As filed with the Securities and Exchange Commission on June 7, 2021.
Registration No. 333-

# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## 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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**New York, New York 10004**
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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 | Proposed Maximum Aggregate Offering Price[1][2] | Amount of Registration Fee |
|---|---|---|
| Class A common stock, par value $0.00001 per share | $ 100,000,000 | $ 10,910 |

(1) Includes the offering price of 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.

**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.**

Subject to completion, dated June 7, 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 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.

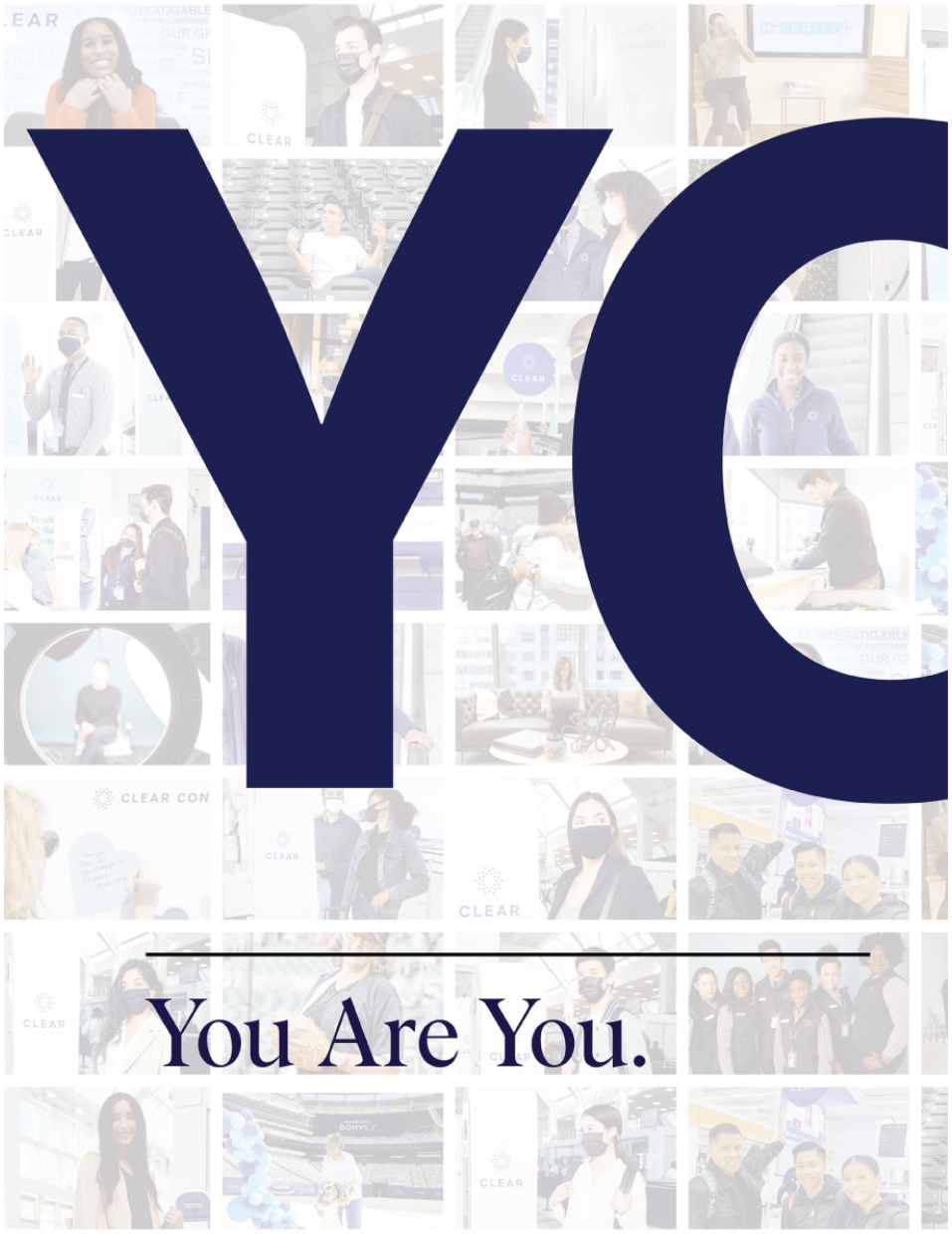
The underwriters expect to deliver the shares against payment in New York, New York on , 2021.

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

**LionTree** **Stifel**

**Telsey Advisory Group** **Centerview Partners** **Loop Capital Markets** **Roberts & Ryan**

The date of this prospectus is , 2021.


YC
You Are You.


CLEAR

CLEAR

# Dear Investors and CLEAR Members:

At CLEAR we believe in the AND.

We launched CLEAR with the mission of making experiences both safer AND easier, something consumers needed in a post 9/11 world. We believed the CLEAR secure identity platform could enhance homeland security AND create frictionless journeys. We aspired to build a company that served multiple stakeholders - our team, our members AND our partners. We knew we could build a growth company AND generate strong economic returns. We wanted to build a culture that cared deeply about our people AND held them to the highest standards. Importantly, we also believed that we could be great friends (we have been friends for 25 years) AND business partners.

Our fervent belief in the AND and our thesis that identity is foundational have remained constant for 11 years since we started CLEAR. YOU are always YOU. Why do we wait in lines to take out cards to prove who we are and what we have access to? YOU are the cards in your wallet - enroll once and use everywhere to enable frictionless journeys.

We started in airports (Orlando and Denver - a BIG thank you to our early adopters/trailblazers) where identity and security are paramount. However, our vision and our ambition were always much larger.

The first few years were challenging from a growth perspective. We started with four lanes in two airports with clunky kiosks and some big ideas. Trying to build a network business without a network is hard, but at CLEAR we are INDEFATIGABLE. We are persistent and tireless because we have always believed in the potential of our platform to be a difference maker. Our platform gives consumers more control over their time and enables our partners to deliver elevated and safer experiences to their customers. The passion that members felt for CLEAR and our obsession with delivering frictionless member experiences fueled our growth across the country and has allowed us to build a nationwide network in airports and beyond.

We are humbled and inspired by our members' stories. We feel the joy when our members tell us they were able to have breakfast with their loved ones and still make their flight, or made it home in time to tuck their child into bed after a trip. The countless posts of members sharing their #CLEARsavedme stories remind us all of the importance of our vision and how it is taking hold. CLEAR gives people joy and helps them save time.

To bring CLEAR to life, we knew we needed great people. We are eternally grateful to those who have been part of the journey of building CLEAR. The past 15 months have highlighted the importance of our CLEAR team. From our Ambassadors and airport leaders showing-up every day of a pandemic to take care of our CLEAR members, to our team that worked tirelessly to develop new products like Health Pass to help reopen the economy and give people the confidence to safely return to their lives, their work was incredible. The CLEAR team lives our values and their dedication to our mission makes what we do possible.

Today the CLEAR vision is more relevant and important than ever. When the world shut down in 2020, there became a sense of urgency to deliver touchless, safer AND frictionless experiences globally. The demand for these experiences is an enormous opportunity to bring CLEAR's innovation to both physical (brick and mortar) and digital industries so tens of millions more can experience that #CLEARsaved me feeling throughout their day.

To end on a more personal AND - we strive to be great parents AND lead an incredible company. We thank our amazing spouses and children who have been there for every step of building CLEAR and are always full of great ideas.

These are still very early days at CLEAR and we welcome YOU to the journey ahead.

Best,

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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.**

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**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:

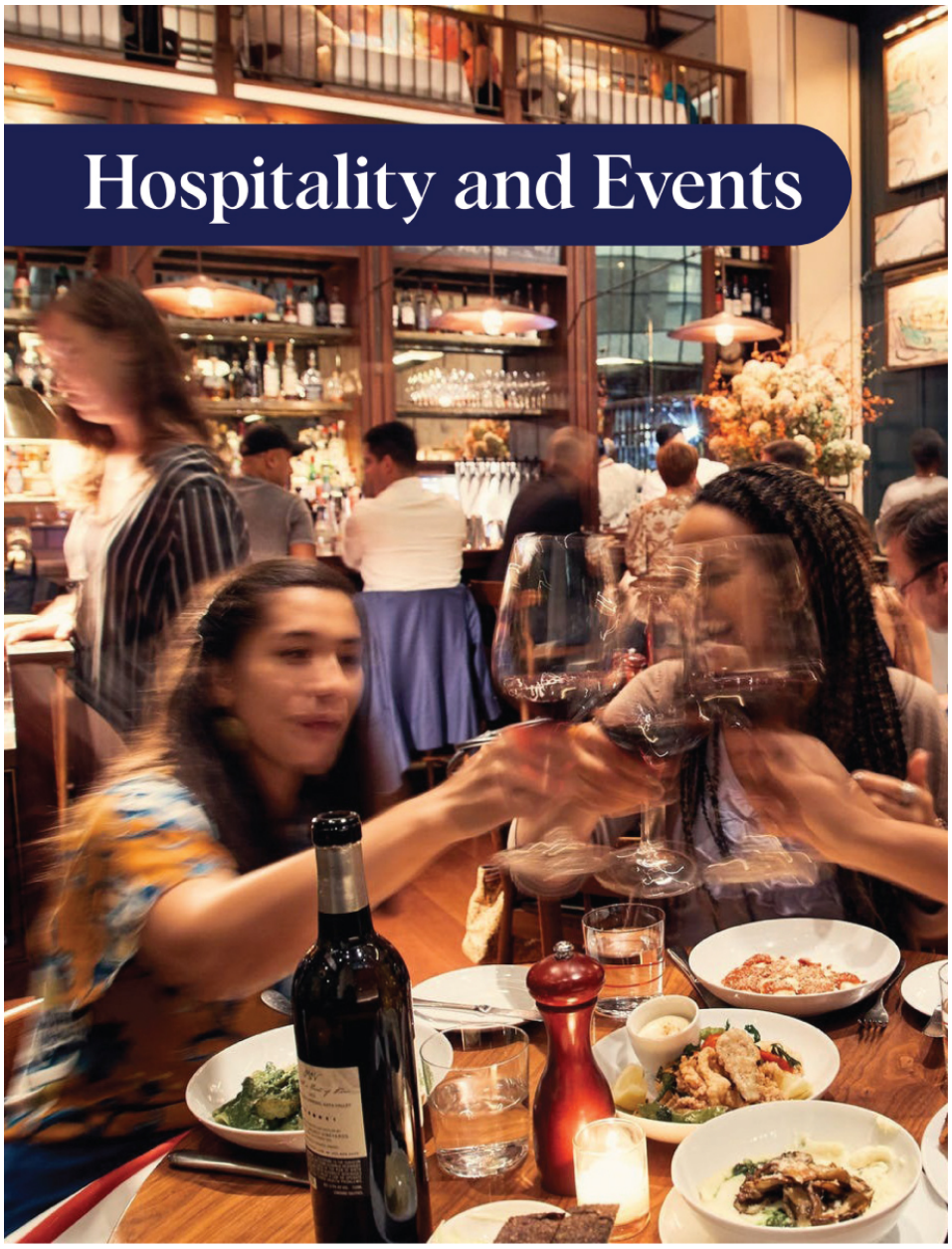
- "Total Cumulative Enrollments" means the number of enrollments since inception as of the end of the period. An "Enrollment" is defined as any member who has registered for the CLEAR platform since inception and has a profile (including limited time free trials regardless of conversion to paid membership) 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.


We are CLEAR
5.6m
Total Cumulative Enrollments
61m
Total Cumulative Platform Uses
38
Airport Locations
26
Sports and Entertainment Partners
75
Net Promoter Score


Aviation

Adding CLEAR at our hubs and other airports across the U.S. has elevated the travel experience for United's customers. We look for more opportunities to work alongside CLEAR to continue to innovate and deliver new services for our customers.

**Scott Kirby,**
CEO, United


Hospitality and Events

For many years I've experienced the exceptional hospitality CLEAR extends at every touch point. We are proud to call CLEAR a partner and thrilled to be a part of their future with our investment.

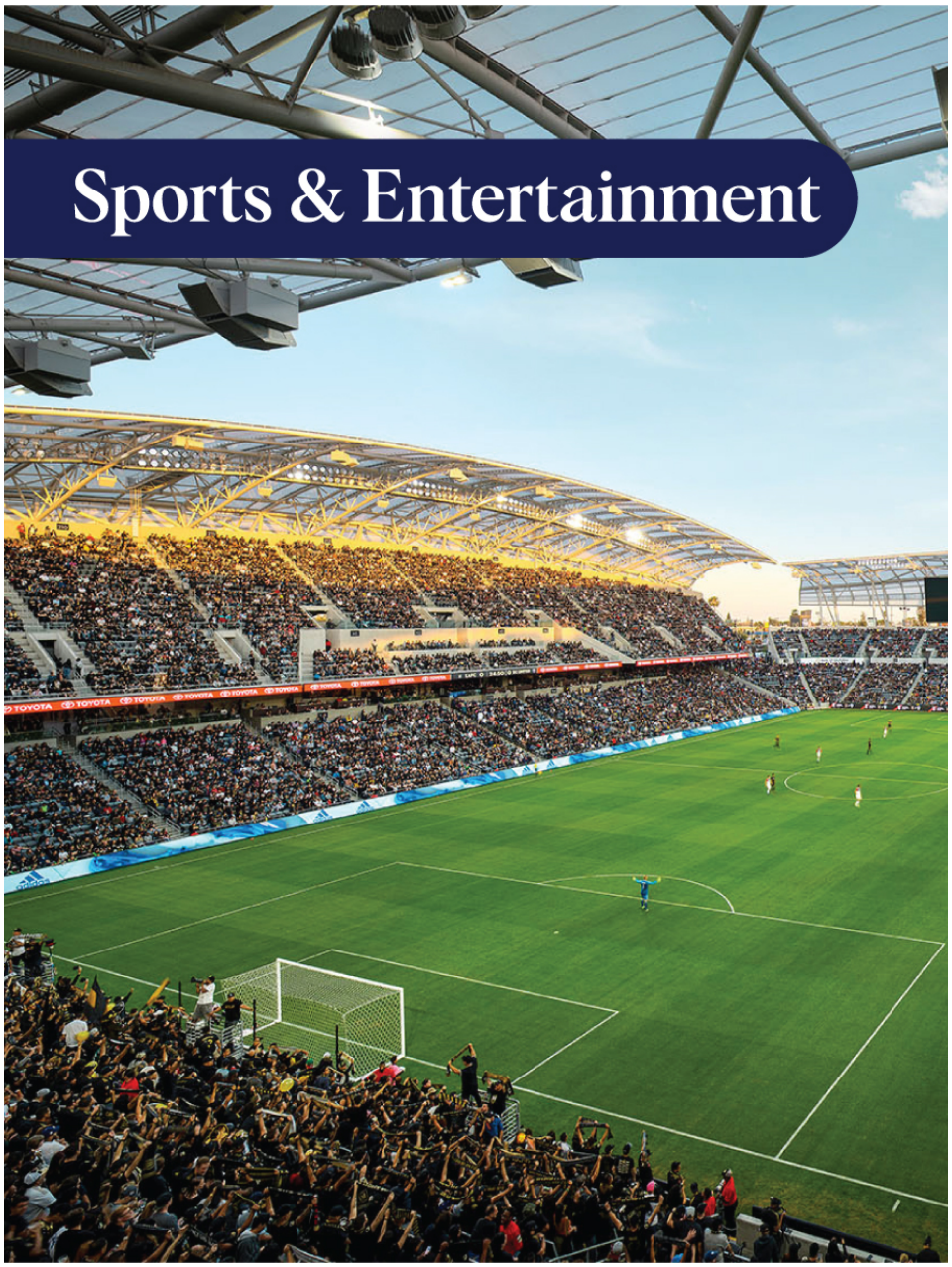
**Danny Meyer,**

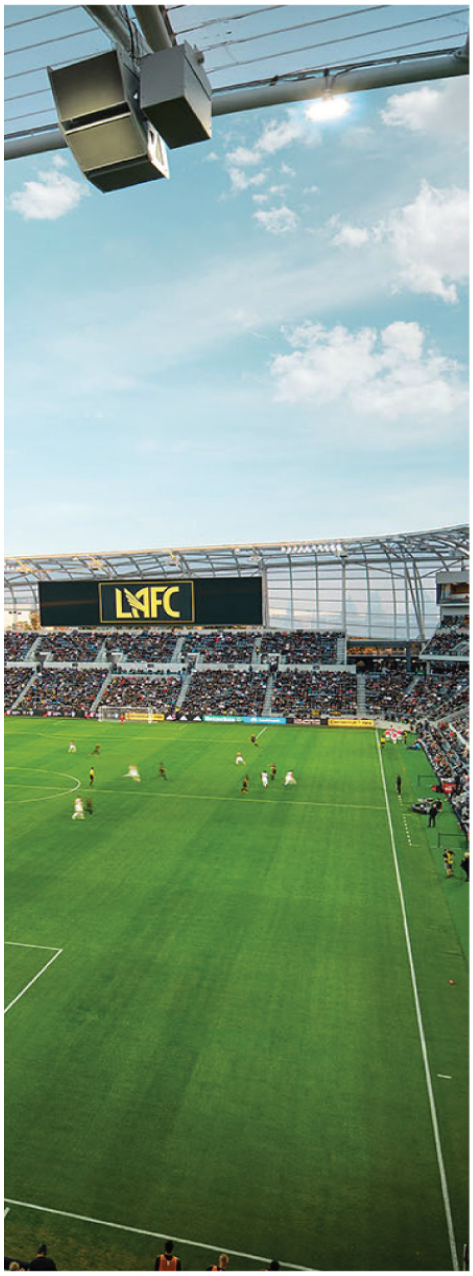
CEO, Union Square Hospitality Group


Healthcare
HSS
HOSPITAL FOR SPEC


As a world leader in healthcare and patient experience we feel a special responsibility to innovate meaningfully, and see CLEAR as an important part of how we deliver that for our patients.

**Lou Shapiro,**
President and CEO,
Hospital For Special Surgery

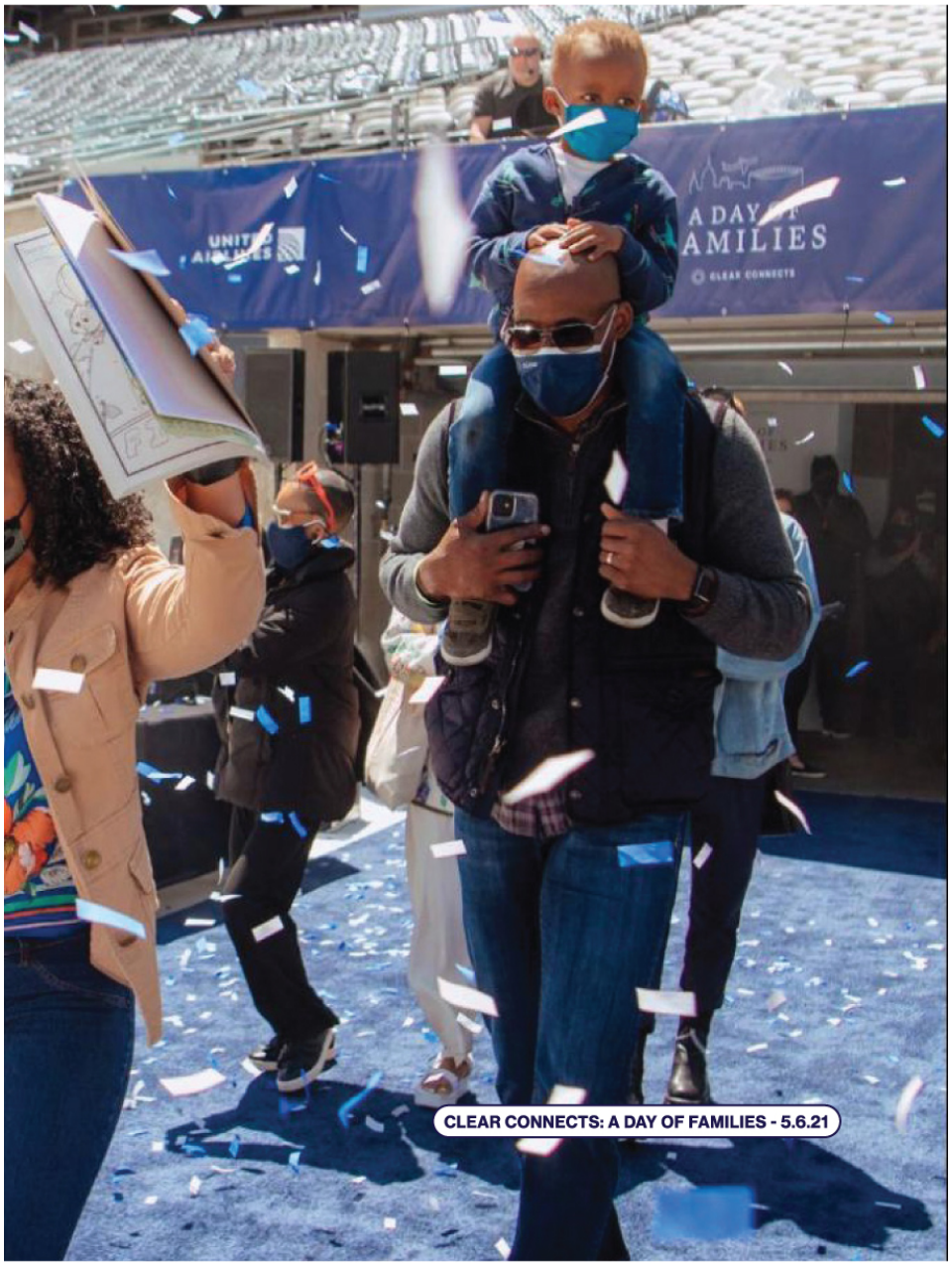

Sports & Entertainment




The CLEAR identity platform is the enabler of next generation access, age verification and payment applications across the sports and live entertainment industry, and CLEAR enhances our relationship with our fans.

**Christian Lau,**

Chief Technology Officer,
Los Angeles Football Club


A DAY
AMILIES
CLEAR CONNECTS: A DAY OF FAMILIES - 5.6.21


CLEAR
CLEAR

## 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 31, 2021, our expansive network of partners and use cases provide our members with access to our nationwide network of 38 airports covering 106 checkpoints, 26 sports and entertainment partners, and 67 Health Pass-enabled partners and events covering 110 unique 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 63 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 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 years 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 31, 2021, members can access our nationwide network of 38 airports covering 106 checkpoints, 26 sports and entertainment partners, and 67 Health Pass-enabled partners and events covering 110 unique 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 64 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 200 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 years 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 as of May 31, 2021 covers approximately 57% of the total 2019 TSA departure volume. 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 11% as of May 31, 2021 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 grow, 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.

**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;
- risks associated with our financial performance, including the risk of increased expenses and net losses in the near term and our ability to achieve profitability in the future;
- 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, which we refer to as "Alclear Investments";
- Alclear Investments II, LLC, an entity controlled by Mr. Cornick, which we refer to as "Alclear Investments II" and which 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 make a distribution to certain CLEAR Pre-IPO Members for the purpose of funding their tax obligations for periods prior to the pricing of this offering;
- we will become the sole managing member of Alclear;
- warrants of Alclear exercisable prior to this offering will, subject to their terms, to the extent not exercised by the holders thereof at their discretion, 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, as well as a unit split to optimize the Company's capital structure to facilitate 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

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% | |

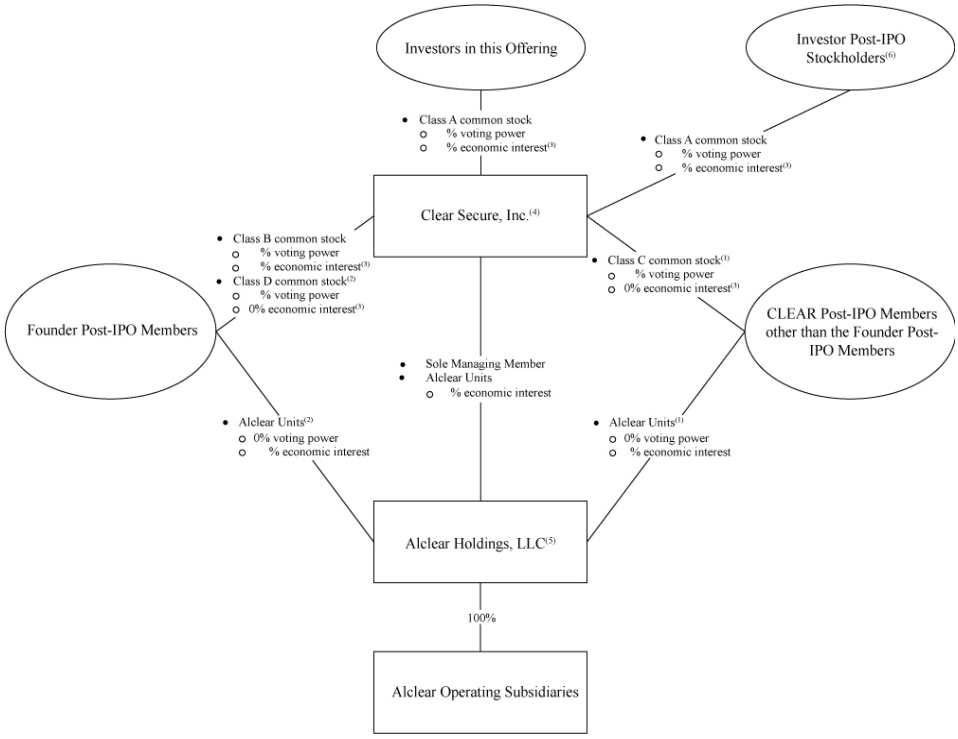
* Includes investors in this offering, which will have an approximately % of the economic interest and approximately % of the voting power in Clear Secure, Inc. following the reorganization transactions and this offering.

