total Net Leverage Ratio is not greater than 2.50 to 1.00 on a Pro Forma Basis; provided, that, in each case under this clause (v), no Event of Default shall exist and be continuing at the time of the making of such Restricted Payment or would result therefrom;

(vi)the Borrower may make Restricted Payments to purchase the Borrower's preferred stock, common stock, restricted stock or common stock options from present or former consultants, directors, managers, officers or employees of the Borrower, or their estates, descendants, family, spouses or former spouses, upon the death, disability or termination of employment of such consultant, director, manager, officer or employee or pursuant to any employee, management, director or manager equity plan, employee, management, director or manager stock option plan or any other employee, management, director or manager benefit plan or any agreement (including any stock subscription or shareholder agreement) with any employee, director, manager, officer or consultant of the Borrower (including, for the avoidance of doubt, Restricted Payments to pay principal or interest on promissory notes that were issued to any future, present or former employee, officer, director, manager or consultant (or any spouses, former spouses, successors, executors, administrators, heirs, legatees or distributes of any of the foregoing) of the Borrower in lieu of cash payments for the repurchase, retirement or other acquisition or retirement for value of such Equity Interests or equity-based awards held by such Persons); *provided* that the aggregate amount of cash payments under this clause (vi) subsequent to the Effective Date (net of proceeds received by the Borrower subsequent to the date hereof in connection with resales of any stock or common stock options so purchased) shall not exceed $2,000,000 per fiscal year, less the amount of Indebtedness permitted under Section 6.01(p) (with unused amounts in any fiscal year being carried over to the next succeeding fiscal year subject to a maximum of $3,000,000 in any fiscal year);

(vii)the Borrower may repurchase Qualified Equity Interests deemed to occur upon and to the extent of the cashless portion of the exercise of options or warrants to the extent that such Equity Interests represent all or a portion of the exercise price thereof;

(viii)the Borrower may make repurchases of Equity Interests of the Borrower to the extent financed with the aggregate amount of Net Proceeds received by the Borrower from cash contributions made to the Borrower in exchange for (or for the issuance of) Qualified Equity Interests in the Borrower; *provided* that such Net Proceeds are not otherwise utilized to increase any basket or used for any other purposes hereunder and used to make such Restricted Payment within 120 days after the date of receipt; and

(ix)the Borrower may make Tax Distributions in accordance with Section 7.1(b) of the Amended and Restated Operating Agreement of the Borrower (as amended as of the date hereof).

(b) No Loan Party will, nor will it permit any Subsidiary to, make any optional prepayment on any Subordinated Indebtedness, except:

(i)payments permitted by the provisions of the governing subordination or intercreditor agreement (which agreements shall not prohibit the payment of Deferred Acquisition Obligations);

(ii) [intentionally omitted];

(iii)refinancings, replacements, substitutions, extensions, restructurings, exchanges and renewals of any such Indebtedness to the extent such refinancing, replacement, substitution, extension, restructuring, exchange or renewal is permitted by Section 6.01 and any fees and expenses in connection therewith;

(iv) payments of intercompany Indebtedness permitted under Section 6.01 to the extent permitted by any subordination provisions in respect thereof;

(v) conversions, exchanges, redemptions, repayments or prepayments of such Indebtedness into or for Qualified Equity Interests of the Borrower;

(vi) [intentionally omitted]; and

(vii)additional payments of up to an aggregate of up to an aggregate of (i) the greater of (x) $2,500,000 and (y) 5.0% of Consolidated EBITDA as of the last day of the most recently ended Reference Period for which Financial Statements are available per fiscal year (when taken together with Section 6.06(a)(v)(i)) plus (ii) an unlimited amount so long as, solely in the case of this clause (vii)(ii), as of the last day of the most recently ended Reference Period for which Financial Statements are available after giving effect to any such payment the Consolidated Total Net Leverage Ratio is not greater than 2.50 to 1.00 on a Pro Forma Basis; provided, that, in each case under this clause (vii), no Event of Default shall exist and be continuing at the time of the making of such payment or would result therefrom.

SECTION 6.07 Transactions with Affiliates. The Borrower will not, and will not permit any of its Subsidiaries to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, except:

(a)transactions that are at prices and on other terms and conditions, taken as a whole, not materially less favorable to such Loan Party or such Subsidiary than could be obtained on an arm's-length basis from unrelated third parties (as determined in good faith by the Borrower or such Subsidiary);

(b)transactions between or among the Borrower and any wholly-owned Subsidiary that is a Loan Party and transactions solely between or among Subsidiaries that are not Loan Parties, in each case, not involving any other Affiliate;

(c) any Investment permitted by Sections 6.04(f), (g), (h), or (t);

(d) any Indebtedness permitted under clause (c) of Section 6.01;

(e) any Restricted Payment and payment of Subordinated Indebtedness permitted by Section 6.06;

(f) loans or advances to employees permitted under Section 6.04(e) or 6.04(i);

(g) the payment of reasonable fees and expense reimbursements to directors of the Borrower or any Subsidiary who are not employees of such Borrower or any Subsidiary, and compensation, bonuses and severance and employee benefit arrangements paid to, and indemnities provided for the benefit of, directors, officers or employees of the Borrower or its Subsidiaries in the ordinary course of business;

(h) customary employment and consulting agreements entered into the ordinary course of business;

(i) any issuances of securities or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment agreements, stock options and stock ownership plans approved by a Borrower's board of directors;

(j) intercompany transactions, including the (A) provision of management services and other corporate overhead services, (B) provision of personnel to other locations within the Borrower's consolidated group on a temporary basis and (C) provision, purchase or lease of services, operational support, assets, equipment, data, information and technology, that, in the case of any such intercompany transaction referred to in this clause (j), are subject to reasonable reimbursement or cost-sharing arrangements (as determined in good faith by the Borrower), which reimbursement or cost sharing arrangements may be effected through transfers of cash or other assets or through book-entry credits or debits made on the ledgers of each involved Subsidiary (*provided* that any such intercompany transaction is either (1) entered into in the ordinary course of business or (2) otherwise entered into pursuant to the reasonable requirements of the business of the Borrower and the Subsidiaries);

(k) any transaction involving consideration or value of less than the greater of (x) $1,000,000 and (y) 2% of Consolidated EBITDA as of the last day of the most recently ended Reference Period for which Financial Statements are available; *provided*, *however*, that this Section 6.07 shall not limit the operation or effect of, or any payments under, (i) any license entered into in the ordinary course of business on customary terms between Loan Parties or (ii) any agreement with respect to any joint venture to which Borrower or any Subsidiary is a party entered into in connection with, or reasonably related to, its lines of business (*provided* that such agreement is approved by Borrower's board of directors); and

(l) transactions pursuant to transfer pricing or shared services agreements, advances with respect to which are permitted by Section 6.04(z).

SECTION 6.08 Restrictive Agreements. The Borrower will not, and will not permit any of its Subsidiaries to, directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon (a) the ability of the Borrower or any Subsidiary to create, incur or permit to exist any Lien upon any of its property or assets, or (b) the ability of any Subsidiary to pay dividends or other distributions with respect to any shares of its Equity Interests or to make or repay loans or advances to the Borrower or any other Subsidiary or to Guarantee Indebtedness of the Borrower or any other Subsidiary; *provided* that (i) the foregoing shall not apply to restrictions and conditions imposed by law or by this Agreement, (ii) the foregoing shall not apply to restrictions and conditions existing on the date hereof or to any extension, renewal, amendment, modification or replacement thereof, except to the extent any such amendment, modification or replacement materially expands the scope of any such restriction or condition (as determined in good faith by the Borrower), (iii) the foregoing shall not apply to customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary or assets pending such sale; *provided* that such restrictions and conditions apply only to the Subsidiary or assets that is or are to be sold and such sale is permitted hereunder, (iv) clause (a) of the foregoing shall not apply to restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by this Agreement if such restrictions or conditions apply only to the property or assets securing such Indebtedness, (v) clause (a) of the foregoing shall not apply to customary provisions in leases, licenses and other contracts restricting the assignment, subletting or transfer thereof and (vi) the foregoing shall not apply to any stockholder agreement, charter, by-laws or other organizational documents of Borrower or any Subsidiary as in effect on the date hereof and as amended to the extent permitted hereunder, (vii) the foregoing shall not apply to any Permitted Encumbrances, (viii) clauses (a) and (b) of the foregoing shall not apply to restrictions on pledging joint venture interests included in customary provisions in joint venture agreements or arrangements and other agreements and other similar agreements applicable to joint ventures and (ix) the foregoing shall not apply to any restrictions or conditions set forth in any agreement in effect at any time any Person becomes a Subsidiary; *provided* that such agreement was not entered into in contemplation of such Person becoming a Subsidiary and the restriction or condition set forth in such agreement does not apply to the Borrower or any other Subsidiary.

SECTION 6.09 Amendment to Subordinated Indebtedness; Material Documents; Fiscal Year. No Loan Party will, nor will it permit any Subsidiary to, amend, modify or waive any of its rights under any agreement relating to any Subordinated Indebtedness in a manner that is in violation of the subordination agreement governing such Subordinated Indebtedness and materially adverse to the Lenders. The Borrower will not, nor will it permit any Subsidiary to, amend or modify its certificate or articles of incorporation or organization and bylaws or other organizational or governing documents to the extent such amendment or modification could reasonably be expected to increase the Restricted Payments permitted by Section 6.06(a)(ix) or otherwise have a Material Adverse Effect. The Borrower and its Subsidiaries shall not change their December 31 fiscal year end without the prior written consent of the Required Lenders.

SECTION 6.10 Consolidated Total Net Leverage Ratio. The Borrower will not permit the Consolidated Total Net Leverage Ratio as of the last day of any Reference Period commencing with the fiscal quarter ending June 30, 2020 to be greater than 3.50 to 1.00.

SECTION 6.11 Sale and Leaseback Transaction. No Loan Party will, nor will it permit any Subsidiary to, enter into any arrangement, directly or indirectly, whereby it shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property that it intends to use for substantially the same purpose or purposes as the property sold or transferred, except for any such sale of any fixed or capital assets by the Borrower or any Subsidiary that is made for cash consideration in an amount not less than the fair value of such fixed or capital asset and is consummated within one hundred eighty (180) days after such Borrower or such Subsidiary acquires or completes the construction of such fixed or capital asset.

SECTION 6.12 Asset Sales. No Loan Party will, nor will it permit any Subsidiary to, sell, transfer, lease or otherwise dispose of any asset, including any Equity Interest owned by it, nor will the Borrower permit any Subsidiary to issue any additional Equity Interest in such Subsidiary (other than to the Borrower or another Subsidiary or otherwise in compliance with Section 6.04), except:

(a) (i) sales, transfers and dispositions of inventory, obsolete, damaged or worn-out equipment, and other obsolete, damaged, worn-out, used or surplus assets or other property no longer used or useful in the business, no longer economically practical or commercially desirable to maintain, (ii) inventory and goods held for sale or other immaterial assets, (iii) accounts in the ordinary course of business for collection, and (iv) cash and Cash Equivalents;

(b) sales, transfers and dispositions of assets to the Borrower or any Subsidiary; *provided* that (x) any such sales, transfers or dispositions involving a Subsidiary that is not a Loan Party shall be made in compliance with Section 6.07 and (y) at least 75% of the consideration received by a Loan Party from a Subsidiary that not a Loan Party shall be in the form of cash or Cash Equivalents;

(c) sales, transfers and dispositions of accounts receivable made only to the account debtors obligated therefor (excluding sales or dispositions in a factoring arrangement) in connection with the compromise, settlement or collection thereof;

(d) sales, transfers and dispositions of Cash Equivalents in the ordinary course of business;

(e) sale and leaseback transactions permitted by Section 6.11;

(f) dispositions resulting from any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any property or asset of the Borrower or any Subsidiary;

(g) transfers of cash in the ordinary course of business for equivalent value;

(h) dispositions of non-core assets acquired pursuant to a Permitted Acquisition or other Investment permitted hereunder in an aggregate amount not to exceed 20% of the total consideration of the total assets acquired in such Permitted Acquisition or other Investment;

(i) licenses of patents, trademarks, copyrights, trade secrets and other intellectual property rights granted by Borrower or its Subsidiaries in the ordinary course of business and not interfering in any respect with the ordinary conduct of the business of Borrower or such Subsidiary and leases, subleases, licenses or sublicenses of any real or personal property;

(j) sales, transfers and other dispositions of assets for fair value (as reasonably determined by the Borrower in good faith) that are not permitted by any other clause of this Section 6.12; *provided* that (x) the aggregate fair market value of all assets sold, transferred or otherwise disposed of in reliance upon this clause (j) shall not exceed at the time of such disposition an amount equal to 10% of Consolidated Total Assets as of the last day of the most recently ended Reference Period for which Financial Statements are available, during the term of this Agreement and (y) at least 75% of the consideration received shall be in the form of cash or Cash Equivalents;

(k) 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;

(l) Liens permitted by Section 6.02 (other than Section 6.02(o)), Investments permitted by Section 6.04 (other than Section 6.04(s)) and Restricted Payments permitted by Section 6.06; and

(m) dispositions of property to the extent that (i) such property is exchanged for credit against the purchase price of similar replacement property or (ii) the proceeds of such disposition are promptly applied to the purchase price of such replacement property;

(n) sales, transfers and dispositions, terminations or unwinding of any Swap Agreement;

(o) the abandonment, lapse, expiration or other disposition of intellectual property, whether now or hereafter owned or licensed or acquired in connection with an Acquisition or other permitted Investment that is, in the reasonable business judgment of the Borrower, no longer material or useful in or to the business of the Borrower and its Subsidiaries;

(p) sales or dispositions of Equity Interests of any Subsidiary (a) prior to the time such Subsidiary becomes a wholly-owned Subsidiary, in each case pursuant to any stock appreciation rights, plans, equity incentive or achievement plans or any similar plans or any similar plans or exercise of warrants, options or other convertible into or exchangeable for the Equity Interests of such Subsidiary, so long as such rights, warrants, options or other securities were not entered into or issued in connection with or in contemplation of such person becoming a Subsidiary, or (b) in order to qualify members of the governing body of such Subsidiary if required by applicable law;

(q) samples, including time-limited evaluation software, provided to customers or prospective customers;

(r) *de minimis* amounts of equipment provided to employees;

(s) the Borrower and any Subsidiary may (i) convert any intercompany Indebtedness to Equity Interests, (ii) transfer any intercompany Indebtedness to the Borrower or any Subsidiary, (iii) settle, discount, write off, forgive or cancel any intercompany Indebtedness or other obligation owing by the Borrower or any Subsidiary, (iv) settle, discount, write off, forgive or cancel any Indebtedness owing by any present or former consultants, directors, officers or employees of the Borrower or any Subsidiary or any of their successors or assigns or (v) surrender or waive contractual rights and settle or waive contractual or litigation claims; and

(t) any grant of an option to purchase, lease or acquire property, so long as the disposition resulting from the exercise of such option would otherwise be permitted hereunder.

ARTICLE VII.
Events of Default

If any of the following events ("***Events of Default***") shall occur:

(a) the Borrower shall fail to pay any principal of any Loan or any reimbursement obligation in respect of any LC Disbursement when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) the Borrower or any other Loan Party shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in clause (a) of this Article) payable under this Agreement or any other Loan Document, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of three (3) Business Days;

(c) any representation or warranty made or deemed made by any Loan Party in this Agreement or any other Loan Document shall prove to have been incorrect in any material respect (or in any respect if such representation or warranty is already qualified by concepts of materiality) when made or deemed made;

(d) any Loan Party shall fail to observe or perform any covenant, condition or agreement contained in Section 5.02(a), 5.03 (solely with respect to legal existence of the Loan Parties) or 5.08 or in Article VI of this Agreement or Article IV of the Security Agreement;

(e) any Loan Party shall fail to observe or perform any covenant, condition or agreement contained in this Agreement or in any other Loan Document (other than those which constitute a default under another Section of this Article), and such failure shall continue unremedied for a period of (i) in the case of any such failure in respect of Section 5.01(a) through (d), 5.02 (other than 5.02(a)), 5.04 or 5.09, five (5) Business Days and (ii) in the case of any such failure in respect of any other provision, thirty (30) days after the earlier of any Loan Party's knowledge of such breach or written notice thereof from the Administrative Agent (which notice will be given at the request of any Lender);

(f) any Loan Party or any Subsidiary shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Indebtedness, when and as the same shall become due and payable after giving effect to any applicable grace period;

(g) any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; *provided* that this clause (g) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower or any Subsidiary or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Subsidiary or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) the Borrower or any Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(j) the Borrower or any Subsidiary shall become unable, admit in writing its inability to, or publicly declare its intention not to, or fail generally to pay its debts as they become due;

(k) one or more final, non-appealable judgments for the payment of money in an aggregate amount in excess of the Threshold Amount, the payment of which is not fully covered by insurance in excess of any deductibles or which is not otherwise covered by an indemnification in favor of the Borrower or its Subsidiaries, as applicable, shall be rendered against the Borrower, any Subsidiary or any combination thereof and the same shall remain undischarged for a period of sixty (60) consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Borrower or any Subsidiary to enforce any such judgment;

(l) an ERISA Event shall have occurred that, in the opinion of the Required Lenders, when taken together with all other ERISA Events that have occurred, would reasonably be expected to result in a Material Adverse Effect;

(m) a Change in Control shall occur;

(n)except as permitted by the terms of this Agreement, the Loan Guaranty shall fail to remain in full force or effect or any action shall be taken to discontinue or to assert the invalidity or unenforceability of the Loan Guaranty, or any Guarantor shall fail to comply with any of the terms or provisions of the Loan Guaranty to which it is a party, or any Guarantor shall deny that it has any further liability under the Loan Guaranty to which it is a party, or shall give notice to such effect, including any notice of termination delivered pursuant to Section 10.08;

(o) except as permitted by the terms of any Collateral Document, (i) any Collateral Document shall for any reason fail to create a valid security interest in any material portion of the Collateral, taken as a whole, as required by this Agreement or any Collateral Document, or (ii) any Lien on any material portion of the Collateral, taken as a whole, securing any Secured Obligation shall cease to be a perfected, first priority Lien; or

(p) any material provision of any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or as a result of the termination of the Commitments and the payment in full of principal and interest on each Loan and all fees of the Loan Parties thereunder, shall cease to be in full force and effect; or any Loan Party or any other Person shall contest in any manner the validity or enforceability of any Loan Document; or any Loan Party shall purport to revoke, terminate or rescind any Loan Document;

then, and in every such event (other than an event with respect to the Borrower described in clause (h) or (i) of this Article), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower, take any or all of the following actions, at the same or different times: (i) terminate the Commitments (including the Issuing Bank Sublimit), and thereupon the Commitments shall terminate immediately, (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued but unpaid interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall become due and payable immediately, in each case without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower, and (iii) require that the Borrower provide cash collateral for the LC Exposure in accordance with Section 2.06(j) hereof; and in case of any event with respect to the Borrower described in clause (h) or (i) of this Article, the Commitments shall automatically terminate and the principal of the Loans then outstanding and cash collateral for the LC Exposure, together with accrued but unpaid interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall automatically become due and payable, and the obligation of the Borrower to cash collateralize the LC Exposure as provided in clause (iii) above shall automatically become effective, in each case, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower. Upon the occurrence and during the continuance of an Event of Default, the Administrative Agent may, and at the request of the Required Lenders shall, exercise any rights and remedies provided to the Administrative Agent under the Loan Documents or at law or equity, including all remedies provided under the UCC.

In addition to any other rights and remedies granted to the Administrative Agent and the Lenders in the Loan Documents, if any Event of Default has occurred and is continuing, the Administrative Agent on behalf of the Lenders may exercise all rights and remedies of a secured party under the New York Uniform Commercial Code or any other applicable law. Without limiting the generality of the foregoing, if any Event of Default has occurred and is continuing, the Administrative Agent, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except for any notice of default to the extent expressly required under the Loan Documents and/or any notice required by law referred to below) to or upon any Loan Party or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, or consent to the use by the Loan Party of any cash collateral arising in respect of the Collateral on such terms as the Administrative Agent deems reasonable, and/or may forthwith sell, lease, assign give an option or options to purchase or otherwise dispose of and deliver, or acquire by credit bid on behalf of the Lenders, the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of the Administrative Agent or any Lender or elsewhere, upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery, all without assumption of any credit risk. With respect to any public or private sales referred to in the preceding sentence, the Administrative Agent or any Lender shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in any Loan Party, which right or equity is hereby waived and released. Each Loan Party further agrees, at the Administrative Agent's request, to assemble the Collateral and make it available to the Administrative Agent at places which the Administrative Agent shall reasonably select, whether at such Loan Party's premises or elsewhere. The Administrative Agent shall apply the net proceeds of any action taken by it pursuant to this Article VII, after deducting all reasonable costs and expenses of every kind incurred in connection therewith or incidental to the care or safekeeping of any of the Collateral or in any other way relating to the Collateral or the rights of the Administrative Agent and the Lenders hereunder, including reasonable attorneys' fees and disbursements to the extent payable hereunder, to the payment in whole or in part of the obligations of the Loan Parties under the Loan Documents, in such order as the Administrative Agent may elect, and only after such application and after the payment by the Administrative Agent of any other amount required by any provision of law, including Section 9-615(a)(3) of the New York UCC, need the Administrative Agent account for the surplus, if any, to any Loan Party. To the extent permitted by applicable law, each Loan Party waives all claims, damages and demands it may acquire against the Administrative Agent or any Lender arising out of the exercise by them of any rights hereunder. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least 10 days before such sale or other disposition.

ARTICLE VIII.
The Administrative Agent

SECTION 8.01 Authorization and Action.

(a) Each Lender and each Issuing Bank hereby irrevocably appoints the entity named as Administrative Agent in the heading of this Agreement and its successors and assigns to serve as the administrative agent and collateral agent under the Loan Documents and each Lender and each Issuing Bank authorizes the Administrative Agent to take such actions as agent on its behalf and to exercise such powers under this Agreement and the other Loan Documents as are delegated to the Administrative Agent under such agreements and to exercise such powers as are reasonably incidental thereto. In addition, to the extent required under the laws of any jurisdiction other than within the U.S., each Lender and each Issuing Bank hereby grants to the Administrative Agent any required powers of attorney to execute and enforce any Collateral Document governed by the laws of such jurisdiction on such Lender's or such Issuing Bank's behalf. Without limiting the foregoing, each Lender and each Issuing Bank hereby authorizes the Administrative Agent to execute and deliver, and to perform its obligations under, each of the Loan Documents to which the Administrative Agent is a party, and to exercise all rights, powers and remedies that the Administrative Agent may have under such Loan Documents.

(b) As to any matters not expressly provided for herein and in the other Loan Documents (including enforcement or collection), the Administrative Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting upon the written instructions of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, pursuant to the terms in the Loan Documents) (and, if such written instruction is given, shall be fully protected in so acting or refraining from acting in the absence of gross negligence or willful misconduct on the part of the Administrative Agent), and, unless and until revoked in writing, such instructions shall be binding upon each Lender and each Issuing Bank; *provided*, *however*, that the Administrative Agent shall not be required to take any action that (i) the Administrative Agent in good faith believes exposes it to liability unless the Administrative Agent receives an indemnification and is exculpated in a manner satisfactory to it from the Lenders and the Issuing Banks with respect to such action or (ii) is contrary to this Agreement or any other Loan Document or applicable law, including any action that may be in violation of the automatic stay under any requirement of law relating to bankruptcy, insolvency or reorganization or relief of debtors or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any requirement of law relating to bankruptcy, insolvency or reorganization or relief of debtors; *provided*, *further*, that the Administrative Agent may seek clarification or direction from the Required Lenders prior to the exercise of any such instructed action and may refrain from acting until such clarification or direction has been provided. Except as expressly set forth in the Loan Documents, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower, any other Loan Party, any Subsidiary or any Affiliate of any of the foregoing that is communicated to or obtained by the Person serving as Administrative Agent or any of its Affiliates in any capacity. Nothing in this Agreement shall require the Administrative Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(c) In performing its functions and duties hereunder and under the other Loan Documents, the Administrative Agent is acting solely on behalf of the Lenders and the Issuing Banks (except in limited circumstances expressly provided for herein relating to the maintenance of the Register), and its duties are entirely mechanical and administrative in nature. Without limiting the generality of the foregoing:

(i) the Administrative Agent does not assume and shall not be deemed to have assumed any obligation or duty or any other relationship as the agent, fiduciary or trustee of or for any Lender, Issuing Bank, any other Secured Party or holder of any other obligation other than as expressly set forth herein and in the other Loan Documents, regardless of whether a Default or an Event of Default has occurred and is continuing (and it is understood and agreed that the use of the term "agent" (or any similar term) herein or in any other Loan Document with reference to the Administrative Agent is not intended to connote any fiduciary duty or other implied (or express) obligations arising under agency doctrine of any applicable law, and that such term is used as a matter of market custom and is intended to create or reflect only an administrative relationship between contracting parties); additionally, each Lender agrees that it will not assert any claim against the Administrative Agent based on an alleged breach of fiduciary duty by the Administrative Agent in connection with this Agreement and/or the transactions contemplated hereby; and

(ii) nothing in this Agreement or any Loan Document shall require the Administrative Agent to account to any Lender for any sum or the profit element of any sum received by the Administrative Agent for its own account;

(d) The Administrative Agent may perform any of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any of their respective duties and exercise their respective rights and powers through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities pursuant to this Agreement. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agent except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agent.