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:




(1) Includes unvested Alclear Units and corresponding shares of Class C common stock.

(2) Includes unvested Alclear Units and corresponding shares of Class D common stock.

(3) Represents economic interest in Clear Secure, Inc. and not Alclear Holdings, LLC.

(4) Classified as a corporation for U.S. federal income tax purposes.

(5) Classified as a partnership for U.S. federal income tax purposes.

(6) 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, 17$^{th}$ 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).<br><br>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 (or shares 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).<br><br>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).<br><br>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).<br><br>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).<br><br>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.<br><br>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.<br><br>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.<br><br>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.<br><br>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.<br><br>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.<br><br>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.<br><br>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 of Class A common stock issuable pursuant to the restricted stock units to be issued in substitution of Alclear restricted stock units in the reorganization transactions;
- shares of Class A common stock issuable pursuant to equity-based awards that may be granted, including shares underlying the Founder PSUs (as defined herein) to be granted following the pricing of this offering, under the 2021 Omnibus Incentive Plan, which will become effective in connection with this offering (plus any potential annual evergreen increases pursuant to the terms of the 2021 Omnibus Incentive Plan). 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 the exercise of warrants (either directly or indirectly through the exercise for Alclear Units that are exchangeable for shares of 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, | | Pro Forma Year Ended December 31, 2020 | Years Ended December 31, | |
|---|---|---|---|---|---|---|
| | | 2021 | 2020 | | 2020 | 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 | $ | | | $ | | |

| (In thousands) | Pro Forma as of March 31, 2021 | As of March 31, 2021 | As of December 31, 2020 | 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 | 2020 | Pro Forma Year Ended December 31, 2020 | Years Ended December 31, 2020 | 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 | 2020 | Pro Forma Year Ended December 31, 2020 | Years Ended December 31, 2020 | 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 | 2020 | Pro Forma Year Ended December 31, 2020 | Years Ended December 31, 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 |

## 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 financial results depend 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. 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, also 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. Moreover, certain states, including New York, have put in place programs, including software applications and information technology, that allow their users to validate vaccination status or COVID-19 test results and to demonstrate this information to third parties.

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 expenditures, including marketing, research and development, and compensation, 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 sufficiently. 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.

In addition, our Health Pass product faces increasing competition. Many other companies, including larger well-established companies like PricewaterhouseCoopers, Salesforce and IBM, are providing or developing services similar to our Health Pass offering. Morevover, certain states, including New York, have put in place programs, including software applications and information technology, that allow their users to validate vaccination status or COVID-19 test results and to demonstrate this information to third parties.

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, our Annual CLEAR Plus Net Member Retention declined to 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 continue to be 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 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 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 member, partner and market demands 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 and municipalities 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 New York City Biometric Identifier Information Law and 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.

***We function as a HIPAA "business associate" for certain of our partners of our health care applications and, as such, are 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." As our business evolves and we increasingly enter into agreements in which we are a "business associate" for partners in the healthcare industry that are HIPAA covered entities and service providers, we are regulated under these agreements 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.

As a business associate, we are 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 also collect and use health information from individuals in relationships in which we are not a HIPAA "business associate", but 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**

***We may not be able to achieve or sustain profitability in the future and, in the near term, we expect the amount of net losses we generate to increase.***

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, and a net loss of approximately $13.1 million and $51.2 million for the three months ended March 31, 2021 and 2020, respectively.

We expect our expenses to increase, in some cases significantly in comparison to the first quarter of 2021 and the 2020 fiscal year, when we had lower staffing needs and proactively reduced our operating expenses as we attempted to manage the impact of the COVID-19 pandemic on our financial results. We may also incur increased expenses in response to increased travel volumes as the impact of the COVID-19 pandemic on the travel industry subsides or otherwise to support our growth efforts. In the near term, we expect that our expenses will increase at a faster rate than our revenues. As a result, we expect to have increased amounts of net losses in the near term as well as decreased amounts of Adjusted EBITDA and Free Cash Flow, particularly in comparison to the first quarter of 2021 and the 2020 fiscal year (and comparable quarters in the 2020 fiscal year). See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Impact of the COVID-19 Pandemic."

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, if our net losses increase or if we are cash flow negative, the market price of our common stock may decline.

***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.

***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 unitholders, 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 unitholders, (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 approximately $ 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 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 pursuant to

(i) the applicable holding period, volume and other restrictions of Rule 144 or (ii) another exemption from registration under the Securities Act, subject to, in the case of substantially all of the holders, the expiration of the underwriter "lock-up" period. 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 certain holders of our common stock. See "Certain Relationships and Related Party Transactions—Registration Rights Agreement" and "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.

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. 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.

***We anticipate incurring substantial stock-based compensation expense related to the Founder PSUs, which may have an adverse effect on our financial condition and results of operations and may result in substantial dilution.***

We expect to grant the Founder PSUs following the pricing of this offering. The Founder PSUs will be eligible to vest over a five-year period based on the achievement of pre-determined stock price goals ranging from 1.5 to 3.0 times the pricing of this offering. The Founder PSUs will become vested based on the achievement of such stock price goals (measured as a volume-weighted average stock price over 180 days) during overlapping measurement periods that begin two years following the closing of this offering and end five years following the closing of this offering, or earlier in the event of a change of control. For additional information regarding the terms of the Founder PSUs, please see the section titled “Executive Compensation.”

We will record substantial stock-compensation expense for the Founder PSUs. The aggregate grant date fair value of the Founder PSUs is estimated to be approximately $66.3 million, which we estimate will be recognized as compensation expense over a number of years following the closing of this offering.

Because the Founder PSUs that become vested will be settled in shares of Class A common stock, a potentially large number of shares of Class A common stock will be issuable if the applicable vesting conditions are satisfied, which would dilute your ownership of us. In addition, we may expend substantial funds to satisfy tax withholding and remittance obligations related to the Founder PSUs if and when they become vested.

***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 anticipated financial performance 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.

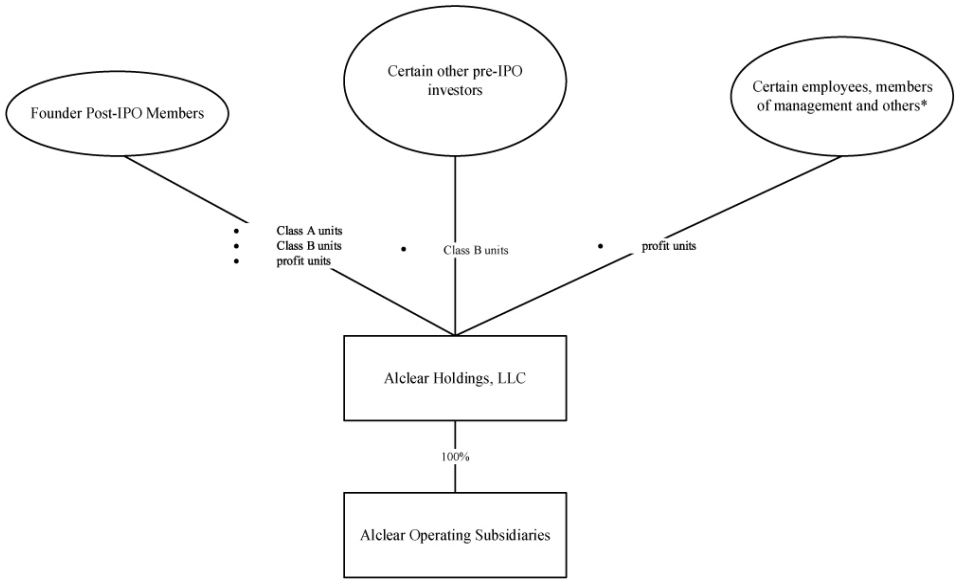
## ORGANIZATIONAL STRUCTURE

**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.




* 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 make a distribution to certain CLEAR Pre-IPO Members for the purpose of funding their tax obligations for periods prior to the pricing of this offering;
- we will become the sole managing member of Alclear;
- warrants of Alclear exercisable prior to this offering will, subject to their terms, to the extent not exercised by the holders thereof at their discretion, 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, as well as a unit split to optimize the Company's capital structure to facilitate 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

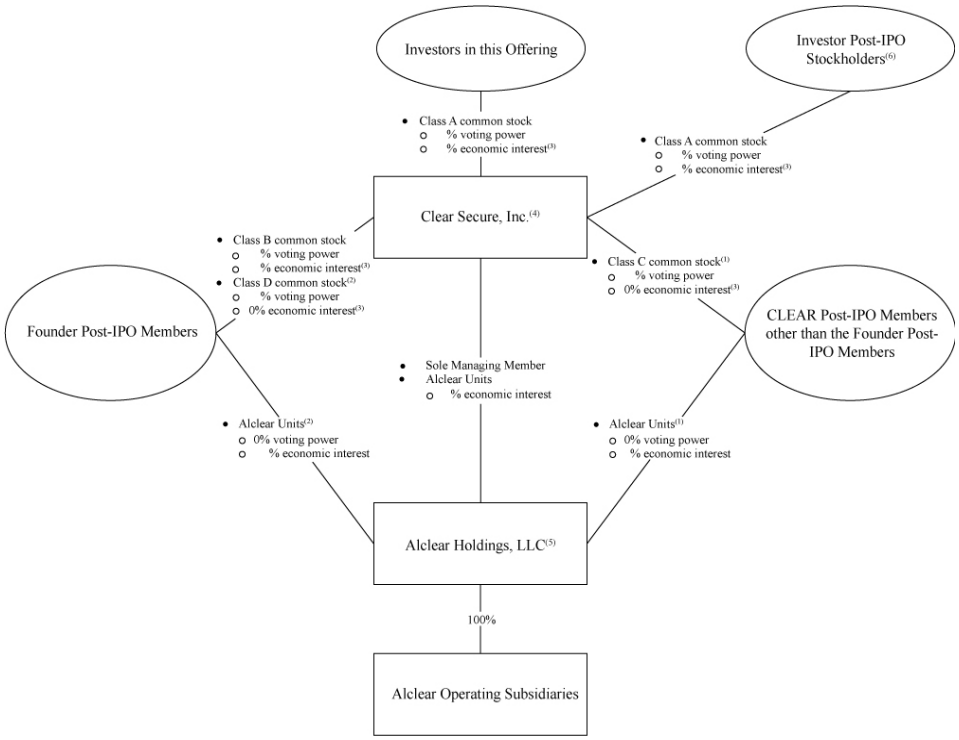
Stockholders will, by contrast, hold their equity ownership in Clear Secure, Inc., a Delaware corporation that is a domestic corporation for U.S. federal income tax purposes, in the form of shares of Class A common stock. One of the benefits of the UP-C structure is that future taxable income of Alclear 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:




(1) Includes unvested Alclear Units and corresponding shares of Class C common stock.

(2) Includes unvested Alclear Units and corresponding shares of Class D common stock.

(3) Represents economic interest in Clear Secure, Inc. and not Alclear Holdings, LLC.

(4) Classified as a corporation for U.S. federal income tax purposes.

(5) Classified as a partnership for U.S. federal income tax purposes.

(6) 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.”

## 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.

**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) | |

| (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.

**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, as well as a unit split to optimize the Company's capital structure to facilitate 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, warrants of Alclear exercisable prior to this offering will, subject to their terms, to the extent not exercised by the holders thereof at their discretion, 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.

**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.

**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.

(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.

| | Three Months Ended March 31, | | Year ended December 31, | |
|---|---|---|---|---|
| (in thousands, except per share data) | 2021 | 2020 | 2020 | 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) |

| | As of March 31, | As of December 31, | |
|---|---|---|---|
| (in thousands) | 2021 | 2020 | 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 31, 2021, our expansive network of partners and use cases provide our members with access to our nationwide network of 38 airports covering 106 checkpoints, 26 sports and entertainment partners, and 67 Health Pass-enabled partners and events covering 110 unique 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 63 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 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 years 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 and in the first quarter of 2021 versus 2020 due to the dramatic collapse in United States domestic airline passenger volumes in 2020, which saw a decline of approximately 60% versus 2019 and also saw a decline of approximately 46% in the first quarter of 2021 as compared to 2020.

**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 opportunities 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 some 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 is focused, 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. In the near term, we believe that growing our member base facilitates our ability to add new partnerships and provide additional offerings, which we expect will lead to revenue generation opportunities in the long term.

***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 and in our profitability.

***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 the average for 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.

As the impact of the COVID-19 pandemic subsides and the demand for our services increases, we expect our expenses to increase, in some cases significantly, in comparison to the first quarter of 2021

and the 2020 fiscal year when we had lower staffing needs and proactively reduced our operating expenses. These increased expenses will include higher cost of direct salaries and benefits, sales and marketing, research and development costs, and general and administrative (including costs associated with becoming and being a public company). Due to the nature of our revenue recognition policy (e.g., CLEAR Plus revenues are recognized over the life of a subscription, which is typically 12 months), our reported revenues are expected to lag behind Total Bookings. The expected increase in expenses combined with the lagging revenues are expected to result in a near term increase in our net loss as well as decreased amounts of Adjusted EBITDA and Free Cash Flow, particularly in comparison to the first quarter of 2021 and the 2020 fiscal year (and comparable quarters in the 2020 fiscal year). We may incur net losses and negative adjusted EBITDA in the long term if we are required to increase expenses to support our growth. See “Risk Factors—Risks Related to Our Financial Performance.”

**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, as well as a unit split to optimize the Company’s capital structure to facilitate 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” and “Unaudited Pro Forma Condensed Consolidated Financial Information.”

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. 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 cost of revenue share fees, cost of direct salaries and benefits, research and development, sales and marketing, and general and administrative 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. As our Total Bookings increase, we expect to see increases in direct salaries and benefits. As we invest in new opportunities, we expect to see increases in sales and marketing, research and development and general and administrative expenses, including public company operating costs.

***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 17.4%, for the three months ended March 31, 2021 compared to the three months ended March 31, 2020. The decrease was primarily due to a 12.2% 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 6.0% 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 2.08 million and 2.37 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 27.6% and 26.5% 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 20.0%, for the year ended December 31, 2020 compared to the year ended December 31, 2019. The increase was primarily due to a 27.6% increase in the number of average monthly CLEAR Plus members in 2020 as compared to 2019, offset by a 5.9% decline in average revenue per CLEAR Plus member in 2020 as compared to 2019. Average CLEAR Plus members were approximately 2.28 million and 1.79 million in 2020 and 2019, respectively. The number of average CLEAR Plus members includes family members, which comprised approximately 26.9% and 24.1% 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)***

| (In millions) | Fiscal Year Ended December 31, 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.

***Quarterly Results of Operations and Other Data***

The following tables set forth selected unaudited consolidated quarterly statement of operations data for each of the nine fiscal quarters through March 31, 2021. The information for each of these quarters has been prepared on the same basis as the audited consolidated financial statements included elsewhere in this prospectus. The information for each quarter presented, in the opinion of management, includes all adjustments, which consist only of normal recurring adjustments, necessary for the fair statement of the results of operations for these periods. This data should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this prospectus. These quarterly results are not necessarily indicative of our results of operations to be expected for any future period.

| (In thousands) | Three Months Ended, March 31, 2019 | June 30, 2019 | September 30, 2019 | December 31, 2019 | March 31, 2020 | June 30, 2020 | September 30, 2020 | December 31, 2020 | March 31, 2021 |
|---|---|---|---|---|---|---|---|---|---|
| Revenue | $ 38,845 | $ 44,988 | $ 51,612 | $ 56,839 | $ 61,288 | $ 59,978 | $ 56,375 | $ 53,155 | $ 50,558 |
| Cost of revenue share | 6,996 | 7,532 | 8,133 | 9,627 | 10,136 | 7,273 | 8,298 | 7,484 | 7,769 |
| Cost of direct salaries and benefits | 12,644 | 14,113 | 15,890 | 17,383 | 17,519 | 6,234 | 7,751 | 9,020 | 12,149 |
| Research and development | 4,417 | 5,778 | 4,999 | 6,028 | 11,616 | 5,445 | 6,297 | 8,680 | 9,005 |
| Sales and marketing | 9,649 | 8,506 | 8,422 | 9,437 | 6,696 | 1,492 | 3,291 | 4,902 | 4,956 |
| General and administrative | 15,855 | 16,904 | 30,739 | 28,079 | 64,870 | 14,928 | 17,734 | 20,636 | 27,192 |
| Depreciation and amortization | 1,596 | 1,710 | 1,839 | 2,171 | 2,294 | 2,329 | 2,322 | 2,478 | 2,538 |
| Operating income/(loss) | (12,312) | (9,555) | (18,410) | (15,886) | (51,843) | 22,277 | 10,682 | (45) | (13,051) |
| Other income | | | | | | | | | |
| Interest income, net | 343 | 435 | 459 | 705 | 590 | 79 | (12) | (45) | (71) |
| Other income | — | — | — | — | — | — | 477 | 8,546 | — |
| Income/(loss) before taxes | $ (11,969) | $ (9,120) | $(17,951) | $(15,181) | $ (51,253) | $ 22,356 | $ 11,147 | $ 8,456 | $ (13,122) |
| Income tax (expense) / benefit | — | — | — | — | — | (10) | (4) | (2) | (6) |
| Net income/(loss) | $ (11,969) | $ (9,120) | $(17,951) | $(15,181) | $ (51,253) | $ 22,346 | $ 11,143 | $ 8,454 | $ (13,128) |

The following table shows our key performance indicators for the nine fiscal quarters indicated. For definitions of our key performance indicators, see "— Key Performance Indicators" above.

| | Three Months Ended, | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | March 31, 2019 | June 30, 2019 | September 30, 2019 | December 31, 2019 | March 31, 2020 | June 30, 2020 | September 30, 2020 | December 31, 2020 | March 31, 2021 |
| Total Cumulative Enrollments (in thousands) | 3,203 | 3,657 | 4,157 | 4,673 | 5,012 | 5,037 | 5,118 | 5,249 | 5,562 |
| Total Cumulative Platform Uses (in thousands) | 30,557 | 36,170 | 42,132 | 49,003 | 54,799 | 55,276 | 56,681 | 58,375 | 60,792 |
| Annual CLEAR Plus Net Member Retention | 88.5% | 87.1% | 86.6% | 86.2% | 84.6% | 83.5% | 81.2% | 78.8% | 77.2% |
| Total Bookings (in millions) | $50.0 | $56.4 | $64.2 | $65.5 | $69.0 | $34.6 | $52.5 | $55.0 | $62.1 |

***Adjusted EBITDA***

The following table presents our Adjusted EBITDA and the reconciliation to our net income (loss) for each of the nine fiscal quarters through March 31, 2021. For important information regarding our presentation of Adjusted EBITDA, see "—Non-GAAP Financial Measures" above.

| | Three Months Ended, | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| (In thousands) | March 31, 2019 | June 30, 2019 | September 30, 2019 | December 31, 2019 | March 31, 2020 | June 30, 2020 | September 30, 2020 | December 31, 2020 | March 31, 2021 |
| Net income/(loss) | $ (11,969) | $ (9,120) | $ (17,951) | $ (15,181) | $ (51,253) | $ 22,346 | $ 11,143 | $ 8,454 | $ (13,128) |
| Income taxes | — | — | — | — | — | 10 | 4 | 2 | 6 |
| Interest income, net | (343) | (435) | (459) | (705) | (590) | (79) | 12 | 45 | 71 |
| Depreciation and amortization | 1,596 | 1,710 | 1,839 | 2,171 | 2,294 | 2,329 | 2,322 | 2,478 | 2,538 |
| Loss on asset disposal | 125 | — | — | — | — | — | 2 | 236 | — |
| Equity-based compensation expense | 2,597 | 373 | 8,595 | 6,025 | 51,725 | 932 | 595 | 726 | 1,319 |
| Warrant liability | — | — | 1,682 | 1,681 | — | — | 444 | 443 | 1,893 |
| Other income | — | — | — | — | — | — | (477) | (8,546) | — |
| Adjusted EBITDA | $ (7,994) | $ (7,472) | $ (6,294) | $ (6,009) | $ 2,176 | $ 25,538 | $ 14,045 | $ 3,838 | $ (7,301) |

***Free Cash Flow***

The following table presents our Free Cash Flow and the reconciliation of our net cash (used in) provided by operating activities to Free Cash Flow for each of the nine fiscal quarters through March 31, 2021. For important information regarding our presentation of Free Cash Flow, see "— Non-GAAP Financial Measures" above.

| | Three Months Ended, | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| (In thousands) | March 31, 2019 | June 30, 2019 | September 30, 2019 | December 31, 2019 | March 31, 2020 | June 30, 2020 | September 30, 2020 | December 31, 2020 | March 31, 2021 |
| Net cash (used in) provided by operating activities | $ (1,157) | $ 8,374 | $ 6,390 | $ 2,967 | $ (41,846) | $ (3,432) | $ 16,808 | $ 16,132 | $ (335) |
| Purchases of property and equipment | (3,872) | (3,194) | (4,790) | (2,826) | (4,350) | (2,088) | (2,743) | (7,321) | (8,794) |
| Share repurchases over fair value | 2,253 | — | — | 675 | 49,934 | 464 | 67 | 86 | 712 |
| Free Cash Flow | $ (2,776) | $ 5,180 | $ 1,600 | $ 816 | $ 3,738 | $ (5,056) | $ 14,132 | $ 8,897 | $ (8,417) |

**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 | 0% |
| 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 period | $ 139.1 | $ 236.1 | $ (97.0) | (41)% |
| Cash, cash equivalents, and restricted cash, end of period | $ 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 in 2020, representing the repurchases of profit units over their fair value, which contributed to the net loss in that period. 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 in 2020, representing the repurchases of profit units over their fair value, which contributed to the net loss in that period, 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, unchanged from the three months ended March 31, 2020.

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 in 2019. 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 substantially all of its revenue from subscriptions to its consumer aviation service, CLEAR Plus. 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.

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 31, 2021, our expansive network of partners and use cases provide our members with access to our nationwide network of 38 airports covering 106 checkpoints, 26 sports and entertainment partners, and 67 Health Pass-enabled partners and events covering 110 unique 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 63 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 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 years 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 years 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 10 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 31, 2021, members can access our nationwide network of 38 airports covering 106 checkpoints, 26 sports and entertainment partners, and 67 Health Pass-enabled partners and events covering 110 unique 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 31, 2021, members can access our nationwide network of 38 airports covering 106 checkpoints, 26 sports and entertainment partners, and 67 Health Pass-enabled partners and events covering 110 unique 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 64 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 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 200 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 years 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 31, 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 as of May 31, 2021 covers approximately 57% of the total 2019 TSA departure volume. 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 11% as of May 31, 2021 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 31, 2021, we had 1,646 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 across 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.” As we further expand our solutions in the healthcare industry and become a business associate for more of our existing partners and future partners that are HIPAA covered entities and service providers, in that context we will be regulated as a business associate for the purposes of HIPAA under these agreements. 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—As 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, directors and director nominees 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 |
| Tomago Collins | 49 | Director Nominee |
| Kathryn A. Hollister | 61 | Director Nominee |
| Adam Wiener | 42 | Director |

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

***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 principles 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, risk management, 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.

***Tomago Collins*** is a director nominee and will be a member of our board of directors prior to the consummation of this offering. Mr. Collins has been the executive vice president of communications and business development at Kroenke Sports & Entertainment since June 2020 and previously served as Kroenke Sports & Entertainment's vice president of communications from June 2010 to May 2020 . Mr. Collins brings more than 25 years' experience in the sports, entertainment, media and real estate investment industries. Mr. Collins has worked in the Kroenke organization since 2003 in various senior and advisory roles with sports teams (including the Los Angeles Rams, Arsenal Football Club and Denver Nuggets), sports and entertainment venues (including Ball Arena, SoFi Stadium and Emirates Stadium) and with print, broadcast and digital ventures (including Altitude Sports & Entertainment). Mr. Collins serves on the board of the Four Seasons Hotels and Resorts and Republic Services Group, Inc., and was a member of the board of AutoNation, Inc. from 2014 to 2019. He also serves as a board member for the Global Down Syndrome Foundation and is a member of the Yale School of Public Health Leadership Council. Mr. Collins holds a Bachelor of Arts from Yale University. Based on Mr. Collins' depth of experience in the sports, media and entertainment industries, we believe he is qualified to serve on our board of directors.

***Kathryn A. Hollister*** is a director nominee and will be a member of our board of directors prior to the consummation of this offering. Ms. Hollister served as the chief strategy officer of Deloitte's global tax and legal practice of 45,000 professionals from 2015 until 2019. Ms. Hollister worked at Deloitte from 1984 until 2020 in a variety of leadership roles, including partner and managing partner of the U.S. business tax service line, and served both public and private clients. Ms. Hollister has served as a member of the board of directors of First Solar, Inc. since March 2021 and was a member of the board of directors of Deloitte LLP from 2008 to 2015 and of Deloitte Touche Tohmatsu (Global)'s board of directors from 2010 to 2015. In the community, Ms. Hollister served multiple academic and charitable organizations and currently serves on the board of MENTOR and on the boards of trustees of Duke University, University of Cincinnati Health Foundation and Cincinnati Museum Center. A lawyer and a certified public accountant, Ms. Hollister holds a Bachelor of Arts degree from Duke University and a Juris Doctor from the University of Cincinnati College of Law. Ms. Hollister's experience in overseeing risk management, executive succession, financial governance and regulatory issues makes her particularly qualified to serve as a member of our 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 Mr. Barkin, Mr. Boyd, Mr. Collins, Ms. Hollister and Mr. Wiener 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 seven 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 Mr. Barkin (Chair), Mr. Collins and Ms. Hollister. Our board of directors has determined that Mr. Barkin 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 Mr. Barkin, Mr. Collins and Ms. Hollister 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<br>*Chief Executive Officer and Chair of the Board of Directors* | 2020 | 141,674[3] | — | 1,160,000 | — | — | 1,301,674 |
| Kenneth Cornick<br>*President and Chief Financial Officer* | 2020 | 149,432[3] | — | 1,160,000 | — | — | 1,309,432 |
| Richard N. Patterson Jr.<br>*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 Co-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.

**Founders' Post-IPO Performance Awards**

Over the course of recent months, our pre-offering compensation committee comprised of independent directors, together with other independent members of the board of directors, has considered ways to reward and incentivize each of our Co-Founders following this offering. As a result of these considerations as further described below, the compensation committee and the board of directors have approved the framework for the grant of long-term performance-based restricted stock unit awards ("PSUs") to each of our Co-Founders, which we refer to collectively as the "Founder PSUs." The Founder PSUs will be granted following the pricing of this offering.

The Founder PSUs will be eligible for vesting between the second and fifth anniversaries of the closing of this offering based on sustained stock price performance between 1.5 and 3.0 times the initial public offering price. The Founder PSUs are intended to replace equity compensation that the Co-Founders would be expected to receive during the five-year period following the closing of this offering. The Founder PSUs will be granted under the 2021 Omnibus Incentive Plan based on the following terms:

- Achievement of a price hurdle will depend on the average volume-weighted average price per share (or VWAP) for the trading days during any 180-day period that ends within the applicable measurement period as follows (but each price hurdle may be met only once):

| Price Hurdle (Multiple of IPO Price) | Measurement Period (From IPO Closing) | Portion of PSUs Eligible to Vest |
|---|---|---|
| 1.5x | Second anniversary to fifth anniversary | 1/3 |
| 2.0x | Third anniversary to fifth anniversary | 1/3 |
| 3.0x | Fourth anniversary to fifth anniversary | 1/3 |

- The maximum number of shares of Class A common stock subject to the Founder PSUs will be determined by dividing a targeted grant date fair value by the estimated per share value using a Monte-Carlo simulation (which incorporates into the valuation the possibility that the applicable stock price targets may not be satisfied) based on the pricing of this offering. The targeted grant date fair values are as follows: approximately $37.9 million for Ms. Seidman-Becker and approximately $28.4 million for Mr. Cornick.
- As of the fifth anniversary of the closing of this offering, if the 180-day VWAP stock price falls between two price hurdles, then additional Founder PSUs will vest on a pro-rated basis based on straight-line interpolation between the two price hurdles. Any remaining unearned Founder PSUs will be forfeited.
- Upon an involuntary termination without cause or resignation for good reason, or death or disability, or if a Co-Founder's executive role ends but the Co-Founder remains on the board of directors, the Founder PSUs will remain eligible for vesting based on the above performance criteria for up to two years following the Co-Founder's cessation of service (but no longer than the fifth anniversary of the closing of this offering). Upon a change in control, if the transaction price falls between two price hurdles, then an applicable portion of the Founder PSUs will vest on a pro-rated basis based on straight-line interpolation between the two price hurdles.

In determining the terms and amounts of the Founder PSUs, the compensation committee and the board of directors considered various factors, including the following:

- A multi-year grant reinforces the commitment of our Co-Founders to continue to act upon their belief in, and ambitions for, our company over a long-term horizon that is appropriate for Co-Founders.
- Our Co-Founders have exhibited exceptional performance, leading us since 2010 with vision and commitment, as shown in our operational success and growth.
- Realization of value under the structure of the Founder PSUs requires a combination of long-term stock price performance over a number of years following this offering, meaningful returns for our stockholders and our Co-Founders' ability to translate our company's operational and financial success into sustainable stock price performance.
- The challenging stock price performance goals reflect our Co-Founders' commitment to all of our stockholders.
- The Co-Founders hold significant current vested equity holdings, so the compensation committee and board of directors also considered whether these holdings offered sufficient incentives for the Co-Founders, reviewed the potential value of both their existing equity holdings and the potential value of the Founder RSUs at different price points, and took into account the status of existing incentive awards held by the Co-Founders, all of which are scheduled to be vested by December 31, 2021.

**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*. The number of shares of our Class A common stock to be reserved under the 2021 Omnibus Incentive Plan will initially be , subject to an automatic increase on the first day of each calendar year in an amount up to % of the total number of common shares outstanding as of the last day of the immediately preceding year, and not including substitute awards. 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. The maximum grant date value of awards that may be awarded to a non-employee director during any one fiscal year, taken together with any cash fees, will be $ , except that the amount will be $ for a director's initial year of service.

*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 committee determines that an adjustment to the terms of the 2021 Omnibus Incentive Plan (or awards thereunder) is necessary or appropriate, then the committee 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 unless the committee determines that such amendment, alteration, suspension, discontinuance or termination is either required or advisable in order to satisfy any applicable law or regulation. 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 J. 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.

| | 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] | | | | | | | | | | | | | |
| T. Rowe Price Associates, Inc.[6] | | | | | | | — | — | — | — | | | |
| General Atlantic[7] | | | | | | | — | — | — | — | | | |
| William H. Miller III[8] | | | | | | | — | — | — | — | | | |
| Delta Air Lines, Inc. | | | | | | | — | — | — | — | | | |
| Durable Capital Master Fund LP[9] | | | | | | | — | — | — | — | | | |
| Alclear Investments II[3][10] | | | | | | | | | | | | | |
| **Directors and Named Executive Officers** | | | | | | | | | | | | | |
| Caryn Seidman-Becker[5] | | | | | | | | | | | | | |
| Kenneth Cornick[10] | | | | | | | | | | | | | |
| Richard N. Patterson Jr. | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Michael Z. Barkin | | | | | | | — | — | — | — | | | |
| Jeffery H. Boyd | | | | | | | — | — | — | — | | | |
| Tomago Collins | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Kathryn A. Hollister | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Adam Wiener | | | | | | | — | — | — | — | | | |
| **All directors and executive officers as a group (12 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 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 to exchange any vested 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). 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. See "Certain Relationships and Related Party Transactions—Exchange Agreement" and "Description of Capital Stock." Set forth below is a table that lists each of our directors and named executive officers who beneficially 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 | — | |
| Michael Z. Barkin | | — |
| Jeffery H. Boyd | | — |

(2) 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 to exchange any vested 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). 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. See "Certain Relationships and Related Party Transactions—Exchange Agreement" and "Description of Capital Stock."

(3) 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 to exchange any vested 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). 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. See "Certain Relationships and Related Party Transactions—Exchange Agreement" and "Description of Capital 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, its sole manager, who has dispositive control and voting control over the shares held by Alclear Investments.

(6) Represents shares of Class A common stock beneficially owned by funds and accounts (severally and not jointly) which are advised or subadvised by T. Rowe Price Associates, Inc. T. Rowe Price Associates, Inc. ("TRPA") serves as investment adviser with power to direct investments and/or sole power to vote the securities owned by the funds and accounts, as well as securities owned by certain other individual and institutional investors. TRPA may be deemed to be the beneficial owner of all of the shares; however, TRPA expressly disclaims that it is, in fact, the beneficial owner of such securities. TRPA is a wholly owned subsidiary of T. Rowe Price Group, Inc., which is a publicly traded financial services holding company. T. Rowe Price Investment Services, Inc. ("TRPIS"), a registered broker-dealer, is a subsidiary of T. Rowe Price Associates, Inc. TRPIS was formed primarily for the limited purpose of acting as the principal underwriter and distributor of shares of the funds in the T. Rowe Price fund family. TRPIS does not engage in underwriting or market-making activities involving individual securities. The principal business address of TRPA is 100 East Pratt Street, Baltimore, MD 21202.

(7) Represents shares of Class A common stock beneficially owned as a result of (i) shares of Class A common stock held directly by GAPCO AIV Interholdco (AC), LP, (ii) shares of Class A common stock held directly by GA AIV-1 B Interholdco (AC), LP, (iii) Alclear Units and an equal number of shares of Class C common stock held directly by General Atlantic (AC) Collections 2, L.P. ("GA AC 2"), and (iv) Alclear Units and an equal number of shares of Class C common stock held directly by General Atlantic (AC) Collections, L.P. ("GS AC"). General Atlantic has 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). See "Certain Relationships and Related Party Transactions—Exchange Agreement." The members of GA AC and GA AC 2 that share beneficial ownership of the interests held by GA AC and GA AC 2 are indirectly held by the following General Atlantic investment funds (the "GA Funds"): General Atlantic Partners AIV-1 A, L.P. ("GAP AIV-1 A"), General Atlantic Partners AIV-1 B, L.P. ("GAP AIV-1 B"), GAP Coinvestments CDA, L.P. ("GAPCO CDA"), GAP Coinvestments III, LLC ("GAPCO III"), GAP Coinvestments IV, L.P. ("GAPCO IV") and GAP Coinvestments V, LLC ("GAPCO V"). General Atlantic (SPV) GP, LLC ("GA SPV") is the general partner of GA AC and GA AC 2. The general partner of GAP AIV-1 A and GAP AIV-1 B is General Atlantic GenPar, L.P. ("GA GenPar"). The general partner of GA GenPar is General Atlantic LLC ("GA LLC"). GA LLC is the sole member of GA SPV, the managing member of GAPCO III, GAPCO IV and GAPCO V and the general partner of GAPCO CDA. There are nine members of the management committee of GA LLC (the "GA Management Committee"). GA AC, GA AC 2, GA GenPar, GA SPV, GA LLC and the GA Funds (collectively, the "GA Group") are a "group" within the meaning of Rule 13d-5 of the Exchange Act. Each of the members of the GA Management Committee disclaims ownership of all such shares except to the extent he has a pecuniary interest therein. The business address of the GA Group is c/o General Atlantic Service Company, L.P., 55 East 52nd Street, 33rd Floor, New York, New York 10055.

(8) Represents shares of Class A common stock beneficially owned as a result of Alclear Units and an equal number of shares of Class C common stock held directly by William H. Miller III, Alclear Units and an equal number of shares of Class C common stock held by the William Miller III Living Trust and Alclear Units and an equal number of shares of Class C common stock held by the Miller Brothers Trust. William H. Miller III and the trusts have 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). See "Certain Relationships and Related Party Transactions—Exchange Agreement." The principal business address of Mr. Miller and each of the trusts is One South Street, Suite 2550, Baltimore, Maryland 21202.

(9) Represents shares of Class A common stock held by Durable Capital Master Fund LP. Durable Capital Partners LP acts as the investment advisor to Durable Capital Master Fund and has sole voting power and sole investment power over all shares reported as beneficially owned. Henry Ellenbogen, as principal of the investment advisor is also deemed to beneficially own the securities held by Durable Capital Master Fund LP. The address for Durable Capital Partners LP is 5425 Wisconsin Avenue, Suite #802, Chevy Chase, Maryland 20815.

(10) Alclear Investments II is controlled by Mr. Cornick, its sole manager, who 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] | | — | | — | |
| T. Rowe Price Associates, Inc. | — | | — | — | — |
| General Atlantic | | | — | | — |
| William H. Miller III | | — | — | | — |
| Delta Air Lines, Inc. | — | | — | — | — |
| Durable Capital Master Fund LP | — | | — | — | — |
| Alclear Investments II[2] | | — | | — | |
| Caryn Seidman-Becker[1] | | — | | — | |
| Kenneth Cornick[2] | | — | | — | |
| Richard N. Patterson Jr. | — | — | — | — | — |
| Michael Z. Barkin | | — | — | | — |
| Jeffery H. Boyd | | — | — | | — |
| Tomago Collins | — | — | — | — | — |
| Kathryn A. Hollister | — | — | — | — | — |
| Adam Wiener | — | | — | — | — |

(1) Alclear Investments is controlled by Ms. Seidman-Becker, its sole manager, who has dispositive control and voting control over the shares held by Alclear Investments.

(2) Alclear Investments II is controlled by Mr. Cornick, its sole manager, who has dispositive control and voting control over the shares 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, we will not, without the prior written consent of the CLEAR 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 on a temporary basis) other than securities of Alclear and its subsidiaries 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 unitholders, including us, the Founder Post-IPO Members and the other CLEAR Post-IPO Members, subject to the limitations imposed by our debt documents. See "Dividend Policy." Notwithstanding the foregoing, any Alclear Units that are not vested in accordance with the Alclear Amended and Restated Equity Incentive Plan shall be subject to the terms of such plan and shall not be entitled to distributions under the Second Amended and Restated Alclear Operating Agreement.

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 per Alclear Unit 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 or California (whichever is higher) (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 provided in the Second Amended and Restated Alclear Operating Agreement, 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 to fund (i) our ongoing operations or pay our expenses or other obligations or (ii) the purchase of Alclear Units from a member of Alclear (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 Alclear Units. 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 stock or unit split, stock or unit dividend or distribution, reclassification, reorganization, recapitalization or otherwise) or combination (by reverse stock or 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, 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 of substantially all of its assets or (ii) upon our approval. 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 its members in proportion to their vested Alclear Units (after giving effect to any obligations of Alclear to make tax distributions).

The Second Amended and Restated Alclear Operating Agreement restricts certain persons, including Ms. Seidman-Becker and Mr. Cornick, while they hold Alclear Units and for 12 months thereafter, from directly or indirectly competing with Alclear by engaging, in the United States, in certain activity related to the business of providing secure biometric identification services for travel and other secure identification applications as conducted by Alclear and its subsidiaries. Passive holdings by such persons of up to 10% of the equity or financial interests of another person engaged in such business is permitted so long as disclosed in writing to us. We may in our discretion grant waivers of these restrictions. Such persons are also prohibited from directly or indirectly inducing or persuading any of our employees from terminating his or her employment with us, subject to certain exceptions.

**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, 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. Each Clear Post-IPO Member's right to exchange its Alclear Units (along with the corresponding shares of our Class C common stock or Class D common stock, as applicable) under the Exchange Agreement will be limited to one exchange for such Clear Post-IPO Member per calendar month unless we otherwise agree, limited to exchanges that will reasonably be expected to have a value of at least $50,000 unless we otherwise agree or it involves the exchange of all of such Clear Post-IPO Member's remaining Alclear Units and subject to any other applicable restrictions set forth in the Exchange Agreement. 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 or a committee of disinterested directors. 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 the Founder Post-IPO Members and certain other holders of our common stock (each, a "Registration Party").

Pursuant to the Registration Rights Agreement, each Founder Post-IPO Member and, at any time after November 22, 2023, any other Registration Party or Registration Parties that individually or collectively beneficially own at least a majority of our Class A common stock, will be entitled to demand the registration of the sale of any or all of our Class A common stock that it beneficially owns. The demand registration rights are subject to certain conditions and exceptions, including our right to defer a demand registration under certain circumstances and a limit on the number of demand registrations (two in the aggregate for the Founder Post-IPO Members and two in the aggregate for the other Registration Parties that individually or collectively beneficially own at least a majority of our Class A common stock). Subject to certain conditions and exceptions, each Registration Party will be entitled to have all or part of our shares of Class A common stock that it beneficially owns included in demand registrations.

Among other things, under the terms of the Registration Rights Agreement:

- if we propose to file certain types of registration statements under the Securities Act with respect to offerings of our Class A common stock or other equity securities whether or not for the Company's own account, we will be required to use our reasonable best efforts to offer each Registration Party the opportunity to register the sale of all or part of its shares on the terms and conditions set forth in the Registration Rights Agreement (customarily known as "piggyback rights"); and
- each Founder Post-IPO Member and each other Registration Party who beneficially owns not less than 10% of our outstanding shares of Class A common stock will have the right, subject to certain conditions and exceptions, to request as soon as we become eligible to register the sale of our securities on Form S-3 under the Securities Act (which will not be for at least 12 calendar months after the closing of this offering) that we file (i) registration statements with the SEC for one or more underwritten offerings of all or part of our shares of Class A common stock that it beneficially owns and/or (ii) a shelf registration statement that includes all or part of our shares of Class A common stock that it beneficially owns, and we will be required to use our reasonable best efforts to cause any such registration statements to be filed with the SEC, and to become effective, as promptly as reasonably practicable. Subject to certain conditions and exceptions, each Registration Party will be entitled to have all or part of our shares of Class A common stock that it beneficially owns included in such underwritten offerings and shelf registration statements.

In connection with transfers of their registrable securities, the Registration Parties may assign certain of their respective rights under the Registration Rights Agreement.

All expenses of registration under the Registration Rights Agreement, including the legal fees of one counsel retained by or on behalf of the Registration Parties, will be paid by us. The selling stockholders will be responsible for the underwriting discounts and commissions relating to shares they sell and fees and expenses of financial advisors of the selling stockholders and their internal administrative and similar costs.

The registration rights granted in the Registration Rights Agreement are subject to customary restrictions such as minimums, blackout periods and, if a registration is underwritten, any limitations on the number of shares to be included in the underwritten offering as reasonably advised by the managing underwriter. The Registration Rights Agreement also contains customary indemnification and contribution provisions.

The Registration Rights Agreement is governed by Delaware law.

Any sales in the public market of any common stock registrable pursuant to the Registration Rights Agreement could adversely affect prevailing market prices of our common stock. See "Risk Factors —Substantial future sales of shares of our Class A common stock in the public market could cause our stock price to fall." and "Shares Eligible for Future Sale."

**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 approximately $ 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.

For additional information on related party transactions, see the notes to our consolidated financial statements included elsewhere in this prospectus.

**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 restricted stock units with respect to an aggregate amount of shares of Class A common stock in connection with the reorganization transactions and this offering.

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) such Co-Founder's related Founder Post-IPO Member so long as such Founder Post-IPO Member is directly or indirectly controlled by such Co-Founder, (iii) 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)), (iv) 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 (iii) of this definition and (v) 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 (iii) and (iv), such entity must be established for the Co-Founder's bona fide estate planning purposes.

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***

Warrants of Alclear exercisable prior to this offering will, subject to their terms, to the extent not exercised by the holders thereof at their discretion, 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 225,000 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 seven 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 Co-Founder, (ii) any other person in any Co-Founder's permitted ownership group, (iii) any Related Party of any of the foregoing or (iv) any Permitted Transferee of any of the foregoing or any Related Party of such Permitted Transferee. 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 (or, if the Court of Chancery of the State of Delaware lacks jurisdiction over such action or proceeding, then another state court of the State of Delaware or, if no state court of the State of Delaware has jurisdiction, then the United States District Court for the District of Delaware). 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 Computershare Trust Company, N.A.

**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 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 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) will be entitled to dispose of their shares pursuant to (i) the applicable holding period, volume and other restrictions of Rule 144 or (ii) another exemption from registration under the Securities Act, subject to, in the case of substantially all of the holders, the expiration of the underwriter "lock-up" period. is entitled to waive these lock-up provisions at its 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, 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. 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 the Founder PSUs 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 , 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 and provided that if (1) at least 120 days have elapsed since the date of this prospectus, (2) we have publicly released our earnings results for the quarterly period during which this offering occurred and (3) such lock-up period is scheduled to end during or within five trading days prior to a blackout period under the Company's insider trading policy, such lock-up period will end ten trading days prior to the commencement of such blackout period. We will announce the date of any expected blackout-related release to the lock-up at least two trading days in advance of such release.

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 certain holders of our common stock. 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.

## 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 | |
| Wells Fargo Securities, LLC | |
| LionTree Advisors LLC | |
| Stifel, Nicolaus & Company, Incorporated | |
| Telsey Advisory Group LLC | |
| Centerview Partners LLC | |
| Loop Capital Markets LLC | |
| Roberts & Ryan Investments, Inc. | |
| 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 ; provided that if (1) at least 120 days have elapsed since the date of this prospectus, (2) we have publicly released our earnings results for the quarterly period during which this offering occurred and (3) such

lock-up period is scheduled to end during or within five trading days prior to a blackout period under the Company's insider trading policy, such lock-up period will end ten trading days prior to the commencement of such blackout period. We will announce the date of any expected blackout-related release to the lock-up at least two trading days in advance of such release.

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."

LionTree received Class B Capital Units in Alclear in a private placement transaction, which units will convert into shares of our Class A common stock. These shares of Class A common stock received by LionTree may be deemed to be "underwriting compensation" within FINRA Rule 5110. LionTree is among the certain CLEAR Post-IPO Members that have agreed not to dispose of or hedge any share of Class A common stock during the period described above. See "Certain Relationships and Related Party Transactions—Lock-Up Agreements."

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.

## INDEX TO FINANCIAL STATEMENTS

## Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors 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. 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

**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.

## 5. SUBSEQUENT EVENTS (UNAUDITED)

On June 6, 2021, the board of directors of Clear Secure Inc. approved the framework of the founder performance-based restricted stock unit awards ("Found PSUs"). The awards will have both service and market based vesting conditions. The Founder PSUs will be eligible for vesting between the second and fifth anniversary of the Company's initial public offering ("IPO"), or earlier in the event of a change in control, based on a the achievement of specified price hurdles of the Company's Class A Common Stock between 1.5 and 3.0 times the IPO price. The specified price hurdles of the Company's Class A Common Stock will be measured on the volume-weighted average price per share for the trailing days during any 180 day period that ends within the applicable measurement period.

In connection with the Company's initial public offering, the Company intends to enter into a reorganization agreement to effect a series of transactions designed to create a capital structure that preserves the Company's ability to conduct its business through Alclear Holdings, LLC and its subsidiaries, while permitting the Company to raise additional capital and provide access to liquidity through a public company. After giving effect to the reorganization transactions, the Company intends to enter into a tax receivable agreement with the remaining members of Alclear Holdings, LLC (the "Post-IPO Members"), other than the Company. The tax receivable agreement will provide for the payment by the Company to the 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 the Company actually realizes (computed using simplifying assumptions to address the impact of state and local taxes). The payments that the Company will be required to make under the tax receivable agreement will be recognized as a liability on its consolidated balance sheet.

**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.

On June 6, 2021, the board of directors of Clear Secure Inc. approved the framework of the founder performance-based restricted stock unit awards ("Found PSUs"). The awards will have both service and market based vesting conditions. The Founder PSUs will be eligible for vesting between the second and fifth anniversary of the Company's initial public offering ("IPO"), or earlier in the event of a change in control, based on a the achievement of specified price hurdles of the Company's Class A Common Stock between 1.5 and 3.0 times the IPO price. The specified price hurdles of the Company's Class A Common Stock will be measured on the volume-weighted average price per share for the trailing days during any 180 day period that ends within the applicable measurement period.

In connection with the Company's initial public offering, the Company intends to enter into a reorganization agreement to effect a series of transactions designed to create a capital structure that preserves the Company's ability to conduct its business through Alclear Holdings, LLC and its subsidiaries, while permitting the Company to raise additional capital and provide access to liquidity through a public company. After giving effect to the reorganization transactions, the Company intends to enter into a tax receivable agreement with the remaining members of Alclear Holdings, LLC (the "Post-IPO Members"), other than the Company. The tax receivable agreement will provide for the payment by the Company to the 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 the Company actually realizes (computed using simplifying assumptions to address the impact of state and local taxes). The payments that the Company will be required to make under the tax receivable agreement will be recognized as a liability on its consolidated balance sheet.

## Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Managers 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. 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

**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

**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

**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

## 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

**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

**ALCLEAR HOLDINGS, LLC**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**
**(dollars in thousands, except for per unit data, unless otherwise noted)**

**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

**ALCLEAR HOLDINGS, LLC**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**
**(dollars in thousands, except for per unit data, unless otherwise noted)**

**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 U.S. 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.

**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. 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 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

**2. Summary of Significant Accounting Policies (Continued)**

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 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

**2. Summary of Significant Accounting Policies (Continued)**

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 useful lives or the terms of the leases ranging from 1 to 10 years. See Note 6 for additional details on property and equipment.

**2. Summary of Significant Accounting Policies (Continued)**

***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 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.

**2. Summary of Significant Accounting Policies (Continued)**

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.

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.

(dollars in thousands, except for per unit data, unless otherwise noted)

**3. Revenue (Continued)**

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 market participants at the measurement date. In order to increase consistency and comparability in fair

(dollars in thousands, except for per unit data, unless otherwise noted)

**5. Fair Value Measurements (Continued)**

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 |

(dollars in thousands, except for per unit data, unless otherwise noted)

**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)** |

(dollars in thousands, except for per unit data, unless otherwise noted)

**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 |

(dollars in thousands, except for per unit data, unless otherwise noted)

**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 |

(dollars in thousands, except for per unit data, unless otherwise noted)

**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.

(dollars in thousands, except for per unit data, unless otherwise noted)

**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.

(dollars in thousands, except for per unit data, unless otherwise noted)

**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 Employee 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.

(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.