(e)The Lead Arranger shall have no obligations or duties whatsoever in such capacity under this Agreement or any other Loan Document and shall incur no liability hereunder to the Lenders or thereunder in such capacity, but all such persons shall have the benefit of the indemnities provided for hereunder.

(f) In case of the pendency of any proceeding with respect to any Loan Party under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, the Administrative Agent (irrespective of whether the principal of any Loan or any reimbursement obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(i) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, LC Disbursements and all other Secured Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the Issuing Banks and the Administrative Agent (including any claim under Sections 2.12, 2.13, 2.15, 2.17 and 9.03) allowed in such judicial proceeding; and

(ii) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such proceeding is hereby authorized by each Lender, each Issuing Bank and each other Secured Party to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, the Issuing Banks or the other Secured Parties, to pay to the Administrative Agent any amount due to it, in its capacity as the Administrative Agent, under the Loan Documents (including under Section 9.03). Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or Issuing Bank any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or Issuing Bank or to authorize the Administrative Agent to vote in respect of the claim of any Lender or Issuing Bank in any such proceeding.

(g) The provisions of this Article are solely for the benefit of the Administrative Agent, the Lenders and the Issuing Banks, and, except solely to the extent of the Borrower's rights to consent pursuant to and subject to the conditions set forth in this Article, none of the Borrower or any Subsidiary, or any of their respective Affiliates, shall have any rights as a third party beneficiary under any such provisions. Each Secured Party, whether or not a party hereto, will be deemed, by its acceptance of the benefits of the Collateral and of the Guarantees of the Obligations provided under the Loan Documents, to have agreed to the provisions of this Article.

SECTION 8.02 Administrative Agent's Reliance, Indemnification, Etc.

(a) Neither the Administrative Agent nor any of its Related Parties shall be (i) liable for any action taken or omitted to be taken by it under or in connection with this Agreement or the other Loan Documents (x) with the consent of or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith to be necessary, under the circumstances as provided in the Loan Documents) or (y) in the absence of its own gross negligence or willful misconduct (such absence to be presumed unless otherwise determined by a court of competent jurisdiction by a final and nonappealable judgment) or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by any Loan Party or any officer thereof contained in this Agreement or any other Loan Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this Agreement or any other Loan Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document or for any failure of any Loan Party to perform its obligations hereunder or thereunder.

(b)The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof (stating that it is a "notice of default") is given to the Administrative Agent by the Borrower, a Lender or an Issuing Bank, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered thereunder or in connection therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document or the occurrence of any Default, (iv) the sufficiency, validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document, (v) the satisfaction of any condition set forth in Article IV or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent or satisfaction of any condition that expressly refers to the matters described therein being acceptable or satisfactory to the Administrative Agent, or (vi)the creation, perfection or priority of Liens on the Collateral. Notwithstanding anything herein to the contrary, the Administrative Agent shall not be liable for, or be responsible for any loss, cost or expense suffered by the Borrower, any Subsidiary, any Lender or any Issuing Bank as a result of, any determination of the outstanding Loans, any of the component amounts thereof or any portion thereof attributable to each Lender or Issuing Bank.

(c)Without limiting the foregoing, the Administrative Agent (i) may treat the payee of any promissory note as its holder until such promissory note has been assigned in accordance with Section 9.04, (ii) may rely on the Register to the extent set forth in Section 9.04(b), (iii) may consult with legal counsel (including counsel to the Borrower), independent public accountants and other experts selected by it, and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts, (iv) makes no warranty or representation to any Lender or Issuing Bank and shall not be responsible to any Lender or Issuing Bank for any statements, warranties or representations made by or on behalf of any Loan Party in connection with this Agreement or any other Loan Document, (v) in determining compliance with any condition hereunder to the making of a Loan, or the issuance of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or an Issuing Bank, may presume that such condition is satisfactory to such Lender or Issuing Bank unless the Administrative Agent shall have received notice to the contrary from such Lender or Issuing Bank sufficiently in advance of the making of such Loan or the issuance of such Letter of Credit and (vi) shall be entitled to rely on, and shall incur no liability under or in respect of this Agreement or any other Loan Document by acting upon, any notice, consent, certificate or other instrument or writing (which writing may be a fax, any electronic message, Internet or intranet website posting or other distribution) or any statement made to it orally or by telephone and believed by it to be genuine and signed or sent or otherwise authenticated by the proper party or parties (whether or not such Person in fact meets the requirements set forth in the Loan Documents for being the maker thereof).

SECTION 8.03 Posting of Communications.

(a)The Borrower agrees that the Administrative Agent may, but shall not be obligated to, make any Communications available to the Lenders and the Issuing Banks by posting the Communications on IntraLinks™, DebtDomain, SyndTrak, ClearPar or any other electronic platform chosen by the Administrative Agent to be its electronic transmission system (the "***Approved Electronic Platform***").

(b)Although the Approved Electronic Platform and its primary web portal are secured with generally-applicable security procedures and policies implemented or modified by the Administrative Agent from time to time (including, as of the Effective Date, a user ID/password authorization system) and the Approved Electronic Platform is secured through a per-deal authorization method whereby each user may access the Approved Electronic Platform only on a deal-by-deal basis, each of the Lenders, each of the Issuing Banks and the Borrower acknowledges and agrees that the distribution of material through an electronic medium is not necessarily secure, that the Administrative Agent is not responsible for approving or vetting the representatives or contacts of any Lender that are added to the Approved Electronic Platform, and that there are confidentiality and other risks associated with such distribution. Each of the Lenders, each of the Issuing Banks and the Borrower hereby approves distribution of the Communications through the Approved Electronic Platform and understands and assumes the risks of such distribution.

(c) THE APPROVED ELECTRONIC PLATFORM AND THE COMMUNICATIONS ARE PROVIDED "AS IS" AND "AS AVAILABLE". THE APPLICABLE PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE COMMUNICATIONS, OR THE ADEQUACY OF THE APPROVED ELECTRONIC PLATFORM AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS OR OMISSIONS IN THE APPROVED ELECTRONIC PLATFORM AND THE COMMUNICATIONS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY THE APPLICABLE PARTIES IN CONNECTION WITH THE COMMUNICATIONS OR THE APPROVED ELECTRONIC PLATFORM. IN NO EVENT SHALL THE ADMINISTRATIVE AGENT, THE LEAD ARRANGER OR ANY OF THEIR RESPECTIVE RELATED PARTIES (COLLECTIVELY, "***APPLICABLE PARTIES***") HAVE ANY LIABILITY TO ANY LOAN PARTY, ANY LENDER, ANY ISSUING BANK OR ANY OTHER PERSON OR ENTITY FOR DAMAGES OF ANY KIND, INCLUDING DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF ANY LOAN PARTY'S OR THE ADMINISTRATIVE AGENT'S TRANSMISSION OF COMMUNICATIONS THROUGH THE INTERNET OR THE APPROVED ELECTRONIC PLATFORM.

"***Communications***" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of any Loan Party pursuant to any Loan Document or the transactions contemplated therein which is distributed by the Administrative Agent, any Lender or any Issuing Bank by means of electronic communications pursuant to this Section, including through an Approved Electronic Platform.

(d) Each Lender and each Issuing Bank agrees that notice to it (as provided in the next sentence) specifying that Communications have been posted to the Approved Electronic Platform shall constitute effective delivery of the Communications to such Lender for purposes of the Loan Documents. Each Lender and Issuing Bank agrees (i) to notify the Administrative Agent in writing (which could be in the form of electronic communication) from time to time of such Lender's or Issuing Bank's (as applicable) email address to which the foregoing notice may be sent by electronic transmission and (ii) that the foregoing notice may be sent to such email address.

(e) Each of the Lenders, each of the Issuing Banks and the Borrower agrees that the Administrative Agent may, but (except as may be required by applicable law) shall not be obligated to, store the Communications on the Approved Electronic Platform in accordance with the Administrative Agent's generally applicable document retention procedures and policies.

(f) Nothing herein shall prejudice the right of the Administrative Agent, any Lender or any Issuing Bank to give any notice or other communication pursuant to any Loan Document in any other manner specified in such Loan Document.

SECTION 8.04 The Administrative Agent Individually. With respect to its Commitment, Loans, Issuing Bank Sublimit and Letters of Credit, the Person serving as the Administrative Agent shall have and may exercise the same rights and powers hereunder and is subject to the same obligations and liabilities as and to the extent set forth herein for any other Lender or Issuing Bank, as the case may be. The terms "Issuing Banks", "Lenders", "Required Lenders" and any similar terms shall, unless the context clearly otherwise indicates, include the Administrative Agent in its individual capacity as a Lender, Issuing Bank or as one of the Required Lenders, as applicable. The Person serving as the Administrative Agent and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of banking, trust or other business with, any Loan Party, any Subsidiary or any Affiliate of any of the foregoing as if such Person was not acting as the Administrative Agent and without any duty to account therefor to the Lenders or the Issuing Banks.

SECTION 8.05 Successor Administrative Agent.

(a) The Administrative Agent may resign at any time by giving 30 days' prior written notice thereof to the Lenders, the Issuing Banks and the Borrower, whether or not a successor Administrative Agent has been appointed. Upon any such resignation, the Required Lenders shall have the right to appoint a successor Administrative Agent. If no successor Administrative Agent shall have been so appointed by the Required Lenders, and shall have accepted such appointment, within thirty (30) days after the retiring Administrative Agent's giving of notice of resignation, then the retiring Administrative Agent may, on behalf of the Lenders and the Issuing Banks, appoint a successor Administrative Agent, which shall be a bank with an office in New York, New York or an Affiliate of any such bank. In either case, such appointment shall be subject to the prior written approval of the Borrower (which approval may not be unreasonably withheld and shall not be required while an Event of Default under Section 7,01(a), (b), (h) or (i) has occurred and is continuing). Upon the acceptance of any appointment as Administrative Agent by a successor Administrative Agent in accordance with the terms hereunder, such successor Administrative Agent shall succeed to, and become vested with, all the rights, powers, privileges and duties of the retiring Administrative Agent. Upon the acceptance of appointment as Administrative Agent by a successor Administrative Agent in accordance with the terms hereunder, the retiring Administrative Agent shall be discharged from its duties and obligations under this Agreement and the other Loan Documents. Prior to any retiring Administrative Agent's resignation hereunder as Administrative Agent, the retiring Administrative Agent shall take such action as may be reasonably necessary to assign to the successor Administrative Agent its rights as Administrative Agent under the Loan Documents.

(b) Notwithstanding paragraph (a) of this Section, in the event that no such successor Administrative Agent shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its intent to resign, the retiring Administrative Agent may give notice of the effectiveness of its resignation to the Lenders, the Issuing Banks and the Borrower, whereupon, on the date of effectiveness of such resignation stated in such notice, the retiring Administrative Agent may, on behalf of the Lenders and the Issuing Bank, appoint a successor Administrative agent, meeting the qualifications set forth above (including the consent of the Borrower); *provided* that if such Administrative Agent shall notify the Borrower and the Lenders that no qualifying Person has accepted such appointment, then, in each case, such resignation or removal shall nonetheless become effective in accordance with such notice and (i) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents; *provided* that, solely for purposes of maintaining any security interest granted to the Administrative Agent under any Collateral Document for the benefit of the Secured Parties, the retiring Administrative Agent shall continue to be vested with such security interest as collateral agent for the benefit of the Secured Parties, and continue to be entitled to the rights set forth in such Collateral Document and Loan Document, and, in the case of any Collateral in the possession of the Administrative Agent, shall continue to hold such Collateral, in each case until such time as a successor Administrative Agent is appointed by the terms hereunder and accepts such appointment in accordance with this Section (it being understood and agreed that the retiring Administrative Agent shall have no duty or obligation to take any further action under any Collateral Document, including any action required to maintain the perfection of any such security interest), and (ii) the Required Lenders shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent; *provided* that (A) all payments required to be made hereunder or under any other Loan Document to the Administrative Agent for the account of any Person other than the Administrative Agent shall be made directly to such Person (it being understood that the fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor) and (B) all notices and other communications required or contemplated to be given or made to the Administrative Agent shall directly be given or made to each Lender and each Issuing Bank. Following the effectiveness of the Administrative Agent's resignation from its capacity as such, the provisions of this Article, Section 2.17(d) and Section 9.03, as well as any exculpatory, reimbursement and indemnification provisions set forth in any other Loan Document, shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent and in respect of the matters referred to in the proviso under clause (i) above.

SECTION 8.06 Acknowledgements of Lenders and Issuing Banks.

(a) Each Lender represents that it is engaged in making, acquiring or holding commercial loans in the ordinary course of its business and that it has, independently and without reliance upon the Administrative Agent, the Lead Arranger or any other Lender, or any of the Related Parties of any of the foregoing, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement as a Lender, and to make, acquire or hold Loans hereunder. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent, the Lead Arranger or any other Lender, or any of the Related Parties of any of the foregoing, and based on such documents and information (which may contain material, non-public information within the meaning of the U.S. securities laws concerning the Borrower and its Affiliates) as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

(b) Each Lender, by delivering its signature page to this Agreement on the Effective Date, or delivering its signature page to an Assignment and Assumption or any other Loan Document pursuant to which it shall become a Lender hereunder, shall be deemed to have acknowledged receipt of, and consented to and approved, each Loan Document and each other document required to be delivered to, or be approved by or satisfactory to, the Administrative Agent or the Lenders on the Effective Date or the effective date of any such Assignment and Assumption or any other Loan document pursuant to which it shall have become a Lender hereunder.

SECTION 8.07 Collateral Matters.

(a) Except with respect to the exercise of setoff rights in accordance with Section 9.08 or with respect to a Secured Party's right to file a proof of claim in an insolvency proceeding, no Secured Party shall have any right individually to realize upon any of the Collateral or to enforce any Guarantee of the Secured Obligations, it being understood and agreed that all powers, rights and remedies under the Loan Documents may be exercised solely by the Administrative Agent on behalf of the Secured Parties in accordance with the terms thereof. In its capacity, the Administrative Agent is a "representative" of the Secured Parties within the meaning of the term "secured party" as defined in the UCC. In the event that any Collateral is hereafter pledged by any Person as collateral security for the Secured Obligations, the Administrative Agent is hereby authorized, and hereby granted a power of attorney, to execute and deliver on behalf of the Secured Parties any Loan Documents necessary or appropriate to grant and perfect a Lien on such Collateral in favor of the Administrative Agent on behalf of the Secured Parties.

(b) In furtherance of the foregoing and not in limitation thereof, no arrangements in respect of Banking Services the obligations under which constitute Banking Services Obligations and no Swap Agreement the obligations under which constitute Swap Agreement Obligations, will create (or be deemed to create) in favor of any Secured Party that is a party thereto any rights in connection with the management or release of any Collateral or of the obligations of any Loan Party under any Loan Document. By accepting the benefits of the Collateral, each Secured Party that is a party to any such arrangement in respect of Banking Services or Swap Agreement, as applicable, shall be deemed to have appointed the Administrative Agent to serve as administrative agent and collateral agent under the Loan Documents and agreed to be bound by the Loan Documents as a Secured Party thereunder, subject to the limitations set forth in this paragraph.

(c) The Secured Parties irrevocably authorize the Administrative Agent, at its option and in its discretion, to subordinate any Lien on any property granted to or held by the Administrative Agent under any Loan Document to the holder of any Lien on such property that is permitted by Section 6.02(a). The Administrative Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Administrative Agent's Lien thereon or any certificate prepared by any Loan Party in connection therewith, nor shall the Administrative Agent be responsible or liable to the Lenders or any other Secured Party for any failure to monitor or maintain any portion of the Collateral.

SECTION 8.08 Credit Bidding. The Secured Parties hereby irrevocably authorize the Administrative Agent, at the direction of the Required Lenders, to credit bid all or any portion of the Obligations (including by accepting some or all of the Collateral in satisfaction of some or all of the Obligations pursuant to a deed in lieu of foreclosure or otherwise) and in such manner purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral (a) at any sale thereof conducted under the provisions of the Bankruptcy Code, including under Sections 363, 1123 or 1129 of the Bankruptcy Code, or any similar laws in any other jurisdictions to which a Loan Party is subject, or (b) at any other sale, foreclosure or acceptance of collateral in lieu of debt conducted by (or with the consent or at the direction of) the Administrative Agent (whether by judicial action or otherwise) in accordance with any applicable law. In connection with any such credit bid and purchase, the Obligations owed to the Secured Parties shall be entitled to be, and shall be, credit bid by the Administrative Agent at the direction of the Required Lenders on a ratable basis (with Obligations with respect to contingent or unliquidated claims receiving contingent interests in the acquired assets on a ratable basis that shall vest upon the liquidation of such claims in an amount proportional to the liquidated portion of the contingent claim amount used in allocating the contingent interests) for the asset or assets so purchased (or for the equity interests or debt instruments of the acquisition vehicle or vehicles that are issued in connection with such purchase). In connection with any such bid, (i) the Administrative Agent shall be authorized to form one or more acquisition vehicles and to assign any successful credit bid to such acquisition vehicle or vehicles, (ii) each of the Secured Parties' ratable interests in the Obligations which were credit bid shall be deemed without any further action under this Agreement to be assigned to such vehicle or vehicles for the purpose of closing such sale, (iii) the Administrative Agent shall be authorized to adopt documents providing for the governance of the acquisition vehicle or vehicles (*provided* that any actions by the Administrative Agent with respect to such acquisition vehicle or vehicles, including any disposition of the assets or equity interests thereof, shall be governed, directly or indirectly, by, and the governing documents shall provide for, control by the vote of the Required Lenders or their permitted assignees under the terms of this Agreement or the governing documents of the applicable acquisition vehicle or vehicles, as the case may be, irrespective of the termination of this Agreement and without giving effect to the limitations on actions by the Required Lenders contained in Section 9.02 of this Agreement), (iv) the Administrative Agent on behalf of such acquisition vehicle or vehicles shall be authorized to issue to each of the Secured Parties, ratably on account of the relevant Obligations which were credit bid, interests, whether as equity, partnership, limited partnership interests or membership interests, in any such acquisition vehicle and/or debt instruments issued by such acquisition vehicle, all without the need for any Secured Party or acquisition vehicle to take any further action, and (v)to the extent that Obligations that are assigned to an acquisition vehicle are not used to acquire Collateral for any reason (as a result of another bid being higher or better, because the amount of Obligations assigned to the acquisition vehicle exceeds the amount of Obligations credit bid by the acquisition vehicle or otherwise), such Obligations shall automatically be reassigned to the Secured Parties pro rata with their original interest in such Obligations and the equity interests and/or debt instruments issued by any acquisition vehicle on account of such Obligations shall automatically be cancelled, without the need for any Secured Party or any acquisition vehicle to take any further action. Notwithstanding that the ratable portion of the Obligations of each Secured Party are deemed assigned to the acquisition vehicle or vehicles as set forth in clause (ii) above, each Secured Party shall execute such documents and provide such information regarding the Secured Party (and/or any designee of the Secured Party which will receive interests in or debt instruments issued by such acquisition vehicle) as the Administrative Agent may reasonably request in connection with the formation of any acquisition vehicle, the formulation or submission of any credit bid or the consummation of the transactions contemplated by such credit bid.

SECTION 8.09 Certain ERISA Matters.

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, and the Lead Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of the Plan Asset Regulations) of one or more Benefit Plans in connection with the Loans, the Letters of Credit or the Commitments,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement, and the conditions for exemptive relief thereunder are and will continue to be satisfied in connection therewith,

(iii)(A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D)to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b)In addition, unless sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or such Lender has not provided another representation, warranty and covenant as provided in sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, the Lead Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that none of the Administrative Agent, or the Lead Arranger or any of their respective Affiliates is a fiduciary with respect to the Collateral or the assets of such Lender (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related to hereto or thereto).

(c) The Administrative Agent and the Lead Arranger hereby informs the Lenders that each such Person is not undertaking to provide investment advice or to give advice in a fiduciary capacity, in connection with the transactions contemplated hereby, and that such Person has a financial interest in the transactions contemplated hereby in that such Person or an Affiliate thereof (i) may receive interest or other payments with respect to the Loans, the Letters of Credit, the Commitments, this Agreement and any other Loan Documents (ii) may recognize a gain if it extended the Loans, the Letters of Credit or the Commitments for an amount less than the amount being paid for an interest in the Loans, the Letters of Credit or the Commitments by such Lender or (iii)may receive fees or other payments in connection with the transactions contemplated hereby, the Loan Documents or otherwise, including structuring fees, commitment fees, arrangement fees, facility fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent or collateral agent fees, utilization fees, minimum usage fees, letter of credit fees, fronting fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker’s acceptance fees, breakage or other early termination fees or fees similar to the foregoing.

SECTION 8.10 Flood Laws. JPMorgan has adopted internal policies and procedures that address requirements placed on federally regulated lenders under Flood Laws. JPMorgan, as administrative agent or collateral agent on a syndicated facility, will post on the applicable electronic platform (or otherwise distribute to each Lender in the syndicate) documents that it receives in connection with the Flood Laws. However, JPMorgan reminds each Lender and Participant in the facility that, pursuant to the Flood Laws, each federally regulated Lender (whether acting as a Lender or Participant in the facility) is responsible for assuring its own compliance with the flood insurance requirements.

ARTICLE IX.
Miscellaneous

SECTION 9.01 Notices.

(a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, fax or other electronic communication, as follows:

(i) if to any Loan Party, to it in care of the Borrower at:

Alclear Holdings, LLC
65 East 55th Street
New York, NY 10022
Attention: General Counsel
Telephone No.:
E-mail:

(ii) with a copy to:

Goodwin Procter LLP
100 Northern Avenue
Boston, MA 02110
Attention: Anna Dodson
Telephone No.: (617) 570-1164
E-mail: ADodson@goodwinlaw.com

(iii) if to the Administrative Agent, or JPMorgan in its capacity as an Issuing Bank, to JPMorgan Chase Bank, N.A. at:

JPMorgan Chase Bank, N.A.
Middle Market Servicing
10 South Dearborn, Floor L2
Suite IL1-1145
Chicago, IL 60603-2300
Email: jpm.agency.servicing.1@jpmorgan.com

with a copy to:

JPMorgan Chase Bank, N.A.
270 Park Avenue, 42nd Floor
New York, NY 10017
Attention:
Email:

(iv) if to any other Lender or Issuing Bank, to it at its address (or telecopy number or e-mail address) set forth in its Administrative Questionnaire.

All such notices and other communications (i) sent by hand or overnight courier service, or mailed by certified or registered mail shall be deemed to have been given when received, (ii) sent by fax shall be deemed to have been given when sent, provided that if not given during normal business hours for the recipient, such notice or communication shall be deemed to have been given at the opening of business on the next Business Day of the recipient, or (iii) delivered through Electronic Systems or Approved Electronic Platforms, as applicable, to the extent provided in paragraph (b) below shall be effective as provided in such paragraph.

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by using Electronic Systems or Approved Electronic Platforms, as applicable, or pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article II or to compliance and no Default certificates delivered pursuant to Section 5.01(d) unless otherwise agreed by the Administrative Agent and the applicable Lender. Each of the Administrative Agent and the Borrower (on behalf of the Loan Parties) may, in its discretion, agree to accept notices and other communications to it hereunder by using Electronic Systems or Approved Electronic Platforms, as applicable, pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications. Unless the Administrative Agent otherwise proscribes, all such notices and other communications (i) sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if not given during the normal business hours of the recipient, such notice or communication shall be deemed to have been given at the opening of business on the next Business Day for the recipient, and (ii) posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; provided further that, for both clauses (i) and (ii) above, if such notice, e-mail or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day of the recipient.

(c) Any party hereto may change its address or telecopy number or e-mail address for notices and other communications hereunder by notice to the other parties hereto.

SECTION 9.02 Waivers; Amendments.

(a) No failure or delay by the Administrative Agent, the Issuing Bank or any Lender in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent, the Issuing Bank and the Lenders hereunder and under any other Loan Document are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Loan Document or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section 9.02, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent, any Lender or the Issuing Bank may have had notice or knowledge of such Default at the time.

(b) Subject to Section 2.14(c) and (d) and Section 9.02(e) below, neither this Agreement nor any other Loan Document nor any provision hereof or thereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders or by the Borrower and the Administrative Agent with the consent of the Required Lenders; *provided* that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender (including any such Lender that is a Defaulting Lender) (it being understood that a waiver of any condition precedent or the waiver of any Default, Event of Default or mandatory prepayment shall not constitute an increase of any Commitment), (ii) reduce or forgive the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon, or reduce or forgive any interest or fees payable hereunder, without the written consent of each Lender directly and adversely affected thereby (including any such Lender that is a Defaulting Lender); *provided, however*, that only the consent of the Required Lenders shall be necessary to amend the provisions with respect to the application or amount of the default rate described in Section 2.13(c) or waive any obligation of the Borrower to pay interest or fees at such default rate and with respect to amendments to any financial covenant ratios or related definitions, the impact of which may reduce interest, (iii) postpone any scheduled date of payment of the principal amount of any Loan or LC Disbursement, or any date for payment of any interest thereon, or any fees or other Obligations payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender directly and adversely affected thereby (including any such Lender that is a Defaulting Lender), (iv) change Section 2.09(b) or 2.18(b) or (d) in a manner that would alter the ratable reduction of Commitments or the *pro rata* sharing of payments required thereby, without the written consent of each Lender, (v) release the Borrower from its Obligations without the written consent of each Lender, (vi) change any of the provisions of this Section 9.02 or the definition of "Required Lenders" or, except as provided in the following clause (viii), any other provision of any Loan Document specifying the number or percentage of Lenders required to waive, amend or modify any rights thereunder or make any determination or grant any consent thereunder, without the written consent of each Lender, (vii) change Section 2.20, without the consent of each Lender (other than any Defaulting Lender), (viii) [intentionally omitted], (ix)[intentionally omitted], (x) release all or substantially all of the Guarantors from their obligations under the Loan Guaranty, without the written consent of each Lender (other than any Defaulting Lender) (except as otherwise expressly provided for herein), or (xi) except as provided in paragraph (d) of this Section 9.02, release all or substantially all of the Collateral (except as otherwise expressly provided for herein), without the written consent of each Lender (other than any Defaulting Lender); *provided further*, that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent or the Issuing Bank hereunder without the prior written consent of the Administrative Agent or the Issuing Bank, as the case may be (it being understood that any change to Section 2.20 shall require the consent of the Administrative Agent and the Issuing Bank); *provided further,* that no such agreement shall amend or modify the provisions of Section 2.06 or any letter of credit application and any bilateral agreement between the Borrower and the Issuing Bank regarding the Issuing Bank's Issuing Bank Sublimit or the respective rights and obligations between the Borrower and the Issuing Bank in connection with the issuance of Letters of Credit without the prior written consent of the Borrower, the Administrative Agent and the Issuing Bank, respectively. The Administrative Agent may also amend Schedule 2.01 to reflect assignments entered into pursuant to Section 9.04.

(c) [Intentionally Omitted].

(d)If, in connection with any proposed amendment, waiver or consent requiring the consent of "each Lender" or "each Lender affected thereby," the consent of the Required Lenders is obtained, but the consent of other necessary Lenders is not obtained (any such Lender whose consent is necessary but has not been obtained being referred to herein as a "***Non-Consenting Lender***"), then the Borrower may elect to replace a Non-Consenting Lender as a Lender party to this Agreement, provided that, concurrently with such replacement, (i) another bank or other entity which is reasonably satisfactory to the Borrower, the Administrative Agent and the Issuing Bank shall agree, as of such date, to purchase for cash the Loans and other Obligations due to the Non-Consenting Lender pursuant to an Assignment and Assumption and to become a Lender for all purposes under this Agreement and to assume all obligations of the Non-Consenting Lender to be terminated as of such date and to comply with the requirements of clause (b) of Section 9.04, and (ii) the Borrower shall pay to such Non-Consenting Lender in same day funds on the day of such replacement (1) all interest, fees and other amounts then accrued but unpaid to such Non-Consenting Lender by the Borrower hereunder to and including the date of termination, including without limitation payments due to such Non-Consenting Lender under Sections 2.15 and 2.17, and (2) an amount, if any, equal to the payment which would have been due to such Lender on the day of such replacement under Section 2.16 had the Loans of such Non-Consenting Lender been prepaid on such date rather than sold to the replacement Lender. Each party hereto agrees that an assignment required pursuant to this paragraph may be effected pursuant to an Assignment and Assumption executed by the Borrower, the Administrative Agent and the assignee (or, to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to an Approved Electronic Platform as to which the Administrative Agent and such parties are participants), and the Lender required to make such assignment need not be a party thereto in order for such assignment to be effective and shall be deemed to have consented to an be bound by the terms thereof; provided that, following the effectiveness of any such assignment, the other parties to such assignment agree to execute and deliver such documents necessary to evidence such assignment as reasonably requested by the applicable Lender, provided that any such documents shall be without recourse to or warranty by the parties thereto.

(e)If the Administrative Agent and the Borrower acting together identify any ambiguity, omission, mistake, typographical error or other defect in any provision of this Agreement or any other Loan Document, then the Administrative Agent and the Borrower shall be permitted to amend, modify or supplement such provision to cure such ambiguity, omission, mistake, typographical error or other defect, and such amendment shall become effective without any further action or consent of any other party to this Agreement.

(f)The Lenders and the Issuing Bank hereby irrevocably authorize the Administrative Agent, at its option and in its sole discretion, to release any Liens granted to or held by the Administrative Agent upon any Collateral (i) upon the termination of all the Commitments, payment and satisfaction in full in cash of all Secured Obligations (other than (A) contingent obligations and (B) Swap Agreement Obligations and Banking Services Obligations as to which arrangements satisfactory to the applicable counterparty have been made), and the expiration or termination of all Letters of Credit (other than Letters of Credit as to which other arrangements satisfactory to the Administrative Agent and the Issuing Bank have been made), (ii) constituting property being sold or disposed of if the sale or disposition is made in compliance with the terms of this Agreement, (iii) constituting property leased to the Borrower or any Subsidiary under a lease which has expired or been terminated in a transaction permitted under this Agreement, (iv) as required to effect any sale or other disposition of such Collateral in connection with any exercise of remedies of the Administrative Agent and the Lenders pursuant to Article VII, (v) as otherwise permitted by, but only in accordance with, the terms of any Loan Document, or (vi) if approved, authorized or ratified in writing by the Required Lenders, unless such release is required to be approved by all of the Lenders hereunder. At any time that a Loan Party desires that the Administrative Agent take any action to acknowledge or confirm any release of Collateral pursuant to clauses (ii), (iii) or (v) of the preceding sentence, such Loan Party shall, upon the Administrative Agent's request, deliver to the Administrative Agent a certificate signed by a Responsible Officer of such Loan Party (or the Borrower on behalf of such Loan Party) certifying as to such matter relating to such release as the Administrative Agent may reasonably request. Upon request by the Administrative Agent at any time, the Lenders will confirm in writing the Administrative Agent's authority to release particular types or items of Collateral pursuant hereto. Any such release shall not in any manner discharge, affect, or impair the Secured Obligations or any Liens (other than those expressly being released) upon (or obligations of the Loan Parties in respect of) all interests retained by the Loan Parties, including the proceeds of any sale, all of which shall continue to constitute part of the Collateral.

SECTION 9.03 Expenses; Indemnity; Damage Waiver.

(a)The Loan Parties, jointly and severally, shall pay or promptly reimburse (i) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent, Lead Arranger and their respective Affiliates (limited, in the case of legal costs, to the reasonable and documented fees, disbursements and other charges of one primary counsel for the Administrative Agent and Lead Arranger collectively (including one reasonably necessary local counsel in each material jurisdiction for the Administrative Agent and Lead Arranger collectively)), in connection with the syndication, distribution (including, without limitation, via the internet or through an Electronic System or Approved Electronic Platform), preparation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated) of the credit facilities provided for herein, (ii) all reasonable and documented out-of-pocket expenses incurred by the Issuing Bank in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent, the Issuing Bank or any Lender (limited in the case of legal costs, to the reasonable and documented fees, disbursements and other charges a of one primary counsel to all such persons, collectively, one reasonably necessary local counsel in each material jurisdiction, to all such persons, collectively, and additional counsel in each relevant jurisdiction (to be shared by similarly situated persons) in light of conflicts of interest for the Administrative Agent, the Issuing Bank or any Lender) during the existence of an Event of Default, in connection with the enforcement, collection or protection of its rights in connection with this Agreement and the other Loan Documents, including its rights under this Section 9.03, or in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during the existence of an Event of Default and during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b)Each of the Loan Parties, jointly and severally, shall indemnify the Administrative Agent, Lead Arranger, the Issuing Bank and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "***Indemnitee***") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, penalties, incremental taxes, liabilities and related reasonable and documented out-of-pocket expenses (limited in the case of legal costs, to the reasonable and documented out-of-pocket fees, charges and disbursements of one primary counsel to all such persons, collectively, one reasonably necessary local counsel in each material jurisdiction to all such persons, collectively, and additional counsel in each relevant jurisdiction (to be shared by similarly situated persons) in light of conflicts of interest for any Indemnitee), incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document, or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the Transactions or any other transactions contemplated hereby, (ii) any Loan or Letter of Credit or the use of the proceeds therefrom (including any refusal by the Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or Release of Hazardous Materials on or from any property owned or operated by a Loan Party or a Subsidiary, or any Environmental Liability related in any way to a Loan Party or a Subsidiary or (iv) any actual or prospective claim, litigation, investigation, arbitration or proceeding relating to any of the foregoing, whether or not such claim, litigation, investigation, arbitration or proceeding is brought by the Borrower or any other Loan Party or their respective equity holders, Affiliates, creditors or any other third Person and whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto; *provided* that such indemnity shall not, as to any Indemnitee, be available to the extent (a) that such losses, claims, damages, penalties, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence, or willful misconduct of such Indemnitee or material breach of such Indemnitee's obligations hereunder or under any other Loan Document or (b)any dispute solely among the Indemnitee that does not involve an act or omission of the Borrower or any of its Affiliates (other than any claims against an Indemnitee in its capacity as an administrative agent or arranger or any similar role under the Loan Documents). This Section 9.03(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, penalties, liabilities or expenses arising from any non-Tax claim.

(c)Each Lender severally agrees to pay any amount required to be paid by any Loan Party under paragraph (a) or (b) of this Section 9.03 to the Administrative Agent and each Issuing Bank, and each Related Party of any of the foregoing Persons (each, an "***Agent Indemnitee***") (to the extent not reimbursed by the Loan Parties and without limiting the obligation of any Loan Party to do so), ratably according to their respective Applicable Percentage in effect on the date on which indemnification is sought under this Section 9.03 (or, if indemnification is sought after the date upon which the Commitments shall have terminated and the Loans shall have been Paid in Full, ratably in accordance with such Applicable Percentage immediately prior to such date), from and against any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any kind whatsoever that may at any time (whether before or after the payment of the Loans) be imposed on, incurred by or asserted against such Agent Indemnitee in any way relating to or arising out of the Commitments, this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by such Agent Indemnitee under or in connection with any of the foregoing; *provided* that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against such Agent Indemnitee in its capacity as such; *provided further* that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from such Agent Indemnitee's gross negligence or willful misconduct. The agreements in this Section 9.03 shall survive the termination of this Agreement and the Payment in Full.

(d)To the extent permitted by applicable law, (i) the no Loan Party shall assert, and each Loan Party hereby waives, any claim against any Indemnitee for any damages arising from the use by others of information or other materials obtained through telecommunications, electronic or other information transmission systems (including the Internet), and (ii) no party hereto shall assert, and each such party hereby waives, any claim against any other party hereto, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document, or any agreement or instrument contemplated hereby or thereby, the Transactions, any Loan or Letter of Credit or the use of the proceeds thereof; *provided* that, nothing in this clause (d)(ii) shall relieve any Loan Party of any obligation it may have to indemnify an Indemnitee against special, indirect, consequential or punitive damages asserted against such Indemnitee by a third party.

(e) All amounts due under this Section 9.03 shall be payable promptly after written demand therefor.

SECTION 9.04 Successors and Assigns.

(a)The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of the Issuing Bank that issues any Letter of Credit), except that (i) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section 9.04. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of the Issuing Bank that issues any Letter of Credit), Participants (to the extent provided in paragraph (c) of this Section 9.04) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Issuing Bank and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b)(i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more Persons (other than an Ineligible Institution) all or a portion of its rights and obligations under the Loan Documents (including all or a portion of its Commitment, participations in Letters of Credit and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld) of:

(A) the Borrower; *provided* that, the Borrower shall be deemed to have consented to an assignment unless it shall have objected thereto by written notice to the Administrative Agent within ten (10) Business Days after having received notice thereof; *provided* that no consent of the Borrower shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund or, if an Event of Default has occurred and is continuing, any other assignee (other than any Ineligible Institution);

(B) the Administrative Agent; and

(C) the Issuing Bank.

(ii) Assignments shall be subject to the following additional conditions:

(A)except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than $5,000,000 unless each of the Borrower and the Administrative Agent otherwise consent; *provided* that no such consent of the Borrower shall be required if an Event of Default has occurred and is continuing;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent (x) an Assignment and Assumption or (y) to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to an Approved Electronic Platform as to which the Administrative Agent and the parties to the Assignment and Assumption are participants, together with a processing and recordation fee of $3,500; and

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire in which the assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Loan Parties and their Related Parties or their respective securities) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable laws, including Federal and state securities laws.

For the purposes of this Section 9.04(b), the term "***Approved Fund***" and "***Ineligible Institution***" have the following meanings:

"***Approved Fund***" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"***Ineligible Institution***" means a (a) natural person, (b) company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person or relative(s) thereof; *provided* that, such company, investment vehicle or trust shall not constitute an Ineligible Institution if it (i) has not been established for the primary purpose of acquiring any Loans or Commitments, (ii) is managed by a professional advisor, who is not such natural person or a relative thereof, having significant experience in the business of making or purchasing commercial loans, and (iii) has assets greater than $25,000,000 and a significant part of its activities consist of making commercial revolving loans and similar revolving extensions of credit in the ordinary course of its business, (c) a Defaulting Lender or its Lender Parent, (d) the Borrower or any of its Subsidiaries or other Affiliates or (e) any Competitors or Competitor Controllers of the Borrower identified by the Borrower in writing to the Administrative Agent.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section 9.04, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.15, 2.16, 2.17 and 9.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 9.04 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section 9.04.

(iv)The Administrative Agent, acting for this purpose as a non-fiduciary agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount (and stated interest) of the Loans and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the "***Register***"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent, the Issuing Bank and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower, the Issuing Bank and any Lender, in each case at any reasonable time and from time to time upon reasonable prior notice.

(v)Upon its receipt of (x) a duly completed Assignment and Assumption executed by an assigning Lender and an assignee or (y) to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to an Approved Electronic Platform as to which the Administrative Agent and the parties to the Assignment and Assumption are participants, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section 9.04 and any written consent to such assignment required by paragraph (b) of this Section 9.04, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; *provided* that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to Section 2.06(d) or (e), 2.07(b), 2.18(d) or 9.03(c), the Administrative Agent shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c)Any Lender may, without the consent of, or notice to, the Borrower, the Administrative Agent, the Issuing Bank, sell participations to one or more banks or other entities (a "***Participant***"), other than an Ineligible Institution, in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); *provided* that (A) such Lender's obligations under this Agreement shall remain unchanged; (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations; and (C) the Borrower, the Administrative Agent, the Issuing Bank and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement or any other Loan Document; *provided* that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.02(b) that directly or adversely affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.15, 2.16 and 2.17 (subject to the requirements and limitations therein, including the requirements under Section 2.17(f) (it being understood that the documentation required under Section 2.17(f) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section 9.04; *provided* that such Participant (A) agrees to be subject to the provisions of Section 2.19 as if it were an assignee under paragraph (b) of this Section 9.04; and (B) shall not be entitled to receive any greater payment under Section 2.15 or 2.17, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such greater entitlement results from a Change in Law after the Participant acquired the applicable participation.

(d)Each Lender that sells a participation agrees to effectuate the provisions of Section 2.19(b) with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender; *provided* that such Participant agrees to be subject to Section 2.18(c) as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "***Participant Register***"); *provided* that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans, Letters of Credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such Commitment, Loan, Letter of Credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e)Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section 9.04 shall not apply to any such pledge or assignment of a security interest; *provided* that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(f)If any assignment or participation is made to an Ineligible Institution in violation of this Section 9.04, the Borrower may, at its sole expense and effort, upon notice to the Ineligible Institution, as the case may be, and the Administrative Agent, (A) terminate the Commitment of the applicable Ineligible Institution and repay all Obligations (other than Unliquidated Obligations that have not yet arisen) of the Borrower owing to such Ineligible Institution in connection with such Commitment and/or (B) require such Ineligible Institution to assign, without recourse (in accordance with and subject to the restrictions contained in this Section 9.04), all of its interest, rights and obligations under this Agreement and any applicable participation agreement to one or more Persons (other than an Ineligible Institution) at the lesser of (x) the principal amount thereof and (y) the amount that such Ineligible Institution paid to acquire such interests, rights and obligations.

SECTION 9.05 Survival. All covenants, agreements, representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, the Issuing Bank or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect until Payment in Full. The provisions of Sections 2.15, 2.16, 2.17 and 9.03 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any other Loan Document or any provision hereof or thereof.

SECTION 9.06 Counterparts; Integration; Effectiveness; Electronic Execution.

(a)This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and any separate letter agreements with respect to (i) fees payable to the Administrative Agent and (ii) increases or reductions of the Issuing Bank Sublimit of the Issuing Bank constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(b)Delivery of an executed counterpart of a signature page of this Agreement by telecopy, emailed pdf. or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to any document to be signed in connection with this Agreement and the transactions contemplated hereby or thereby shall be deemed to include Electronic Signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; *provided* that nothing herein shall require the Administrative Agent to accept electronic signatures in any form or format without its prior written consent.

SECTION 9.07 Severability. Any provision of any Loan Document held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 9.08 Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender, each Issuing Bank, and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held, and other obligations at any time owing, by such Lender, such Issuing Bank or any such Affiliate, to or for the credit or the account of any Loan Party against any and all of the Obligations owing to such Lender or such Issuing Bank or their respective Affiliates, irrespective of whether or not such Lender, Issuing Bank or Affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Loan Parties may be contingent or unmatured or are owed to a branch office or Affiliate of such Lender or such Issuing Bank different from the branch office or Affiliate holding such deposit or obligated on such indebtedness; *provided* that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.20 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent, the Issuing Banks, and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender, each Issuing Bank and their respective Affiliates under this Section 9.08 are in addition to other rights and remedies (including other rights of setoff) that such Lender, such Issuing Bank or their respective Affiliates may have. Each Lender and Issuing Bank agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application; *provided* that the failure to give such notice shall not affect the validity of such setoff and application.

SECTION 9.09 Governing Law; Jurisdiction; Consent to Service of Process.

(a)The Loan Documents (other than those containing a contrary express choice of law provision) shall be governed by and construed in accordance with the internal laws of the State of New York, but giving effect to federal laws applicable to national banks.

(b)Each of the Lenders and the Administrative Agent hereby irrevocably and unconditionally agrees that, notwithstanding the governing law provisions of any applicable Loan Document, any claims brought against the Administrative Agent by any Secured Party relating to this Agreement, any other Loan Document, the Collateral or the consummation or administration of the transactions contemplated hereby or thereby shall be construed in accordance with and governed by the law of the State of New York.

(c)Each of the parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any U.S. federal or New York state court sitting in New York, New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to any Loan Documents, the transactions relating hereto or thereto, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may (and any such claims, cross-claims or third party claims brought against the Administrative Agent or any of its Related Parties may only) be heard and determined in such state court or, to the extent permitted by law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or any other Loan Document shall affect any right that the Administrative Agent, the Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Loan Party or its properties in the courts of any jurisdiction.

(d)Each of the parties hereto hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (c) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(e)Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.10 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 9.10.

SECTION 9.11 Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 9.12 Confidentiality. Each of the Administrative Agent, the Issuing Bank and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any Governmental Authority (including any self-regulatory authority, such as the National Association of Insurance Commissioners) (*provided*, *that*, unless prohibited by applicable law or court order, the Administrative Agent, applicable Lender or Issuing Bank, as the case may be, shall notify the Borrower of any request by any Governmental Authority for disclosure of any such nonpublic Information prior to the disclosure of such Information), (c) to the extent required by any Requirement of Law or by any subpoena or similar legal process (*provided*, that the Lender shall notify the Borrower of any such requirement unless prohibited by applicable law, regulation or court order), (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder (provided that the Borrower shall be given notice thereof and a reasonable opportunity to seek a protective court order with respect to such Information prior to such disclosure and any foreclosure, sale or other disposition of any Collateral in connection with the exercise of remedies under the Collateral Documents, subject to each potential transferee of such Collateral having entered into customary confidentiality undertakings with respect to such Collateral prior to the disclosure thereof to such Person), (f) subject to an agreement containing provisions substantially the same as those of this Section, to (x) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (y) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Loan Parties and their obligations, (g) with the consent of the Borrower, (h) to holders of Equity Interests in the Borrower, (i) to any Person providing a Guarantee of all or any portion of the Secured Obligations, (j) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Administrative Agent, the Issuing Bank or any Lender on a non-confidential basis from a source other than the Borrower that, to the knowledge of the Administrative Agent or the applicable Lender, Issuing Bank or Affiliate, is not subject to contractual or fiduciary confidentiality obligations or (k) on a confidential basis to (x) any rating agency in connection with rating the Borrower or its Subsidiaries or the credit facilities provided for herein or (y) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of identification numbers with respect to the credit facilities provided for herein. Notwithstanding anything to the contrary, no such prior notifications required under this Section 9.12 by the Administrative Agent, the Issuing Bank and the Lenders to the Loan Parties shall be required in respect of any disclosure to bank regulatory authorities having jurisdiction over each of the Administrative Agent, the Issuing Bank and the Lenders. For the purposes of this Section, "Information" means all information received from the Loan Parties or from other Persons on their behalf relating to the Loan Parties, their Subsidiaries or their business, other than any such information that is available to the Administrative Agent, the Issuing Bank or any Lender on a non-confidential basis prior to disclosure by the Borrower and other than information pertaining to this Agreement provided by arrangers to data service providers, including league table providers, that serve the lending industry. Any Person required to maintain the confidentiality of Information as provided in this Section 9.12 shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTION 9.13 Several Obligations; Nonreliance; Violation of Law. The respective obligations of the Lenders hereunder are several and not joint and the failure of any Lender to make any Loan or perform any of its obligations hereunder shall not relieve any other Lender from any of its obligations hereunder. Each Lender hereby represents that it is not relying on or looking to any margin stock (as defined in Regulation U of the Board) for the repayment of the Borrowings provided for herein. Anything contained in this Agreement to the contrary notwithstanding, neither the Issuing Bank nor any Lender shall be obligated to extend credit to the Borrower in violation of any Requirement of Law.

SECTION 9.14 USA PATRIOT Act. Each Lender that is subject to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "***USA Patriot Act***") hereby notifies each Loan Party that pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies each Loan Party, which information includes the name and address of each Loan Party and other information that will allow such Lender to identify each Loan Party in accordance with the Act.

SECTION 9.15 Disclosure. Each Loan Party, each Lender and each Issuing Bank hereby acknowledges and agrees that the Administrative Agent and/or its Affiliates from time to time may hold investments in, make other loans to or have other relationships with, any of the Loan Parties and their respective Affiliates.

SECTION 9.16 Appointment for Perfection. Each Lender hereby appoints each other Lender as its agent for the purpose of perfecting Liens, for the benefit of the Administrative Agent and the Secured Parties, in assets which, in accordance with Article 9 of the UCC or any other applicable law can be perfected only by possession or control. Should any Lender (other than the Administrative Agent) obtain possession or control of any such Collateral, such Lender shall notify the Administrative Agent thereof, and, promptly upon the Administrative Agent's request therefor shall deliver such Collateral to the Administrative Agent (if applicable) or otherwise deal with such Collateral in accordance with the Administrative Agent's instructions.

SECTION 9.17 Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the "***Charges***"), shall exceed the maximum lawful rate (the "***Maximum Rate***") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section 9.17 shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the NYFRB Rate to the date of repayment, shall have been received by such Lender.

SECTION 9.18 No Fiduciary Duty, etc.

(a)The Borrower acknowledges and agrees, and acknowledges its Subsidiaries' understanding, that no Credit Party will have any obligations except those obligations expressly set forth herein and in the other Loan Documents and each Credit Party is acting solely in the capacity of an arm's length contractual counterparty to the Borrower with respect to the Loan Documents and the transactions contemplated herein and therein and not as a financial advisor or a fiduciary to, or an agent of, the Borrower or any other person. The Borrower agrees that it will not assert any claim against any Credit Party based on an alleged breach of fiduciary duty by such Credit Party in connection with this Agreement and the transactions contemplated hereby. Additionally, the Borrower acknowledges and agrees that no Credit Party is advising the Borrower as to any legal, tax, investment, accounting, regulatory or any other matters in any jurisdiction. The Borrower shall consult with its own advisors concerning such matters and shall be responsible for making its own independent investigation and appraisal of the transactions contemplated herein or in the other Loan Documents, and the Credit Parties shall have no responsibility or liability to the Borrower with respect thereto.

(b)The Borrower further acknowledges and agrees, and acknowledges its Subsidiaries' understanding, that each Credit Party, together with its Affiliates, is a full service securities or banking firm engaged in securities trading and brokerage activities as well as providing investment banking and other financial services. In the ordinary course of business, any Credit Party may provide investment banking and other financial services to, and/or acquire, hold or sell, for its own accounts and the accounts of customers, equity, debt and other securities and financial instruments (including bank loans and other obligations) of, the Borrower and other companies with which the Borrower may have commercial or other relationships. With respect to any securities and/or financial instruments so held by any Credit Party or any of its customers, all rights in respect of such securities and financial instruments, including any voting rights, will be exercised by the holder of the rights, in its sole discretion.