(dollars in thousands, except for per unit data, unless otherwise noted)

**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.

**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*

**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*

**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 |

**ALCLEAR HOLDINGS, LLC**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**
**(UNAUDITED) (Continued)**
**(dollars in thousands, except for per unit data, unless otherwise noted)**

**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.

**ALCLEAR HOLDINGS, LLC**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**
**(UNAUDITED) (Continued)**
**(dollars in thousands, except for per unit data, unless otherwise noted)**

**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)**
**(dollars in thousands, except for per unit data, unless otherwise noted)**

**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

**ALCLEAR HOLDINGS, LLC**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**
**(UNAUDITED) (Continued)**
**(dollars in thousands, except for per unit data, unless otherwise noted)**

**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**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**
**(UNAUDITED) (Continued)**
**(dollars in thousands, except for per unit data, unless otherwise noted)**

**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.

**ALCLEAR HOLDINGS, LLC**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**
**(UNAUDITED) (Continued)**
**(dollars in thousands, except for per unit data, unless otherwise noted)**

**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.

**ALCLEAR HOLDINGS, LLC**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**
**(UNAUDITED) (Continued)**
**(dollars in thousands, except for per unit data, unless otherwise noted)**

## 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:

**ALCLEAR HOLDINGS, LLC**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**
**(UNAUDITED) (Continued)**
**(dollars in thousands, except for per unit data, unless otherwise noted)**

**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 Employee 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:

**ALCLEAR HOLDINGS, LLC**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**
**(UNAUDITED) (Continued)**
**(dollars in thousands, except for per unit data, unless otherwise noted)**

**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.

**ALCLEAR HOLDINGS, LLC**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**
**(UNAUDITED) (Continued)**
**(dollars in thousands, except for per unit data, unless otherwise noted)**

**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 Air Lines***

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

**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**

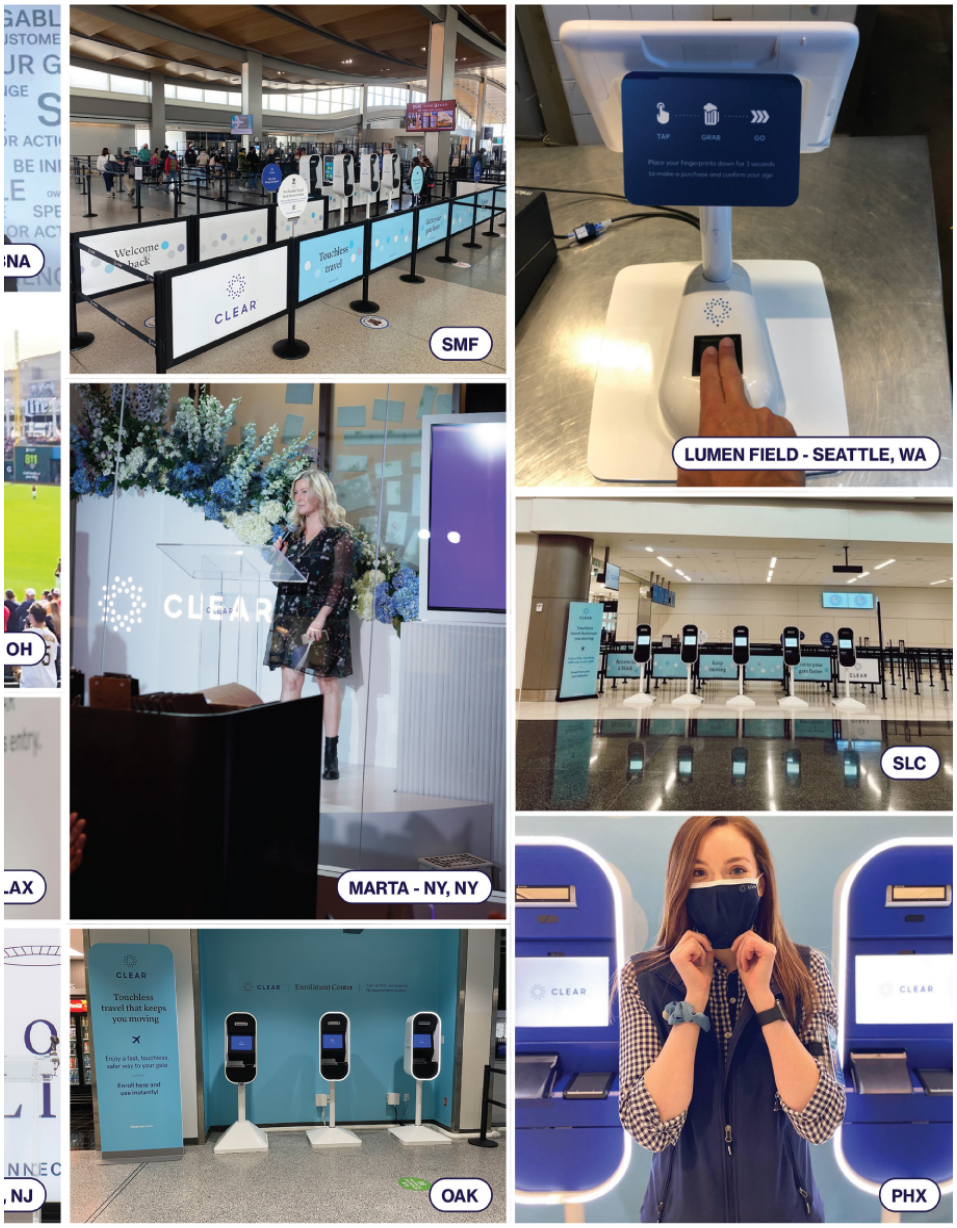
The Company has evaluated subsequent events through May 21, 2021, the date the condensed consolidated financial statements were available to be issued.

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.


IAD
BNA
BOS
PROGRESSIVE FIELD - CLEVELAND, OH
EWR
LAX
METLIFE STADIUM - RUTHERFORD, NJ


SMF
LUMEN FIELD - SEATTLE, WA
MARTA - NY, NY
SLC
OAK
PHX

Shares

# Clear Secure, Inc.

Class A Common Stock

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

**LionTree** **Stifel**

**Telsey Advisory Group** **Centerview Partners** **Loop Capital Markets** **Roberts & Ryan**

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 | $ * |

* To be completed by amendment.

### 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 Investor 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 Stock Option Award Agreement for use with the Clear Secure, Inc. 2021 Omnibus Incentive Plan. |
| 10.10 | Form of Restricted Stock Unit Agreement for use with the Clear Secure, Inc. 2021 Omnibus Incentive Plan. |
| 10.11 | Credit Agreement, dated March 31, 2020, by and among Alclear Holdings, LLC, the other loan parties thereto, the lenders party thereto and JPMorgan Chase Bank, N.A. |
| 10.12 | 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. |
| 10.13 | 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 Ernst & Young LLP, independent registered public accounting firm. |
| 23.3* | 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). |
| 99.1 | Consent of Director Nominee—Tomago Collins |
| 99.2 | Consent of Director Nominee—Kathryn A. Hollister |

* 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.

## 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 June 7, 2021.

**Clear Secure, Inc.**

By: /s/ Caryn Seidman-Becker
Name: Caryn Seidman-Becker
Title: Chief Executive Officer

## 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 June 7, 2021, by the following persons in the capacities indicated.

| Signature | Title |
|---|---|
| /s/ Caryn Seidman-Becker<br>Caryn Seidman-Becker | Chief Executive Officer (Principal Executive Officer) and Chair of the Board of Directors |
| /s/ Kenneth Cornick<br>Kenneth Cornick | President, Chief Financial Officer and Director (Principal Financial and Accounting Officer) |
| /s/ Michael Z. Barkin<br>Michael Z. Barkin | Director |
| /s/ Jeffrey H. Boyd<br>Jeffery H. Boyd | Director |
| /s/ Adam Wiener<br>Adam Wiener | Director |

**Exhibit 2.1**

**REORGANIZATION AGREEMENT**

**Dated as of [●], 2021**

**TABLE OF CONTENTS**





**REORGANIZATION AGREEMENT**

REORGANIZATION AGREEMENT (this "Agreement"), dated as of [●], 2021, by and among Clear Secure, Inc., a Delaware corporation ("Pubco"), Alclear Holdings, LLC, a Delaware limited liability company (the "Company"), Alclear Investments, LLC, a Delaware limited liability company ("Alclear Investments Stockholder"), Alclear Investments II, LLC, a Delaware limited liability company ("Alclear Investments II Stockholder"), Kennith Cornick, an individual ("KC"), Alclear Management Pooling Vehicle, LLC, a Delaware limited liability company ("Pooling LLC"), each Exercising Warrant Holder, each Exchanging Warrant Holder, each Blocker Entity, each Blocker Merger Sub and each of the individuals designated as "Blocker Merger Sub Members" or "Other Class A Members" on the signature pages hereto.

RECITALS

WHEREAS, the Board of Directors of Pubco (the "Board") has determined to effect an underwritten initial public offering (the "IPO") of Pubco's Class A Common Stock;

WHEREAS, the parties hereto desire to effect the Reorganization Transactions in contemplation of the IPO;

WHEREAS, in connection with the consummation of the Reorganization Transactions and the IPO, the applicable parties hereto intend to enter into the Reorganization Documents; and

WHEREAS, the Pre-Reclassification Company LLC Agreement contemplates that, in connection with an initial public offering, the Company may undertake a reorganization to provide for, among other things, the exchange of the membership interests in the Company for common equity securities of a newly-formed corporation that will act as the managing member of the Company and whose only material assets are the membership interests of the Company.

NOW, THEREFORE, in consideration of the foregoing recitals and of the mutual promises hereinafter set forth, the parties hereto hereby agree as follows:

**ARTICLE I**

**DEFINITIONS**

1.1 Certain Defined Terms.

(a) Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Pre-Reclassification Company LLC Agreement.

(b) As used herein, the following terms shall have the following meanings:

"Blocker Entities" means each of the entities identified as "Blocker Entities" on Schedule [●] hereto[, each a Delaware limited liability company].

"Blocker Merger Subs" means each of the entities identified as "Blocker Merger Subs" on Schedule [●] hereto[, each a [●]].

"Business Day" means a day, other than Saturday, Sunday or other day on which commercial banks in New York, New York are authorized or required by applicable law to close.

"Class A Common Stock" shall mean Class A Common Stock, par value $0.00001 per share, of Pubco, having the rights set forth in the Second Amended and Restated Certificate of Incorporation.

"Class B Common Stock" shall mean Class B Common Stock, par value $0.00001 per share, of Pubco, having the rights set forth in the Second Amended and Restated Certificate of Incorporation.

"Class C Common Stock" shall mean Class C Common Stock, par value $0.00001 per share, of Pubco, having the rights set forth in the Second Amended and Restated Certificate of Incorporation.

"Class D Common Stock" shall mean Class D Common Stock, par value $0.00001 per share, of Pubco, having the rights set forth in the Second Amended and Restated Certificate of Incorporation.

"Common Stock" means, collectively, the Class A Common Stock, Class B Common Stock, Class C Common Stock and Class D Common Stock.

"Company Common Units" means (i) prior to effectiveness of the Post-Reclassification Company LLC Agreement, "Capital Units", as such term is defined in the Pre-Reclassification Company LLC Agreement and (ii) as of and following effectiveness of the Post-Reclassification Company LLC Agreement, "Common Units", as such term is defined in the Post-Reclassification Company LLC Agreement.

"Company Member Schedule" means the then-current Schedule A to the Pre-Reclassification Company LLC Agreement (as may be amended or restated from time to time).

"Company RSUs" means the Restricted Stock Units granted by the Company under the MIP and outstanding immediately prior to the Pricing, which represent the right to receive Class C Units following vesting.

"Discounted Price" means (i) the IPO Price Per Share less (ii) the underwriting discount per share paid to the underwriters in the IPO.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.



"Form 8-A Effective Time" means the date and time on which the Registration Statement becomes effective, which will occur after the Pricing, on such date and at such time as determined by Pubco.

"GA Collections" means General Atlantic (AC) Collections, L.P.

"GA Collections 2" means General Atlantic (AC) Collections 2, L.P.

"IPO Closing" means the initial closing of the sale of the Class A Common Stock in the IPO.

"IPO Offering Expenses" means the amount of any IPO offering expenses borne by Pubco (as agreed in writing by Pubco and the Company, for which email shall be sufficient), but excluding the underwriting discount per share in the IPO, which offering expenses shall be the responsibility of the Company pursuant to Section 2.1(c).

"IPO Price Per Share" means the per share public offering price for the Class A Common Stock.

"MIP" means the Alclear Holdings, LLC Amended and Restated Equity Incentive Plan, as the same may be amended from time to time.

"Offering Amount" means an amount equal to the product of (i) the IPO Price Per Share multiplied by (ii) the number of shares of Class A Common Stock sold at the IPO Closing.

"Person" means any individual, firm, corporation, partnership, limited liability company, trust, estate, joint venture, governmental authority or other entity.

"Pre-Reclassification Company LLC Agreement" means the Second Amended and Restated Limited Liability Company Agreement of the Company, dated as of October 1, 2020, by and among the Company and the other Persons listed on the signature pages thereto.

"Pooling Member" means "Member", as such term is defined in the Pooling LLC Agreement.

"Pooling Member Schedule" means "Member Schedule", as such term is defined in the Pooling LLC Agreement.

"Pricing" means such date and time as the Board or the pricing committee thereof determines to price the IPO.

"Registration Statement" means the registration statement on Form 8-A filed by Pubco under the Exchange Act with the SEC to register the Class A Common Stock.

"Reorganization Documents" means each of the documents attached as an exhibit hereto and all other agreements and documents entered into in connection with the Reorganization Transactions.

"SEC" means the Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended.

"Unvested Company Common Units" means any Company Common Unit resulting from the reclassification below of any Profit Units that, prior to the Pricing, had not met the contractual vesting provisions set forth in the award agreement under the MIP pursuant to which such interests were originally granted.

1.2 Terms Defined Elsewhere in this Agreement(a). Each of the following terms is defined in the Section set forth opposite such term:

| **Term** | **Section** |
|---|---|
| Agreement | Preamble |
| Blocker Merger Agreements | 2.1(b)(xi) |
| Blocker Mergers | 2.1(b)(xi) |
| Board | Recitals |
| Class C Shares | 2.1(b)(xi) |
| Class C Subscriber | 2.1(b)(xi) |
| Class C Subscription Agreements | 2.1(b)(xi) |
| Class D Shares | 2.1(b)(xiv) |
| Class D Subscription Agreements | 2.1(b)(xiv) |
| Company | Preamble |
| Company Member Schedule | 2.1(b)(iii) |
| e-mail | 4.3 |
| Exchange Agreement | 2.1(b)(xv) |
| Exchanging Warrant Holders | 2.1(b)(i) |
| Exercising Warrant Holders | 2.1(b)(i) |
| Hypothetical Liquidation Value | 2.1(b)(iii) |
| IPO | Recitals |
| KC | Preamble |
| Pooling LLC | Preamble |
| Pooling LLC Agreement | 2.1(b)(iv) |
| Pooling Redemption | 2.1(b)(vii) |
| Post-Reclassification Company LLC Agreement | 2.1(b)(iii) |
| Post-Reclassification Company Members | 2.1(b)(iii) |
| Pubco | Preamble |
| Pubco RSUs | 2.1(b)(iv) |
| Reorganization Transaction | 2.1 |
| Reorganization Transactions | 2.1 |
| Second Amended and Restated Certificate of Incorporation | 2.1(a)(i) |



1.3 Other Definitional and Interpretative Provisions. The words "hereof", "herein" and "hereunder" and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof. References to Articles, Sections, Exhibits and Schedules are to Articles, Sections, Exhibits and Schedules of this Agreement unless otherwise specified. All Exhibits and Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Exhibit or Schedule but not otherwise defined therein, shall have the meaning as defined in this Agreement. Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation", whether or not they are in fact followed by those words or words of like import. "Writing", "written" and comparable terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form. References to any statute shall be deemed to refer to such statute as amended from time to time and to any rules or regulations promulgated thereunder. References to any agreement or contract are to that agreement or contract as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof. References to any Person include the successors and permitted assigns of that Person. References from or through any date mean, unless otherwise specified, from and including or through and including, respectively.

## ARTICLE II

## THE REORGANIZATION

2.1 Transactions. Subject to the terms and conditions hereinafter set forth, and on the basis of and in reliance upon the representations, warranties, covenants and agreements set forth herein, the parties hereto shall take the actions described in this Section 2.1 (each, a "Reorganization Transaction" and, collectively, the "Reorganization Transactions") in the following sequence (and, unless provided herein to the contrary, no step or sub-step in the sequence shall commence until the immediately preceding step or sub-step has been completed in its entirety):

(a) On or prior to the Pricing, the applicable parties shall take the actions set forth below (or cause such actions to take place):

(i) Pubco shall adopt and file with the Secretary of State of the State of Delaware an amended and restated certificate of incorporation of Pubco, in the form attached hereto as Exhibit [●] (the "Second Amended and Restated Certificate of Incorporation").

(ii) The Board shall adopt amended and restated by-laws of Pubco in the form attached hereto asExhibit [●].



(iii) (x) Alclear Investments Stockholder shall redeem all of the membership interests that KC and certain affiliates of KC beneficially hold in Alclear Investments Stockholder in exchange for corresponding membership interests in the Company and (y) following such redemption, KC and

certain of such affiliates shall each contribute to Alclear Investments II Stockholder such membership interests in the Company in exchange for interests in Alclear Investments II Stockholder.

(b) Immediately following Pricing and prior to the Form 8-A Effective Time, the applicable parties shall take the actions set forth below (or cause such actions to take place):

(i) To the extent not previously exercised, expired or terminated in accordance with their terms, (x) the holders of unexercised Company warrants identified under Section (A) of Schedule [●] hereto shall exercise all of their vested unexercised Company warrants for Class B Units (the "Exercising Warrant Holders"); (y) Pubco and the holders of unvested Company warrants identified under Section (B) of Schedule [●] hereto (the "Exchanging Warrant Holders"), shall exchange all such warrants for new Pubco warrants representing the right to receive a number of Class A Common Stock based on the Hypothetical Liquidation Value of the Units underlying such warrants, and on the same economic terms and subject to the same other terms and conditions as the Company warrants and (z) to the extent that certain unvested Company warrants are not exercisable (which warrants are identified under Section (C) of Schedule [●] hereto), they will continue to remain outstanding and remain exercisable into Class B Units in accordance with their terms (until such time as such warrants are exercisable into Company Common Units in accordance with their Hypothetical Liquidation Value).

(ii) If not completed prior to the Pricing, GA Collections and GA Collections 2, together with certain of their affiliates, shall undertake an internal restructuring, as described on Exhibit [●] hereto.



(iii) The Company shall: (x) reclassify all Units outstanding or reserved for issuance, in each case, as of immediately prior to the Form 8-A Effective Time into the number of Company Common Units, in the aggregate, set forth on Schedule [●] hereto, which Schedule shall be based on such Units being reclassified into a number of Company Common Units (rounded up or down to the nearest whole number) having a value equal to the amount that would have been distributed in respect thereof pursuant to ARTICLE VII of the Pre-Reclassification Company LLC Agreement had the Company been liquidated on the date of the Form 8-A Effective Time and gross proceeds from such liquidation been distributed to the members of the Company immediately prior to the Form 8-A Effective Time pursuant to ARTICLE VII of the Pre-Reclassification Company LLC Agreement in an aggregate amount equal to the total equity value of all Units immediately prior to the Form 8-A Effective Time that is implied by the IPO Price Per Share (with respect to each Unit, its "Hypothetical Liquidation Value") and in a manner that optimizes the capital structure of the Company to facilitate the IPO,provided that any Company Common Units that were reclassified from unvested Profit Units will continue to be subject to vesting on the same terms as set forth in the original award agreements under the MIP; (y) amend and restate its limited liability company agreement in the form attached hereto as Exhibit [●] (the "Post-Reclassification Company LLC Agreement") so that, among other things, (I) Pubco shall become the sole managing member of the Company and (II) after giving effect to the reclassification described in clause (iii)(x) above, each of the Persons listed on the Company Member Schedule shall be or become members of the Company and shall own the number of Company Common Units set forth opposite such Post-Reclassification Company Member's name on the Company Member Schedule; and (z) as soon as reasonably practicable, provide written notice to each Post-Reclassification Company Member setting forth the Hypothetical Liquidation Value attributable to the Units previously held thereby and the resulting number of Company Common Units then owned thereby.

(iv) Pooling LLC shall: (x) reclassify (1) each Capital Unit and Profit Unit (as each such term is defined in the Pooling LLC Agreement) outstanding as of the Pricing into a number of Pooling LLC Common Units equal to the number of Company Common Units into which such Capital Unit and Profit Unit (as each such term is defined in the Pooling LLC Agreement), as the case may be, shall be reclassified pursuant to Section 2.1(b)(iii), provided that all such Pooling LLC Common Units which result from the reclassification of Profit Units in Pooling LLC that remained subject to contractual vesting conditions, as set forth in the award agreement under the MIP pursuant to which such interests were originally granted, will continue to be subject to the same vesting conditions; and (y) amend and restate its limited liability company agreement in the form attached hereto as Exhibit [●] (the "Pooling LLC Agreement") so that, among other things, after giving effect to the reclassification described in clause (x) above, each of the Pooling Members shall own the number of Pooling LLC Common Units set forth opposite such Pooling Member's name on the Pooling Member Schedule.

(v) All Company RSUs shall be substituted with restricted stock units for Class A Common Stock ("PubCo RSUs") through (x) the cancellation by the Company of all Company RSUs and (y) the grant by PubCo of PubCo RSUs subject to the same vesting terms as applied to the cancelled Company RSUs. PubCo shall provide written notice to each recipient of substituted PubCo RSUs setting forth the number of shares of Class A Common Stock subject to such PubCo RSUs.



(vi) (x) Alclear Investments Stockholder shall make a capital contribution of [●] Company Common Units to Pubco in exchange for the issuance by Pubco of [●] shares of Class B Common Stock and (y) Alclear Investments II Stockholder shall make a capital contribution of [●] Company Common Units to Pubco in exchange for the issuance by Pubco of [●] shares of Class B Common Stock.

(vii) Pooling LLC shall redeem all of its interests held by the persons identified onSchedule [●] hereto in exchange for the number of Company Common Units identified on such Schedule [●] hereto (the "Pooling Redemption").

(viii) Following the Pooling Redemption, Pooling LLC shall make a capital contribution of all of its Company Common Units to Pubco in exchange for the issuance by Pubco of [●] shares of Class A Common Stock; provided, that all shares of Class A Common Stock received in exchange for Unvested Company Common Units received in the reclassification described in clause (iii)(x) above shall remain subject to the same vesting conditions as were applicable to the interests in the Company from which such Unvested Company Common Units were reclassified, as set forth in the award agreement under the MIP pursuant to which such interests were originally granted.

(ix) Immediately prior to the Form 8-A Effective Time, after giving effect to the reclassification described in clause (iii)(x) above, the Company and Pubco shall exchange all of the Company Common Units other than those held by the Post-Reclassification Company Members identified on Schedule [●] hereto for an equal number of Class A Common Stock;provided, that all shares of Class A Common Stock received in exchange for Unvested Company Common Units received in the reclassification described in clause (iii)(x) above shall remain subject to the same vesting conditions as were applicable to the interests in the Company from which such Unvested Company Common Units were reclassified, as set forth in the award agreement under the MIP pursuant to which such interests were originally granted.

(x) The Company shall sell to Pubco, and Pubco shall repurchase from the Company, all of the Company's outstanding shares of common stock in Pubco for $100 (prior to giving effect to the Blocker Merger Agreements, the Class C Subscription Agreements and the Class D Subscription Agreements).

(xi) On or prior to the date hereof, the Company shall have formed each of the Blocker Merger Subs. Pursuant to merger agreements, each in the form attached hereto as Exhibit [●] (the "Blocker Merger Agreements"), each Blocker Merger Sub shall merge with and into its respective Blocker Entity sequentially in the order described on Schedule [●] hereto, with such Blocker Entity continuing as the surviving company of such merger and becoming a wholly-owned subsidiary of Pubco, and the owners of each Blocker Entity shall receive the number of shares of Class A Common Stock equal to the number of Company Common Units set forth opposite such Blocker Entity's name on the Company Member Schedule (the mergers described in this Section 2.1(b)(xi), the "Blocker Mergers").

(xii) Immediately following each Blocker Merger, each surviving Blocker Entity thereof shall merge into Pubco sequentially in the order described on Schedule [●] hereto, with Pubco surviving each such merger.

(xiii) Immediately following each Blocker Mergers, as a condition to receiving Company Common Units in the reclassification described in clause (iii)(x) above, each holder of Company Common Units after the consummation of transactions contemplated by clauses (vii), (ix) and (x) (the "Post-Reclassification Company Members" (other than Pubco, Alclear Investments Stockholder and Alclear Investments II Stockholder) shall enter into a Subscription Agreement in the form attached hereto as Exhibit [●] (collectively, the "Class C Subscription Agreements"), whereby such Post-Reclassification Company Member (each, a "Class C Subscriber") shall subscribe for, and Pubco shall issue to each such Class C Subscriber upon a cash payment therefor in an amount equal to $0.00001 par value per share, the number of shares of Class C Common Stock (the "Class C Shares") equal to the number of Company Common Units set forth opposite such Post-Reclassification Company Member's name on the Company Member Schedule.

(xiv) Immediately following the Blocker Mergers, as a condition to receiving Company Common Units in the reclassification described in clause (iii)(x) above, Alclear Investments Stockholder and Alclear Investments II Stockholder shall each enter into a Subscription Agreement in the form attached hereto as Exhibit [●] (the "Class D Subscription Agreements"), whereby Alclear Investments Stockholder and Alclear Investments II Stockholder shall subscribe for, and Pubco shall issue to Alclear Investments Stockholder and Alclear Investments II Stockholder upon a cash payment therefor in an amount equal to $0.00001 par value per share, the number of shares of Class D Common Stock (the "Class D Shares") equal to the number of Company Common Units set forth opposite Alclear Investments Stockholder's and Alclear Investments II Stockholder's respective name on the Company Member Schedule.



(xv) As a condition to receiving Company Common Units in the reclassification described in clause (iii)(x) above, each of the Post-Reclassification Company Members shall enter into an Exchange Agreement with the Company and Pubco in the form attached hereto as Exhibit [●] (the "Exchange Agreement"), whereby each such Post-Reclassification Company Member shall be permitted to exchange with Pubco its Company Common Units and shares of Class C Common Stock or Class D Common Stock, as the case may be, for shares of Class A Common Stock or Class B Common Stock, as applicable.