(c)In addition, the Borrower acknowledges and agrees, and acknowledges its Subsidiaries' understanding, that each Credit Party and its affiliates may be providing debt financing, equity capital or other services (including financial advisory services) to other companies in respect of which the Borrower may have conflicting interests regarding the transactions described herein and otherwise. No Credit Party will use confidential information obtained from the Borrower by virtue of the transactions contemplated by the Loan Documents or its other relationships with the Borrower in connection with the performance by such Credit Party of services for other companies, and no Credit Party will furnish any such information to other companies. The Borrower also acknowledges that no Credit Party has any obligation to use in connection with the transactions contemplated by the Loan Documents, or to furnish to the Borrower, confidential information obtained from other companies.

SECTION 9.19 Marketing Consent. The Borrower hereby authorizes JPMorgan and its affiliates, at their respective sole expense, but with the prior approval by the Borrower (such approval not to be unreasonably withheld, conditioned or delayed), to publish such tombstones and give such other publicity to this Agreement as each may from time to time determine in its reasonable discretion. The foregoing authorization shall remain in effect unless the Borrower notifies JPMorgan in writing that such authorization is revoked.

SECTION 9.20 Acknowledgement and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Loan Document may be subject to the Write-Down and Conversion Powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a)the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent entity, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of any EEA Resolution Authority.

ARTICLE X.
LOAN GUARANTY

SECTION 10.01 Guaranty. Each Guarantor (other than those that have delivered a separate Loan Guaranty) hereby agrees that it is jointly and severally liable for, and, as a primary obligor and not merely as surety, absolutely, unconditionally and irrevocably guarantees to the Secured Parties, the prompt payment when due, whether at stated maturity, upon acceleration or otherwise, and at all times thereafter, of the Secured Obligations and all costs and expenses to which the Secured Parties are entitled to reimbursement under Section 903, including, without limitation, all court costs and reasonable attorneys' and paralegals' fees and expenses paid or incurred by the Administrative Agent, the Issuing Bank and the Lenders in endeavoring to collect all or any part of the Secured Obligations from, or in prosecuting any action against, the Borrower, any Guarantor or any other guarantor of all or any part of the Secured Obligations to the extent reimbursable under Section 9.03 (such costs and expenses, together with the Secured Obligations, collectively the "***Guaranteed Obligations***"); *provided*, *however*, that the definition of "Guaranteed Obligations" shall not create any guarantee by any Guarantor of (or grant of security interest by any Guarantor to support, as applicable) any Excluded Swap Obligations of such Guarantor for purposes of determining any obligations of any Guarantor). Each Guarantor further agrees that the Guaranteed Obligations may be extended or renewed in whole or in part without notice to or further assent from it, and that it remains bound upon its guarantee notwithstanding any such extension or renewal. All terms of this Loan Guaranty apply to and may be enforced by or on behalf of any domestic or foreign branch or Affiliate of any Lender that extended any portion of the Guaranteed Obligations.

SECTION 10.02 Guaranty of Payment. This Loan Guaranty is a guaranty of payment and not of collection. Each Guarantor waives any right to require the Administrative Agent, the Issuing Bank or any Lender to sue the Borrower, any Guarantor, any other guarantor, or any other Person obligated for all or any part of the Guaranteed Obligations (each, an "***Obligated Party***"), or otherwise to enforce its payment against any collateral securing all or any part of the Guaranteed Obligations.

SECTION 10.03 No Discharge or Diminishment of Loan Guaranty.

(a) Except as otherwise provided for herein, the obligations of each Guarantor hereunder are unconditional and absolute and not subject to any reduction, limitation, impairment or termination for any reason (other than the Payment in Full of the Guaranteed Obligations), including: (i) any claim of waiver, release, extension, renewal, settlement, surrender, alteration, or compromise of any of the Guaranteed Obligations, by operation of law or otherwise; (ii) any change in the corporate existence, structure or ownership of the Borrower or any other Obligated Party liable for any of the Guaranteed Obligations; (iii) any insolvency, bankruptcy, reorganization or other similar proceeding affecting any Obligated Party, or their assets or any resulting release or discharge of any obligation of any Obligated Party; or (iv) the existence of any claim, setoff or other rights which any Guarantor may have at any time against any Obligated Party, the Administrative Agent, the Issuing Bank, any Lender, or any other Person, whether in connection herewith or in any unrelated transactions.

(b)The obligations of each Guarantor hereunder are not subject to any defense or setoff, counterclaim, recoupment, or termination whatsoever by reason of the invalidity, illegality, or unenforceability of any of the Guaranteed Obligations or otherwise, or any provision of applicable law or regulation purporting to prohibit payment by any Obligated Party, of the Guaranteed Obligations or any part thereof.

(c)Further, the obligations of any Guarantor hereunder are not discharged or impaired or otherwise affected by: (i) the failure of the Administrative Agent, the Issuing Bank or any Lender to assert any claim or demand or to enforce any remedy with respect to all or any part of the Guaranteed Obligations; (ii) any waiver or modification of or supplement to any provision of any agreement relating to the Guaranteed Obligations; (iii) any release, non-perfection, or invalidity of any indirect or direct security for the obligations of the Borrower for all or any part of the Guaranteed Obligations or any obligations of any other Obligated Party liable for any of the Guaranteed Obligations; (iv) any action or failure to act by the Administrative Agent, the Issuing Bank or any Lender with respect to any collateral securing any part of the Guaranteed Obligations; or (v) any default, failure or delay, willful or otherwise, in the payment or performance of any of the Guaranteed Obligations, or any other circumstance, act, omission or delay that might in any manner or to any extent vary the risk of such Guarantor or that would otherwise operate as a discharge of any Guarantor as a matter of law or equity (other than the Payment in Full of the Guaranteed Obligations).

SECTION 10.04 Defenses Waived. To the fullest extent permitted by applicable law, each Guarantor hereby waives any defense based on or arising out of any defense of the Borrower or any Guarantor or the unenforceability of all or any part of the Guaranteed Obligations from any cause, or the cessation from any cause of the liability of the Borrower, any Guarantor or any other Obligated Party, other than, in each case, the Payment in Full of the Guaranteed Obligations. Without limiting the generality of the foregoing, each Guarantor irrevocably waives acceptance hereof, presentment, demand, protest and, to the fullest extent permitted by law, any notice not provided for herein, as well as any requirement that at any time any action be taken by any Person against any Obligated Party, or any other Person. Each Guarantor confirms that it is not a surety under any state law and shall not raise any such law as a defense to its obligations hereunder. The Administrative Agent may, at its election, foreclose on any Collateral held by it by one or more judicial or nonjudicial sales, accept an assignment of any such Collateral in lieu of foreclosure or otherwise act or fail to act with respect to any collateral securing all or a part of the Guaranteed Obligations, compromise or adjust any part of the Guaranteed Obligations, make any other accommodation with any Obligated Party or exercise any other right or remedy available to it against any Obligated Party, without affecting or impairing in any way the liability of such Guarantor under this Loan Guaranty, except to the extent the Guaranteed Obligations have been Paid in Full. To the fullest extent permitted by applicable law, each Guarantor waives any defense arising out of any such election even though that election may operate, pursuant to applicable law, to impair or extinguish any right of reimbursement or subrogation or other right or remedy of any Guarantor against any Obligated Party or any security.

SECTION 10.05 Rights of Subrogation. No Guarantor will assert any right, claim or cause of action, including, without limitation, a claim of subrogation, contribution or indemnification that it has against any Obligated Party, or any collateral, until the Payment in Full of the Secured Obligations.

SECTION 10.06 Reinstatement; Stay of Acceleration. If at any time any payment of any portion of the Guaranteed Obligations (including a payment effected through exercise of a right of setoff) is rescinded, or must otherwise be restored or returned upon the insolvency, bankruptcy or reorganization of the Borrower or otherwise (including pursuant to any settlement entered into by a Secured Party in its discretion), each Guarantor's obligations under this Loan Guaranty with respect to that payment shall be reinstated at such time as though the payment had not been made and whether or not the Administrative Agent, the Issuing Bank and the Lenders are in possession of this Loan Guaranty. If acceleration of the time for payment of any of the Guaranteed Obligations is stayed upon the insolvency, bankruptcy or reorganization of the Borrower, all such amounts otherwise subject to acceleration under the terms of any agreement relating to the Guaranteed Obligations shall nonetheless be payable by the Guarantors forthwith on demand by the Administrative Agent.

SECTION 10.07 Information. Each Guarantor assumes all responsibility for being and keeping itself informed of the Borrower's financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations and the nature, scope and extent of the risks that each Guarantor assumes and incurs under this Loan Guaranty, and agrees that none of the Administrative Agent, the Issuing Bank or any Lender shall have any duty to advise any Guarantor of information known to it regarding those circumstances or risks.

SECTION 10.08 Termination. Each of the Lenders and the Issuing Bank may continue to make loans or extend credit to the Borrower based on this Loan Guaranty until five (5) days after it receives written notice of termination from any Guarantor. Notwithstanding receipt of any such notice, each Guarantor will continue to be liable to the Lenders for any Guaranteed Obligations created, assumed or committed to prior to the fifth day after receipt of the notice, and all subsequent renewals, extensions, modifications and amendments with respect to, or substitutions for, all or any part of such Guaranteed Obligations. Nothing in this Section 10.08 shall be deemed to constitute a waiver of, or eliminate, limit, reduce or otherwise impair any rights or remedies the Administrative Agent or any Lender may have in respect of, any Default or Event of Default that shall exist under Article VII hereof as a result of any such notice of termination.

SECTION 10.09 Taxes. Each payment of the Guaranteed Obligations will be made by each Guarantor without withholding for any Taxes, unless such withholding is required by law. If any Guarantor determines, in its sole discretion exercised in good faith, that it is so required to withhold Taxes, then such Guarantor may so withhold and shall timely pay the full amount of withheld Taxes to the relevant Governmental Authority in accordance with applicable law. If such Taxes are Indemnified Taxes, then the amount payable by such Guarantor shall be increased as necessary so that, net of such withholding (including such withholding applicable to additional amounts payable under this Section), the Administrative Agent, Lender or Issuing Bank (as the case may be) receives the amount it would have received had no such withholding been made.

SECTION 10.10 Maximum Liability. The provisions of this Loan Guaranty are severable, and in any action or proceeding involving any state corporate law, or any state, federal or foreign bankruptcy, insolvency, reorganization or other law affecting the rights of creditors generally, if the obligations of any Guarantor under this Loan Guaranty would otherwise be held or determined to be avoidable, invalid or unenforceable on account of the amount of such Guarantor's liability under this Loan Guaranty, then, notwithstanding any other provision of this Loan Guaranty to the contrary, the amount of such liability shall, without any further action by the Guarantors or the Administrative Agent, the Issuing Bank or any Lender, be automatically limited and reduced to the highest amount that is valid and enforceable as determined in such action or proceeding (such highest amount determined hereunder being the relevant Guarantor's "***Maximum Liability***"). This Section 10.10 with respect to the Maximum Liability of each Guarantor is intended solely to preserve the rights of the Administrative Agent, the Issuing Bank and the Lenders to the maximum extent not subject to avoidance under applicable law, and no Guarantor nor any other Person shall have any right or claim under this Section 10.10 with respect to such Maximum Liability, except to the extent necessary so that the obligations of any Guarantor hereunder shall not be rendered voidable under applicable law. Each Guarantor agrees that the Guaranteed Obligations may at any time and from time to time exceed the Maximum Liability of each Guarantor without impairing this Loan Guaranty or affecting the rights and remedies of the Administrative Agent, the Issuing Bank or the Lenders hereunder; *provided* that nothing in this sentence shall be construed to increase any Guarantor's obligations hereunder beyond its Maximum Liability. Notwithstanding any other provision of this Loan Guaranty, the amount guaranteed by each Guarantor hereunder shall be limited to the extent, if any, required so that its obligations hereunder shall not be subject to avoidance under Section 548 of the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act, Uniform Voidable Transactions Act or similar statute or common law. In determining the limitations, if any, on the amount of any Guarantor's obligations hereunder pursuant to the preceding sentence, it is the intention of the parties hereto that any rights of subrogation, indemnification or contribution which such Guarantor may have under this Loan Guaranty, any other agreement or applicable law shall be taken into account.

SECTION 10.11 Contribution.

(a)To the extent that any Guarantor shall make a payment under this Loan Guaranty (a "Guarantor Payment") which, taking into account all other Guarantor Payments then previously or concurrently made by any other Guarantor, exceeds the amount which otherwise would have been paid by or attributable to such Guarantor if each Guarantor had paid the aggregate Guaranteed Obligations satisfied by such Guarantor Payment in the same proportion as such Guarantor's "Allocable Amount" (as defined below) (as determined immediately prior to such Guarantor Payment) bore to the aggregate Allocable Amounts of each of the Guarantors as determined immediately prior to the making of such Guarantor Payment, then, following payment in full in cash of the Guarantor Payment, the Payment in Full of the Guaranteed Obligations and the termination of this Agreement, such Guarantor shall be entitled to receive contribution and indemnification payments from, and be reimbursed by, each other Guarantor for the amount of such excess, pro rata based upon their respective Allocable Amounts in effect immediately prior to such Guarantor Payment.

(b)As of any date of determination, the "Allocable Amount" of any Guarantor shall be equal to the excess of the fair saleable value of the property of such Guarantor over the total liabilities of such Guarantor (including the maximum amount reasonably expected to become due in respect of contingent liabilities, calculated, without duplication, assuming each other Guarantor that is also liable for such contingent liability pays its ratable share thereof), giving effect to all payments made by other Guarantors as of such date in a manner to maximize the amount of such contributions.

(c)This Section 10.11 is intended only to define the relative rights of the Guarantors, and nothing set forth in this Section 10.11 is intended to or shall impair the obligations of the Guarantors, jointly and severally, to pay any amounts as and when the same shall become due and payable in accordance with the terms of this Loan Guaranty.

(d)The parties hereto acknowledge that the rights of contribution and indemnification hereunder shall constitute assets of the Guarantor or Guarantors to which such contribution and indemnification is owing.

(e)The rights of the indemnifying Guarantors against other Guarantors under this Section 10.11 shall be exercisable upon the Payment in Full of the Guaranteed Obligations and the termination of this Agreement.

SECTION 10.12 Liability Cumulative. The liability of each Loan Party as a Guarantor under this Article X is in addition to and shall be cumulative with all liabilities of each Loan Party to the Administrative Agent, the Issuing Bank and the Lenders under this Agreement and the other Loan Documents to which such Loan Party is a party or in respect of any obligations or liabilities of the other Loan Parties, without any limitation as to amount, unless the instrument or agreement evidencing or creating such other liability specifically provides to the contrary.

SECTION 10.13 Keepwell. Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Loan Party to honor all of its obligations under this Guarantee in respect of a Swap Obligation (*provided*, *however*, that each Qualified ECP Guarantor shall only be liable under this Section 10.13 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 10.13 or otherwise under this Loan Guaranty voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). Except as otherwise provided herein, the obligations of each Qualified ECP Guarantor under this Section 10.13 shall remain in full force and effect until the termination of all Swap Obligations. Each Qualified ECP Guarantor intends that this Section 10.13 constitute, and this Section 10.13 shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each other Loan Party for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

SECTION 10.14 Release of Guarantors.

(a) A Guarantor shall automatically be released from its obligations under the Loan Guaranty upon the consummation of any transaction permitted by this Agreement as a result of which such Guarantor ceases to be a Subsidiary. In connection with any release pursuant to this Section, the Administrative Agent shall (and is hereby irrevocably authorized by each Lender to) execute and deliver to any Loan Party, at such Loan Party's sole expense, all documents that such Loan Party shall reasonably request to evidence such release. Any execution and delivery of documents pursuant to this Section shall be without recourse to or warranty by the Administrative Agent.

(b) Further, the Administrative Agent may (and is hereby irrevocably authorized by each Lender to), upon the request of the Borrower, release any Guarantor from its obligations under the Loan Guaranty if such Guarantor becomes an Excluded Subsidiary.

(c) At such time as the principal and interest on the Loans, all LC Disbursements, the fees, expenses and other amounts payable under the Loan Documents and the other Secured Obligations shall have been Paid in Full, all obligations (other than those expressly stated to survive such termination) of each Guarantor thereunder shall automatically terminate, all without delivery of any instrument or performance of any act by any Person.

(d) Upon the effectiveness of any written consent to the release of the security interest created under any Collateral Document in any Collateral pursuant to Section 9.02, the security interests in such Collateral created by the Collateral Documents shall be automatically released.

[*remainder of page intentionally left blank; signature pages follow*]

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

ALCLEAR HOLDINGS, LLC

By: /s/ Kenneth Cornick
Name: Kenneth Cornick
Title: President

ALCLEAR, LLC

By: /s/ Kenneth Cornick
Name: Kenneth Cornick
Title: President

SECURE IDENTITY, LLC

By: /s/ Kenneth Cornick
Name: Kenneth Cornick
Title: President

NOQUE, LLC

By: /s/ Kenneth Cornick
Name: Kenneth Cornick
Title: President

ALCLEAR HEALTHCARE, LLC

By: /s/ Kenneth Cornick
Name: Kenneth Cornick
Title: President

ALCLEAR PC, LLC

By: /s/ Kenneth Cornick
Name: Kenneth Cornick
Title: President

ALCLARITY, LLC

By: /s/ Kenneth Cornick
Name: Kenneth Cornick
Title: President

JPMORGAN CHASE BANK, N.A., individually, and as Administrative Agent, a Lender and Issuing Bank

By: /s/ Hormuz Kapadia
Name: Hormuz Kapadia
Title: Authorized Officer

Exhibit 10.14

EXECUTION VERSION

AMENDMENT NO. 1 TO CREDIT AGREEMENT

This AMENDMENT NO. 1 TO CREDIT AGREEMENT, dated as of April 29, 2021 (this "***Amendment***"), is by and among ALCLEAR HOLDINGS, LLC (the "***Borrower***"), the other Loan Parties signatory hereto, the Lenders party hereto, and JPMORGAN CHASE BANK, N.A., as the administrative agent (in such capacity, the "***Administrative Agent***") and the sole lead arranger and sole bookrunner (in such capacity, the "***Lead Arranger***"). Capitalized terms which are used in this Amendment without definition and which are defined in the Credit Agreement shall have the same meanings herein as in the Credit Agreement.

R E C I T A L S:

WHEREAS, the Borrower, the Loan Parties party thereto, the Administrative Agent and the Lenders have entered into that certain Credit Agreement, dated as of March 31, 2020 (as amended or modified from time to time, the "***Credit Agreement***");

WHEREAS, the Borrower has requested to increase the Commitments under the Credit Agreement in the amount(s) set forth under the heading "Commitment Increase" on Schedule 1 hereto (the "***Commitment Increase***") and each Lender providing a Commitment Increase identified on Schedule 1 hereto (each, an "***Increase Loan Lender***" and, collectively, the "***Increase Loan Lenders***") has agreed (on a several and not joint basis), subject to the terms and conditions set forth herein and in the Credit Agreement, to provide the Commitment Increase in the amount set forth opposite such Increase Loan Lender's name on Schedule 1 hereto (and the total amount of the Commitment Increase made pursuant to this Amendment shall be $50,000,000);

WHEREAS, the Borrower has requested that the Administrative Agent and the Required Lenders amend certain terms under the Credit Agreement in certain respects; and

WHEREAS, the Administrative Agent and the Required Lenders are willing to amend the Credit Agreement on the terms and conditions set forth herein.

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

SECTION 1. Amendments. Subject to the satisfaction of the conditions precedent set forth in Section 2 hereof, the Credit Agreement is hereby amended as follows:

1.1 Amendments to Section 1.01 of the Credit Agreement. Section 1.01 of the Credit Agreement (Defined Terms) shall be amended as follows:

i. The definition of "Change in Control" shall be amended to add the following at the end thereof:

> In addition, notwithstanding the foregoing, (1) a transaction in which the Borrower becomes a subsidiary of another person (such person, the "***New Parent***") in connection with any reorganization in preparation of an Initial Public Offering, shall not constitute a Change in Control under clause (a) above to the extent any combination of Permitted Holders shall own beneficially (within the meaning of Rules 13d-3 and 13d-5 of the Exchange Act as in effect on the Effective Date), directly or indirectly, in the aggregate, Equity Interests representing at least a majority of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of the Borrower and (2) a person or group shall not be deemed to have beneficial ownership of Equity Interests subject to a stock purchase agreement, merger agreement or similar agreement (or voting or option agreement related thereto) prior to the consummation of the transactions contemplated by such agreement.

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ii. The definition of "Change in Law" shall be amended to add the following at the end thereof:

> Notwithstanding anything in the foregoing to the contrary, none of the Administrative Agent nor any Lender shall be required to disclose any information related to similarly situated customers, comparable provisions of similar agreements or otherwise that the Administrative Agent or such Lender (as applicable), in its sole discretion, deems proprietary, privileged or confidential, and the Administrative Agent's or applicable Lender's failure to provide such information shall not preclude it from asserting that such other customer is similarly situated under a similar agreement to the Borrower.

iii. The definition of "Commitment" shall be amended to replace the reference to "$50,000,000" at the end thereof with "$100,000,000".

iv. The definition of "Consolidated Total Net Leverage Ratio" shall be amended to replace the reference to "$25,000,000" in clause (a) thereof with "$50,000,000".

v. The definition of "Excluded Subsidiary" shall be amended by amending and restating clause (i) thereof in its entirety as follows:

> (i) any joint venture that is not solely owned between or among the Borrower and its Subsidiaries (and was not a Guarantor prior to the creation of such joint venture) and

vi. The definition of "Required Lenders" shall be amended to add the following at the end thereof:

> Notwithstanding the foregoing, Required Lenders shall comprise of no less than two Lenders that are not Affiliates of one another, unless (a) all Lenders that are not Defaulting Lenders are Affiliates of one another or (b) there is only one Lender that is not a Defaulting Lender, in each case at such time.

vii. The following new defined terms shall be added in the appropriate alphabetical order:

> "***Ancillary Document***" has the meaning assigned to it in Section 9.06(b).
>
> "***Available Tenor***" means, as of any date of determination and with respect to the then-current Benchmark, as applicable, any tenor for such Benchmark or payment period for interest calculated with reference to such Benchmark, as applicable, that is or may be used for determining the length of an Interest Period pursuant to this Agreement as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of "Interest Period" pursuant to clause (g) of Section 2.14.
>
> "***Benchmark***" means, initially, LIBO Rate; *provided* that if a Benchmark Transition Event, a Term SOFR Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred with respect to LIBO Rate or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to clause (c) or clause (d) of Section 2.14.

"***Covered Entity***" means any of the following:

(i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R.§ 47.3(b); or

(iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R.§ 382.2(b).

"***Covered Party***" has the meaning assigned to it in Section 9.21(b).

"***Daily Simple SOFR***" means, for any day, SOFR, with the conventions for this rate (which will include a lookback) being established by the Administrative Agent in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining "Daily Simple SOFR" for business loans; *provided*, that if the Administrative Agent decides that any such convention is not administratively feasible for the Administrative Agent, then the Administrative Agent may establish another convention in its reasonable discretion.

"***Default Right***" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"***First Amendment***" means that certain Amendment No. 1 to Credit Agreement, dated as of the First Amendment Effective Date, by and among the Borrower, the other Loan Parties party thereto, the Lenders party thereto and the Administrative Agent.

"***First Amendment Effective Date***" means April 29, 2021.

"***Floor***" means the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to LIBO Rate.

"***Highest Owner Tax Amount***" means, with respect to all direct or indirect owners of the Borrower, the direct or indirect owner receiving the greatest proportionate allocation of taxable income attributable to its direct or indirect ownership of the Borrower and/or any of its Subsidiaries in the applicable tax period (or portion thereof) to which such payment relates (as a result of the application of Section 704(c) of the Code or otherwise), and calculated by multiplying (x) the aggregate taxable income allocated to such owner (excluding the tax consequences resulting from any adjustment under Sections 743(b) and 734(b) of the Code) in such applicable taxable period (or portion thereof) by (y) the Hypothetical Tax Rate.

"***Hypothetical Tax Rate***" means the greater of (a) the combined marginal U.S. federal, state and local tax rate for an individual resident in New York, New York and (b) the highest combined marginal U.S. federal, state and local tax rate for a corporation that conducts no activities other than the activities of Holdings, the Borrower and their Subsidiaries, in each case applicable to income and gain attributable to the Borrower and any entity in which Borrower directly or indirectly owns an interest, taking into account (where relevant) the holding period of assets held by the Borrower and any entity in which Borrower directly or indirectly owns an interest, the taxable year in which such income or gain is recognized, and the character of such income or gain, at the time, for U.S. federal income tax purposes.

"***Liquidity***" means, as of any date of determination, the sum of (a) unrestricted cash or Cash Equivalents of the Borrowers and the Guarantors, (b) the aggregate principal amount committed and available to be drawn by the Borrowers and the Guarantors under all credit facilities (other than the Commitments) of the Borrowers and the Guarantors and (c) the difference of the Commitments minus the Aggregate Credit Exposure.

"***Market Capitalization***" means, as of any date of determination, an amount equal to (i) the total number of issued and outstanding shares of common (or common equivalent) Equity Interests of the Relevant Public Company on the date of the declaration of a Restricted Payment permitted pursuant to Section 6.08(a)(x) multiplied by (ii) the arithmetic mean of the closing prices per share of such common (or common equivalent) Equity Interests on the principal securities exchange on which such Equity Interests are traded for the 30 consecutive trading days immediately preceding such date of determination.