(xvi) As a condition to entering into the Exchange Agreement, Pubco and the Post-Reclassification Company Members shall enter into a Tax Receivable Agreement in the form attached hereto as Exhibit [●].

(xvii) The Company shall amend and restate the MIP in the form attached hereto asExhibit [●].

(xviii) Pubco, the Post-Reclassification Company Members (other than Pubco), Alclear Investments Stockholder and Alclear Investments II Stockholder shall enter into a Registration Rights Agreement in the form attached hereto as Exhibit [●].

(xix) Pooling LLC shall make a distribution to the remaining Pooling Members of the shares of Class A Common Stock issued to Pooling LLC pursuant to clause (vii) above in accordance with the Pooling Member Schedule; provided, that any such shares of Class A Common Stock which resulted from the reclassification of Profit Units that, prior to the Pricing, remained subject to the contractual vesting terms pursuant to the original award agreement with respect to such Profit Units will continue to be subject to the same vesting conditions.

(c) Immediately following the IPO Closing, Pubco shall acquire from the Company, at a price per Company Common Unit equal to the IPO Price Per Share (such that the Company shall be responsible for the underwriting discount per share paid in the IPO Closing with respect to the Offering Amount) an aggregate number of Company Common Units equal to the number of shares of Class A Common Stock so purchased in the IPO Closing; provided that for administrative convenience and subject to the following sentence, the net amount per Company Common Unit paid to the Company by Pubco shall be the Discounted Price. The aggregate purchase price for such Company Common Units will be paid in cash by Pubco to, or at the direction of, the Company; provided that Pubco may reduce the amount paid thereby by the amount of any IPO Offering Expenses borne by Pubco and not otherwise reimbursed.

(d) If at any time following the IPO Closing the underwriters exercise their option to purchase additional shares of Class A Common Stock from Pubco, Pubco shall acquire from the Company, at a price per Company Common Unit equal to the IPO Price Per Share (such that the Company shall be responsible for the underwriting discount per share paid with respect thereto), an aggregate number of additional Company Common Units equal to the number of additional shares of Class A Common Stock so purchased by the underwriters; provided that for administrative convenience and subject to the following sentence, the net amount per Company Common Unit paid to the Company by Pubco shall be the Discounted Price. The aggregate purchase price for such Company Common Units will be paid in cash by Pubco to, or at the direction of, the Company; provided that Pubco may reduce the amount paid thereby by the amount of any additional IPO Offering Expenses borne by Pubco and not otherwise reimbursed (whether pursuant to Section 2.1(c) or otherwise).



2.2 Consent to Reorganization Transactions.

(a) Each of the parties hereto hereby acknowledges, agrees and consents to all of the Reorganization Transactions. Each of the parties hereto shall take all reasonable action necessary or appropriate in order to effect, or cause to be effected, to the extent within its control, each of the Reorganization Transactions and the IPO.

(b) The parties hereto shall deliver to each other, as applicable, prior to or at the Form 8-A Effective Time, each of the Reorganization Documents to which it is a party, together with any other documents and instruments necessary or appropriate to be delivered in connection with the Reorganization Transactions.

2.3 No Liabilities in Event of Termination; Certain Covenants(a).

(a) In the event that the IPO is abandoned or, unless the Board, the Company, Alclear Investments Stockholder and Alclear Investments II Stockholder otherwise agree, the IPO Closing has not occurred by [●] 2021, (a) this Agreement shall automatically terminate and be of no further force or effect except for this Section 2.3 and Sections 4.1-4.12 and (b) there shall be no liability on the part of any of the parties hereto, except that such termination shall not preclude any party from pursuing judicial remedies for damages and/or other relief as a result of the breach by the other parties of any representation, warranty, covenant or agreement contained herein prior to such termination.

(b) In the event that this Agreement is terminated for any reason after the consummation of any Reorganization Transaction, but prior to the consummation of all of the Reorganization Transactions, the parties agree, as applicable, to cooperate and work in good faith to execute and deliver such agreements and consents and amend such documents and to effect such transactions or actions as may be necessary to re-establish the rights, preferences and privileges that the parties hereto had prior to the consummation of the Reorganization Transactions, or any part thereof, including, without limitation, voting any and all securities owned by such party in favor of any amendment to any organizational document and in favor of any transaction or action necessary to re-establish such rights, powers and privileges and causing to be filed all necessary documents with any governmental authority necessary to reestablish such rights, preferences and privileges (it being understood and agreed that if such termination occurs subsequent to the events described in Section 2.1(b)(iii) hereof, the parties agree to amend the Post-Reclassification LLC Agreement so that the governance, transfer restrictions, liquidity rights and other related provisions therein with respect to Pubco, Pubco's subsidiaries and Pubco's and the Company's securities correspond in all substantive respects with the provisions contained in the Pre-Reclassification Company LLC Agreement as in effect on the date hereof).



(c) For the avoidance of doubt, each party hereto acknowledges and agrees that until the consummation of the Reorganization Transactions: (i) the parties hereto shall not receive or lose any voting, governance or similar rights in connection with this Agreement or the Reorganization Transactions and (ii) the rights of the parties hereto under the Pre-Reclassification Company LLC Agreement shall not be effected.

## ARTICLE III

## REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties. Each party hereto hereby represents and warrants to all of the other parties hereto as follows:

(a) The execution, delivery and performance by such party of this Agreement and of the applicable Reorganization Documents, to the extent a party thereto, has been or prior to the Form 8-A Effective Time will be duly authorized by all necessary action. If such party is not an individual, such party is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization or incorporation;

(b) Such party has or prior to the Form 8-A Effective Time will have the requisite power, authority, legal right and, if such party is an individual, legal capacity, to execute and deliver this Agreement and each of the Reorganization Documents, to the extent a party thereto, and to consummate the transactions contemplated hereby and thereby, as the case may be;

(c) This Agreement and each of the Reorganization Documents to which it is a party has been (or when executed will be) duly executed and delivered by such party and constitutes the legal, valid and binding obligation of such party, enforceable against such party in accordance with its terms, subject to (i) the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, (ii) general equitable principles (whether considered in a proceeding in equity or at law) and (iii) an implied covenant of good faith and fair dealing; and

(d) Neither the execution, delivery and performance by such party of this Agreement and the applicable Reorganization Documents, to the extent a party thereto, nor the consummation by such party of the transactions contemplated hereby, nor compliance by such party with the terms and provisions hereof, will, directly or indirectly (with or without notice or lapse of time or both), (i) if such party is not an individual, contravene or conflict with, or result in a breach or termination of, or constitute a default under (or with notice or lapse of time or both, result in the breach or termination of or constitute a default under) the organizational documents of such party, (ii) constitute a violation by such party of any existing requirement of law applicable to such party or any of its properties, rights or assets or (iii) require the consent or approval of any Person, except, in the case of the foregoing clauses (ii) and (iii), as would not reasonably be expected to result in, individually or in the aggregate, a material adverse effect on the ability of such party to consummate the transactions contemplated by this Agreement.



## ARTICLE IV

## MISCELLANEOUS

4.1 Amendments and Waivers. This Agreement (including the Exhibits) may be modified, amended or waived only with the written approval of Pubco, the Company, Alclear Investments Stockholder and Alclear Investments II Stockholder; provided, however, that any modification, amendment or waiver that would affect any other party hereto in a manner materially and disproportionately adverse to such party shall be effective against such party so materially and adversely affected only with the prior written consent of such party, such consent not to be unreasonably withheld or delayed. The failure of any party to enforce any of the provisions of this Agreement shall in no way be construed as a waiver of such provisions and shall not affect the right of such party thereafter to enforce each and every provision of this Agreement in accordance with its terms. Notwithstanding anything to the contrary in this Section 4.1, nothing in this Section 4.1 shall be deemed to contradict the provisions of Section 2.3 hereof.

4.2 Successors and Assigns. This Agreement shall bind and inure to the benefit of and be enforceable by the parties hereto and their respective successors and permitted assigns.

4.3 Notices. All notices, requests and other communications to any party hereunder shall be in writing (including electronic mail ("e-mail") transmission, so long as a receipt of such e-mail is requested and not received by automated response). All such notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5:00 p.m. on a Business Day in the place of receipt. Otherwise, any such notice, request or communication shall be deemed to have been received on the next succeeding Business Day in the place of receipt. All such notices, requests and other communications to any party hereunder shall be given to such party as follows:

If to Pubco, the Company, or [●], addressed to it at:

Clear Secure, Inc.

65 East 55th Street, 17th Floor
New York, New York, 10022
Attention: Matthew Levine, General Counsel and Chief Privacy Officer
E-mail:



With copies (which shall not constitute notice) to:

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, NY 10019-6064
Attention: Brian M. Janson
Brian Scrivani
E-mail: bjanson@paulweiss.com
bscrivani@paulweiss.com

If to Alclear Investments Stockholder, addressed to it at:

[●]
Attention: [●]
E-mail: [●]

With copies (which shall not constitute notice) to:

[●]
Attention: [●]
E-mail: [●]

If to Alclear Investments II Stockholder, addressed to it at:

[●]
Attention: [●]
E-mail: [●]

With copies (which shall not constitute notice) to:

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, NY 10019-6064
Attention: Brian M. Janson
Brian Scrivani
E-mail: bjanson@paulweiss.com
bscrivani@paulweiss.com

If to Alclear Management Pooling Vehicle, LLC, addressed to it at:

[●]
Attention: [●]
E-mail: [●]



With copies (which shall not constitute notice) to:

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, NY 10019-6064
Attention: Brian M. Janson
Brian Scrivani
E-mail: bjanson@paulweiss.com
bscrivani@paulweiss.com

If to KC, addressed to him at:

[●]
Attention: [●]
E-mail: [●]

With copies (which shall not constitute notice) to:

[●]
Attention: [●]
E-mail: [●]

If to [●], addressed to it at:

[●]
Attention: [●]
E-mail: [●]

With copies (which shall not constitute notice) to:

[●]
Attention: [●]
E-mail: [●]

If to any other party, at the address or e-mail address specified for such party on the Company Member Schedule or to such other address or e-mail address as such party may hereafter specify for the purpose by notice to the other parties hereto.

4.4 Further Assurances. At any time or from time to time after the date hereof, the parties agree to cooperate with each other, and at the request of any other party, to execute and deliver any further instruments or documents and to take all such further action as the other party may reasonably request in order to evidence or effectuate the consummation of the transactions contemplated hereby and to otherwise carry out the intent of the parties hereunder.



4.5 Entire Agreement. Except as otherwise expressly set forth herein, this Agreement, together with the Reorganization Documents, embodies the complete agreement and understanding among the parties hereto with respect to the subject matter hereof and supersedes and preempts any prior understandings, agreements or representations by or among the parties, written or oral, that may have related to the subject matter hereof in any way.

4.6 Governing Law. This Agreement shall be governed in all respects by the laws of the State of Delaware, without regard to the conflicts of law rules of such State that would result in the application of the laws of any other State.

4.7 Jurisdiction. The parties hereto agree that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby (whether brought by any party or any of its affiliates or against any party or any of its affiliates) shall be brought in the Delaware Chancery Court or, if such court shall not have jurisdiction, any federal court located in the State of Delaware or other Delaware state court, and each of the parties hereby irrevocably consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided in Section 4.3 shall be deemed effective service of process on such party.

4.8 WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

4.9 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

4.10 Enforcement. Each party hereto acknowledges that money damages would not be an adequate remedy in the event that any of the covenants or agreements in this Agreement are not performed in accordance with its terms, and it is therefore agreed that in addition to and without limiting any other remedy or right it may have, the non-breaching party will have the right to an injunction, temporary restraining order or other equitable relief in any court of competent jurisdiction enjoining any such breach and enforcing specifically the terms and provisions hereof.



4.11 Counterparts; Facsimile Signatures. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument. This Agreement may be executed by facsimile, e-mail or .pdf format signature(s).

4.12 Expenses. Unless otherwise provided in the Reorganization Documents, all costs and expenses incurred in connection with the negotiation and execution of this Agreement and the transactions contemplated by this Agreement shall be paid by the party incurring such cost or expense.



IN WITNESS WHEREOF, the parties hereto have executed this Reorganization Agreement as of the date first above written.

**CLEAR SECURE, INC.**

By: _____
Name:
Title:

**ALCLEAR HOLDINGS, LLC**

By: _____
Name:
Title:

**ALCLEAR INVESTMENTS, LLC**

By: _____
Name:
Title:

[Signature Page to the Reorganization Agreement]

**ALCLEAR INVESTMENTS II, LLC**

By: _____
Name:
Title:

[Signature Page to the Reorganization Agreement]

**ALCLEAR MANAGEMENT POOLING VEHICLE, LLC**

By: _____
Name:
Title:

[Signature Page to the Reorganization Agreement]

**KENNITH CORNICK**

By: _____
Name:
Title:

[Signature Page to the Reorganization Agreement]

**EXERCISING WARRANT HOLDERS:**

**[●]**

By: _____
Name:
Title:

[Signature Page to the Reorganization Agreement]

**EXCHANGING WARRANT HOLDERS:**

**[●]**

By: _____
Name:

Title:

[Signature Page to the Reorganization Agreement]

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**BLOCKER ENTITIES:**

**[●]**

[Signature Page to the Reorganization Agreement]

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**BLOCKER MERGER SUBS:**

**[●]**

[Signature Page to the Reorganization Agreement]

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**BLOCKER MERGER SUB MEMBERS:**

**[●]**

[Signature Page to the Reorganization Agreement]

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**OTHER CLASS A MEMBERS:**

**[●]**

[Signature Page to the Reorganization Agreement]

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**SECOND AMENDED AND RESTATED**

**CERTIFICATE OF INCORPORATION**

**OF**

**CLEAR SECURE, INC.**

* * * *

Clear Secure, Inc. is a corporation organized and existing under the laws of the State of Delaware (the "Corporation"). The original Certificate of Incorporation of the Corporation (the "Original Certificate") was filed with the Secretary of State of the State of Delaware on March 2, 2021. The First Amended and Restated Certificate of Incorporation of the Corporation (the "First A&R Certificate"), which amended and restated the Original Certificate in its entirety, was filed with the Secretary of State of the State of Delaware on April 8, 2021. This Second Amended and Restated Certificate of Incorporation of the Corporation (the "Certificate of Incorporation"), which further amends and restates the First A&R Certificate in its entirety, has been duly adopted by the board of directors of the Corporation (the "Board") and the stockholders of the Corporation, pursuant to Sections 228, 242 and 245 of the General Corporation Law of the State of Delaware, as the same now exists or may hereafter be amended and/or supplemented from time to time (the "DGCL"), to read as follows:

**ARTICLE I.**

**Name**

The name of the corporation is Clear Secure, Inc. (the "Corporation").

**ARTICLE II.**

**Address; Registered Office and Agent**

The address of the Corporation's registered office in the State of Delaware is 251 Little Falls Drive, City of Wilmington, County of New Castle, State of Delaware 19808; and the name of its registered agent at such address is Corporation Service Company.

**ARTICLE III.**

**Purposes**

The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the DGCL. The Corporation is to have perpetual existence.

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**ARTICLE IV.**

**Capital Stock**

A. Definitions. For purposes of this Certificate of Incorporation, reference to:

(1) "Affiliate" means, with respect to any Person, any other Person who or which, directly or indirectly, controls, is controlled by or is under common control with such specified Person.

(2) "Alclear Unit" means a non-voting common interest unit of Alclear Holdings, LLC.

(3) "Class C Paired Interest" means one Alcear Unit together with one share of Class C Common Stock, subject to adjustment pursuant to Section 2.03(a) of the Exchange Agreement.

(4) "Class D Paired Interest" means one Alclear Unit together with one share of Class D Common Stock, subject to adjustment pursuant to Section 2.03(b) of the Exchange Agreement.

(5) "Co-Founder" means each of Caryn Seidman-Becker and Kenneth Cornick.

(6) "Disability" means, with respect to any Co-Founder, the permanent and total disability of such Co-Founder such that such Co-Founder is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death within 12 months or which has lasted or can be expected to last for a continuous period of not less than 12 months as determined by a licensed medical practitioner jointly selected by a majority of the Board and such Co-Founder. If the Co-Founder is incapable of selecting a licensed medical practitioner, then the spouse of such Co-Founder shall make the selection on behalf of such Co-Founder, or in the absence or incapacity of such spouse or domestic partner, the adult children of such Co-Founder, by majority vote, shall make the selection on behalf of such Co-Founder, or in the absence such adult children or their inability to act by majority vote, a natural person then acting as the successor trustee of a revocable living trust which was created by such Co-Founder and which holds more shares of all classes of capital stock of the Corporation than any other revocable living trust created by such Co-Founder, shall make the selection on behalf of such Co-Founder, or in absence of any such successor trustee, the legal guardian or conservator of the estate of such Co-Founder shall make the selection on behalf of such Co-Founder.

(7) "Exchange Agreement" means the Exchange Agreement, dated as of [●], 2021, by and among the Founder Members, the Corporation and the holders of Alclear Units and shares of Class C Common Stock and Class D Common Stock, as the same may be amended, restated, supplemented or otherwise modified, from time to time.

(8) "Family Member" means, in respect of any Person, 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).

(9) "Founder Members" means Alclear Investments, LLC and Alclear Investments II, LLC.

(10) "Paired Interest" means one Class C Paired Interest or one Class D Paired Interest.

(11) "Permitted Ownership Group" means, with respect to any Co-Founder, the following Persons: (i) such Co-Founder, (ii) such Co-Founder's related Founder Member so long as such Founder Member is directly or indirectly controlled by such Co-Founder, (iii) 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, (iv) 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 clause (iii) of this definition and (v) 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 (iii) and (iv), such entity must be established for the Co-Founder's bona fide estate planning purposes.

(12) "Person" means any individual, corporation, partnership, limited partnerships, limited liability company, unincorporated association, trusts or other entity.

(13) "Transfer" of a share of Class B Common Stock or Class D Common Stock means, directly or indirectly, any sale, assignment, transfer, exchange, gift, bequest, pledge, hypothecation or other disposition or encumbrance of such share or any legal or beneficial interest in such share, in whole or in part, whether or not for value and whether voluntary or involuntary or by operation of law; provided, however, that the following shall not be considered a "Transfer": (i) the granting of a revocable proxy to officers or directors of the Corporation at the request of the Board in connection with actions to be taken at annual or special meetings of stockholders or in connection with any action by written consent of the stockholders solicited by the Board (at such times as action by written consent of stockholders is permitted under this Certificate of Incorporation); (ii) entering into a voting trust, agreement or arrangement (with or without granting a proxy) solely with the Corporation or its stockholders that (x) is disclosed either in a Schedule 13D filed with the U.S. Securities and Exchange Commission or in writing to the Secretary of the Corporation and (y) does not involve any payment of cash, securities, property or other consideration to the holder of the shares subject thereto other than the mutual promise to vote shares in a designated manner; (iii) entering into a customary voting or support agreement (with or without granting a proxy) in connection with any merger, consolidation or other business combination of the Corporation that is approved by the Board, whether effectuated through one transaction or series of related transactions (including a tender offer followed by a merger in which holders of Class A Common Stock receive the same consideration per share paid in the tender offer); (iv) the pledge of shares of capital stock of the Corporation by a stockholder that creates a mere security interest in such shares pursuant to a bona fide loan or indebtedness transaction so long as such stockholder continues to exercise sole voting control over such pledged shares unless any pledged shares are transferred to or registered in the name of the pledgee; provided, however, that a foreclosure on such shares or other similar action by the pledgee shall constitute a "Transfer"; or (v) the fact that the spouse of any holder of Class B Common Stock or Class D Common Stock possesses or obtains an interest in such holder's shares of Class B Common Stock or Class D Common Stock arising solely by reason of the application of the community property laws of any jurisdiction, so long as no other event or circumstance shall exist or have occurred that constitutes a "Transfer" of such shares of Class B Common Stock or Class D Common Stock.



(14) "Triggering Event" means the first date on which the Co-Founders, together with the other Persons in their Permitted Ownership Groups, cease collectively to beneficially own (as such term is defined in Rule 13d-3 and Rule 13d-5 under the Exchange Act) a majority of the combined voting power of the outstanding shares of Common Stock entitled to vote generally in an election of directors to the Board.

B. The total number of shares of all classes of stock that the Corporation shall have authority to issue is [●] shares, consisting of: (i) [●] shares of common stock, divided into (a) [●] shares of Class A common stock, with the par value of $0.00001 per share (the "Class A Common Stock"), (b) [●] shares of Class B common stock, with the par value of $0.00001 per share (the "Class B Common Stock" and, together with Class A Common Stock, the "Economic Common Stock"), (c) [●] shares of Class C common stock, with the par value of $0.00001 per share (the "Class C Common Stock"), and (d) [●] shares of Class D common stock, with the par value of $0.00001 per share (the "Class D Common Stock" and, together with the Class C Common Stock, the "Non-Economic Common Stock" and collectively with the Class A Common Stock, the Class B Common Stock and the Class C Common Stock, the "Common Stock"); and (ii) [●] shares of preferred stock, with the par value of $0.00001 per share (the "Preferred Stock").

C. Subject to the rights of the holders of any one or more series of Preferred Stock then outstanding, the number of authorized shares of any class or series of the Common Stock or the Preferred Stock may be increased or decreased, in each case by the affirmative vote of the holders of a majority of the total voting power of the outstanding shares of capital stock of the Corporation entitled to vote thereon, voting together as a single class, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law, and no vote of the holders of any class or series of the Common Stock or the Preferred Stock voting separately as a class will be required therefor. Notwithstanding the immediately preceding sentence, the number of authorized shares of any particular class or series may not be decreased below the number of shares of such class or series then outstanding, plus:

(1) in the case of Class A Common Stock, the number of shares of Class A Common Stock issuable in connection with (i) the conversion of all shares of Class B Common Stock issuable as described in subclause (2) below, (ii) the exchange of all outstanding shares of Class C Common Stock and all shares of Class C Common Stock issuable as described in subclause (3) below, together with the corresponding Alclear Units constituting the remainder of any Class C Paired Interests in which such shares are included, pursuant to Section 2.01 of the Exchange Agreement and (iii) the exercise of outstanding options, warrants, exchange rights, conversion rights or similar rights for Class A Common Stock;



(2) in the case of Class B Common Stock, the number of shares of Class B Common Stock issuable in connection with (i) the exchange of all outstanding shares of Class D Common Stock and all shares of Class D Common Stock issuable as described in subclause (4) below, together with the corresponding Alclear Units constituting the remainder of any Class D Paired Interests in which such shares are included, pursuant to Section 2.01 of the Exchange Agreement and (ii) the exercise of outstanding options, warrants, exchange rights, conversion rights or similar rights for Class B Common Stock;

(3) in the case of Class C Common Stock, the number of shares of Class C Common Stock issuable in connection with (i) the conversion of all outstanding shares of Class D Common Stock, (ii) the conversion of all shares of Class D Common Stock issuable as described in subclause (4) below and (iii) the exercise of outstanding options, warrants, exchange rights, conversion rights or similar rights for Class C Common Stock; and

(4) in the case of Class D Common Stock, the number of shares of Class D Common Stock issuable in connection with the exercise of outstanding options, warrants, exchange rights, conversion rights or similar rights for Class D Common Stock.

A statement of the designations of each class and the powers, preferences and rights, and qualifications, limitations or restrictions thereof is as follows:

D. Common Stock.

(1) Voting Rights.

(a) Each holder of Class A Common Stock or Class C Common Stock, as such, will be entitled to one vote for each share of Class A Common Stock or Class C Common Stock held of record by such holder on all matters on which stockholders generally are entitled to vote, and each holder of Class B Common Stock or Class D Common Stock, as such, will be entitled to twenty votes for each share of Class B Common Stock or Class D Common Stock held of record by such holder on all matters on which stockholders generally are entitled to vote, except that, in each case, to the fullest extent permitted by law, holders of shares of each class of Common Stock, as such, will have no voting power with respect to, and will not be entitled to vote on, any amendment to this Certificate of Incorporation (including any certificate of designations relating to any series of Preferred Stock) that relates solely to the terms of any outstanding Preferred Stock if the holders of such Preferred Stock are entitled to vote as a separate class thereon under this Certificate of Incorporation (including any certificate of designations relating to any series of Preferred Stock) or under the DGCL.

(b) (i) The holders of the outstanding shares of Class A Common Stock and Class C Common Stock, voting together as a single class, shall be entitled to vote separately upon any amendment to this Certificate of Incorporation (including by merger, consolidation, reorganization or similar event) that would alter or change the powers, preferences or special rights of such classes of Common Stock in a manner that is disproportionately adverse as compared to the Class B Common Stock or Class D Common Stock and (ii) the holders of the outstanding shares of Class B Common Stock and Class D Common Stock, voting together as a single class, shall be entitled to vote separately upon any amendment to this Certificate of Incorporation (including by merger, consolidation, reorganization or similar event) that would alter or change the powers, preferences or special rights of such classes of Common Stock in a manner that is disproportionately adverse as compared to the Class A Common Stock or Class C Common Stock, it being understood that any merger, consolidation or other business combination shall not be deemed an amendment hereof if such merger, consolidation or other business combination would be permitted by Article IV.D(3).

(c) Except as otherwise required in this Certificate of Incorporation or by applicable law, the holders of Common Stock will vote together as a single class on all matters (or, if any holders of Preferred Stock are entitled to vote together with the holders of Common Stock, as a single class with the holders of Preferred Stock).



(2) Dividends; Stock Splits; Combinations.