"***NYFRB's Website***" means the website of the NYFRB at http://www.newyorkfed.org, or any successor source.

"***Payment***" has the meaning assigned to it in Section 8.06(c).

"***Payment Notice***" has the meaning assigned to it in Section 8.06(c).

"***Payment Recipient***" has the meaning assigned to it in Section 8.06(c).

"***Parent Entity***" means the Relevant Public Company and any intermediate holding company between the Relevant Public Company and the Borrower.

"***Percentage Interest***" means, with respect to any direct or indirect holder of Equity Interests in the Borrower, a fractional amount, expressed as a percentage: (i) the numerator of which is the aggregate number of Equity Interests in the Borrower held by such direct or indirect holder and (ii) the denominator of which is the aggregate number of Equity Interests in Borrower issued and outstanding. The sum of the outstanding Percentage Interests of all direct or indirect holders shall at all times equal 100%.

"***QFC***" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

"***QFC Credit Support***" has the meaning assigned to it in Section 9.21(a).

"***Reference Time***" with respect to any setting of the then-current Benchmark means (1) if such Benchmark is LIBO Rate, 11:00 a.m. (London time) on the day that is two (2) London banking days preceding the date of such setting, and (2) if such Benchmark is not LIBO Rate, the time determined by the Administrative Agent in its reasonable discretion.

"***SOFR Administrator***" means the NYFRB (or a successor administrator of the secured overnight financing rate).

"***SOFR Administrator's Website***" means the NYFRB's Website, currently at http://www.newyorkfed.org, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

"***Supported QFC***" has the meaning assigned to it in Section 9.21(a).

"***Tax Amount***" means the Highest Owner Tax Amount divided by the Percentage Interest in the Borrower held by the direct or indirect owner described in the definition of "Highest Owner Tax Amount".

"***Term SOFR Notice***" means a notification by the Administrative Agent to the Lenders and the Borrower of the occurrence of a Term SOFR Transition Event.

"***Term SOFR Transition Event***" means the determination by the Administrative Agent that (a) Term SOFR has been recommended for use by the Relevant Governmental Body, (b)the administration of Term SOFR is administratively feasible for the Administrative Agent and (c) a Benchmark Transition Event or an Early Opt-in Election as applicable, has previously occurred resulting in a Benchmark Replacement in accordance with Section 2.14 that is not Term SOFR to deliver a Term SOFR Notice.

"***U.S. Special Resolution Regime***" has the meaning assigned to it in Section 9.21(a).

viii. The following defined terms shall be amended and restated in their respective entireties as follows:

"***Applicable Rate***" means, for any day, with respect to any Loan, (a) 1.50% *per annum* in the case of ABR Loans and (b) 2.50% in the case of Eurodollar Loans.

"***Benchmark Replacement***" means, for any Available Tenor, the first alternative set forth in the order below that can be determined by the Administrative Agent for the applicable Benchmark Replacement Date:

(1) the sum of (a) Term SOFR and (b) the related Benchmark Replacement Adjustment;

(2) the sum of (a) Daily Simple SOFR and (b) the related Benchmark Replacement Adjustment;

(3) the sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for dollar-denominated syndicated credit facilities at such time and (b) the related Benchmark Replacement Adjustment;

provided that, in the case of clause (1), such Unadjusted Benchmark Replacement is displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion; *provided further* that, notwithstanding anything to the contrary in this Agreement or in any other Loan Document, upon the occurrence of a Term SOFR Transition Event, and the delivery of a Term SOFR Notice, on the applicable Benchmark Replacement Date the "Benchmark Replacement" shall revert to and shall be deemed to be the sum of (a) Term SOFR and (b) the related Benchmark Replacement Adjustment, as set forth in clause (1) of this definition (subject to the first proviso above).

If the Benchmark Replacement as determined pursuant to clause (1), (2) or (3) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

"***Benchmark Replacement Adjustment***" means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Interest Period and Available Tenor for any setting of such Unadjusted Benchmark Replacement:

(1) for purposes of clauses (1) and (2) of the definition of "Benchmark Replacement," the first alternative set forth in the order below that can be determined by the Administrative Agent:

(a) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Period that has been selected or recommended by the Relevant Governmental Body for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for the applicable Corresponding Tenor;

(b) the spread adjustment (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Period that would apply to the fallback rate for a derivative transaction referencing the ISDA Definitions to be effective upon an index cessation event with respect to such Benchmark for the applicable Corresponding Tenor; and

(2) for purposes of clause (3) of the definition of "Benchmark Replacement," the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for dollar-denominated syndicated credit facilities;

provided that, in the case of clause (1) above, such adjustment is displayed on a screen or other information service that publishes such Benchmark Replacement Adjustment from time to time as selected by the Administrative Agent in its reasonable discretion.

"***Benchmark Replacement Conforming Changes***" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Alternate Base Rate," the definition of "Business Day," the definition of "Interest Period," timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent decides in its reasonable discretion may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines (in consultation with the Borrower) that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

"***Benchmark Replacement Date***" means the earliest to occur of the following events with respect to the then-current Benchmark:

(1) in the case of clause (1) or (2) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof);

(2) in the case of clause (3) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein;

(3) in the case of a Term SOFR Transition Event, the date that is thirty (30) days after the date of a Term SOFR Notice is provided to the Lenders and the Borrower pursuant to Section 2.14(d); or

(4) in the case of an Early Opt-in Election, the sixth (6th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, so long as the Administrative Agent has not received, by 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, written notice of objection to such Early Opt-in Election from Lenders comprising the Required Lenders.

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the "Benchmark Replacement Date" will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

"***Benchmark Transition Event***" means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, *provided* that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the NYFRB, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, *provided* that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer representative.

For the avoidance of doubt, a "Benchmark Transition Event" will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

"***Benchmark Unavailability Period***" means the period (if any) (x) beginning at the time that a Benchmark Replacement Date pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.14 and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.14.

"***Corresponding Tenor***" with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

“***Early Opt-in Election***” means, if the then-current Benchmark is LIBO Rate, the occurrence of:

(1) a notification by the Administrative Agent to (or the request by the Borrower to the Administrative Agent to notify) each of the other parties hereto that at least five currently outstanding dollar-denominated syndicated credit facilities at such time contain (as a result of amendment or as originally executed) a SOFR-based rate (including SOFR, a term SOFR or any other rate based upon SOFR) as a bench-mark rate (and such syndicated credit facilities are identified in such notice and are publicly available for review), and

(2) the joint election by the Administrative Agent and the Borrower to trigger a fallback from LIBO Rate and the provision by the Administrative Agent of written notice of such election to the Lenders. “***Overnight Bank Funding Rate***” means, for any day, the rate comprised of both over-night federal funds and overnight Eurodollar borrowings by U.S.-managed banking offices of depository institutions (as such composite rate shall be determined by the NYFRB’s website from time to time) and published on the next succeeding Business Day by the NYFRB as an overnight bank funding rate.

“***Guarantors***” means the Loan Parties other than the Borrower (and solely in the context of Swap Agreement Obligations, the Borrower); the term “Guarantor” means each or any one of them individually.

“***Initial Public Offering***” shall mean the issuance by the Borrower or any direct or indirect equity holder of the Borrower of its common Equity Interests in an underwritten primary public offering (other than a public offering pursuant to a registration statement on Form S-8 or S-4) pursuant to an effective registration statement filed with the SEC in accordance with the Securities Act, as amended.

“***Maturity Date***” means March 31, 2024.

“***Overnight Bank Funding Rate***” means, for any day, the rate comprised of both overnight federal funds and overnight Eurodollar borrowings by U.S.-managed banking offices of depository institutions (as such composite rate shall be determined by the NYFRB’s website from time to time) and published on the next succeeding Business Day by the NYFRB as an overnight bank funding rate.

“***Relevant Public Company***” shall mean the Person that is the registrant with respect to an Initial Public Offering.

“***SOFR***” means, with respect to any Business Day, a rate per annum equal to the secured overnight financing rate for such Business Day published by the SOFR Administrator on the SOFR Administrator’s Website at approximately 8:00 a.m. (New York City time) on the immediately succeeding Business Day.

“***Swap Agreement Obligations***” means any and all obligations of the Loan Parties and their Subsidiaries, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (a) any Swap Agreement permitted hereunder with a counterparty that, at the time of execution of any such Swap Agreement, was a Lender or an Affiliate of a Lender (regardless of whether such counterparty subsequently ceases to be a Lender or Affiliate of a Lender), and (b) any cancellations, buy backs, reversals, terminations or assignments of any Swap Agreement transaction permitted hereunder with a Lender or an Affiliate of a Lender.

"***Term SOFR***" means, for the applicable Corresponding Tenor as of the applicable Reference Time, the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

"***Unadjusted Benchmark Replacement***" means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

ix. The definitions of "Benchmark Transition Start Date", "Compounded SOFR" and "SOFR-Based Rate" shall be deleted in their respective entireties.

1.2 Amendment to Section 2.12(a) of the Credit Agreement. Section 2.12(a) of the Credit Agreement (Fees) shall be amended to replace the reference to "0.50%" therein with "0.35%".

1.3 Amendment to Section 2.14(a) of the Credit Agreement. Section 2.14(a) of the Credit Agreement (Alternate Rate of Interest; Illegality) shall be amended by amended and restating the first sentence thereof in its entirety as follows:

Subject to clauses (c), (d), (e), (f), (g) and (h) of this Section 2.14, if prior to the commencement of any Interest Period for a Eurodollar Borrowing:

1.4 Amendment to Section 2.14 of the Credit Agreement. Section 2.14 of the Credit Agreement (Alternate Rate of Interest; Illegality) shall be amended by (a) amending and restating clauses (b) through (f) thereof in their respective entireties as follows and (b) adding the following new clauses (g) and (h) immediately following clause (f) thereof:

(b)If any Lender determines that any Requirement of Law has made it unlawful, or if any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable lending office to make, maintain, fund or continue any Eurodollar Borrowing, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of dollars in the London interbank market, then, on notice thereof by such Lender to the Borrower through the Administrative Agent, any obligations of such Lender to make, maintain, fund or continue Eurodollar Loans or to convert ABR Borrowings to Eurodollar Borrowings will be suspended until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, the Borrower will upon demand from such Lender (with a copy to the Administrative Agent), either prepay or convert all Eurodollar Borrowings of such Lender to ABR Borrowings, either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Eurodollar Borrowings to such day, or immediately, if such Lender may not lawfully continue to maintain such Loans. Upon any such prepayment or conversion, the Borrower will also pay accrued interest on the amount so prepaid or converted.

(c)Notwithstanding anything to the contrary herein or in any other Loan Document, (and any Swap Agreement shall be deemed not to be a "Loan Document" for purposes of this Section 2.14), if a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (1) or (2) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (y) if a Benchmark Replacement is determined in accordance with clause (3) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders.

(d) Notwithstanding anything to the contrary herein or in any other Loan Document and subject to the proviso below in this paragraph, if a Term SOFR Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then the applicable Benchmark Replacement will replace the then-current Benchmark for all purposes hereunder or under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings, without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document; *provided* that, this clause (d) shall not be effective unless the Administrative Agent has delivered to the Lenders and the Borrower a Term SOFR Notice. For the avoidance of doubt, the Administrative Agent shall not be required to deliver a Term SOFR Notice after a Term SOFR Transition Event and may do so in its sole discretion.

(e)In connection with the implementation of a Benchmark Replacement, the Administrative Agent will have the right, in consultation with the Borrower, to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(f)The Administrative Agent will promptly notify the Borrower and the Lenders of (i) any occurrence of a Benchmark Transition Event, a Term SOFR Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes, (iv) the removal or reinstatement of any tenor of a Benchmark pursuant to clause (d) below and (v) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 2.14, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 2.14.

(g) Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including Term SOFR or LIBO Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will be no longer representative, then the Administrative Agent may modify the definition of "Interest Period" for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is or will no longer be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Period" for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(h) Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any request for a Eurodollar Borrowing of, conversion to or continuation of Eurodollar Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request into a request for a Borrowing of or conversion to ABR Loans. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of ABR based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of ABR.

1.5 Amendment to Section 2.18(b) of the Credit Agreement. Section 2.18(b) of the Credit Agreement (Payments Generally; Allocation of Proceeds; Pro Rata Treatment; Sharing of Set-offs) shall be amended by amending and restating clause (ii) thereof in its entirety as follows:

(ii) after an Event of Default has occurred and is continuing and the Administrative Agent so elects or the Required Lenders so direct, shall be applied ratably first, to pay any fees, indemnities, or expense reimbursements then due to the Administrative Agent and the Issuing Bank from the Borrower (other than in connection with Banking Services Obligations or Swap Agreement Obligations), second, to pay any fees, indemnities, or expense reimbursements then due to the Lenders from the Borrower (other than in connection with Banking Services Obligations or Swap Agreement Obligations), ratably, third, to pay interest then due and payable on the Loans ratably, fourth, to prepay principal on the Loans and unreimbursed LC Disbursements and to pay any amounts owing in respect of Swap Agreement Obligations and Banking Services Obligations up to and including the amount most recently provided to the Administrative Agent pursuant to Section 2.23, ratably, fifth, to pay an amount to the Administrative Agent equal to one hundred five percent (105%) of the aggregate LC Exposure, to be held as cash collateral for such Obligations, and sixth, to the payment of any other Secured Obligation due to the Administrative Agent or any Lender from the Borrower or any other Loan Party, ratably.

1.6 Amendment to Section 2.23 of the Credit Agreement. Section 2.23 of the Credit Agreement (Bank Services and Swap Agreements) shall be amended and restated in its entirety as follows:

> Each Lender or Affiliate thereof providing Banking Services for, or having Swap Agreements with, any Loan Party or any Subsidiary shall deliver to the Administrative Agent, promptly after entering into such Banking Services or Swap Agreements, written notice setting forth the aggregate amount of all Banking Services Obligations and Swap Agreement Obligations of such Loan Party or Subsidiary thereof to such Lender or Affiliate (whether matured or unmatured, absolute or contingent); it being understood that one such notice with respect to a specified ISDA Master Agreement shall be sufficient to give notice of all transactions thereunder, without the need for separate notices for each individual transaction thereunder. In furtherance of that requirement, each such Lender or Affiliate thereof shall furnish the Administrative Agent, from time to time after a significant change therein or upon a request therefor, a summary of the amounts due or to become due in respect of such Banking Services Obligations and Swap Agreement Obligations. The most recent information provided to the Administrative Agent shall be used in determining which tier of the waterfall, contained in Section 2.18(b), such Banking Services Obligations and/or Swap Agreement Obligations will be placed.

1.7 Amendment to Section 3.11 of the Credit Agreement. Section 3.11 of the Credit Agreement (Disclosure) shall be amended by replacing references to "Effective Date" therein with "First Amendment Effective Date".

1.8 Amendment to Section 5.01(a) of the Credit Agreement. Section 5.01(a) of the Credit Agreement (Financial Statements; and Other Information) shall be amended and restated in its entirety as follows:

> (a) within 120days after the end of each fiscal year of the Borrower (beginning with the fiscal year ended December 31, 2019) and, solely in the case of the fiscal year ended December 31, 2020, within 180 days after such fiscal year, its audited consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year (beginning with such reports delivered with respect to the fiscal year ending December 31, 2020), all reported on by independent public accountants of recognized national standing (without qualification, commentary or exception, and without any qualification or exception as to the scope of such audit other than a qualification resulting solely from an upcoming maturity date for the Loans occurring within one year from the time such opinion is delivered) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied.

1.9 Amendment to Section 5.01 of the Credit Agreement. Section 5.01 of the Credit Agreement (Financial Statements; and Other Information) shall be amended to add the following new paragraph immediately following paragraph (h) thereof:

> Notwithstanding the foregoing, the obligations in paragraphs (a) and (b) of this Section 5.01 may be satisfied with respect to financial information of the Borrower and its Subsidiaries by furnishing (A) the applicable consolidated financial statements of any direct or indirect Parent Entity of the Borrower that, directly or indirectly, holds all of the Equity Interests of the Borrower or (B) the Borrower's (or any direct or indirect Parent Entity thereof, as applicable) Form 10-K or 10-Q, as applicable, filed with the SEC; *provided* that, with respect to each of clauses (A) and (B), (i) to the extent such information relates to a Parent Entity of the Borrower, such information is accompanied by consolidating information that explains in reasonable detail the differences between the information relating to the Borrower (or such parent), on the one hand, and the information relating to the Borrower and its Subsidiaries on a standalone basis, on the other hand and (ii) to the extent such information is in lieu of information required to be provided under Section 5.01(a), such materials are accompanied by a report and opinion by independent public accountants of recognized national standing, which report and opinion, subject to the same requirements and exceptions set forth under Section 5.01(a) above, shall be prepared in accordance with GAAP consistently applied.

1.10 Amendment to Section 5.14 of the Credit Agreement. Section 5.14 of the Credit Agreement (Depositary Banks) shall be deleted in its entirety.

1.11 Amendment to Section 6.05 of the Credit Agreement. Section 6.05 of the Credit Agreement (Swap Agreements) shall be amended and restated in its entirety as follows:

The Borrower will not, and will not permit any of its Subsidiaries to, enter into any Swap Agreement, except for non-speculative purposes.

1.12 Amendment to Section 6.06(a) of the Credit Agreement. Section 6.06(a) of the Credit Agreement (Restricted Payments) shall be amended:

i. to amend and restate clause (vi) thereof in its entirety as follows:

(vi) the Borrower may make Restricted Payments to purchase the Borrower's or any Parent Entity's preferred stock, common stock, restricted stock or common stock options from present or former consultants, directors, managers, officers or employees of the Borrower or any Parent Entity, or their estates, descendants, family, spouses or former spouses, upon the death, disability or termination of employment of such consultant, director, manager, officer or employee or pursuant to any employee, management, director or manager equity plan, employee, management, director or manager stock option plan or any other employee, management, director or manager benefit plan or any agreement (including any stock subscription or shareholder agreement) with any employee, director, manager, officer or consultant of the Borrower or any Parent Entity (including, for the avoidance of doubt, Restricted Payments to pay principal or interest on promissory notes that were issued to any future, present or former employee, officer, director, manager or consultant (or any spouses, former spouses, successors, executors, administrators, heirs, legatees or distributes of any of the foregoing) of the Borrower or any Parent Entity in lieu of cash payments for the repurchase, retirement or other acquisition or retirement for value of such Equity Interests or equity-based awards held by such Persons); *provided* that the aggregate amount of cash payments under this clause (vi) subsequent to the Effective Date (net of proceeds received by the Borrower subsequent to the Effective Date in connection with resales of any stock or common stock options so purchased) shall not exceed $2,000,000 per fiscal year, less the amount of Indebtedness permitted under Section 6.01(p) (with unused amounts in any fiscal year being carried over to the next succeeding fiscal year subject to a maximum of $3,000,000 in any fiscal year);

ii. to amend and restate clause (viii) thereof in its entirety as follows:

(viii) the Borrower may make repurchases of Equity Interests of the Borrower or any Parent Entity to the extent financed with the aggregate amount of Net Proceeds received by the Borrower from cash contributions made to the Borrower in exchange for (or for the issuance of) Qualified Equity Interests in the Borrower or any Parent Entity; *provided* that such Net Proceeds are not otherwise utilized to increase any basket or used for any other purposes hereunder and used to make such Restricted Payment within 120 days after the date of receipt;

iii. to amend and restate clause (ix) thereof in its entirety as follows:

(ix) the Borrower may make Tax Distributions (A) in accordance with Section 7.1(b) of the Amended and Restated Operating Agreement of the Borrower (as amended as of the Effective Date) and (B) following an Initial Public Offering, in an amount not to exceed, in the aggregate, the Tax Amount;

iv. to add the following new clauses (x), (xi) and (xii) immediately after clause (ix) thereof:

(x) Restricted Payments may be made to pay, or to allow any parent company or Relevant Public Company to pay, dividends and make distributions to, or repurchase or redeem shares from, its equity holders in an amount per annum no greater than 6.0% of the Market Capitalization of the Relevant Public Company;

(xi) Restricted Payments may be made in respect of (i)general corporate operating and overhead, legal, accounting and other reasonable professional fees and expenses of any Parent Entity, (ii)reasonable fees and expenses related to any public offering or private placement of Equity Interests or Indebtedness of any Parent Entity whether or not consummated, and (iii) customary salary, bonus, severance and other benefits payable to, and indemnities provided on behalf of, officers, directors, employees and consultants of any Parent Entity, in each case in order to permit any Parent Entity to make such payments; and

(xii)following an Initial Public Offering, the Borrower may make Restricted Payments of amounts needed to make early termination payments (or similar payments) as provided for in any tax receivable agreements to which Borrower or an Affiliate is a party only to the extent that after giving pro forma effect to such Restricted Payment, or portion thereof, Liquidity (after giving effect to such Restricted Payments) shall be no less than $50,000,000.

1.13 Amendment to Section 6.09 of the Credit Agreement. Section 6.09 of the Credit Agreement (Amendment to Subordinated Indebtedness; Material Documents; Fiscal Year) shall be amended by amending and restating the second sentence therein in its entirety as follows:

The Borrower will not, nor will it permit any Subsidiary to, amend or modify its certificate or articles of incorporation or organization and bylaws or other organizational or governing documents to the extent such amendment or modification would reasonably be expected to have a Material Adverse Effect.

1.14 Amendment to Section 8.06 of the Credit Agreement. Section 8.06 of the Credit Agreement (Acknowledgment of Lenders and Issuing Banks) shall be amended by adding the following new clause (c) immediately after clause (b) thereof:

(c) (i) Each Lender hereby agrees that (x) if the Administrative Agent notifies such Lender, or any Person who has received funds on behalf of a Lender (any such Lender or other recipient, a "***Payment Recipient***") that the Administrative Agent has determined in its sole discretion (whether or not after receipt of any notice under immediately succeeding clause (ii)) that any funds received by such Payment Recipient from the Administrative Agent or any of its Affiliates (whether as a payment, prepayment or repayment of principal, interest, fees or otherwise; individually and collectively, a "***Payment***") were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Lender or other Payment Recipient on its behalf), and demands the return of such Payment (or a portion thereof), such Lender shall promptly, but in no event later than one Business Day thereafter, return to the Administrative Agent the amount of any such Payment (or portion thereof) as to which such a demand was made in same day funds, together with interest thereon in respect of each day from and including the date such Payment (or portion thereof) was received by such Lender to the date such amount is repaid to the Administrative Agent at the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect, and (y) to the extent permitted by applicable law, such Lender shall not assert, and hereby waives, as to the Administrative Agent, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Payments received, including without limitation any defense based on "discharge for value" or any similar doctrine. A notice of the Administrative Agent to any Lender under this Section 8.06(c) shall be conclusive, absent manifest error.

(ii) Each Payment Recipient hereby further agrees that if it receives a Payment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) from the Administrative Agent or any of its Affiliates (x) that is in a different amount than, or on a different date from, that specified in a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such Payment (a "***Payment Notice***"), (y) that was not preceded or accompanied by a Payment Notice, or (z) that such Payment Recipient otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part), in each such case: it shall be on notice that an error has been made with respect to such Payment. Each Lender agrees that, in each such case, or if it otherwise becomes aware a Payment (or portion thereof) may have been sent in error, such Lender shall promptly notify the Administrative Agent of such occurrence and, upon demand from the Administrative Agent, it shall promptly, but in no event later than one Business Day thereafter, return to the Administrative Agent the amount of any such Payment (or portion thereof) as to which such a demand was made in same day funds, together with interest thereon in respect of each day from and including the date such Payment (or portion thereof) was received by such Lender to the date such amount is repaid to the Administrative Agent at the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect.

(iii) The Borrower and each other Loan Party hereby agrees that (x) in the event an erroneous Payment (or portion thereof) are not recovered from any Lender that has received such Payment (or portion thereof) for any reason, the Administrative Agent shall be subrogated to all the rights of such Lender with respect to such amount and (y) an erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Borrower or any other Loan Party, except in each case, to the extent such Payment is, and solely with respect to the amount of such Payment that is, comprised of funds received by the Administrative Agent from the Borrower or any other Loan Party for the purpose of making such Payment.

(iv) Each party's obligations under this Section 8.06(c) shall survive the resignation or replacement of the Administrative Agent or any transfer of rights or obligations by, or the replacement of, a Lender, the termination of the Commitments or the repayment, satisfaction or discharge of all Obligations under any Loan Document.

1.15 Amendment to Section 9.01(a) of the Credit Agreement. Section 9.01(a) of the Credit Agreement (Notices) shall be amended by amending and restating clause (ii) thereof in its entirety as follows:

(ii) with a copy to:

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, NY 10019
Attention: Brad J. Finkelstein
Telephone No.: (212) 373-3074
E-mail: bfinkelstein@paulweiss.com

1.16 Amendment to Section 9.02(b) of the Credit Agreement. Section 9.02(b) of the Credit Agreement (Waivers; Amendments) shall be amended by amending and restating clause (viii) thereof in its entirely as follows:

(viii) amend, modify or waive a provision under this Agreement (including, without limitation, Section 2.18(b)) or any other Loan Document so as to directly alter the ratable treatment of Obligations arising under the Loan Documents in connection with Obligations arising under Swap Agreements or the definition of "Secured Obligations", "Secured Parties", "Swap Agreement" or "Swap Agreement Obligations" (as defined in this Agreement or any applicable Credit Document), in each case in a manner adverse to any party to whom Swap Agreement Obligations are owed without the written consent thereof;

1.17 Amendment to Section 9.03(b) of the Credit Agreement. Section 9.03(b) of the Credit Agreement (Expenses; Indemnity; Damage Waiver) shall be amended by amending and restating the proviso thereof in its entirety as follows:

provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, penalties, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence, or willful misconduct of such Indemnitee or material breach of such Indemnitee's obligations hereunder or under any other Loan Document

1.18 Amendment to Section 9.06 of the Credit Agreement. Section 9.06 of the Credit Agreement (Counterparts; Integration; Effectiveness; Electronic Execution) shall be amended by amending and restating clause (b) thereof in its entirety as follows:

> (b)Delivery of an executed counterpart of a signature page of (x) this Agreement, (y) any other Loan Document and/or (z) any document, amendment, approval, consent, information, notice (including, for the avoidance of doubt, any notice delivered pursuant to Section 9.01), certificate, request, statement, disclosure or authorization related to this Agreement, any other Loan Document and/or the transactions contemplated hereby and/or thereby (each an "***Ancillary Document***") that is an Electronic Signature transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement, such other Loan Document or such Ancillary Document, as applicable. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Agreement, any other Loan Document and/or any Ancillary Document shall be deemed to include Electronic Signatures, deliveries or the keeping of records in any electronic form (including deliveries by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page), each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be; *provided* that nothing herein shall require the Administrative Agent to accept Electronic Signatures in any form or format without its prior written consent and pursuant to procedures approved by it; *provided*, *further*, without limiting the foregoing, (i) to the extent the Administrative Agent has agreed to accept any Electronic Signature, the Administrative Agent and each of the Lenders shall be entitled to rely on such Electronic Signature purportedly given by or on behalf of any Borrower or any other Loan Party without further verification thereof and without any obligation to review the appearance or form of any such Electronic Signature and (ii) upon the request of the Administrative Agent or any Lender, any Electronic Signature shall be promptly followed by a manually executed counterpart. Without limiting the generality of the foregoing, each Borrower and each Loan Party hereby (A) agrees that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation among the Administrative Agent, the Lenders, the Borrower and the Loan Parties, Electronic Signatures transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page and/or any electronic images of this Agreement, any other Loan Document and/or any Ancillary Document shall have the same legal effect, validity and enforceability as any paper original, (B) the Administrative Agent and each of the Lenders may, at its option, create one or more copies of this Agreement, any other Loan Document and/or any Ancillary Document in the form of an imaged electronic record in any format, which shall be deemed created in the ordinary course of such Person's business, and destroy the original paper document (and all such electronic records shall be considered an original for all purposes and shall have the same legal effect, validity and enforceability as a paper record), (C) waives any argument, defense or right to contest the legal effect, validity or enforceability of this Agreement, any other Loan Document and/or any Ancillary Document based solely on the lack of paper original copies of this Agreement, such other Loan Document and/or such Ancillary Document, respectively, including with respect to any signature pages thereto and (D) waives any claim against any Lender-Related Person for any Liabilities arising solely from the Administrative Agent's and/or any Lender's reliance on or use of Electronic Signatures and/or transmissions by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page, including any Liabilities arising as a result of the failure of any Borrower and/or any Loan Party to use any available security measures in connection with the execution, delivery or transmission of any Electronic Signature.

1.19 Amendment to Article IX of the Credit Agreement. Article IX of the Credit Agreement (Miscellaneous) shall be amended by adding the following new Section 9.21 (Acknowledgement Regarding Any Supported QFCs) immediately following Section 9.20 thereof:

SECTION 9.21 Acknowledgement Regarding Any Supported QFCs

(a) To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Swap Agreements or any other agreement or instrument that is a QFC (such support "***QFC Credit Support***" and each such QFC a "***Supported QFC***"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "***U.S. Special Resolution Regimes***") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States).

(b)In the event a Covered Entity that is party to a Supported QFC (each, a "***Covered Party***") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

1.20 Amendment to Schedule 2.01. After giving effect to the increase in Commitments hereunder, the Commitment of each Lender shall be as set forth on Schedule 2 hereto (and such Schedule 2 shall supersede Schedule 2.01 of the Credit Agreement that is in effect immediately prior to this Amendment.

SECTION 2. Conditions**.** This Amendment shall become effective as of the date hereof (the "First Amendment Effective Date") upon receipt by the Administrative Agent of each of the following, in each case in form and substance satisfactory to the Administrative Agent:

(a) duly executed counterparts to this Amendment from the Borrower, each other Loan Party and the Required Lenders;

(b) a certificate, signed by a Responsible Officer of the Borrower, stating that (i) no Event of Default has occurred and is continuing, or would result immediately after giving effect to this Amendment, and (ii) the representations and warranties contained in Article III of the Credit Agreement and Section 4 below are true and correct in all material respects as of the First Amendment Effective Date (or in all respects as of such date if such representation and warranty is qualified by Material Adverse Effect or other materiality qualifier) (including with respect to solvency as of the First Amendment Effective Date);

(c) a customary written opinion (addressed to the Administrative Agent and the Lenders and dated the First Amendment Effective Date) of Paul, Weiss, Rifkind, Wharton & Garrison LLP, counsel for the Loan Parties, and covering such matters relating to the Loan Parties and this Amendment, as the Administrative Agent shall reasonably request; and

(d) payment from the Borrower of all fees due and payable as of the First Amendment Effective Date and all expenses required to be reimbursed by the Borrower for which invoices have been presented to the Borrower (including the reasonable fees and expenses of legal counsel), each case on or before the First Amendment Effective Date.

SECTION 3. Commitment Increase. Effective as of the First Amendment Effective Date:

(a) The Borrower and each Increase Loan Lender hereby agree that, subject to the satisfaction (or waiver by the Required Lenders) of the conditions in Section 2 hereof, on the First Amendment Effective Date, the Commitment Increase of each Increase Loan Lender shall become effective and the Commitments shall be deemed increased by the amount of the Commitment Increase of each Increase Loan Lender in the amounts set forth on Schedule 1 hereto. The Commitment Increase shall be Commitments for all purposes under the Credit Agreement and each of the other Loan Documents and shall have terms identical to the Commitments outstanding under the Credit Agreement immediately prior to the date hereof (but giving effect to any amendments hereunder).

(b) Each Increase Loan Lender acknowledges and agrees that upon the First Amendment Effective Date, such Increase Loan Lender shall be a “Lender” under, and for all purposes of, the Credit Agreement and the other Loan Documents, and shall be subject to and bound by the terms thereof, and shall perform all the obligations of and shall have all rights of a Lender thereunder.

SECTION 4. Representations and Warranties. Each of the Borrower and the other Loan Parties hereby represents and warrants as of the First Amendment Effective Date to the Administrative Agent and the Required Lenders that this Amendment has been duly executed and delivered by each Loan Party party hereto constitutes a legal, valid and binding obligation of such Loan Party, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors’ rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 5. Ratification. Each of the Borrower and the other Loan Parties hereby (a) ratifies and reaffirms all of its payment and performance obligations, contingent or otherwise, and each grant of security interests and liens in favor of the Administrative Agent or the Lenders, as the case may be, under each Loan Document, (b) agrees that such ratification and reaffirmation is not a condition to the continued effectiveness of the Loan Documents, and (c) agrees that neither such ratification and reaffirmation, nor the Administrative Agent’s nor any Lender’s solicitation of such ratification and reaffirmation, constitutes a course of dealing giving rise to any obligation or condition requiring a similar or any other ratification or reaffirmation from each party to the Credit Agreement or other Loan Documents with respect to any subsequent modifications, consent or waiver with respect to the Credit Agreement or other Loan Documents. Each of the Borrower and the other Loan Parties acknowledges and agrees that any of the Loan Documents to which it is a party or otherwise bound shall continue in full force and effect and that all of its obligations thereunder shall be valid and enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors’ rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law and shall not be impaired or limited by the execution or effectiveness of this Amendment. The Credit Agreement and each other Loan Document is in all respects hereby ratified and confirmed. This Amendment shall constitute a “Loan Document” for purposes of the Credit Agreement.

SECTION 6. Miscellaneous**.**

6.1 Effect**.**

(a) Upon the effectiveness of this Amendment, each reference in each Loan Document to "this Agreement," "hereunder," "hereof" or words of like import shall mean and be a reference to such Loan Document as modified hereby and each reference in the other Loan Documents to the Credit Agreement, "thereunder," "thereof," or words of like import shall mean and be a reference to the Credit Agreement as modified hereby. This Amendment constitutes a Loan Document and any breach of any representation or warranty made herein or covenant or agreement contained herein will constitute an Event of Default under the Credit Agreement (subject to any applicable grace periods, materiality qualifications or other qualifications set forth in the Credit Agreement).

(b) Except as specifically set forth in this Amendment, the execution, delivery and effectiveness of this Amendment shall not (i) limit, impair, constitute an amendment, forbearance or waiver by, or otherwise affect any right, power or remedy of, Agent or any Lender under the Credit Agreement or any other Loan Document or waive, affect or diminish any right of Agent to demand strict compliance and performance therewith, (ii) constitute a waiver of, or forbearance with respect to, any Default or Event of Default, whether known or unknown or (iii) alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or in any of the other Loan Documents, all of which are ratified and affirmed in all respects and shall continue in full force and effect.

6.2 Severability. Any provision of this Amendment or any other Loan Document held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

6.3 Counterparts. This Amendment may be executed in one or more counterparts, each of which shall constitute an original, but all of which taken together shall be one and the same instrument. This Amendment may also be executed by facsimile or electronic transmission and each facsimile or electronic transmission signature hereto shall be deemed for all purposes to be an original signatory page.

6.4 Governing Law. This Amendment and the other Loan Parties entered into in connection herewith (other than those containing a contrary express choice of law provision) shall be governed by and construed in accordance with the internal laws of the State of New York, but giving effect to federal laws applicable to national banks.

6.5 Headings. Article and Section headings used herein are for convenience of reference only, are not part of this Amendment and shall not affect the construction of, or be taken into consideration in interpreting, this Amendment.

6.6 Reimbursement of Agent's Expenses. Without limiting any of the Administrative Agent's rights, or any of Borrower's or other Loan Party's obligations, under Section 9.03 of the Credit Agreement, the Loan Parties agrees to reimburse the Administrative Agent for all reasonable and documented out of pocket expenses incurred by the Administrative Agent and its Affiliates in connection with entering into this Amendment and the other Loan Documents entered into in connection herewith.

6.7 Entire Agreement. This Amendment contains the final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and shall constitute the entire agreement among the parties hereto with respect to the subject matter hereof superseding all prior oral or written understandings or agreements.

[Signature Pages Follow]

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

ALCLEAR HOLDINGS, LLC

By: /s/ Kenneth Cornick
Name: Kenneth Cornick
Title: President

ALCLEAR, LLC

By: /s/ Kenneth Cornick
Name: Kenneth Cornick
Title: President

SECURE IDENTITY, LLC

By: /s/ Kenneth Cornick
Name: Kenneth Cornick
Title: President

NOQUE, LLC

By: /s/ Kenneth Cornick
Name: Kenneth Cornick
Title: President

ALCLEAR HEALTHCARE, LLC

By: /s/ Kenneth Cornick
Name: Kenneth Cornick
Title: President

ALCLEAR PC, LLC

By: /s/ Kenneth Cornick
Name: Kenneth Cornick
Title: President

ALCLARITY, LLC

By: /s/ Kenneth Cornick
Name: Kenneth Cornick
Title: President

JPMORGAN CHASE BANK, N.A., individually, and as Administrative Agent, Lead Arranger and a Lender

By: /s/ Hormuz Kapadia
Name: Hormuz Kapadia
Title: Authorized Signatory

[Signature Page to Amendment No. 1 to Credit Agreement]

GOLDMAN SACHS LENDING PARTNERS LLC, as a Lender

By: /s/ Kevin Raisch
Name: Kevin Raisch
Title: Authorized Signatory

[Signature Page to Amendment No. 1 to Credit Agreement]

WELLS FARGO BANK, NATIONAL ASSOCIATION, as a Lender

By: /s/ Paul Ingersoll
Name: Paul Ingersoll
Title: Director

[Signature Page to Amendment No. 1 to Credit Agreement]

OTHER TRANSACTION AGREEMENT

Transportation Security Administration

OTA NUMBER	REQUISITION NUMBER
70T020209NTOIA009	2119209OIA079

ISSUED TO	ISSUED BY
Name & Address:Alclear, LLC 65 East 55th Street, 17th Floor New York, NY 10022 EIN:27-1733425 DUNS:962409483 Location of Entity: NYC (Headquarters)	Name & Address: Transportation Security Administration 701 S 12th Street Arlington, VA 20598 Email: Gloria.Uria@tsa.dhs.mil

PROGRAM TITLE

Program **TSA PRE✓® APPLICATION EXPANSION**

Period of Performance: 01-20-2020 to 01-19-2030 (one, three-year base period, two, two-year option periods, and three, one-year option periods for a potential total of ten-years).

NAICS 561611

PSC R499

FISCAL DATA

Accounting Line:

Obligated:

PURPOSE

The purpose of this Agreement is to establish the tasks necessary to develop, deliver, and deploy biometric vetting application capabilities to expand the public's enrollment opportunities for TSA Pre✓® Application Program as required under the TSA Modernization Act of 2018, Section 1937(d), H.R. 302.

AUTHORIZED SIGNATURES

IN WITNESS WHEREOF, the Parties have entered into this Agreement by their duly authorized officers.

[signature] 1/6/20 Participant's Signature Date	Gloria A Uria 01-09-2020 Contracting Officer's Signature Date
Ken Cornick President TYPED NAME AND TITLE	Contracting Officer TYPED NAME AND TITLE

ARTICLE I – PARTIES

This Other Transaction Agreement (hereinafter referred to as "Agreement" or "OTA") is entered into between the United States of America (hereinafter referred to as the "Government") Transportation Security Administration (hereinafter referred to as "TSA") and Alclear, LLC. The TSA and Alclear, LLC agree to cooperate in good faith and to perform their respective obligations using their cooperative good faith efforts in executing the purpose of this Agreement.

ARTICLE II – AUTHORITY

TSA and Alclear, LLC enter into this Agreement under the authority of the Aviation and Transportation Security Act, Pub. L. 107-71, 115 Stat. 597, specifically 49 U.S.C. 114(m), and 106(l) and (m), which authorizes agreements and other transactions on such terms and conditions as the Administrator determines necessary.

ARTICLE III – SCOPE

The purpose of this Agreement is to establish the tasks necessary to develop, deliver, and deploy biometric vetting application capabilities to expand the public's enrollment opportunities for TSA Pre✓® Application Program as required under the TSA Modernization Act of 2018, Section 1937(d), H.R. 302. This includes the ability to offer convenient and accessible enrollment options, reliably perform identity validation and verification as well as vet the applicant by means of the applicant's biometric data by conducting a criminal history records check through the Federal Bureau of Investigation (FBI).

At a minimum, Alclear, LLC must deliver the following:

1. the ability to offer start-to-finish online or mobile enrollment capability;

2. reliably perform identity validation and verification at standards comparable to NIST 800-63A as indicated in the Statement of Work;

3. protect privacy and data security including any personally identifiable information in a manner consistent with section 552a of the Privacy Act of 1974 (5 U.S.C. 552) and

4. vet the applicant by means of the applicant's biometric data by conducting a criminal history records check through the FBI.

To accomplish these general requirements, Alclear, LLC must meet the specific requirements found in the following attachments:

- Attachment #01 – Statement of Work (SOW)
- Attachment #02 – TSA Pre✓® Expansion Requirements Matrix
- Attachment #03 – Site Survey
- Attachment #04 – Enrollment Locations
- Attachment #05 – Fee Collection Requirements

- Attachment #06 – TSA Pre ✓ ® Licensing Agreement
- Attachment #07 –TSA Pre ✓ ® Creative Toolkit
- Attachment #08 – Privacy Act and Paperwork Reduction Statement
- Attachment #09 – Name Entry Policy
- Attachment #10 – Required Enrollment Documentation
- Attachment #11 – TSA MD 3700.4, FINAL, 081209v.4
- Attachment #12 – TSA MD 1400.3, FINAL, 140408
- Attachment #13 – TSA_MD_2800_71
- Attachment #14 – 11042.1 Safeguarding Sensitive But Unclassified (For Official Use Only) Information
- Attachment #15 – 4300A Sensitive Systems Policy
- Attachment #16 – 4300B.000 DHS National Security Systems Policy Cover page
- Attachment #17 – 4300B.000_Table of Contents
- Attachment #18 – 4300B.100 – National Security Systems Policy
- Attachment #19 – 4300B.101 - Risk Management Framework
- Attachment #20 – 4300B.102 – National Security Systems Security Control Guidance
- Attachment #21 – 4300B.103-1 - System Security Plans FINAL
- Attachment #22 – 4300B.103.2 - Risk Assessment Reports
- Attachment #23 – 4300B.103-3 - Security Assessment Reports
- Attachment #24 – 4300B.103-4 - Plans of Action and Milestones
- Attachment #25 – 4300B.106 - User Minimum Requirements
- Attachment #26 – 4300B.107 - Decommissioning Strategy
- Attachment #27 – 4300B.108-1 - NSS References
- Attachment #28 – 4300B.108.2 - NSS Policy Change Request
- Attachment #29 – 4300B.200 COMSEC
- Attachment #30 – TSA Pre✓® Expansion – Volume 3 Element Matrix
- Attachment #31 – Outsourcing RapBack Guide
- Attachment #32 – Outsourcing Agreement_V1.0

ARTICLE IV – RESPONSIBILITIES

The parties agree to cooperate, act in good faith, and to meet their respective obligations in furtherance of the purposes of this OTA and TSA Pre✓® Application Expansion Statement of Work (SOW) and SOW Attachments and other relevant documents, which are incorporated by reference by this article.

ARTICLE V - EFFECTIVE DATE AND TERM

The effective date of this Agreement is the date on which it is signed by the TSA or Alclear, LLC, whichever is later. This agreement will continue in effect for a three (3)-year base period, with two (2), two-year options and three (3), one-year options for a potential total period of

performance of Ten Years (10) from the effective date, unless earlier terminated by the parties as provided herein.

Alclear, LLC agrees to meet the following timelines:

* No later than 90 days from OTA award, the Entity must be ready to begin integration/interface testing with TSA and TSA-required systems (to include TSA and pay.gov testing) as referenced in SOW Section 4.7.1

* No later than 270 days from OTA award, the Entity must achieve Authority to Operate (ATO) from TSA as referenced in SOW Section 4.7.1.

* No later than 270 days from OTA award, the Entity must achieve approval to begin enrolling applicants (i.e., launch operations) from TSA. In order to receive approval to launch operations, the Entity must provide evidence that all operations and technology are established and meeting the requirements described in SOW Section 4.7.

ARTICLE V.1 - EFFECTIVE DATE AND TERM OPTIONS

The Government will provide the Entity a written notice of exercise of an option at least 30 days before the OTA expires.

If the Government extends, then the extended OTA shall be considered to include all extension periods.

The total duration of this OTA, including the exercise of any options under this term, shall not exceed 120 months.

ARTICLE VI – ACCEPTANCE AND TESTING

Alclear, LLC will perform in accordance to the Statement of Work (SOW), SOW attachments, and related attachments.

ARTICLE VII - FUNDING AND LIMITATIONS

The Entity shall collect and remit fee payment to TSA, pursuant to 6 U.S.C. 469, for each application that it submits. The Entity shall remit fees to TSA in form and manner consistent with SOW Attachment #05 - Fee Collection Requirements, describing requirements for the collection of government funds.

ARTICLE VIII – BILLING PROCEDURE AND PAYMENT

This Agreement does not involve any payments from the Government to Alclear, LLC – rather, the Entity shall remit the specified fees amounts to TSA in accordance with Article VII of this agreement, as payment for TSA to complete processing of each submitted application. Alclear, LLC is also required to provide a fee to the FBI for conducting a criminal history records check.

No appropriated or other Government funding will be obligated under this Agreement. Alclear, LLC agrees to provide these enrollment capabilities, throughout the life of this agreement, at no cost to the government. Beyond the TSA and FBI fees, Alclear, LLC is encouraged to establish novel business models and pricing mechanisms to recover the costs of its efforts and continue to expand enrollments. Additionally, TSA does not provide for any government reimbursement of any cost incurred in making necessary studies or designs for the preparation of the systems or incurred in obtaining services or supplies.

ARTICLE IX – AUDITS

TSA shall have the right to examine or audit relevant financial records for each Alclear, LLC facility, while this Agreement, or any part thereof, remains in force and effect, and for a period of three years after expiration or termination of the terms of this Agreement. For each facility, Alclear, LLC shall maintain: project records, technology maintenance records, and data associated with this TSA Pre✓® Application Expansion while this Agreement, or any part thereof, remains in force and effect, and for a period of three years after any resulting final termination settlement. If this Agreement is completely or partially terminated, the records relating to the work terminated shall be made available for three years after any resulting final termination settlement. Records relating to appeals under the "Disputes" provision in Article XII regarding this Agreement shall be made available until such appeals are finally resolved.

As used in this provision, "records" includes books, documents and other data, regardless of type and regardless of whether such items are in written form, in the form of computer or other electronic data, or in any other form that relate to this TSA Pre ✓ ® Application Expansion for each facility.

Alclear, LLC shall also maintain all records and other evidence sufficient to reflect fees collected from the public, and fees forward to TSA as payment for TSA vetting and program maintenance, in accordance with Attachment 4in the conduct of TSA Pre✓® Application Expansion. The Contracting Officer, Contracting Officer's Representative, or the authorized representatives of these officers shall have the right to examine and audit those records at any time. This right of examination shall include inspection at all reasonable times at Alclear, LLC's offices directly responsible for managing the TSA Pre✓® Application Expansion.
The Comptroller General of the United States shall also have access to, and the right to examine, any records involving transactions related to this Agreement.

This article shall not be construed to require Alclear, LLC, or its contractors or subcontractors who are associated with or engaged in activities relating to this OTA, to create or maintain any record that they do not maintain in the ordinary course of business pursuant to a provision of law, provided that those entities maintain records which conform to generally accepted accounting procedures.

ARTICLE X – AUTHORIZED REPRESENTATIVES

TSA Contacts:

Gloria Uria, OTA Contracting Officer
E-mail:
Telephone:

Megan Kesler OTA Contract Specialist
E-mail:
Telephone:

Pablo Landrau, COR
E-mail:
Telephone:

Alclear, LLC Contacts (Please include telephone numbers and email addresses.)

The COR is responsible for the technical administration and liaison of this Agreement. The COR is not authorized to change the scope of work, to make any commitment or otherwise obligate the TSA, or authorize any changes which affect the liability of the TSA. Alclear, LLC will inform the Contracting Officer in the event that the COR takes any action which is interpreted by Alclear, LLC as a change in scope or liability to either party.

ARTICLE XI - LIMITATIONS ON LIABILITY

A. Subject to the provisions of Federal law, including the Federal Torts Claims Act, each party expressly agrees without exception or reservation that it shall be solely and exclusively liable for the acts or omissions of its own agents and/or employees and that neither party looks to the other to save or hold it harmless for the consequences of any act or omission on the part of one or more of its own agents or employees, subject to the same conditions provided above.

B. Alclear, LLC has the affirmative duty to notify the TSA Contracting Officer in the event that Alclear, LLC believes that any act or omission of a TSA agent or employee would increase Alclear, LLC costs and cause Alclear, LLC to seek compensation from TSA beyond TSA's liability as stated in Article IV (Responsibilities), or Article VI (Funding And Limitations). Claims against either party for damages of any nature whatsoever pursued under this Agreement shall be limited to direct damages not to exceed the aggregate outstanding amount of funding obligated under this Agreement at the time the dispute arises. If Alclear, LLC receives any communication which it interprets as instructions to change the work encompassed in this Agreement, or to incur costs not covered by funding obligated at that time, Alclear, LLC must not act on that communication, and must contact the Contracting Officer verbally and in writing immediately.

C. In no event, beyond the Entity's liabilities under the Protection of Information (Article XVIII), shall either party be liable to the other for consequential, punitive, special and incidental damages, claims for lost profits, or other indirect damages.

D. No third party shall assert any rights under this Agreement unless expressly provided herein.

ARTICLE XII – DISPUTES

Where possible, disputes shall be resolved by informal discussion between the Contracting Officer for TSA and an authorized representative of Alclear, LLC. All disputes arising under or related to this Agreement shall be resolved under this Article. Disputes, as used in this Agreement, mean a written demand or written assertion by one of the parties seeking, as a matter of right, the adjustment or interpretation of Agreement terms, or other relief arising under this Agreement. The dispute shall be made in writing and signed by a duly authorized representative of Alclear, LLC or the TSA Contracting Officer. At a minimum, a dispute under this Agreement shall include a statement of facts, adequate supporting data, and a request for relief. In the event the parties are unable to resolve any disagreement through good faith negotiations, Alclear, LLC may submit the dispute to the Deputy Assistant Administrator for Contracting and Procurement. If the decision of the Deputy Assistant Administrator for Contracting and Procurement is unsatisfactory, the decision may be appealed to the TSA Assistant Administrator for Contracting and Procurement. The parties agree that the TSA Assistant Administrator/Head of the Contracting Activity for Contracting and Procurement's decision shall be final and not subject to further judicial or administrative review and shall be enforceable and binding upon the parties.