(a) Subject to applicable law and the rights, if any, of the holders of any outstanding series of Preferred Stock or any class or series of stock having a preference senior to or the right to participate with the Economic Common Stock with respect to the payment of dividends, dividends of cash or property may be declared and paid on the Economic Common Stock out of the assets of the Corporation that are by law available therefor, at the times and in the amounts as the Board in its discretion may determine;

(b) Dividends may not be declared or paid on the Class A Common Stock unless a dividend of the same amount is concurrently declared or paid on the Class B Common Stock. Dividends may not be declared or paid on the Class B Common Stock unless a dividend of the same amount is concurrently declared or paid on the Class A Common Stock.

(c) Except as provided in Article IV.D(2)(d) with respect to stock dividends, dividends of cash or property may not be declared or paid on the Non-Economic Common Stock.

(d) In no event will any stock dividend, stock split, reverse stock split, combination of stock, reclassification or recapitalization be declared or made on any class of Common Stock (each, a "Stock Adjustment") unless a corresponding Stock Adjustment for all other classes of Common Stock not so adjusted at the time outstanding is made in the same proportion and the same manner. Stock dividends with respect to each class of Common Stock may only be paid with shares of stock of the same class of Common Stock.

(e) Notwithstanding anything to the contrary, if a dividend in the form of capital stock of a subsidiary of the Corporation is declared or paid on the Class A Common Stock and the Class B Common Stock, the relative per share voting rights of the capital stock of such subsidiary so distributed in respect of the Class A Common Stock and the Class B Common Stock shall be in the same proportion as the relative voting rights of a share of Class A Common Stock and a share of Class B Common Stock.



(3) Except as expressly provided in this Article IV, the Economic Common Stock shall have the same rights and privileges and rank equally, share ratably and be identical in all respects as to all matters, and the Non-Economic Common Stock shall have the same rights and privileges and rank equally, share ratably and be identical as to all matters. Without limiting the generality of the foregoing, (i) in the event of a merger, consolidation or other business combination requiring the approval of the holders of the Corporation's capital stock entitled to vote thereon (whether or not the Corporation is the surviving entity), the holders of the Class A Common Stock shall have the right to receive, or the right to elect to receive, the same form of consideration, if any, as the holders of the Class B Common Stock and the holders of the Class A Common Stock shall have the right to receive, or the right to elect to receive, at least the same amount of consideration, if any, on a per share basis as the holders of the Class B Common Stock, and the holders of the Class C Common Stock shall have the right to receive, or the right to elect to receive, the same form of consideration, if any, as the holders of the Class D Common Stock and the holders of the Class C Common Stock shall have the right to receive, or the right to elect to receive, at least the same amount of consideration, if any, on a per share basis as the holders of the Class D Common Stock and (ii) in the event of (a) any tender or exchange offer to acquire any shares of Common Stock by any third party pursuant to an agreement to which the Corporation is a party or (b) any tender or exchange offer by the Corporation to acquire any shares of Common Stock, pursuant to the terms of the applicable tender or exchange offer, the holders of the Class A Common Stock shall have the right to receive, or the right to elect to receive, the same form of consideration as the holders of the Class B Common Stock and the holders of the Class A Common Stock shall have the right to receive, or the right to elect to receive, at least the same amount of consideration on a per share basis as the holders of the Class B Common Stock, and the holders of the Class C Common Stock shall have the right to receive, or the right to elect to receive, the same form of consideration, if any, as the holders of the Class D Common Stock and the holders of the Class C Common Stock shall have the right to receive, or the right to elect to receive, at least the same amount of consideration, if any, on a per share basis as the holders of the Class D Common Stock; provided that, for the purposes of the foregoing clauses (i) and (ii) and notwithstanding the first sentence of this Article IV.D(3), (x) in the event any such consideration includes securities, (a) the consideration payable to holders of Class A Common Stock shall be deemed the same form of consideration and at least the same amount of consideration on a per share basis as the holders of Class B Common Stock on a per share basis if the only difference in the per share distribution to the holders of Class B Common Stock is that the securities distributed to such holders have not more than twenty times the voting power of any securities distributed to the holder of a share of Class A Common Stock and (b) the consideration payable to holders of Class D Common Stock shall be deemed the same form of consideration and at least the same amount of consideration on a per share basis as the holders of Class C Common Stock on a per share basis if the only difference in the per share distribution to the holders of Class D Common Stock is that the securities distributed to such holders have not more than twenty times the voting power of any securities distributed to the holder of a share of Class C

Common Stock (in each case, so long as such securities issued to the holders of Class B Common Stock or the Class D Common Stock, as the case may be, remain subject to automatic conversion on terms no more favorable to such holders than those set forth in Article IV.G) and (y) payments under or in respect of the tax receivable agreement or similar agreement entered by the Corporation from time to time with any holders of Common Stock shall not be considered part of the consideration payable in respect of any share of Common Stock.



(4) Liquidation. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, after payment or provision for payment of the debts and other liabilities of the Corporation and of the preferential and other amounts, if any, to which the holders of Preferred Stock are entitled, if any, the holders of all outstanding shares of Common Stock will be entitled to receive, *pari passu,* an amount per share equal to the par value thereof, and thereafter the holders of all outstanding shares of Economic Common Stock will be entitled to receive the remaining assets of the Corporation available for distribution ratably in proportion to the number of shares of Economic Common Stock. Without limiting the rights of the holders of Non-Economic Common Stock to exchange their shares of Non-Economic Common Stock, together with the corresponding Alclear Units constituting the remainder of any Paired Interests in which such shares are included, for shares of Economic Common Stock in accordance with Section 2.01 of the Exchange Agreement (or for the consideration payable in respect of shares of Economic Common Stock in such voluntary or involuntary liquidation, dissolution or winding up), the holders of shares of Non-Economic Common Stock, as such, will not be entitled to receive, with respect to such shares, any assets of the Corporation in excess of the par value thereof, in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

E. Preferred Stock. Shares of Preferred Stock may be issued from time to time in one or more series of any number of shares; provided, that the aggregate number of shares issued and not retired of any and all such series shall not exceed the total number of shares of Preferred Stock hereinabove authorized, and with such powers, including voting powers, if any, and the designations, preferences and relative, participating, optional or other special rights, if any, and any qualifications, limitations or restrictions thereof, all as shall hereafter be stated and expressed in the resolution or resolutions providing for the designation and issue of such shares of Preferred Stock from time to time adopted by the Board pursuant to authority to do so which is hereby expressly vested in the Board. The powers, including voting powers, if any, preferences and relative, participating, optional and other special rights of each series of Preferred Stock, and the qualifications, limitations or restrictions thereof, if any, may differ from those of any and all other series at any time outstanding. Each series of shares of Preferred Stock: (i) may have such voting rights or powers, full or limited, if any; (ii) may be subject to redemption at such time or times and at such prices, if any; (iii) may be entitled to receive dividends (which may be cumulative or non-cumulative) at such rate or rates, on such conditions and at such times, and payable in preference to, or in such relation to, the dividends payable on any other class or classes or series of stock, if any; (iv) may have such rights upon the voluntary or involuntary liquidation, winding up or dissolution of, upon any distribution of the assets of, or in the event of any merger, sale or consolidation of, the Corporation, if any; (v) may be made convertible into or exchangeable for, shares of any other class or classes or of any other series of the same or any other class or classes of stock of the Corporation (or any other securities of the Corporation or any other Person) at such price or prices or at such rates of exchange and with such adjustments, if any; (vi) may be entitled to the benefit of a sinking fund to be applied to the purchase or redemption of shares of such series in such amount or amounts, if any; (vii) may be entitled to the benefit of conditions and restrictions upon the creation of indebtedness of the Corporation or any subsidiary, upon the issue of any additional shares (including additional shares of such series or of any other series) and upon the payment of dividends or the making of other distributions on, and the purchase, redemption or other acquisition by the Corporation or any subsidiary of, any outstanding shares of the Corporation, if any; (viii) may be subject to restrictions on transfer or registration of transfer, or on the amount of shares that may be owned by any Person or group of Person; and (ix) may have such other relative, participating, optional or other special rights, qualifications, limitations or restrictions thereof, if any; all as shall be stated in said resolution or resolutions of the Board providing for the designation and issue of such shares of Preferred Stock.



F. Optional Conversion of Class B Common Stock and Class D Common Stock

(1) Each share of Class B Common Stock or Class D Common Stock may be converted into one fully paid and non-assessable share of Class A Common Stock or Class C Common Stock, respectively, at any time at the option of the holder of such share of Class B Common Stock or Class D Common Stock. In order to exercise the conversion privilege, the holder of any shares of Class B Common Stock or Class D Common Stock to be converted shall deliver to the Corporation written or electronic notice that the holder elects to convert shares of Class B Common Stock or Class D Common Stock, as applicable, to the extent specified in such notice and, if such shares are certificated, such holder shall present and surrender the certificate or certificates representing such shares during usual business hours at the principal executive offices of the Corporation or, if any agent for the registration or transfer of shares of Class B Common Stock or Class D Common Stock is then duly appointed and acting (the "Class B Transfer Agent" and the "Class D Transfer Agent," respectively), at the office of the Class B Transfer Agent or Class D Transfer Agent, as applicable. If required by the Corporation, any certificate for shares of Class B Common Stock or Class D Common Stock surrendered for conversion shall be accompanied by instruments of transfer, in form reasonably satisfactory to the Corporation and the Class B Transfer Agent or Class D Transfer Agent, as applicable, duly executed by the holder of such shares or such holder's duly authorized representative. As promptly as practicable after the receipt of such notice and the surrender of the certificate or certificates representing such shares of Class B Common Stock or Class D Common Stock as aforesaid and in any event within three days of the receipt of such notice and certificates, if such shares are certificated, the Corporation shall issue and deliver at such office to such holder, or on such holder's written order, a certificate or certificates for the number of full shares of Class A Common Stock or Class C Common Stock, as applicable, (if certificated) issuable upon the conversion of such shares. To the extent such shares of Class B Common Stock or Class D Common Stock as aforesaid are settled through the facilities of The Depository Trust Company or through the book entry facilities of the Class B Transfer Agent or Class D Transfer Agent, the Corporation shall, upon such holder's written order, issue and deliver the number of full shares of Class A Common Stock or Class C Common Stock, as applicable, issuable upon the conversion of such shares through the facilities of The Depository Trust Company to the account of the participant of The Depository Trust Company designated by such holder or through the book entry facilities of the Class B Transfer Agent or Class D Transfer Agent. Each conversion of shares of Class B Common Stock or Class D Common Stock shall be deemed to have been effected on (i) the date on which such notice shall have been received by the Corporation, the Class B Transfer Agent or the Class D Transfer Agent, as applicable (subject to receipt by the Corporation, the Class B Transfer Agent or the Class D Transfer Agent, as applicable, within five business days thereafter of any required instruments of transfer as aforesaid), or (ii) such later date specified in or pursuant to such notice, and the Person or Persons in whose name or names any certificate or certificates for shares of Class A Common Stock or Class C Common Stock shall be issuable upon such conversion as aforesaid shall be deemed to have become on said date the holder or holders of record of the shares represented thereby.



(2) Notwithstanding anything in this Article IV.F to the contrary, any holder may withdraw or amend a notice of conversion, in whole or in part, prior to the effectiveness of the conversion, at any time prior to 5:00 p.m., New York City time, on the business day immediately preceding the date of the conversion (or any such later time as may be required by applicable law) by delivery of a written or electronic notice of withdrawal to the Corporation, the Class B Transfer Agent or the Class D Transfer Agent, as applicable, specifying (i) if applicable, the certificate numbers of the withdrawn shares of Class B Common Stock or Class D Common Stock, (ii) if any, the number of shares of Class B Common Stock or Class D Common Stock as to which the notice of conversion remains in effect and (iii) if the holder so determines, a new conversion date or any other new or revised information permitted in a notice of conversion. A notice of conversion may specify that the conversion is to be contingent

(including as to timing) upon the consummation of a purchase by another Person (whether in a tender or exchange offer, an underwritten offering or otherwise) of shares of the Class A Common Stock or Class C Common Stock into which the Class B Common Stock or Class D Common Stock, respectively, is convertible, or contingent (including as to timing) upon the closing of an announced merger, consolidation or other transaction or event in which the Class A Common Stock or Class C Common Stock would be exchanged or converted or become exchangeable for or convertible into cash or other securities or property.

G. Automatic Conversion of Class B Common Stock and Class D Common Stock

(1) Each outstanding share of Class B Common Stock or Class D Common Stock will, automatically and without further action on the part of the Corporation or any holder of Class B Common Stock or Class D Common Stock, convert into one fully paid and non-assessable share of Class A Common Stock or Class C Common Stock, respectively, (i) immediately prior to any Transfer of such Class B Common Stock or Class D Common Stock, as applicable, to a Person that is not a member of any Co-Founder's Permitted Ownership Group, (ii) upon the fifth anniversary of the closing of the Corporation's initial public offering, (iii) with respect to any shares of Class B Common Stock or Class D Common Stock held by any Person in any Co-Founder's Permitted Ownership Group, (A) such time as such Co-Founder is removed as a director on the Board 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 the Corporation and such Co-Founder on or after the filing and effectiveness of this Certificate of Incorporation, that is finally determined by a court of competent jurisdiction or (C) upon the death or Disability of such Co-Founder, or (iv) with respect to any shares 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 Persons in such Co-Founder's Permitted Ownership Group cease to hold or control the vote of, in the aggregate, at least twenty-five percent (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 closing of the Corporation's initial public offering. Upon any conversion pursuant to this Article IV.G, the certificate or certificates that represented immediately prior thereto the shares of Class B Common Stock or Class D Common Stock that were so converted, automatically and without further action, shall represent the same number of shares of Class A Common Stock or Class C Common Stock, respectively, without the need for surrender or exchange thereof. As promptly as practicable following a conversion pursuant to this Article IV.G, the Corporation shall deliver or cause to be delivered to any holder whose shares of Class B Common Stock or Class D Common Stock have been converted as a result of such conversion the number of shares of Class A Common Stock or Class C Common Stock deliverable upon such conversion, as applicable, registered in the name of such holder. To the extent such shares are settled through the facilities of The Depository Trust Company or through the book entry facilities of the Class B Transfer Agent or Class D Transfer Agent, the Corporation will, upon the written instruction of such holder, deliver the shares of Class A Common Stock or Class C Common Stock deliverable to such holder, through the facilities of The Depository Trust Company, to the account of the participant of The Depository Trust Company designated by such holder or through the book entry facilities of the Class B Transfer Agent or Class D Transfer Agent. Each share of Class B Common Stock and Class D Common Stock that is converted pursuant to this Article IV.G shall thereupon be retired by the Corporation and shall not be available for reissuance.



(2) The Corporation may, from time to time, establish such policies and procedures relating to the conversion of the Class B Common Stock and Class D Common Stock and the general administration of its multi-class common stock structure, including the issuance of stock certificates with respect thereto, as it may deem necessary or advisable, and may request that holders of shares of Class B Common Stock or Class D Common Stock furnish affidavits or other proof to the Corporation as it deems necessary to verify the ownership of Class B Common Stock or Class D Common Stock, as applicable, and to confirm that a conversion to Class A Common Stock or Class C Common Stock, respectively, has not occurred.

H. Unconverted Shares. If less than all of the shares of Class B Common Stock or Class D Common Stock evidenced by a certificate or certificates surrendered to the Corporation are converted, the Corporation shall execute and deliver to, or upon the written order of, the holder of such certificate or certificates a new certificate or certificates evidencing the number of shares of Common Stock which are not converted without charge to the holder.

I. No Conversion Rights of Class A Common Stock and Class C Common Stock. The Class A Common Stock and Class C Common Stock shall not have any conversion rights.

J. Reservation of Shares of Class A Common Stock for Conversion Right. The Corporation will at all times reserve and keep available out of its authorized and unissued shares of Class A Common Stock, solely for the purposes of conversions of Class B Common Stock, the number of shares of Class A Common Stock that are issuable upon conversion of all outstanding shares of Class B Common Stock, including any shares of Class B Common Stock issuable upon the exchange of all outstanding shares of Class D Common Stock, together with the corresponding Alclear Units constituting the remainder of any Class D Paired Interests in which such shares are included, pursuant to Section 2.01 of the Exchange Agreement. The Corporation covenants that all the shares of Class A Common Stock that are issued upon conversion of such Class B Common Stock will, upon issuance, be validly issued, fully paid and non-assessable.

K. Reservation of Shares of Class C Common Stock for Conversion Right. The Corporation will at all times reserve and keep available out of its authorized and unissued shares of Class C Common Stock, solely for the purposes of conversions of Class D Common Stock, the number of shares of Class C Common Stock that are issuable upon conversion of all outstanding shares of Class D Common Stock. The Corporation covenants that all the shares of Class C Common Stock that are issued upon conversion of Class D Common Stock will, upon issuance, be validly issued, fully paid and non-assessable.



L. Distributions with Respect to Converted Shares. No conversion pursuant to this Article IV shall impair the right of the converting stockholder to receive any dividends or other distributions payable on shares so converted in respect of a record date that occurs prior to the effective date for such conversion. For the avoidance of doubt, no converting stockholder shall be entitled to receive, in respect of a single record date, dividends or other distributions both on shares that are converted by such stockholder and on shares received by such stockholder in such conversion.

M. Exchange of Class C Common Stock and Class D Common Stock. Shares of Class C Common Stock or Class D Common Stock may be exchanged, together with the corresponding vested Alclear Units constituting the remainder of any Class C Paired Interests or Class D Paired Interests in which such shares are included, as applicable, at any time and from time to time for shares of Class A Common Stock or Class B Common Stock, respectively, in accordance with Section 2.01 of the Exchange Agreement.

N. Taxes. The issuance of shares of Economic Common Stock upon the exercise by holders of shares of Non-Economic Common Stock of their right under Section 2.01 of the Exchange Agreement to exchange Paired Interests will be made without charge to the holders of the shares of Non-Economic Common Stock for any transfer taxes, stamp taxes or duties or other similar tax in respect of the issuance; provided, however, that if any such shares of Economic Common Stock are to be issued in a name other than that of the then record holder of the shares of Non-Economic Common Stock being exchanged (or The Depository Trust Company or its nominee for the account of a participant of The Depository Trust Company that will hold the shares for the account of such holder or the book entry facilities of the Class B Transfer Agent or Class D Transfer Agent), then such holder or the Person in whose name such shares are to be delivered, shall pay to the Corporation the amount of any tax that may be payable in respect of any transfer involved in the issuance or shall establish to the reasonable satisfaction of the Corporation that the tax has been paid or is not payable.

**ARTICLE V.**

**Board of Directors**

A. Except as otherwise provided in this Certificate of Incorporation and the DGCL, the business and affairs of the Corporation shall be managed by or under the direction of the Board. Except as otherwise provided for or fixed pursuant to the provisions of Article IV.E relating to the rights of the holders of any series of Preferred Stock to elect additional directors, the total number of directors constituting the whole Board shall be determined from time to time exclusively by the Board; provided, that the number of directors shall not be less than three persons nor more than twenty persons.



B. During any period when the holders of any series of Preferred Stock have the right to elect additional directors as provided for or fixed pursuant to the provisions of Article IV.E ("Preferred Stock Directors"), upon the commencement, and for the duration, of the period during which such right continues: (i) the then total authorized number of directors shall automatically be increased by such specified number of Preferred Stock Directors, and the holders of the related Preferred Stock shall be entitled to elect the Preferred Stock Directors pursuant to the provisions of the Board's designation for the series of Preferred Stock, and (ii) each such Preferred Stock Director shall serve until such Preferred Stock Director's successor shall have been duly elected and qualified, or until such Preferred Stock Director's right to hold such office terminates pursuant to such provisions, whichever occurs earlier, subject to his or her earlier death, resignation, disqualification or removal. Except as otherwise provided by the Board in the resolution or resolutions establishing such series, whenever the holders of any series of Preferred Stock having such right to elect Preferred Stock Directors are divested of such right pursuant to the provisions of such stock, the terms of office of all such Preferred Stock Directors elected by the holders of such Preferred Stock, or elected to fill any vacancies resulting from the death, resignation, disqualification or removal of such Preferred Stock Directors, shall forthwith terminate and the total and authorized number of directors shall be reduced accordingly.

C. Subject to the rights of the holders of any one or more series of Preferred Stock then outstanding, if required by applicable law, an annual meeting of the stockholders of the Corporation for the election of directors and such other matters as may be properly brought before the meeting shall be held at such date and time as may be fixed by the Board at such place, if any, within or without the State of Delaware as may be fixed by the Board and all as stated in the notice of the meeting. Directors shall be elected at such annual meeting of stockholders in the manner provided in the By-Laws, and each director elected shall hold office until the succeeding annual meeting after such director's election and until such director's successor is duly elected and qualified, or, if earlier, until such director's death, resignation, disqualification or removal from office.

D. Subject to the rights of the holders of any one or more series of Preferred Stock then outstanding, any newly created directorship on the Board that results from an increase in the total number of directors and any vacancy occurring on the Board (whether by death, resignation, disqualification, removal or other cause) shall be filled by the affirmative vote of a majority of the directors then in office (even if less than a quorum), by a sole remaining director or by the stockholders; provided, however, that following the occurrence of a Triggering Event, any newly created directorship on the Board that results from an increase in the number of directors and any vacancy occurring on the Board shall be filled only by a majority of the directors then in office (even if less than a quorum), or by a sole remaining director (and not by stockholders). Any director elected to fill a vacancy or newly created directorship shall hold office until the next election of the class for which such director shall have been chosen and until his or her successor shall be elected and qualified, or until his or her earlier death, resignation, disqualification or removal.

E. Except for Preferred Stock Directors, any or all of the directors may be removed at any time either with or without cause by the affirmative vote of a majority in voting power of all outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class; provided, however, that following the occurrence of a Triggering Event, any such director or all such directors may be removed only by the affirmative vote of the holders of at least 66 2/3% of the voting power of the then outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class.



**ARTICLE VI.**

**Limitation of Liability**

To the fullest extent permitted under the DGCL, no director of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. Any amendment or repeal of this Article VI shall not adversely affect any right or protection of a director of the Corporation hereunder in respect of any act or omission occurring prior to the time of such amendment or repeal.

**ARTICLE VII.**

**Amendments**

A. The Corporation reserves the right to amend or repeal any provision contained in this Certificate of Incorporation in the manner prescribed by the laws of the State of Delaware and all rights conferred upon stockholders are granted subject to this reservation; provided, however, that, notwithstanding any provision of applicable law or any other provision of this Certificate of Incorporation that might otherwise permit a lesser vote or no vote, but in addition to any vote of the holders of any class or series of the capital stock of the Corporation required by applicable law or by this Certificate of Incorporation, from and after the occurrence of a Triggering Event, any amendment to Article V, Article VI, Article IX, Article X or this Article VII of this Certificate of Incorporation or repeal of this Certificate of Incorporation shall require the affirmative vote of the holders of at least 66 2/3% of the voting power of the then outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class.

B. The Board shall have the power to adopt, amend or repeal the By-Laws. Any adoption, amendment or repeal of the By-Laws by the Board shall require the approval of a majority of the directors then in office (even if less than a quorum). The stockholders shall also have power to adopt, amend or repeal the By-Laws; provided, however, that, from and after the occurrence of a Triggering Event, any amendment to or repeal of the By-Laws (or the adoption of any provision inconsistent therewith) shall require the affirmative vote of the holders of at least 66 2/3% of the voting power of the then outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class.



**ARTICLE VIII.**

**Indemnification**

A. Right to Indemnification. The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (a "Covered Person") who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding"), by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director or officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another entity or enterprise, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees), judgments, fines and amounts paid in settlement (except for judgments, fines and amounts paid in settlement in any action or suit by or in the right of the Corporation to procure a judgment in its favor) actually and reasonably incurred by such Covered Person. Notwithstanding the preceding sentence, except as otherwise provided

in Article VIII.C., the Corporation shall be required to indemnify a Covered Person in connection with a Proceeding (or part thereof) commenced by such Covered Person only if the commencement of such Proceeding (or part thereof) by the Covered Person was authorized by the Board. Any reference to an officer of the Corporation in this Article VIII shall be deemed to refer exclusively to the Chair of the Board, Chief Executive Officer, President, Chief Financial Officer and Secretary of the Corporation appointed pursuant to Article IV of the By-Laws, and to any other officer of the Corporation appointed by the Board pursuant to Article IV of the By-laws.

B. Prepayment of Expenses. To the extent not prohibited by applicable law, the Corporation shall pay the expenses (including attorneys' fees) incurred by a Covered Person in defending any Proceeding in advance of its final disposition; provided, however, that, to the extent required by applicable law, such payment of expenses in advance of the final disposition of the Proceeding shall be made only upon receipt of an undertaking by the Covered Person to repay all amounts advanced if it should be ultimately determined that the Covered Person is not entitled to be indemnified under this Article VIII or otherwise.

C. Claims. If a claim for indemnification or advancement of expenses under this Article VIII is not paid in full within 30 days after a written claim therefor by the Covered Person has been received by the Corporation, the Covered Person may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the Corporation shall have the burden of proving that the Covered Person is not entitled to the requested indemnification or advancement of expenses under applicable law.

D. Nonexclusivity of Rights. The rights conferred on any Covered Person by this Article VIII shall not be exclusive of any other rights that such Covered Person may have or hereafter acquire under any statute, provision of the By-Laws, this Certificate of Incorporation, agreement, vote of stockholders or disinterested directors or otherwise.

E. Other Sources. Subject to Article VIII.F., the Corporation's obligation, if any, to indemnify or to advance expenses to any Covered Person who was or is serving at its request as a director, officer, employee or agent of another entity or enterprise shall be reduced by any amount such Covered Person may collect as indemnification or advancement of expenses from such other entity or enterprise.