ARTICLE XIII – TERMINATION

In addition to any other termination rights provided by this Agreement, either party may terminate this Agreement at any time prior to its expiration date, with or without cause, by giving the other party at least thirty (30) days' prior written notice of termination. Upon receipt of a notice of termination, the receiving party shall take immediate steps to stop the accrual of any additional obligations that might require payment.

If Alclear, LLC exercises its right to withdraw voluntarily from the project, Alclear, LLC agrees to reimburse the United States Government for all monies disbursed to it under this Agreement.

ARTICLE XIV- SUSPENSION

In addition to any other termination rights provided by this Agreement, the Government reserves the right to suspend work of the provider until the performance flaw is corrected and confirmed by the Government. This suspension will be at no cost to the Government. If performance issues continue to occur and are not corrected in a timely manner, the Government will proceed with the termination in accordance with Article XIII.

ARTICLE XV - CHANGES AND/OR MODIFICATIONS

Changes or modifications to this Agreement shall be in writing and signed by the TSA Contracting Officer and the authorized representative of Alclear, LLC. The modification shall

cite the subject provision to this Agreement and shall state the exact nature of the modification. No oral statement by any person shall be interpreted as modifying or otherwise affecting the terms of this Agreement. Reasonable administrative modifications such as changes in address changes, Key Personnel, name of the TSA Contracting Officer, etc. may be issued unilaterally by TSA. All changes or modification to this Agreement will be at no cost to the Government.

The Contracting Officer may at any time, by written order, unilaterally direct changes within the general scope of this agreement in order to correct a security weakness, revise the schedule for specific activity, change operational parameters, adapt to new threats, or provide for more efficient operations, and shall modify the contract accordingly.

If any such change cannot be accommodated by the performer within the time allowed by the Contracting Officer, the Government may suspend the performer's right to conduct any operations under this agreement, until the change can be implemented, for a fixed period, or permanently.

ARTICLE XVI – NEW OR UPGRADED TECHNOLOGIES, SOLUTIONS, AND PROVIDERS

The Government encourages Alclear, LLC to continuously propose to TSA technological and process improvements to further enhance TSA Pre✓® enrollments. To that end, the Government reserves the right to modify this and other OTAs to incorporate these improvements, if in the best interest of the government. All changes or modification to this Agreement will be at no cost to the Government.

ARTICLE XVII - CONSTRUCTION OF THE AGREEMENT

This Agreement is issued pursuant to the authority of the Aviation and Transportation Security Act, Pub. L. 107-71, 115 Stat. 597, specifically 49 U.S.C. 114(m), and 106(l) and (m) and is not a procurement contract, grant, cooperative agreement, or other financial assistance. It is not intended to be, nor shall it be construed as a partnership, corporation, or other business organization. Both parties agree to provide their best efforts to achieve the objectives of this Agreement. The Agreement constitutes the entire agreement between the parties with respect to the subject matter and supersedes all prior agreements, understanding, negotiations and discussions whether oral or written of the parties. Each party acknowledges that there are no exceptions taken or reserved under this Agreement.

ARTICLE XVIII - PROTECTION OF INFORMATION/EMPLOYEE ACCESS/SAFEGUARDING SENSITIVE INFORMATION

Applicability. This article applies to Alclear, LLC, its subcontractors, and Entity employees (hereafter referred to collectively as "OTA Entity"). The OTA Entity shall insert the substance of this article in all subcontracts.

Definitions

(a) *Sensitive Information*, as used in this article, means any information, the loss, misuse, disclosure, or unauthorized access to or modification of which could adversely affect the national or homeland security interest, or the conduct of Federal programs, or the privacy to which individuals are entitled under section 552a of title 5, United States Code (the Privacy Act), but which has not been specifically authorized under criteria established by an

Executive Order or an Act of Congress to be kept secret in the interest of national defense, homeland security or foreign policy. This definition includes the following categories of information:

(1) "Personally Identifiable Information (PII)" means information that can be used to distinguish or trace an individual's identity, such as name, social security number, or biometric records, either alone, or when combined with other personal or identifying information that is linked or linkable to a specific individual, such as date and place of birth, or mother's maiden name. The definition of PII is not anchored to any single category of information or technology. Rather, it requires a case-by-case assessment of the specific risk that an individual can be identified. In performing this assessment, it is important for an agency to recognize that non-personally identifiable information can become personally identifiable information whenever additional information is made publicly available—in any medium and from any source—that, combined with other available information, could be used to identify an individual.

(2) PII is a subset of sensitive information. Examples of PII include, but are not limited to: name, date of birth, mailing address, telephone number, Social Security number (SSN), email address, zip code, account numbers, certificate/license numbers, vehicle identifiers including license plates, uniform resource locators (URLs), static Internet protocol addresses, biometric identifiers such as fingerprint, voiceprint, iris scan, photographic facial images, or any other unique identifying number or characteristic, and any information where it is reasonably foreseeable that the information will be linked with other information to identify the individual.

(3) Protected Critical Infrastructure Information (PCII) as set out in the Critical Infrastructure Information Act of 2002 (Title II, Subtitle B, of the Homeland Security Act, Public Law 107-296, 196 Stat. 2135), as amended, the implementing regulations thereto (Title 6, Code of Federal Regulations, Part 29) as amended, the applicable PCII Procedures Manual, as amended, and any supplementary guidance officially communicated by an authorized official of the Department of Homeland Security (including the PCII Program Manager or his/her designee);

(4) Sensitive Security Information (SSI), as defined in Title 49, Code of Federal Regulations, Part 1520, as amended, "Policies and Procedures of Safeguarding and Control of SSI," as amended, and any supplementary guidance officially communicated by an authorized official of the Department of Homeland Security (including the Assistant Secretary for the Transportation Security Administration or his/her designee);

(5) Information designated as "For Official Use Only," which is unclassified information of a sensitive nature and the unauthorized disclosure of which could adversely impact a

person's privacy or welfare, the conduct of Federal programs, or other programs or operations essential to the national or homeland security interest; and

(6) Any information that is designated "sensitive" or subject to other controls, safeguards or protections in accordance with subsequently adopted homeland security information handling procedures.

"Sensitive Information Incident" is an incident that includes the known, potential, or suspected exposure, loss of control, compromise, unauthorized disclosure, unauthorized acquisition, or unauthorized access or attempted access of any Government system, OTA Entity system, or sensitive information.

Sensitive Personally Identifiable Information (SPII)" is a subset of PII, which if lost, compromised or disclosed without authorization, could result in substantial harm, embarrassment, inconvenience, or unfairness to an individual. Some forms of PII are sensitive as stand-alone elements. Examples of such PII include: Social Security numbers (SSN), driver's license or state identification number, Alien Registration Numbers (A-number), financial account number, and biometric identifiers such as fingerprint, voiceprint, or iris scan. Additional examples include any groupings of information that contain an individual's name or other unique identifier plus one or more of the following elements:

(1) Truncated SSN (such as last 4 digits)
(2) Date of birth (month, day, and year)
(3) Citizenship or immigration status
(4) Ethnic or religious affiliation
(5) Sexual orientation
(6) Criminal History
(7) Medical Information
(8) System authentication information such as mother's maiden name, account passwords or personal identification numbers (PIN)

Other PII may be "sensitive" depending on its context, such as a list of employees and their performance ratings or an unlisted home address or phone number. In contrast, a business card or public telephone directory of agency employees contains PII but is not sensitive.

(b) "Information Technology Resources" include, but are not limited to, computer equipment, networking equipment, telecommunications equipment, cabling, network drives, computer drives, network software, computer software, software programs, intranet sites, and internet sites.

1. PROTECTION OF INFORMATION

The parties agree that they shall take appropriate measures to protect proprietary, privileged, or otherwise confidential information that may come into their possession as a result of this Agreement.

A. Records and Release of Information

Pursuant to 49 U.S.C. § 114(r), Sensitive Security Information and Nondisclosure of Security Activities, Sensitive Security Information (SSI) is a category of sensitive but unclassified (SBU) information that must be protected because it is information that, if publicly released, would be detrimental to the security of transportation. Under 49 Code of Federal Regulations Part 1520.5(a), the SSI Regulation also provides additional reasons for protecting information as SSI beyond the condition that the release of the information would be detrimental to the security of transportation. SSI may not be disclosed except in accordance with the provisions of that rule.

Title 49 of the Code of Federal Regulations, Part 1520 defines the scope, categorization, handling requirements and disposition of information deemed SSI is the 49 C.F.R. Part 1520 (http://ecfr.gpoaccess.gov/). All members assigned to work under this Agreement are subject to the provisions of 49 CFR Part 1520, Protection of Sensitive Security Information, and shall safeguard and handle any SSI in accordance with the policies and procedures outlined in 49 C.F.R. Part 1520, as well as the DHS and TSA policies and procedures for handling and safeguarding SSI. All members assigned to work under this Agreement must complete the TSA-mandated SSI Awareness Training course prior to accessing SSI, and on an annual basis for the duration of the OTA or for the duration of the requester's need for access to SSI, whichever is later. The Agreement Holder shall place this requirement in all contracts, sub-contracts, joint venture agreements, and teaming agreements related to the performance of this agreement. For purposes of this OTA, the OTA Agreement holder (OTA Entity) would fall under the provision of 49 CFR § 1520.7(k): *Each person employed by, contracted to, or acting for a covered person, including a grantee of DHS or DOT, and including a person formerly in such position.*

Pursuant to 49 C.F.R. Part 1520.9(a)(3), the Agreement Holder must contact SSI@tsa.dhs.gov for guidance on handling requests to access to SSI (before using SSI materials) for any other purpose besides activities falling within the scope of the agreement by other persons, including requests from experts, consultants, and legal counsel ("requesters") hired by the Agreement Holder. The Agreement Holder shall include the Contracting Officer (CO) and Contracting Officer Representative (COR) as a carbon copy "cc" recipient of its contact to SSI@tsa.dhs.gov. The TSA SSI office must first make a determination as to whether the requesters are a "covered person" with a "need to know" under 49 C.F.R. Parts 1520.7 and 1520.11. Further recipients of SSI shall be provided NDAs, in accordance with these contract provisions, and with a copy of the *SSI Quick Reference Guide for DHS Employees and Contractors*.

(Non-Disclosure Agreements (NDAs). The Contracting Officer will provide the non-disclosure form (DHS Form 11000-6), as necessary, to the Agreement holder when circumstances warrant. NDAs are required to be signed by all OTA personnel when access to SSI is necessary for performance of the agreement. By signing the NDA, the recipient certifies in writing that they will take the necessary steps to prevent the unauthorized disclosure and use of information.

Breach. In accordance with 49 C.F.R. Part 1520.9(c), the Agreement holder agrees that in the event of any actual or suspected breach of SSI (i.e., loss of control, compromise, unauthorized disclosure, access for an unauthorized purpose, or other unauthorized access, whether physical or electronic), the Agreement holder shall immediately, and in no event later than one hour of discovery, report the breach to the Contracting Officer and the COR. The Agreement holder is responsible for positively verifying that notification is received and acknowledged by at least one of the foregoing Government officials.

I. Background. Members assigned to work under this Agreement must obtain specific authorization in order to obtain SSI. SSI will not be available or otherwise provided or disclosed to any person not specifically authorized to receive it. As part of this OTA, SSI may only be accessed by individuals which have successfully passed a Security Threat Assessment. This assessment may include a criminal history records check (CHRC) and/or a check against terrorism databases.

II. Information Requirements. Consistent with the criteria release described above, the Agreement Holder shall provide the appropriate information to the TSA COR as identified below. Note that this requirement applies likewise to all contracts, sub-contracts, joint venture agreements, and teaming agreements related to the performance of this agreement. This information will be handled in accordance with the applicable Privacy Act system of records notice (SORN), Transportation Security Threat Assessment System (T-STAS) noted below.

1. The Agreement Holder shall provide the following information for all employees who require access to SSI in a single password protected Microsoft Excel spreadsheet emailed to the COR. The password for the password protected spreadsheet shall be sent to the COR in a separate email, at the same time.
   - Employee Full Name
   - Employee Gender: (i.e., Male or Female)
   - Employee Birth Date
   - Employee Citizenship
   - Social Security Number (for U.S. Citizens and Legal Permanent Residents only)
   - Known Traveler Number (KTN), if available

III. Privacy Act Statement. TSA will use the information provided to conduct a security threat assessment on individuals who seek access to Sensitive Security Information (SSI). The information will be shared within DHS with personnel who need the information to perform their official duties. Additionally, DHS may share the information with law enforcement, intelligence, or other government agencies as necessary to identify and respond to potential or actual threats to transportation security in accordance with the routine uses identified in the applicable Privacy Act system of records notice (SORN), DHS/TSA 002, Transportation Security Threat Assessment System (T-STAS). This SORN was last published in the Federal Register on August 11, 2014, and can be found at 79 FR 46862-46866. Authority: 49 USC 114. Furnishing this information is voluntary. However, failure to furnish the requested information may delay or prevent the completion of your security threat assessment, without which you may not be granted access to the SSI.

IV. Notification of Assessment. Individuals who receive a successful Security Threat Assessment will be eligible to receive SSI. If it is determined that covered individuals are not eligible to receive access to particular SSI based on the threat assessment, the TSA Contacting Officer or COR will provide the company point of contact with notification that the individual does not qualify to receive SSI. Appeal of the determination will not be permitted due to the time sensitive nature of the acquisition process, however, the potential OTA Entity may nominate

another individual to receive SSI access. In the event that an individual is determined to be a security threat and the individual believes that the results of the screening are inaccurate, he or she may request access to their records by submitting a Privacy Act Request through TSA's Freedom of Information Act (FOIA) internet site at: https://www.tsa.gov/foia/requests. However, due to the demanding acquisition schedule, TSA will not delay an acquisition to resolve these issues.

B. Publicity and Dissemination of Agreement Information

The Agreement holder shall not publish, permit to be published, or distribute for public consumption, any information, oral or written, concerning the results or conclusions made pursuant to the performance of this Agreement without the prior written consent of the Contracting Officer. The Agreement holder shall submit any request for public release at least ten (10) business days in advance of the planned release. Under no circumstances shall the Agreement holder release any requested submittal prior to TSA approval.

Any material proposed to be published or distributed shall be submitted via email to the Contracting Officer. The Contracting Officer will follow the procedures in Management Directives 1700.3 and 1700.4. The Office of the Administrator retains the authority to deny publication authorization. Any conditions on the approval for release will be clearly described. Notice of disapproval will be accompanied by an explanation of the basis or bases for disapproval.

Any contact with or by a Media firm or personnel related to this Agreement and in accordance with the terms of this Agreement shall be referred to the Contracting Officer.

2. OTA ENTITY EMPLOYEE ACCESS

OTA Entity employees working on this contract must complete such forms as may be necessary for security or other reasons, including the conduct of background investigations to determine suitability. Completed forms shall be submitted as directed by the Contracting Officer. Upon the Contracting Officer's request, the OTA entity's employees shall be fingerprinted, or subject to other investigations as required. All OTA entity employees requiring recurring access to Government facilities or access to sensitive information or IT resources are required to have a favorably adjudicated background investigation prior to commencing work on this contract unless this requirement is waived under Departmental procedures.

The Contracting Officer may require the OTA Entity to prohibit individuals from working on the contract if the government deems their initial or continued employment contrary to the public interest for any reason, including, but not limited to, carelessness, insubordination, incompetence, or security concerns.

Work under this contract may involve access to sensitive information. Therefore, the OTA Entity shall not disclose, orally or in writing, any sensitive information to any person unless authorized in writing by the Contracting Officer. For those OTA Entity employees authorized access to sensitive information, the OTA Entity shall ensure that these persons receive training concerning the protection and disclosure of sensitive information both during and after contract

performance.

The OTA Entity shall include the substance of this article in all subcontracts at any tier where the subcontractor may have access to Government facilities, sensitive information, or resources.

Before receiving access to IT resources under this OTA the individual must receive a security briefing, which the Contracting Officer's Technical Representative (COR) will arrange, and complete any nondisclosure agreement furnished by DHS.

The OTA Entity shall have access only to those areas of DHS information technology resources explicitly stated in this contract or approved by the COR in writing as necessary for performance of the work under this contract. Any attempts by OTA Entity personnel to gain access to any information technology resources not expressly authorized by the statement of work, other terms and conditions in this contract, or as approved in writing by the COR, is strictly prohibited. In the event of violation of this provision, DHS will take appropriate actions with regard to the contract and the individual(s) involved. OTA Entity access to DHS networks from a remote location is a temporary privilege for mutual convenience while the OTA Entity performs business for the DHS Component. It is not a right, a guarantee of access, a condition of the contract, or Government Furnished Equipment (GFE). OTA Entity access will be terminated for unauthorized use. The OTA Entity agrees to hold and save DHS harmless from any unauthorized use and agrees not to request additional time or money under the contract for any delays resulting from unauthorized use or access.

Non-U.S. citizens shall not be authorized to access or assist in the development, operation, management or maintenance of Department IT systems under the contract, unless a waiver has been granted by the Head of the Component or designee, with the concurrence of both the Department's Chief Security Officer (CSO) and the Chief Information Officer (CIO) or their designees. Within DHS Headquarters, the waiver may be granted only with the approval of both the CSO and the CIO or their designees. In order for a waiver to be granted:

(1) The individual must be a legal permanent resident of the U.S. or a citizen of Ireland, Israel, the Republic of the Philippines, or any nation on the Allied Nations List maintained by the Department of State;

(2) There must be a compelling reason for using this individual as opposed to a U.S. citizen; and

(3) The waiver must be in the best interest of the Government.

OTA Entity's shall identify in their proposals the names and citizenship of all non-U.S. citizens proposed to work under the contract. Any additions or deletions of non-U.S. citizens after contract award shall also be reported to the contracting officer.

Applicability. This article applies to Alclear, LLC, its subcontractors, and Entity employees (hereafter referred to collectively as "OTA Entity"). The OTA Entity shall insert the substance of this article in all subcontracts.

3. Safeguarding of Sensitive Information

Authorities. The OTA Entity shall follow all current versions of Government policies and guidance accessible at http://www.dhs.gov/dhs-security-and-training-requirements-contractors, or available upon request from the Contracting Officer, including but not limited to:

(1) DHS Management Directive 11042.1 Safeguarding Sensitive But Unclassified (for Official Use Only) Information
(2) DHS Sensitive Systems Policy Directive 4300A
(3) DHS 4300A Sensitive Systems Handbook and Attachments
(4) DHS Security Authorization Process Guide
(5) DHS Handbook for Safeguarding Sensitive Personally Identifiable Information
(6) DHS Instruction Handbook 121-01-007 Department of Homeland Security Personnel Suitability and Security Program
(7) DHS Information Security Performance Plan (current fiscal year)
(8) DHS Privacy Incident Handling Guidance
(9) Federal Information Processing Standard (FIPS) 140-2 Security Requirements for Cryptographic Modules accessible at
http://csrc.nist.gov/groups/STM/cmvp/standards.html
(10) National Institute of Standards and Technology (NIST) Special Publication 800-53 Security and Privacy Controls for Federal Information Systems and Organizations accessible at http://csrc.nist.gov/publications/PubsSPs.html
(11) NIST Special Publication 800-88 Guidelines for Media Sanitization accessible at http://csrc.nist.gov/publications/PubsSPs.html

Handling of Sensitive Information. OTA Entity compliance with the policies and procedures described below, is required.

(1) Department of Homeland Security (DHS) policies and procedures on OTA Entity personnel security requirements are set forth in various Management Directives (MDs), Directives, and Instructions. *MD 11042.1, Safeguarding Sensitive But Unclassified (For Official Use Only) Information* describes how OTA Entity must handle sensitive but unclassified information. DHS uses the term "FOR OFFICIAL USE ONLY" to identify sensitive but unclassified information that is not otherwise categorized by statute or regulation. Examples of sensitive information that are categorized by statute or regulation are PCII, SSI, etc. The *DHS Sensitive Systems Policy Directive 4300A* and the *DHS 4300A Sensitive Systems Handbook* provide the policies and procedures on security for Information Technology (IT) resources. The *DHS Handbook for Safeguarding Sensitive Personally Identifiable Information* provides guidelines to help safeguard SPII in both paper and electronic form. *DHS Instruction Handbook 121-01-007 Department of Homeland Security Personnel Suitability and Security Program* establishes procedures, program responsibilities, minimum standards, and reporting protocols for the DHS Personnel Suitability and Security Program.
(2) The OTA Entity shall not use or redistribute any sensitive information processed, stored, and/or transmitted by the OTA Entity except as specified in the contract.

(3) All OTA Entity employees with access to sensitive information shall execute *DHS Form 11000-6, Department of Homeland Security Non-Disclosure Agreement (NDA),* as

a condition of access to such information. The OTA Entity shall maintain signed copies of the NDA for all employees as a record of compliance. The OTA Entity shall provide copies of the signed NDA to the Contracting Officer's Representative (COR) no later than two (2) days after execution of the form.

(4) The OTA Entity's invoicing, billing, and other recordkeeping systems maintained to support financial or other administrative functions shall not maintain SPII. It is acceptable to maintain in these systems the names, titles and contact information for the COR or other Government personnel associated with the administration of the contract, as needed.

(e) *Authority to Operate*. The OTA Entity shall not input, store, process, output, and/or transmit sensitive information within an OTA Entity IT system without an Authority to Operate (ATO) signed by the Headquarters or Component CIO, or designee, in consultation with the Headquarters or Component Privacy Officer. Unless otherwise specified in the ATO letter, the ATO is valid for three (3) years. The OTA Entity shall adhere to current Government policies, procedures, and guidance for the Security Authorization (SA) process as defined below.

(1) Complete the Security Authorization process. The SA process shall proceed according to the *DHS Sensitive Systems Policy Directive 4300A* (Version 11.0, April 30, 2014), or any successor publication, *DHS 4300A Sensitive Systems Handbook* (Version 9.1, July 24, 2012), or any successor publication, and the *Security Authorization Process Guide* including templates.

(i) Security Authorization Process Documentation. SA documentation shall be developed using the Government provided Requirements Traceability Matrix and Government security documentation templates. SA documentation consists of the following: Security Plan, Contingency Plan, Contingency Plan Test Results, Configuration Management Plan, Security Assessment Plan, Security Assessment Report, and Authorization to Operate Letter. Additional documents that may be required include a Plan(s) of Action and Milestones and Interconnection Security Agreement(s). During the development of SA documentation, the OTA Entity shall submit a signed SA package, validated by an independent third party, to the COR for acceptance by the Headquarters or Component CIO, or designee, at least thirty (30) days prior to the date of operation of the IT system. The Government is the final authority on the compliance of the SA package and may limit the number of resubmissions of a modified SA package. Once the ATO has been accepted by the Headquarters or Component CIO, or designee, the Contracting Officer shall incorporate the ATO into the contract as a compliance document. The Government's acceptance of the ATO does not alleviate the OTA Entity's responsibility to ensure the IT system controls are implemented and operating effectively.

(ii) Independent Assessment. OTA Entities shall have an independent third party validate the security and privacy controls in place for the system(s). The independent third party shall review and analyze the

SA package, and report on technical, operational, and management level deficiencies as outlined in *NIST Special Publication 800-53 Security and Privacy Controls for Federal Information Systems and Organizations*. TSA reserves the right to serve as the independent party to review and analyze security and privacy controls. The OTA Entity shall address all deficiencies before submitting the SA package to the Government for acceptance.

(iii) Support the completion of the Privacy Threshold Analysis (PTA) as needed. As part of the SA process, the OTA Entity may be required to support the Government in the completion of the PTA. The requirement to complete a PTA is triggered by the creation, use, modification, upgrade, or disposition of a OTA Entity IT system that will store, maintain and use PII, and must be renewed at least every three (3) years. Upon review of the PTA, the DHS Privacy Office determines whether a Privacy Impact Assessment (PIA) and/or Privacy Act System of Records Notice (SORN), or modifications thereto, are required. The OTA Entity shall provide all support necessary to assist the Department in completing the PIA in a timely manner and shall ensure that project management plans and schedules include time for the completion of the PTA, PIA, and SORN (to the extent required) as milestones. Support in this context includes responding timely to requests for information from the Government about the use, access, storage, and maintenance of PII on the OTA Entity's system, and providing timely review of relevant compliance documents for factual accuracy. Information on the DHS privacy compliance process, including PTAs, PIAs, and SORNs, is accessible at http://www.dhs.gov/privacy-compliance.

(2) *Renewal of ATO.* Unless otherwise specified in the ATO letter, the ATO shall be renewed every three (3) years. The OTA Entity is required to update its SA package as part of the ATO renewal process. The OTA Entity shall update its SA package by one of the following methods: (1) Updating the SA documentation in the DHS automated information assurance tool for acceptance by the Headquarters or Component CIO, or designee, at least 90 days before the ATO expiration date for review and verification of security controls; or (2) Submitting an updated SA package directly to the COR for approval by the Headquarters or Component CIO, or designee, at least 90 days before the ATO expiration date for review and verification of security controls. The 90-day review process is independent of the system production date and therefore it is important that the OTA Entity build the review into project schedules. The reviews may include onsite visits that involve physical or logical inspection of the OTA Entity environment to ensure controls are in place.