F. Indemnitor of First Resort. In all events, (i) the Corporation hereby agrees that it is the indemnitor of first resort (i.e., its obligation to a Covered Person to provide advancement and/or indemnification to such Covered Person are primary and any obligation of any stockholder of the Corporation (including any Affiliate thereof other than the Corporation) to provide advancement or indemnification hereunder or under any other indemnification agreement (whether pursuant to contract, by-laws or charter), or any obligation of any insurer of any stockholder (or any Affiliate thereof, other than the Corporation) to provide insurance coverage, for the same expenses, liabilities, judgments, penalties, fines and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such expenses, liabilities, judgments, penalties, fines and amounts paid in settlement) incurred by such Covered Person are secondary and (ii) if any stockholder (or any Affiliate thereof, other than the Corporation) pays or causes to be paid, for any reason, any amounts otherwise indemnifiable hereunder or under any other indemnification agreement (whether pursuant to contract, by-laws or charter) with such Covered Person, then (x) such stockholder (or such Affiliate, as the case may be), as the case may be, shall be fully subrogated to all rights of such Covered Person with respect to such payment and (y) the Corporation shall fully indemnify, reimburse and hold harmless such stockholder (or such other Affiliate), as the case may be, for all such payments actually made by such stockholder (or such other Affiliate).

G. Amendment or Repeal. Any amendment or repeal of the foregoing provisions of this Article VIII shall not adversely affect any right or protection hereunder of any Covered Person in respect of any act or omission occurring prior to the time of such amendment or repeal.

H. Other Indemnification and Prepayment of Expenses. This Article VIII shall not limit the right of the Corporation, to the extent and in the manner permitted by applicable law, to indemnify and to advance expenses to persons other than Covered Persons when and as authorized by appropriate corporate action.

I. Severability. If any provision or provisions of this Article VIII shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (i) the validity, legality and enforceability of the remaining provisions of this Article VIII (including, without limitation, each portion of any Section of this Article VIII containing any such provision held to be invalid, illegal or unenforceable, that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and (ii) to the fullest extent possible, the provisions of this Article VIII (including, without limitation, each such portion of any Section of this Article VIII containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

**ARTICLE IX.**

**Section 203**

A. The Corporation shall not be governed by Section 203 of the DGCL ("Section 203"), and the restrictions contained in Section 203 shall not apply to the Corporation.



B. Notwithstanding the foregoing, the Corporation shall not engage in any business combination (as defined below), at any point in time at which the Corporation's Common Stock is registered under Section 12(b) or 12(g) of the Exchange Act, with any interested stockholder (as defined below) for a period of three years following the time that such stockholder became an interested stockholder, unless:

(1) prior to such time, the Board approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;

(2) upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock (as defined below) of the Corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares owned (i) by persons who are directors and also officers and (ii) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or

(3) at or subsequent to such time, the business combination is approved by the Board and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least two thirds of the outstanding voting stock of the Corporation that is not owned by the interested stockholder.

C. For purposes of this Article IX, references to:

(1) "associate" when used to indicate a relationship with any person, means: (i) any corporation, partnership, unincorporated association or other entity of which such person is a director, officer or partner or is, directly or indirectly, the owner of 20% or more of any class of voting stock; (ii) any trust or other estate in which such person has at least a 20% beneficial interest or as to which such person serves as trustee or in a similar fiduciary capacity; and (iii) any relative or spouse of such person, or any relative of such spouse, who has the same residence as such person.

(2) "business combination," when used in reference to the Corporation and any interested stockholder of the Corporation, means:

(a) (i) any merger or consolidation of the Corporation or any direct or indirect majority-owned subsidiary of the Corporation with the interested stockholder, or (ii) with any other corporation, partnership, unincorporated association or other entity if the merger or consolidation is caused by the interested stockholder and as a result of such merger or consolidation Article IX.B is not applicable to the surviving entity;

(b) any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions), except proportionately as a stockholder of the Corporation, to or with the interested stockholder, whether as part of a dissolution or otherwise, of assets of the Corporation or of any direct or indirect majority-owned subsidiary of the Corporation which assets have an aggregate market value equal to 10% or more of either the aggregate market value of all the assets of the Corporation determined on a consolidated basis or the aggregate market value of all the outstanding stock of the Corporation;



(c) any transaction that results in the issuance or transfer by the Corporation or by any direct or indirect majority-owned subsidiary of the Corporation of any stock of the Corporation or of such subsidiary to the interested stockholder, except: (i) pursuant to the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into stock of the Corporation or any such subsidiary which securities were outstanding prior to the time that the interested stockholder became such; (ii) pursuant to a merger under Section 251(g) of the DGCL; (iii) pursuant to a dividend or distribution paid or made, or the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into stock of the Corporation or any such subsidiary which security is distributed, pro rata to all holders of a class or series of stock of the Corporation subsequent to the time the interested stockholder became such; (iv) pursuant to an exchange offer by the Corporation to purchase stock made on the same terms to all holders of said stock; or (v) any issuance or transfer of stock by the Corporation; provided, however, that in no case under items (iii) through (v) of this subsection (c) shall there be an increase in the interested stockholder's proportionate share of the stock of any class or series of the Corporation or of the voting stock of the Corporation (except as a result of immaterial changes due to fractional share adjustments);

(d) any transaction involving the Corporation or any direct or indirect majority-owned subsidiary of the Corporation that has the effect, directly or indirectly, of increasing the proportionate share of the stock of any class or series, or securities convertible into the stock of any class or series, of the Corporation or of any such subsidiary that is owned by the interested stockholder, except as a result of immaterial changes due to fractional share adjustments or as a result of any purchase or redemption of any shares of stock not caused, directly or indirectly, by the interested stockholder; or

(e) any receipt by the interested stockholder of the benefit, directly or indirectly (except proportionately as a stockholder of the Corporation), of any loans, advances, guarantees, pledges, or other financial benefits (other than those expressly permitted in subsections (i) through (iv) above) provided by or through the Corporation or any direct or indirect majority-owned subsidiary.

(3) "control," including the terms "controlling," "controlled by" and "under common control with," means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting stock, by contract, or otherwise. A person who is the owner of 20% or more of the outstanding voting stock of a corporation, partnership, unincorporated association or other entity shall be presumed to have control of such entity, in the absence of proof by a preponderance of the evidence to the contrary. Notwithstanding the foregoing, a presumption of control shall not apply where such person holds voting stock, in good faith and not for the purpose of circumventing this Article IX, as an agent, bank, broker, nominee, custodian or trustee for one or more owners who do not individually or as a group have control of such entity.



(4) "interested stockholder" means any person (other than the Corporation or any direct or indirect majority-owned subsidiary of the Corporation) that (i) is the owner of 15% or more of the outstanding voting stock of the Corporation, or (ii) is an Affiliate or associate of the Corporation and was the owner of 15% or more of the outstanding voting stock of the Corporation at any time within the three-year period immediately prior to the date on which it is sought to be determined whether such person is an interested stockholder; and the Affiliates and associates of such person; but "interested stockholder" shall not include (a) (I) any Co-Founder, (II) any other Person in a Co-Founder's Permitted Ownership Group, (III) any related party of any of the foregoing or (IV) any permitted transferee of any of the foregoing or related party of such permitted transferee, or (b) any person whose ownership of shares in excess of the 15% limitation set forth herein is the result of any action taken solely by the Corporation; provided that in the case of clause (b), such person shall be an interested stockholder if thereafter such person acquires additional shares of voting stock of the Corporation, except as a result of further corporate action not caused, directly or indirectly, by such person. For the purpose of determining whether a person is an interested stockholder, the voting stock of the Corporation deemed to be outstanding shall include stock deemed to be owned by the person through application of the definition of "owner" below but shall not include any other unissued stock of the Corporation that may be issuable pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options, or otherwise.

(5) "owner," including the terms "own" and "owned," when used with respect to any stock, means a person that individually or with or through any of its Affiliates or associates:

(a) beneficially owns such stock, directly or indirectly; or

(b) has (i) the right to acquire such stock (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding, or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise; provided, however, that a person shall not be deemed the owner of stock tendered pursuant to a tender or exchange offer made by such person or any of such person's Affiliates or associates until such tendered stock is accepted for purchase or exchange; or (ii) the right to vote such stock pursuant to any agreement, arrangement or understanding; provided, however, that a person shall not be deemed the owner of any stock because of such person's right to vote such stock if the agreement, arrangement or understanding to vote such stock arises solely from a revocable proxy or consent given in response to a proxy or consent solicitation made to ten or more persons; or

(c) has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting (except voting pursuant to a revocable proxy or consent as described in item (b) of subsection (ii) above), or disposing of such stock with any other person that beneficially owns, or whose Affiliates or associates beneficially own, directly or indirectly, such stock.

(6) "permitted transferee" means, with respect to any person, any other person that (i) acquires (other than in connection with a registered public offering) voting stock of the Corporation from the such person or any of such person's respective related parties and (ii) is designated in writing by a Founder Member as a "permitted transferee."



(7) "person" means any individual, corporation, partnership, unincorporated association or other entity.

(8) "related party" means any affiliate or successor of such other person or any "group," or any member of any such group, to which such persons are a party under Rule 13d-5 of the Exchange Act.

(9) "stock" means, with respect to any corporation, capital stock and, with respect to any other entity, any equity.

(10) "voting stock" means stock of any class or series entitled to vote generally in the election of directors and, with respect to any entity that is not a

corporation, any equity interest entitled to vote generally in the election of the governing body of such entity. Every reference to a percentage of voting stock shall refer to such percentages of the votes of such voting stock.

**ARTICLE X.**

**Stockholder Matters**

A. Until the occurrence of a Triggering Event, any action required or permitted to be taken at any annual or special meeting of stockholders of the Corporation may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. From and after the occurrence of a Triggering Event, any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of such holders and may not be effected by any consent in writing by such holders.

B. Except as otherwise required by law and subject to the rights of the holders of any series of Preferred Stock, special meetings of the stockholders of the Corporation for any purpose or purposes may be called at any time only by or at the direction of the Board, the chair of the Board or the Chief Executive Officer of the Corporation. Business transacted at special meetings of stockholders shall be confined to the purpose or purposes stated in the notice of meeting.

C. No stockholder will be permitted to cumulate votes at any election of directors.

D. Advance notice of stockholder nominations for the election of directors of the Corporation and of business to be brought by stockholders before any meeting of stockholders of the Corporation shall be given in the manner provided in the By-Laws.

E. Any Person purchasing or otherwise acquiring any interest in any securities of the Corporation shall be deemed to have notice of and to have consented to the provisions of this Certificate of Incorporation.



**ARTICLE XI.**

**Exclusive Forums**

A. Unless the Corporation consents in writing to the selection of an alternative forum, and subject to applicable jurisdictional requirements, the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer, employee, agent or stockholder of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim arising pursuant to any provision of the DGCL, this Certificate of Incorporation or the By-Laws, or (iv) any action asserting a claim governed by the internal affairs doctrine shall be the Court of Chancery of the State of Delaware (or, if the Court of Chancery of the State of Delaware lacks jurisdiction over such action or proceeding, then another state court of the State of Delaware or, if no state court of the State of Delaware has jurisdiction, then the United States District Court for the District of Delaware). This Article XI.A shall not apply to claims arising under the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, or other federal securities laws for which there is exclusive federal or concurrent federal and state jurisdiction.

B. Unless the Corporation consents in writing to the selection of an alternative forum, the federal district courts of the United States of America shall, to the fullest extent permitted by law, be the sole and exclusive forum for the resolution of any complaint, action, suit or proceeding asserting a cause of action arising under the Securities Act of 1933, as amended.

* * * *

*[Signature appears on next page]*



**IN WITNESS WHEREOF**, the undersigned, being an authorized officer of the Corporation, has executed, signed and acknowledged this Certificate of Incorporation as of this ____ day of _____, 2021.

**CLEAR SECURE, INC.**

By: _____
Name:
Title:

*[Signature Page to Certificate of Incorporation]*

**FIRST AMENDED AND RESTATED**

**BY-LAWS**

**OF**

**CLEAR SECURE, INC.**

## ARTICLE I

## OFFICES

Section 1 **Registered Office.** The registered office of Clear Secure, Inc. (the "Corporation") shall be the office of the Corporation's registered agent in the State of Delaware or such other office of the Corporation in the State of Delaware as established from time to time by the board of directors of the Corporation (the "Board").

Section 2 **Other Offices.** The Corporation may also have offices at such other places, both within and without the State of Delaware, as the Board may from time to time determine or the business of the Corporation may require.

## ARTICLE II

## STOCKHOLDERS

Section 1 **Place of Meeting.** Meetings of stockholders may be held at such place, if any, either within or without the State of Delaware, or by means of remote communication, as may be designated by the Board.

Section 2 **Annual Meeting.**

(a) A meeting of stockholders for the election of directors and such other business as may be properly brought before the meeting in accordance with these First Amended and Restated By-Laws (these "By-Laws") shall be held annually at such date and time as may be designated by the Board from time to time.

(b) At an annual meeting of the stockholders, only business (other than business relating to the nomination or election of directors which is governed by ARTICLE III, Section 3) that has been properly brought before the stockholder meeting in accordance with the procedures set forth in this ARTICLE II, Section 2 shall be conducted. To be properly brought before a meeting of stockholders, such business must be brought before the meeting (i) by or at the direction of the Board or any committee thereof or (ii) by a stockholder who (A) was a stockholder of record of the Corporation when the notice required by this ARTICLE II, Section 2 is delivered to the Secretary of the Corporation and at the time of the meeting, (B) is entitled to vote at the meeting and (c) complies with the notice and other provisions of this ARTICLE II, Section 2. Subject to ARTICLE II, Section 2(l), and except with respect to nominations or elections of directors, which are governed by ARTICLE III, Section 3, ARTICLE II, Section 2(b)(ii) is the exclusive means by which a stockholder may bring business before a meeting of stockholders. Any business brought before a meeting in accordance with ARTICLE II, Section 2 is referred to as "Stockholder Business".

(c) Subject to ARTICLE II, Section 2(l), at any annual meeting of stockholders, all proposals of Stockholder Business must be made by timely written notice given by or on behalf of a stockholder of record of the Corporation (the "Notice of Business") and must otherwise be a proper matter for stockholder action. To be timely, the Notice of Business must be delivered personally or mailed to, and received at the executive office of the Corporation, addressed to the Secretary of the Corporation, by no earlier than 120 days and no later than 90 days before the first anniversary of the date of the prior year's annual meeting of stockholders; provided, however, that if (i) the annual meeting of stockholders is advanced by more than 30 days, or delayed by more than 60 days, from the first anniversary of the prior year's annual meeting of stockholders, (ii) no annual meeting was held during the prior year or (iii) in the case of the Corporation's first annual meeting of stockholders as a corporation with a class of equity security registered under the Securities Exchange Act of 1934 (the "Exchange Act"), the notice by the stockholder to be timely must be received (A) no earlier than 120 days before such annual meeting and (B) no later than the later of 90 days before such annual meeting and the tenth day after the day on which the notice of such annual meeting was first made by mail or Public Disclosure. In no event shall an adjournment, postponement or deferral, or Public Disclosure of an adjournment, postponement or deferral, of a stockholder meeting commence a new time period (or extend any time period) for the giving of the Notice of Business.

(d) The Notice of Business must set forth:

(i) the name and record address of each stockholder proposing Stockholder Business (the "Proponent"), as they appear on the Corporation's books;

(ii) the name and address of any Stockholder Associated Person;

(iii) as to each Proponent and any Stockholder Associated Person, (A) the class or series and number of shares of stock directly or indirectly held of record and beneficially owned by the Proponent or Stockholder Associated Person, (B) the date such shares of stock were acquired, (C) a description of any agreement, arrangement or understanding, direct or indirect, with respect to such Stockholder Business between or among the Proponent, any Stockholder Associated Person or any others (including their names) acting in concert with any of the foregoing, (D) a description of any agreement, arrangement or understanding (including any derivative or short positions, profit interests, options, hedging transactions and borrowed or loaned shares) that has been entered into, directly or indirectly, by the Proponent or any Stockholder Associated Person and that remains in effect, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of the Proponent or any Stockholder Associated Person with respect to shares of stock of the Corporation (a "Derivative") and (E) a description in reasonable detail of any proxy (including revocable proxies), contract, arrangement, understanding or other relationship pursuant to which the Proponent or any Stockholder Associated Person has a right to vote any shares of stock of the Corporation. The information specified in ARTICLE II, Section 2(d)(i) to (iii) is referred to herein as "Stockholder Information";



(iv) a representation that each Proponent is a holder of record of stock of the Corporation entitled to vote at the meeting and intends

to appear in person or by proxy at the meeting to propose such Stockholder Business;

(v) a brief description of the Stockholder Business desired to be brought before the annual meeting, the text of the proposal (including the text of any resolutions proposed for consideration and, if such business includes a proposal to amend the By-Laws, the language of the proposed amendment) and the reasons for conducting such Stockholder Business at the meeting;

(vi) any material interest of each Proponent and any Stockholder Associated Person in such Stockholder Business;

(vii) a representation as to whether the Proponent intends (A) to deliver a proxy statement and form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt such Stockholder Business or (B) otherwise to solicit proxies from stockholders in support of such Stockholder Business;

(viii) all other information that would be required to be filed with the U.S. Securities and Exchange Commission (SEC") if the Proponents or Stockholder Associated Persons were participants in a solicitation subject to Section 14 of the Exchange Act; and

(ix) a representation that the Proponents shall provide any other information reasonably requested by the Corporation.

(e) The Proponents shall also provide any other information reasonably requested from time to time by the Corporation within ten business days after each such request.

(f) In addition, the Proponent shall affirm as true and correct the information provided to the Corporation in the Notice of Business or at the Corporation's request pursuant to ARTICLE II, Section 2(e) (and shall update or supplement such information as needed so that such information shall be true and correct) as of (i) the record date for the meeting, (ii) the date that is ten calendar days before the first anniversary date of the Corporation's proxy statement released to stockholders in connection with the previous year's annual meeting and (iii) the date that is ten business days before the meeting and, if applicable, before reconvening any adjournment or postponement thereof. Such affirmation, update and/or supplement must be delivered personally or mailed to, and received at the executive office of the Corporation, addressed to the Secretary of the Corporation, by no later than (x) five business days after the applicable date specified in clause (i) or (ii) of the foregoing sentence (in the case of the affirmation, update and/or supplement required to be made as of those dates), and (y) not later than seven business days before the date for the meeting (in the case of the affirmation, update and/or supplement required to be made as of ten business days before the meeting or reconvening any adjournment or postponement thereof).

(g) The person presiding over the meeting shall, if the facts warrant, determine and declare to the meeting, that business was not properly brought before the meeting in accordance with the procedures set forth in this ARTICLE II, Section 2. Any such business not properly brought before the meeting shall not be transacted.



(h) If the Proponent (or a qualified representative of the Proponent) does not appear at the meeting of stockholders to present the Stockholder Business such business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this ARTICLE II, Section 2, to be considered a qualified representative of the Proponent, a person must be a duly authorized officer, manager or partner of such stockholder or must be authorized by a writing executed by such Stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders.

(i) "Public Disclosure" of any date or other information means disclosure thereof by a press release reported by the Dow Jones News Services, Associated Press or comparable U.S. national news service or in a document publicly filed by the Corporation with the SEC pursuant to Sections 13, 14 or 15(d) of the Exchange Act.

(j) "Stockholder Associated Person" means with respect to any stockholder, (i) any other beneficial owner of stock of the Corporation that is owned by such stockholder and (ii) any person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the stockholder or such beneficial owner.

(k) "Control," including the terms "controlling," "controlled by" and "under common control with," means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting stock, by contract, or otherwise. A person who is the owner of 20% or more of the outstanding voting stock of a corporation, partnership, unincorporated association or other entity shall be presumed to have control of such entity, in the absence of proof by a preponderance of the evidence to the contrary. Notwithstanding the foregoing, a presumption of control shall not apply where such person holds voting stock, in good faith and not for the purpose of circumventing Article X of the Certificate of Incorporation of the Corporation, as amended from time to time (the "Certificate of Incorporation"), as an agent, bank, broker, nominee, custodian or trustee for one or more owners who do not individually or as a group have control of such entity.

(l) The notice requirements of this ARTICLE II, Section 2 shall be deemed satisfied with respect to stockholder proposals that have been properly brought under Rule 14a-8 of the Exchange Act and that are included in a proxy statement that has been prepared by the Corporation to solicit proxies for such annual meeting. Further, nothing in this ARTICLE II, Section 2 shall be deemed to affect any rights of the holders of any series of preferred stock of the Corporation pursuant to any applicable provision of the Certificate of Incorporation.



Section 3 **Special Meetings.** Special meetings of the stockholders may be called only by the Chair of the Board, a majority of members of the Board then in office or the Chief Executive Officer. Business transacted at any special meeting of the stockholders shall be limited to the purposes stated in the notice.

Section 4 **Record Date.**

(a) For the purpose of determining the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, unless otherwise required by the Certificate of Incorporation or applicable law, the Board may fix a record date (the "Notice Record Date"), which record date shall not precede the date on which the resolution fixing the record date was adopted by the Board and shall not be more than 60 or less than ten days before the date of such meeting. The Notice Record Date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board determines, at the time it fixes such Notice Record Date, that a later date on or before the date of the meeting shall be the date for making such determination (the "Voting Record Date"). Subject to ARTICLE II, Section 12, for the purposes of determining the stockholders entitled to express consent to corporate action in writing without a meeting, unless otherwise required by the Certificate of Incorporation or applicable law, the Board may fix a record date, which record date shall not precede the date on which the resolution fixing the record date was adopted by the

Board and shall not be more than ten days after the date on which the record date was fixed by the Board. For the purposes of determining the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights, exercise any rights in respect of any change, conversion or exchange of stock or take any other lawful action, unless otherwise required by the Certificate of Incorporation or applicable law, the Board may fix a record date, which record date shall not precede the date on which the resolution fixing the record date was adopted by the Board and shall not be more than 60 days prior to such action.

(b) Subject to ARTICLE II, Section 12, if no such record date is fixed by the Board:

(i) The record date for determining stockholders entitled to notice of and to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held;

(ii) The record date for determining stockholders entitled to express consent to corporate action in writing without a meeting (when permitted by, and unless otherwise provided in, the Certificate of Incorporation), when no prior action by the Board is required by applicable law, shall be the first day on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation in accordance with applicable law; and when prior action by the Board is required by applicable law, the record date for determining stockholders entitled to express consent to corporate action in writing without a meeting shall be at the close of business on the date on which the Board takes such prior action; and



(iii) The record date for the purposes of determining the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights, exercise any rights in respect of any change, conversion or exchange of stock or take any other lawful action shall be at the close of business on the day on which the Board adopts the resolution relating thereto.

(c) When a determination of stockholders of record entitled to notice of or to vote at any meeting of stockholders has been made as provided in this ARTICLE II, Section 4, such determination shall apply to any adjournment thereof, unless the Board fixes a new Voting Record Date for the adjourned meeting, in which case the Board shall also fix such Voting Record Date or a date earlier than such date as the new Notice Record Date for the adjourned meeting.

Section 5 **Notice of Meetings of Stockholders.** Whenever under the provisions of applicable law, the Certificate of Incorporation or these By-laws, stockholders are required or permitted to take any action at a meeting, a notice of the meeting in the form of a writing or electronic transmission shall be given stating the place, if any, date and hour of the meeting, the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, the Notice Record Date and the Voting Record Date, if such date is different from the Notice Record Date, and, in the case of a special meeting, the purposes for which the meeting is called. Unless otherwise provided by these By-laws or applicable law, notice of any meeting shall be given, not less than ten nor more than 60 days before the date of the meeting, to each stockholder entitled to vote at such meeting as of the Notice Record Date. If mailed, such notice shall be deemed to be given when deposited in the U.S. mail, with postage prepaid, directed to the stockholder at his or her address as it appears on the records of the Corporation. If given by electronic mail, such notice shall be deemed to be given when directed to such stockholder's electronic mail address unless the stockholder has notified the Corporation in writing or by electronic transmission of an objection to receiving notice by electronic mail or such notice is prohibited pursuant to the terms of the Delaware General Corporation Law (as amended from time to time, the "DGCL"). A notice by electronic mail must include a prominent legend that the communication is an important notice regarding the Corporation. An affidavit of the Secretary or the transfer agent of the Corporation that the notice required by this ARTICLE II, Section 5 has been given shall, in the absence of fraud, be prima facie evidence of the facts stated therein. If a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place, if any, thereof, and the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken. Any business that might have been transacted at the meeting as originally called may be transacted at the adjourned meeting. If, however, the adjournment is for more than 30 days, or if after the adjournment a new Notice Record Date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new Voting Record Date is fixed for the adjourned meeting, the Board shall fix a new Notice Record Date in accordance with ARTICLE II, Section 4(c) hereof and shall give notice of such adjourned meeting to each stockholder entitled to vote at such meeting as of the Notice Record Date.



Section 6 **Waivers of Notice**. Whenever the giving of any notice to stockholders is required by applicable law, the Certificate of Incorporation or these By-laws, a written waiver, signed by the stockholder entitled to notice, or a waiver by electronic transmission by such stockholder, whether before or after the event as to which such notice is required, shall be deemed equivalent to notice. Attendance by a stockholder at a meeting shall constitute a waiver of notice of such meeting except when the stockholder attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the ground that the meeting has not been lawfully called or convened. Neither the business to be transacted at, nor the purposes of, any regular or special meeting of the stockholders need be specified in any waiver of notice.