(3) *Security Review.* The Government may elect to conduct random periodic reviews to ensure that the security requirements contained in this contract are being implemented and enforced. The OTA Entity shall afford DHS, the Office of the Inspector General, and other Government organizations access to the OTA Entity's facilities, installations, operations, documentation, databases and personnel used in the performance of this

contract. The OTA Entity shall, through the Contracting Officer and COR, contact the Headquarters or Component CIO, or designee, to coordinate and participate in review and inspection activity by Government organizations external to the DHS. Access shall be provided, to the extent necessary as determined by the Government, for the Government to carry out a program of inspection, investigation, and audit to safeguard against threats and hazards to the integrity, availability and confidentiality of Government data or the function of computer systems used in performance of this contract and to preserve evidence of computer crime.

(4) *Continuous Monitoring.* All OTA Entity-operated systems that input, store, process, output, and/or transmit sensitive information shall meet or exceed the continuous monitoring requirements identified in the *Fiscal Year 2014 DHS Information Security Performance Plan,* or successor publication. The plan is updated on an annual basis. The OTA Entity shall also store monthly continuous monitoring data at its location for a period not less than one year from the date the data is created. The data shall be encrypted in accordance with *FIPS 140-2 Security Requirements for Cryptographic Modules* and shall not be stored on systems that are shared with other commercial or Government entities. The Government may elect to perform continuous monitoring and IT security scanning of OTA Entity systems from Government tools and infrastructure.

(5) *Revocation of ATO.* In the event of a sensitive information incident, the Government may suspend or revoke an existing ATO (either in part or in whole). If an ATO is suspended or revoked in accordance with this provision, the Contracting Officer may direct the OTA Entity to take additional security measures to secure sensitive information. These measures may include restricting access to sensitive information on the OTA Entity IT system under this contract. Restricting access may include disconnecting the system processing, storing, or transmitting the sensitive information from the Internet or other networks or applying additional security controls.

(6) *Federal Reporting Requirements.* OTA Entity's operating information systems on behalf of the Government or operating systems containing sensitive information shall comply with Federal reporting requirements. Annual and quarterly data collection will be coordinated by the Government. OTA Entity's shall provide the COR with requested information within three (3) business days of receipt of the request. Reporting requirements are determined by the Government and are defined in the *Fiscal Year 2014 DHS Information Security Performance Plan,* or successor publication. The OTA Entity shall provide the Government with all information to fully satisfy Federal reporting requirements for OTA Entity systems.

Sensitive Information Incident Reporting Requirements.

(1) All known or suspected sensitive information incidents shall be reported to the Headquarters or Component Security Operations Center (SOC) within one hour of discovery in accordance with *4300A Sensitive Systems Handbook Incident Response and*

Reporting requirements. When notifying the Headquarters or Component SOC, the OTA Entity shall also notify the Contracting Officer, COR, Headquarters or Component Privacy Officer, and US-CERT using the contact information identified in the contract. If the incident is reported by phone or the Contracting Officer's email address is not immediately available, the OTA Entity shall contact the Contracting Officer immediately after reporting the incident to the Headquarters or Component SOC. The OTA Entity shall not include any sensitive information in the subject or body of any e-mail. To transmit sensitive information, the OTA Entity shall use *FIPS 140-2 Security Requirements for Cryptographic Modules* compliant encryption methods to protect sensitive information in attachments to email. Passwords shall not be communicated in the same email as the attachment. A sensitive information incident shall not, by itself, be interpreted as evidence that the OTA Entity has failed to provide adequate information security safeguards for sensitive information, or has otherwise failed to meet the requirements of the contract.

(2) If a sensitive information incident involves PII or SPII, in addition to the reporting requirements in *4300A Sensitive Systems Handbook Incident Response and Reporting*, OTA Entity's shall also provide as many of the following data elements that are available at the time the incident is reported, with any remaining data elements provided within 24 hours of submission of the initial incident report:

- (i) Data Universal Numbering System (DUNS);
- (ii) Contract numbers affected unless all contracts by the company are affected;
- (iii) Facility CAGE code if the location of the event is different than the prime OTA Entity location;
- (iv) Point of contact (POC) if different than the POC recorded in the System for Award Management (address, position, telephone, email);
- (v) Contracting Officer POC (address, telephone, email);
- (vi) Contract clearance level;
- (vii) Name of subcontractor and CAGE code if this was an incident on a subcontractor network;
- (viii) Government programs, platforms or systems involved;
- (ix) Location(s) of incident;
- (x) Date and time the incident was discovered;
- (xi) Server names where sensitive information resided at the time of the incident, both at the OTA Entity and subcontractor level;
- (xii) Description of the Government PII and/or SPII contained within the system;
- (xiii) Number of people potentially affected and the estimate or actual number of records exposed and/or contained within the system; and
- (xiv) Any additional information relevant to the incident.

Sensitive Information Incident Response Requirements.

(1) All determinations related to sensitive information incidents, including response activities, notifications to affected individuals and/or Federal agencies, and related services (e.g., credit monitoring) will be made in writing by the Contracting Officer in consultation with the Headquarters or Component CIO and Headquarters or Component Privacy Officer.

(2) The OTA Entity shall provide full access and cooperation for all activities determined by the Government to be required to ensure an effective incident response, including providing all requested images, log files, and event information to facilitate rapid resolution of sensitive information incidents.

(3) Incident response activities determined to be required by the Government may include, but are not limited to, the following:

(i) Inspections,

(ii) Investigations,

(iii) Forensic reviews, and

(iv) Data analyses and processing.

(4) The Government, at its sole discretion, may obtain the assistance from other Federal agencies and/or third-party firms to aid in incident response activities.

Additional PII and/or SPII Notification Requirements.

(1) The OTA Entity shall have in place procedures and the capability to notify any individual whose PII resided in the OTA Entity IT system at the time of the sensitive information incident not later than 5 business days after being directed to notify individuals, unless otherwise approved by the Contracting Officer. The method and content of any notification by the OTA Entity shall be coordinated with, and subject to prior written approval by the Contracting Officer, in consultation with the Headquarters or Component Privacy Officer, utilizing the *DHS Privacy Incident Handling Guidance*. The OTA Entity shall not proceed with notification unless the Contracting Officer, in consultation with the Headquarters or Component Privacy Officer, has determined in writing that notification is appropriate.

(2) Subject to Government analysis of the incident and the terms of its instructions to the OTA Entity regarding any resulting notification, the notification method may consist of letters to affected individuals sent by first class mail, electronic means, or general public notice, as approved by the Government. Notification may require the OTA Entity's use of address verification and/or address location services. At a minimum, the notification shall include:

(i) A brief description of the incident;

(ii) A description of the types of PII and SPII involved;

(iii) A statement as to whether the PII or SPII was encrypted or protected by other means;

(iv) Steps individuals may take to protect themselves;

(v) What the OTA Entity and/or the Government are doing to investigate the incident, to mitigate the incident, and to protect against any future incidents; and

(vi) Information identifying who individuals may contact for additional information.

Credit Monitoring Requirements. In the event that a sensitive information incident involves PII or SPII, the OTA Entity may be required to, as directed by the Contracting Officer:

(1) Provide notification to affected individuals as described above; and/or

(2) Provide credit monitoring services to individuals whose data was under the control of the OTA Entity or resided in the OTA Entity IT system at the time of the

sensitive information incident for a period beginning the date of the incident and extending not less than 18 months from the date the individual is notified. Credit monitoring services shall be provided from a company with which the OTA Entity has no affiliation. At a minimum, credit monitoring services shall include:

(i) Triple credit bureau monitoring;

(ii) Daily customer service;

(iii) Alerts provided to the individual for changes and fraud; and

(iv) Assistance to the individual with enrollment in the services and the use of fraud alerts; and/or

(3) Establish a dedicated call center. Call center services shall include:

(i) A dedicated telephone number to contact customer service within a fixed period;

(ii) Information necessary for registrants/enrollees to access credit reports and credit scores;

(iii) Weekly reports on call center volume, issue escalation (i.e., those calls that cannot be handled by call center staff and must be resolved by call center management or DHS, as appropriate), and other key metrics;

(iv) Escalation of calls that cannot be handled by call center staff to call center management or DHS, as appropriate;

(v) Customized FAQs, approved in writing by the Contracting Officer in coordination with the Headquarters or Component Chief Privacy Officer; and

(vi) Information for registrants to contact customer service representatives and fraud resolution representatives for credit monitoring assistance.

Certification of Sanitization of Government and Government-Activity-Related Files and Information. As part of contract closeout, the OTA Entity shall submit the certification to the COR and the Contracting Officer following the template provided in *NIST Special Publication 800-88 Guidelines for Media Sanitization.*
(End of clause)

The parties agree that they shall take appropriate measures to protect proprietary, privileged, or otherwise confidential information that may come into their possession as a result of this Agreement.

ARTICLE XIX – RIGHTS IN DATA

The Government espouses no ownership rights in data or software, created or produced by performers under this agreement, including tools provided to the Government. Applicant data is not data created or produced under the OTA; applicant data will be considered TSA data. The Government reserves the right to order access to or delivery of, and license to review all Entity data or software produced or utilized under the OTA for purposes of audit and compliance. Such license shall provide a right of use, solely for the purposes of this OTA.

ARTICLE XX PRIVACY ACT

(a) The Entity agrees to—

(1) Comply with the Privacy Act of 1974 (the Act) and the agency rules and regulations issued under the Act in the design, development, or operation of any system of records on individuals to accomplish an agency function when the contract specifically identifies—

(i) The systems of records; and

(ii) The design, development, or operation work that the Entity is to perform;

(2) Include the Privacy Act notification contained in this contract in every solicitation and resulting subcontract and in every subcontract awarded without a solicitation, when the work statement in the proposed subcontract requires the redesign, development, or operation of a system of records on individuals that is subject to the Act; and

(3) Include this clause, including this paragraph (3), in all subcontracts awarded under this contract which requires the design, development, or operation of such a system of records.

(b) In the event of violations of the Act, a civil action may be brought against the agency involved when the violation concerns the design, development, or operation of a system of records on individuals to accomplish an agency function, and criminal penalties may be imposed upon the officers or employees of the agency when the violation concerns the operation of a system of records on individuals to accomplish an agency function. For purposes of the Act, when the contract is for the operation of a system of records on individuals to accomplish an agency function, the Entity is considered to be an employee of the agency.
(c)(1) "Operation of a system of records," as used in this clause, means performance of any of the activities associated with maintaining the system of records, including the collection, use, and dissemination of records.

(2) "Record," as used in this clause, means any item, collection, or grouping of information about an individual that is maintained by an agency, including, but not limited to, education, financial transactions, medical history, and criminal or employment history and that contains the person's name, or the identifying number, symbol, or other identifying particular assigned to the individual, such as a fingerprint or voiceprint or a photograph.

(3) "System of records on individuals," as used in this clause, means a group of any records under the control of any agency from which information is retrieved by the name of the individual or by some identifying number, symbol, or other identifying particular assigned to the individual.

PRIVACY ACT NOTIFICATION
The Entity will be required to design, develop, or operate a system of records on individuals, to accomplish an agency function subject to the Privacy Act of 1974, Public Law 93-579, December 31, 1974 (5 U.S.C. 552a) and applicable agency regulations. Violation of the Act may involve the imposition of criminal penalties.

ARTICLE XXI – DATA STORAGE AND USAGE

All applicant data collected and stored by the Entity for the purpose of applying for TSA Pre✓® must be held in a separate database that can follow TSA prescribed data retention requirements. Data received and collected for the benefit of the Government shall be maintained in accordance with National Archives and Records Administration (NARA) guidelines.

The Entity shall not use data collected from TSA applicants for any purpose other than submission to TSA unless the Entity obtains express permission from TSA as well as from each individual applicant after completion of the enrollment process for TSA Pre✓®.

The Entity must clearly distinguish the completion of the enrollment process for TSA Pre✓® before requesting permission from applicants to continue communication regarding any other marketing opportunities not affiliated with TSA Pre✓®. Any such marketing communications would require the applicants to affirmatively opt-in to such additional marketing. Entities are prohibited from using, in any capacity, information pertaining to an applicant's eligibility determination for TSA Pre✓®. All prohibitions must be clearly stated in Terms and Conditions which are presented to applicants at the beginning of the enrollment process prior to the collection of information.

TSA recognizes that the Entity may perform other functions for applicants that rely on utilizing the same applicant data elements. All concepts that require using applicant data for purposes outside of submission to TSA require written approval from TSA. Additionally, the Entity must obtain and store written authorization from each applicant to use the applicant's biographic or biometric data for any purposes beyond those directly related to TSA Pre✓® and must segregate TSA data from other data that the Entity may maintain on the same applicant even where the same data element (e.g., name) appears. The Entity shall operate a "system of records" within the Privacy Act of 1974, 5 U.S.C. 552a, that limits the authorized disclosure and use of TSA data.

ARTICLE XXII - INTERRELATIONSHIPS OF ENTITY

(a) The Government has entered into other contractual relationships in order to provide technical support services in the conduct of studies, analyses and engineering activities separate from the work to be performed under this Agreement, yet having links and interfaces to them. Further, the Government may extend these existing relationships or enter into new relationships. The Performer may be required to coordinate with such other Entity(s) through the Program Manager in providing suitable, non-conflicting technical interfaces and in avoidance of duplication of effort. By suitable tasking, such other Entity(s) may be requested to assist the Government in the technical review of the Performer's technical efforts. Information on reports provided under this SOW and related documents may, at the discretion of the Government, be provided to such other Entity(s) for the purpose of such review.

(b) A Non-Disclosure Agreement (NDA), DHS Form 11000-6, shall be signed by all Entity employees assigned to perform services under this OTA prior to any work.

ARTICLE XXIII - LIMITATION OF ASSIGNMENT

Alclear, LLC may not assign its rights or obligations under this Agreement to any other entity or person without the prior written consent of the TSA.

ARTICLE XXIV - PUBLICITY

All publicity or public affairs activities related to the subject matter of this Agreement must be coordinated with the TSA Office of Strategic Communication and Public Affairs.

ARTICLE XXV – THE LICENSING OF THE TSA PRE✓® TRADEMARK

1. The TSA Pre✓® trademark constitutes DHS-owned intellectual property, and is used in connection with the Department's efforts to facilitate expedited security screening experiences for selected travelers of participating airlines. DHS hereby confers to the OTA Entity a nonexclusive, nontransferable, royalty free use of the TSA Pre✓® trademark, including the right to copy, display and distribute, for the sole and exclusive purpose of including the trademark on materials authorized by DHS as part of OTA Entity's marketing to prospective TSA Pre✓® Program members. The OTA Entity shall be allowed to use the DHS "TSA Pre✓®" trademark for advertising and promotional purposes in support of the TSA Pre✓® Application Program and prospective members. Such use of this trademark shall include, but is not limited to: customer communications, advertising and marketing efforts and materials, internal materials, legal disclosures, customer statement marketing (e.g. statement message, statement ad, statement insert, etc.), direct mail, letters, emails, flyers, postcards, online webpages, online secure session pages, internal communication, training tools/reference materials, account agreements, terms and conditions disclosures, Guide to Benefits, or other uses as specifically authorized in writing by TSA. Any partnership marketing efforts or promotional tie-ins involving the TSA Pre✓® Application Program must be reviewed and approved by TSA prior to implementation. Marketing messaging must maintain the integrity of the product (expedited airport security screening) and product extensions or enhancements that infer an association with security screening services or expedited screening for a purpose other than aviation security will not be allowed (e.g., expedited screening or entry services where TSA Pre✓® enrollment or status is used in place of or to expedite a non-aviation security screening. For example, TSA Pre✓® "fast lanes" or "TSA Pre✓® VIP lanes" at large events, stadiums, etc.). In addition, the OTA Entity shall provide to TSA all marketing and advertising plans for review and approval prior to launch to ensure acceptable positioning/placement of the TSA Pre✓® brand within the media marketplace and for maximum synergy with TSA-led efforts.

To maintain the legal protections associated with the trademark, TSA on behalf of DHS must control the use of the trademark. OTA Entity agrees that no modifications to DHS Materials, if provided, will be published without TSA review and prior written approval from TSA (email communication is sufficient) other than the inclusion of Alclear, LLC's logos and other necessary data. OTA Entity also agrees that it shall not use the trademark in a manner or context that reflects unfavorably upon any component of DHS or which will diminish or damage the goodwill associated with the TSA Pre✓® trademark. Accordingly, such marketing materials

shall be "non-controversial," meaning the advertisements will be consistent with normal standards for mainstream public advertising, as well as DHS and TSA media policy. In addition, the term precludes any political advertising, including but not limited to those pertaining to candidates, issues, parties, campaign committees, specific elections, etc., or any other advertising that may create a sense of sponsorship or imply endorsement by the government. Additionally, to protect and ensure the Governments interest against dilution of the TSA Pre✓® trademark, i.e., dilution by "blurring" and/or dilution by "tarnishment", for Materials created by OTA Entity regarding participation in the TSA Pre✓® Program, OTA Entity agrees to release the Materials only after obtaining TSA's prior written approval (email communication is sufficient). TSA prior approval is not needed for each individual item, provided that the use is substantially the same as prior approved materials. TSA will provide approval for classes of items associated with advertising.

2. OTA Entity will represent itself as an independent entity, and not as an affiliate of the TSA or DHS. Any use of the TSA Pre✓® trademark on OTA Entity Materials shall include the following or similar credit, as appropriate:

"OTA Entity is not a government entity or affiliated with the Federal government. OTA Entity provides pre-enrollment services for the Transportation Security Administration's TSA Pre✓® Risk Based Screening Program. The TSA Pre✓® trademark is used under license with the permission of the U.S. Department of Homeland Security." (The notice must be displayed in a type font of legible size).

The OTA Entity is authorized by TSA to sub-license the TSA Pre✓® trademark to other organizations or agencies. OTA Entity will provide the TSA POC below with bi-annual reports listing all organizations with whom the OTA Entity has partnered to market the TSA Pre✓® Program.

The OTA Entity acknowledges that use of the Mark does not constitute an endorsement by DHS. TSA or the U.S. Government of OTA Entity and that OTA Entity will not state or imply that TSA, DHS or any entity of the U.S. Government endorses the OTA Entity or the goods and services associated with OTA Entity.

OTA Entity shall abide by the TSA Pre✓® License agreement. (See SOW attachment # 6).

ARTICLE XXVI - SURVIVAL OF PROVISIONS

In the event of the completion of the performance of the scope of work of the OTA, or the termination of this OTA, whichever event occurs first, the following provisions shall remain in full force and effect: Article I – Parties; Article IV Responsibilities; Article VII – Funding and Limitations; Article - Audits; Article XII - Disputes; Article XI- Limitation of Liability; Article XVII - Protection of Information; Article XX – Privacy Act; Article XXV– Publicity; Article

XXVI – The Licensing of the TSA Pre✓® Trademark; Article XXIX – Required Federal Procurement Provisions; and Article XXVII – Survival of Provisions.

ARTICLE XXVII - FLOW DOWN PROVISIONS

All clauses within the Statement of Work (SOW), SOW attachments, and related documents flow down in the provisions of the OTA. All SOW, SOW Attachments, and related documents flow down to subcontractors, suppliers, and all partners and affiliates, etc., of Alclear, LLC.

ARTICLE XXVIII - INSURANCE

Alclear, LLC must arrange insurance or otherwise for the full protection of Alclear, LLC from and against all liability to the third parties out of, or related to, it's performance of this OTA.

The Department of Homeland Security (DHS) has not determined at this point that the TSA Pre✓® Application Expansion initiative satisfies the technical criteria for SAFETY Act Designation and presumptively satisfies the criteria for SAFETY Act Certification.

ARTICLE XXIX - SECTION 504 COMPLIANCE (APR 2017)

Alclear, LLC shall comply fully with Section 504 of the Rehabilitation Act of 1973, as amended, which prohibits discrimination against qualified individuals with disabilities. No otherwise qualified individual with a disability shall, solely by reason of his or her disability, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity for which the Entity/Provider is awarded a contract and/or receives Federal financial assistance from the Transportation Security Administration. This includes, but is not limited to, providing reasonable accommodations and effective communication to persons with disabilities and ensuring physical accessibility to all participants. The Entity/Provider shall ensure this requirement flows to all affected subcontracts.

ARTICLE XXX - INFORMATION TECHNOLOGY SECURITY AND PRIVACY TRAINING

(a) Applicability. This clause applies to the OTA Entity, its subcontractors, and OTA Entity employees (hereafter referred to collectively as "OTA Entity"). The OTA Entity shall insert the substance of this article in all subcontracts.

(b) Security Training Requirements.

(1) All users of Federal information systems are required by Title 5, Code of Federal Regulations, Part 930.301, Subpart C, as amended, to be exposed to security awareness materials annually or whenever system security changes occur, or when the user's responsibilities change. The Department of Homeland Security (DHS) requires that OTA Entity employees take an annual Information Technology Security Awareness Training course before accessing sensitive information under the contract. Unless otherwise specified, the training shall be completed within thirty (30) days of contract award and be completed on an annual basis thereafter not later

than October 31st of each year. Any new OTA Entity employees assigned to the contract shall complete the training before accessing sensitive information under the contract. The training is accessible at http://www.dhs.gov/dhs-security-and-training-requirements-contractors. The OTA Entity shall maintain copies of training certificates for all Entity and subcontractor employees as a record of compliance. Unless otherwise specified, initial training certificates for each OTA Entity and subcontractor employee shall be provided to the Contracting Officer's Representative (COR) not later than thirty (30) days after contract award. Subsequent training certificates to satisfy the annual training requirement shall be submitted to the COR via e-mail notification not later than October 31st of each year. The e-mail notification shall state the required training has been completed for all Entity and subcontractor employees.

(2) The DHS Rules of Behavior apply to every DHS employee, OTA Entity and subcontractor that will have access to DHS systems and sensitive information. The DHS Rules of Behavior shall be signed before accessing DHS systems and sensitive information. The DHS Rules of Behavior is a document that informs users of their responsibilities when accessing DHS systems and holds users accountable for actions taken while accessing DHS systems and using DHS Information Technology resources capable of inputting, storing, processing, outputting, and/or transmitting sensitive information. The DHS Rules of Behavior is accessible at http://www.dhs.gov/dhs-security-and-training-requirements-contractors. Unless otherwise specified, the DHS Rules of Behavior shall be signed within thirty (30) days of contract award. Any new OTA Entity employees assigned to the contract shall also sign the DHS Rules of Behavior before accessing DHS systems and sensitive information. The OTA Entity shall maintain signed copies of the DHS Rules of Behavior for all Entity and subcontractor employees as a record of compliance. Unless otherwise specified, the OTA Entity shall e-mail copies of the signed DHS Rules of Behavior to the COR not later than thirty (30) days after contract award for each employee. The DHS Rules of Behavior will be reviewed annually and the COR will provide notification when a review is required.

(c) Privacy Training Requirements. All OTA Entity and subcontractor employees that will have access to Personally Identifiable Information (PII) and/or Sensitive PII (SPII) are required to take Privacy at DHS: Protecting Personal Information before accessing PII and/or SPII. The training is accessible at http://www.dhs.gov/dhs-security-and-training-requirements-contractors. Training shall be completed within thirty (30) days of contract award and be completed on an annual basis thereafter not later than October 31st of each year. Any new OTA Entity employees assigned to the contract shall also complete the training before accessing PII and/or SPII. The OTA Entity shall maintain copies of training certificates for all OTA Entity and subcontractor employees as a record of compliance. Initial training certificates for each OTA Entity and subcontractor employee shall be provided to the COR not later than thirty (30) days after contract award. Subsequent training certificates to satisfy the annual training requirement shall be submitted to the COR via e-mail notification not later than October 31st of each year. The e-mail notification shall state the required training has been completed for all OTA Entity and subcontractor employees.

ARTICLE XXXI – EMPLOYMENT ELIGIBILITY VERIFICATION

The OTA Entity is required to enroll in the E-Verify program within 30 days of OTA award, if not enrolled at the time of award. For each employee assigned to the OTA, the OTA Entity shall initiate verification within 90 calendar days after date of OTA award or within 30 calendar days of the employee's assignment to the OTA, whichever date is later.

ARTICLE XXXII REQUIRED FEDERAL PROCUREMENT PROVISIONS

The Entity and its subcontractors shall comply with the following:

1.0 Title VI of the Civil Rights Act of 1964 relating to nondiscrimination in Federally assisted program.

2.0 Contracts awarded by the Provider of this Project must comply with all provisions established by laws and statutes.

Exhibit 21.1

Subsidiaries of the Registrant

Entity	Jurisdiction of Organization
Alclear Holdings, LLC	Delaware
Alclear LLC	Delaware
Secure Identity, LLC	Delaware
NoQue, LLC	Delaware
Alclear Healthcare, LLC	Delaware
Alclarity, LLC	Delaware
Alclear Healthpass, LLC	Delaware
Alclear PC, LLC	Delaware
Clear Secure, Inc.	Delaware
Chai Clear LTD	Israel