Section 7 **List of Stockholders**. The Secretary shall prepare and make, at least ten days before every meeting of stockholders, a complete, alphabetical list of the stockholders entitled to vote at the meeting, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list may be examined by any stockholder, at the stockholder's expense, for any purpose germane to the meeting, for a period of at least ten days prior to the meeting, during ordinary business hours at the principal place of business of the Corporation or on a reasonably accessible electronic network as provided by applicable law. If the meeting is to be held at a place, the list shall also be produced and kept at the time and place of the meeting during the whole time thereof and may be inspected by any stockholder who is present. If the meeting is held solely by means of remote communication, the list shall also be open for inspection as provided by applicable law. Except as provided by applicable law, the stock ledger shall be the only evidence as to who are the stockholders entitled to examine the list of stockholders or to vote in person or by proxy at any meeting of stockholders.

Section 8 **Quorum of Stockholders; Adjournment**. Except as otherwise provided by these By-laws, at each meeting of stockholders, the presence in person or represented by proxy of the holders of a majority of the voting power of all outstanding shares of stock entitled to vote at the meeting of stockholders shall constitute a quorum for the transaction of any business at such meeting. In the absence of a quorum, the person presiding over the meeting in accordance with ARTICLE II, Section 11 or, in the absence of such person, the holders of a majority of the voting power of the shares of stock present in person or represented by proxy at any meeting of stockholders, including an adjourned meeting, may adjourn such meeting to another time or place. Shares of its own stock belonging to the Corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly, by the Corporation, shall neither be entitled to vote nor be counted for quorum purposes; provided, however, that the foregoing shall not limit the right of the Corporation to vote stock, including but not limited to its own stock, held by it in a fiduciary capacity.

Section 9 **Voting; Proxies**. At any meeting of stockholders, all matters other than the election of directors, except as otherwise provided by the Certificate of Incorporation, these By-laws or any applicable law, shall be decided by the affirmative vote of a majority of the voting power of shares of stock present in person or represented by proxy and entitled to vote thereon. At all meetings of stockholders at which directors are to be elected and a quorum is present, a plurality of the votes cast by stockholders entitled to vote for the election of such directors shall be sufficient to elect such directors. Each stockholder entitled to vote at a meeting of stockholders may authorize another person or persons to act for such stockholder by proxy but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer

period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only so long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy that is not irrevocable by attending the meeting and voting in person or by delivering to the Secretary a revocation of the proxy or by delivering a new duly authorized proxy bearing a later date.



Section 10 **Voting Procedures and Inspectors at Meetings of Stockholders**. The Board, in advance of any meeting of stockholders, shall appoint one or more inspectors, who may be employees of the Corporation, to act at the meeting and make a written report thereof. The Board may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall (a) ascertain the number of shares outstanding and the voting power of each, (b) determine the shares represented at the meeting and the validity of proxies and ballots, (c) count all votes and ballots, (d) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors and (e) certify their determination of the number of shares represented at the meeting and their count of all votes and ballots. The inspectors may appoint or retain other persons or entities to assist the inspectors in the performance of their duties. Unless otherwise provided by the Board, the date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be determined by the person presiding at the meeting and shall be announced at the meeting. No ballot, proxies, votes or any revocation thereof or change thereto shall be accepted by the inspectors after the closing of the polls unless the Court of Chancery of the State of Delaware upon application by a stockholder shall determine otherwise. In determining the validity and counting of proxies and ballots cast at any meeting of stockholders, the inspectors may consider such information as is permitted by applicable law. No person who is a candidate for office at an election may serve as an inspector at such election.

Section 11 **Conduct of Meetings; Adjournment**. The Board may adopt such rules and procedures for the conduct of stockholder meetings as it deems appropriate. At each meeting of stockholders, any officer of the Corporation designated by the Board or, in the absence of such person, the Chief Executive Officer or, in the absence of the Chief Executive Officer, the Chair shall preside over the meeting. Except to the extent inconsistent with the rules and procedures as adopted by the Board, the person presiding over the meeting of stockholders shall have the right and authority to convene, adjourn and reconvene the meeting from time to time, to prescribe such additional rules and procedures and to do all such acts as, in the judgment of such person, are appropriate for the proper conduct of the meeting. Such rules and procedures, whether adopted by the Board or prescribed by the person presiding over the meeting, may include (a) the establishment of an agenda or order of business for the meeting, (b) rules and procedures for maintaining order at the meeting and the safety of those present, (c) limitations on attendance at or participation in the meeting to stockholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as the person presiding over the meeting shall determine, (d) restrictions on entry to the meeting after the time fixed for the commencement thereof and (e) limitations on the time allotted to questions or comments by participants. Subject to any prior, contrary determination by the Board, the person presiding over any meeting of stockholders, in addition to making any other determinations that may be appropriate to the conduct of the meeting, may determine and declare to the meeting that a matter or business was not properly brought before the meeting and any such matter or business not properly brought before the meeting shall not be transacted or considered. Unless and to the extent determined by the Board or the person presiding over the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure. The Secretary shall act as secretary of the meeting. If none of the officers above designated to act as the person presiding over the meeting or as secretary of the meeting shall be present, a person presiding over the meeting or a secretary of the meeting, as the case may be, shall be designated by the Board and, if the Board has not so acted, in the case of the designation of a person to act as secretary of the meeting, designated by the person presiding over the meeting.



Section 12 Remote Meetings. If authorized by the Board in its sole discretion, and subject to such guidelines and procedures as the Board may adopt, stockholders and proxyholders not physically present at a meeting of stockholders may, by means of remote communication:

(a) participate in a meeting of stockholders; and

(b) be deemed present in person and vote at a meeting of stockholders whether such meeting is to be held at a designated place or solely by means of remote communication; provided, that (i) the Corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or proxyholder, (ii) the Corporation shall implement reasonable measures to provide such stockholders and proxyholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the stockholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings, and (iii) if any stockholder or proxyholder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action shall be maintained by the Corporation.

## ARTICLE III

## DIRECTORS

Section 1 **Power; Number and Tenure.** The business and affairs of the Corporation shall be managed by the Board, the number thereof to be determined in accordance with the Certificate of Incorporation. The Board may adopt such rules and procedures, not inconsistent with the Certificate of Incorporation, these By-Laws or applicable law, as it may deem proper for the conduct of its meetings and the management of the Corporation.

Section 2 **Election; Resignation.** Directors shall be elected for such terms and in accordance with the Certificate of Incorporation and applicable law. Each director shall hold office until such director's successor is duly elected and qualified, or until such director's earlier death, resignation, disqualification or removal. Any director may resign at any time by giving notice in writing or by electronic transmission thereof to the Corporation. The resignation of any director shall be effective when the resignation is delivered, unless the resignation specifies a later effective date or an effective date determined upon the happening of an event or events; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.



Section 3 **Nominations of Directors.**

(a) Subject to ARTICLE III, Section 3(k), only persons who are nominated in accordance with the procedures set forth in this ARTICLE III, Section 3 are eligible for election as directors.

(b) Director nominations may only be made at a meeting properly called for the election of directors and only (i) by or at the direction of the

Board or any committee thereof or (ii) by a stockholder who (A) was a stockholder of record of the Corporation when the notice required by this ARTICLE III, Section 3 is delivered to the Secretary of the Corporation and at the time of the meeting, (B) is entitled to vote for the election of directors at the meeting and (C) complies with the notice and other provisions of this ARTICLE III, Section 3. Subject to ARTICLE III, Section 3(k), ARTICLE III, Section 3(b)(ii) is the exclusive means by which a stockholder may nominate a person for election to the Board. Persons nominated in accordance with ARTICLE III, Section 3(b)(ii) are referred to as "Stockholder Nominees". A stockholder nominating a director for election to the Board is referred to as the "Nominating Stockholder".

(c) Subject to ARTICLE III, Section 3(k), all nominations of Stockholder Nominees must be made by timely written notice given by or on behalf of a stockholder of record of the Corporation (the "Notice of Nomination"). To be timely, the Notice of Nomination must be delivered personally or mailed to and received at the executive office of the Corporation, addressed to the attention of the Secretary of the Corporation, by the following dates:

(i) in the case of the nomination of a Stockholder Nominee for election to the Board at an annual meeting of stockholders, no earlier than 120 days and no later than 90 days before the first anniversary of the date of the prior year's annual meeting of stockholders; provided, however, that if (A) the annual meeting of stockholders is advanced by more than 30 days, or delayed by more than 60 days, from the first anniversary of the prior year's annual meeting of stockholders, (B) no annual meeting was held during the prior year or (C) in the case of the Corporation's first annual meeting of stockholders as a corporation with a class of equity security registered under the Exchange Act, the notice by the stockholder to be timely must be received (1) no earlier than 120 days before such annual meeting and (2) no later than the later of 90 days before such annual meeting and the tenth day after the day on which the notice of such annual meeting was first made by mail or Public Disclosure, and

(ii) in the case of the nomination of a Stockholder Nominee for election to the Board at a special meeting of stockholders, no earlier than 120 days before and no later than the later of 90 days before such special meeting and the tenth day after the day on which the notice of such special meeting was first made by mail or Public Disclosure.



(d) Notwithstanding anything to the contrary, if the number of directors to be elected to the Board at a meeting of stockholders is increased and there is no Public Disclosure by the Corporation naming the nominees for the additional directorships at least 100 days before the first anniversary of the preceding year's annual meeting, a Notice of Nomination shall also be considered timely, but only with respect to nominees for the additional directorships, if it shall be delivered personally and received at the executive office of the Corporation, addressed to the attention of the Secretary of the Corporation, no later than the close of business on the tenth day following the day on which such Public Disclosure is first made by the Corporation.

(e) In no event shall an adjournment, postponement or deferral, or Public Disclosure of an adjournment, postponement or deferral, of an annual or special meeting commence a new time period (or extend any time period) for the giving of the Notice of Nomination.

(f) The Notice of Nomination shall set forth:

(i) the Stockholder Information with respect to each Nominating Stockholder and Stockholder Associated Person (except that references to the "Proponent" in ARTICLE II, Section 2(d)(i) to (iii) shall instead refer to the "Nominating Stockholder," and the disclosure required by ARTICLE II, Section 2(d)(iii)(C) may be omitted, for purposes of this ARTICLE III, Section 3(f)(i));

(ii) a representation that each Nominating Stockholder is a holder of record of stock of the Corporation entitled to vote at the meeting and intends to appear in person or by proxy at the meeting to propose such nomination;

(iii) all information regarding each Stockholder Nominee and Stockholder Associated Person that would be required to be disclosed in a solicitation of proxies subject to Section 14 of the Exchange Act, the written consent of each Stockholder Nominee to being named in a proxy statement as a nominee and to serve if elected and a completed signed questionnaire, representation and agreement required by ARTICLE III, Section 4;

(iv) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among a Nominating Stockholder, Stockholder Associated Person or their respective associates, or others acting in concert therewith, including all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K if the Nominating Stockholder, Stockholder Associated Person or any person acting in concert therewith, were the "registrant" for purposes of such rule and the Stockholder Nominee were a director or executive of such registrant;

(v) a representation as to whether the Nominating Stockholders intends (A) to deliver a proxy statement and form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve the nomination or (B) otherwise to solicit proxies from stockholders in support of such nomination;



(vi) all other information that would be required to be filed with the SEC if the Nominating Stockholders and Stockholder Associated Person were participants in a solicitation subject to Section 14 of the Exchange Act; and

(vii) a representation that the Nominating Stockholders shall provide any other information reasonably requested by the Corporation.

(g) The Nominating Stockholders shall also provide any other information reasonably requested from time to time by the Corporation within ten business days after each such request.

(h) In addition, the Nominating Stockholder shall affirm as true and correct the information provided to the Corporation in the Notice of Nomination or at the Corporation's request pursuant to ARTICLE III, Section 3(g) (and shall update or supplement such information as needed so that such information shall be true and correct) as of (i) the record date for the meeting, (ii) the date that is ten calendar days before the first anniversary date of the Corporation's proxy statement released to stockholders in connection with the previous year's annual meeting (in the case of an annual meeting) or 50 days before the date of the meeting (in the case of a special meeting) and (iii) the date that is ten business days before the date of the meeting or any adjournment or postponement thereof. Such affirmation, update and/or supplement must be delivered personally or mailed to, and received at the executive office of the Corporation, addressed to the Secretary of the Corporation, by no later than (1) five business days after the applicable date specified in clause (i) or (ii) of the foregoing sentence (in the case of the affirmation, update and/or supplement required to be made as of those dates), and (2) not later than seven business days before the date for the meeting (in the case of the affirmation, update and/or supplement required to be made as of ten business days before the meeting or reconvening any adjournment or postponement thereof).

(i) The person presiding over the meeting shall, if the facts warrant, determine and declare to the meeting, that the nomination was not

made in accordance with the procedures set forth in this ARTICLE III, Section 3. Any such defective nomination shall be disregarded.

(j) If the Nominating Stockholder (or a qualified representative of the Nominating Stockholder) does not appear at the applicable stockholder meeting to nominate the Stockholder Nominees, such nomination shall be disregarded and such Stockholder Nominees shall not be qualified for election as Directors, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this ARTICLE III, Section 3, to be considered a qualified representative of the Nominating Stockholder, a person must be a duly authorized officer, manager or partner of such Nominating Stockholder or must be authorized by a writing executed by such Nominating Stockholder or an electronic transmission delivered by such Nominating Stockholder to act for such Nominating Stockholder as proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders.

(k) Nothing in this ARTICLE III, Section 3 shall be deemed to affect any rights of the holders of any series of preferred stock of the Corporation pursuant to any applicable provision of the Certificate of Incorporation.



Section 4 **Nominee Qualifications.** To be eligible to be a nominee for election or reelection as a director, the nominee must deliver (in accordance with the time periods prescribed for delivery of a Notice of Nomination under ARTICLE III, Section 3 (in the case of a Stockholder Nominee) or in accordance with any time periods required from time to time by any policy of the Board or Corporation generally applicable to all Directors (in the case of a person nominated by or at the direction of the Board or any committee thereof)) to the Secretary of the Corporation at the executive office of the Corporation (a) a completed and signed written questionnaire (in the form provided by the Secretary upon written request) with respect to the background and qualification of such person and the background of any other person or entity on whose behalf the nomination is being made, (b) information as necessary to permit the Board to determine if each such nominee (i) is independent under applicable listing standards, any applicable rules of the SEC and any publicly disclosed standards used by the Board in determining and disclosing the independence of the directors, (ii) is not or has not been, within the past three years, an officer or director of a competitor, as defined in Section 8 of the Clayton Antitrust Act of 1914, as amended, or (iii) is not a named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses) or has been convicted in a criminal proceeding within the past ten years, (c) a written representation and agreement (in the form provided by the Secretary of the Corporation upon written request) that such person (i) is not and will not become a party to (A) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person will act or vote as a Director on any issue or question (a "Voting Commitment") that has not been disclosed to the Corporation or (B) any Voting Commitment that could limit or interfere with such person's ability to comply with such person's fiduciary duties as a Director under applicable law, (ii) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed to the Corporation, (iii) will comply with all applicable publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading and other policies and guidelines of the Corporation that are applicable to directors and (iv) currently intends to serve as a director for the full term for which he or she is standing for election and (d) such person's written consent to being named as a nominee for election of a Director and to serving as a Director if elected.

Section 5 **Vacancies**. Any vacancy occurring on the Board shall be filled in the manner prescribed in the Certificate of Incorporation.

Section 6 **Regular Meetings.** Regular meetings of the Board shall be held at such dates, times and places as may be designated by the Chair of the Board or a majority of the members of the Board then in office. Notice of regular meetings need not be given if the date, times and places thereof are fixed by resolution of the Board.



Section 7 **Special Meetings**. Special meetings of the Board may be called by or at the request of the Chair of the Board, the Chief Executive Officer or a majority of the members of the Board then in office. The person or persons calling a special meeting of the Board may fix a place and time within or without the State of Delaware for holding such meeting.

Section 8 **Notice.** Notice of any regular meeting or special meeting shall be given to each director, either orally, by facsimile or other means of electronic communication or by hand delivery, addressed to each director at his or her address as it appears on the records of the Corporation. If notice be by facsimile or other means of electronic communication, such notice shall be deemed to be adequately delivered when the notice is transmitted at least 24 hours before such meeting. If by telephone or by hand delivery, the notice shall be given at least 24 hours prior to the time set for the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice of such meeting.

Section 9 **Waiver of Notice**. Whenever the giving of any notice to directors is required by applicable law, the Certificate of Incorporation or these By-laws, a written waiver signed by the director, or a waiver by electronic transmission by such director, whether before or after such notice is required, shall be deemed equivalent to notice. Attendance by a director at a meeting shall constitute a waiver of notice of such meeting except when the director attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the ground that the meeting was not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special Board or Directors or committee meeting need be specified in any waiver of notice.

Section 10 **Organization**. At each meeting of the Board, the Chair or, in his or her absence, another Director selected by the Board shall preside. The Secretary shall act as secretary at each meeting of the Board. If the Secretary is absent from any meeting of the Board, the person presiding at the meeting may appoint any person to act as secretary of the meeting.

Section 11 **Quorum.** At all meetings of the Board, a majority of the total number of directors then in office shall constitute a quorum for the transaction of business; provided, however, that in no case shall a quorum consist of less than one-third of the total number of directors that the Corporation would have if there were no vacancies on the Board or unfilled newly-created directorships.

Section 12 **Adjourned Meetings**. A majority of the directors present at any meeting of the Board, including an adjourned meeting, whether or not a quorum is present, may adjourn and reconvene such meeting to another time and place. Notice of any adjourned meeting of the Board shall be given to each director whether or not present at the time of the adjournment; provided, however, that notice of the adjourned meeting need not be given if (a) the adjournment is for 24 hours or less and (b) the time, place, if any, and means of remote communication, if any, are announced at the meeting at which the adjournment is taken. Any business may be transacted at an adjourned meeting that might have been transacted at the meeting as originally called.



Section 13 **Action by Majority Vote**. Except as otherwise expressly required by these By-laws or the Certificate of Incorporation, the vote of a majority of the

directors present at a meeting at which a quorum is present shall be the act of the Board.

Section 14 **Action Without Meeting.** Any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting if all members of the Board or such committee, as the case may be, consent thereto in writing or by electronic communication and such written consent or consents and copies of such communication or communications are filed with the minutes of proceedings of the Board or committee.

Section 15 **Action by Conference Telephone.** Members of the Board or any committee thereof may participate in a meeting of such Board or committee by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other at the same time, and such participation in a meeting shall constitute presence in person at such meeting.

Section 16 **Committees.** The Board may from time to time designate one or more committees of the Board in accordance with Section 141(c) of the DGCL. Unless the Board provides otherwise, at all meetings of such committee, a majority of the then authorized number of members of the committee shall constitute a quorum for the transaction of business, and the vote of a majority of the members of the committee present at any meeting at which there is a quorum shall be the act of the committee. Each committee shall keep regular minutes of its meetings. Unless the Board provides otherwise, each committee designated by the Board may make, alter and repeal rules and procedures for the conduct of its business. In the absence of such rules and procedures each committee shall conduct its business in the same manner as the Board conducts its business pursuant to this ARTICLE III.

Section 17 **Chair of the Board.** The Corporation may have, at the discretion of the Board, a Chair of the Board who shall be elected by the Board from their own numbers and shall preside as Chair at all meetings of the stockholders and of the Board. The Chair shall have such other powers and duties as provided in these By-laws and as the Board may from time to time prescribe.

## ARTICLE IV

## OFFICERS

Section 1 **Positions; Election.** The elected officers of the Corporation shall be chosen by the Board and may include a Chief Executive Officer, a President, a Chief Financial Officer, and a Secretary, all of whom shall be elected by the Board. All officers elected by the Board shall each have such powers and duties as generally pertain to their respective offices, subject to the specific provisions of this ARTICLE IV. Such officers shall also have such powers and duties as from time to time may be conferred by the Board or by any committee thereof. In addition, the Board or any committee thereof may from time to time elect, or the Chief Executive Officer may appoint, such other officers (including one or more Vice Presidents, Assistant Secretaries, Treasurers and Controllers) and such agents, as may be necessary or desirable for the conduct of the business of the Corporation. Any number of offices may be held by the same person. Such other officers and agents shall have such duties and shall hold their offices for such terms as shall be provided in these By-Laws or as may be prescribed by the Board or such committee or by the Chief Executive Officer, as the case may be.



Section 2 **Term of Office; Resignation; Removal.** Each officer of the Corporation shall hold office until such officer's successor is elected by the Board or until such officer's earlier death, resignation or removal. Any officer may resign at any time upon written notice to the Corporation. Such resignation shall take effect at the time of receipt of such notice or at such later time, or at such later time determined upon the happening of an event, as is therein specified. The resignation of an officer shall be without prejudice to the contract rights of the Corporation, if any. Any officer may be removed at any time with or without cause by the Board. Any vacancy occurring in any office of the Corporation may be filled by the Board. The election or appointment of an officer shall not of itself create contract rights.

Section 3 **Chief Executive Officer.** The Chief Executive Officer shall have general supervision over the business of the Corporation and other duties incident to the office of Chief Executive Officer, and any other duties as may from time to time be assigned to the Chief Executive Officer by the Board and subject to the control of the Board in each case.

Section 4 **President.** The President shall act in a general executive capacity and shall assist the Chief Executive Officer in the administration and operation of the Corporation's business and general supervision of its policies and affairs and shall, in general, perform all duties incident to the office of President of a corporation and such other duties as may from time to time be assigned to the President by the Board or the Chief Executive Officer.

Section 5 **Chief Financial Officer.** The Chief Financial Officer shall act in an executive financial capacity. The Chief Financial Officer shall assist the Chief Executive Officer and the President in the general supervision of the Corporation's financial policies and affairs. The Chief Financial Officer shall, in general, perform all duties incident to the office of Chief Financial Officer of a corporation and such other duties as may from time to time be assigned to the Chief Financial Officer by the Board or the Chief Executive Officer.

Section 6 **Secretary.** The Secretary shall record all the proceedings of the meetings of the Board and of the stockholders in a book to be kept for that purpose and perform like duties for committees of the Board, when required. The Secretary shall give, or cause to be given, notice of all special meetings of the Board and all meetings of the stockholders and, in general, perform all duties incident to the office of secretary of a corporation and such other duties as may from time to time be assigned to the Secretary by the Board or the Chief Executive Officer.

Section 7 **Actions with Respect to Securities of Other Entities**. All stock and other securities of other entities owned or held by the Corporation for itself, or for other parties in any capacity, shall be voted (including by written consent), and all proxies with respect thereto shall be executed, by the person or persons authorized to do so by resolution of the Board or, in the absence of such authorization, by the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, the Secretary or the Treasurer. The authority granted herein may be exercised either by such person directly or by any other person authorized to do so by proxy or power of attorney duly executed by the person having such authority.



## ARTICLE V

## CERTIFICATES OF STOCK

Section 1 **Certificates Representing Shares.** The shares of stock of the Corporation shall be represented by certificates, provided that the Board may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares. If shares are represented by certificates (if any) such certificates shall be in the form approved by the Board. Every holder of stock represented by certificates shall be entitled to have a certificate signed by, or in the name of, the Corporation by any two authorized officers of the Corporation. Any or all such signatures may be facsimiles. Although any officer, transfer agent or registrar whose manual or facsimile signature is affixed to such a certificate ceases to be such officer, transfer agent or registrar before such certificate has been issued, it may nevertheless be issued by the

Corporation with the same effect as if such officer, transfer agent or registrar were still such at the date of its issue.

Section 2 **Transfer and Registry Agents**. The Corporation may from time to time maintain one or more transfer offices or agents and registry offices or agents at such place or places as may be determined from time to time by the Board.

Section 3 **Lost, Stolen or Destroyed Certificates**. The Corporation may issue a new certificate of stock in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the Corporation may require the owner of the lost, stolen or destroyed certificate or his legal representative to give the Corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

## ARTICLE VI

## GENERAL PROVISIONS

Section 1 **Fiscal Year**. The fiscal year of the Corporation shall be established by the Board.

Section 2 **Seal**. The Corporation may have a corporate seal, which shall be in such form as may be approved from time to time by the Board. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or otherwise reproduced.

Section 3 **Form of Records**. Any records administered by or on behalf of the Corporation in the regular course of its business, including its stock ledger, books of account, and minute books, may be kept on, or by means of, or be in the form of, any information storage device, method, or one or more electronic networks or databases (including one or more distributed electronic networks or databases); provided that the records so kept can be converted into clearly legible paper form within a reasonable time, and, with respect to the stock ledger, that the records so kept (i) can be used to prepare the list of stockholders specified in Sections 219 and 220 of the DGCL, (ii) record the information specified in Sections 156, 159, 217(a) and 218 of the DGCL and (iii) record transfers of stock as governed by Article 8 of the Uniform Commercial Code as enacted in the State of Delaware, 6 Del. C. §§8-101 et seq. The Corporation shall convert any records so kept into clearly legible paper form upon the request of any person entitled to inspect such records pursuant to any provision of the DGCL.



Section 4 **Conflict with Applicable Law or Certificate of Incorporation**. These By-laws are adopted subject to any applicable law and the Certificate of Incorporation. Whenever these By-laws may conflict with any applicable law or the Certificate of Incorporation, such conflict shall be resolved in favor of such law or the Certificate of Incorporation.

## ARTICLE VII

## AMENDMENTS

Any alteration, amendment or repeal of these By-Laws may be made in the manner provided by the Certificate of Incorporation and applicable law.

**INDEMNIFICATION AGREEMENT**

**by and between**

**CLEAR SECURE, INC.**

**and**

**as Indemnitee**

Dated as of [●], 2021

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**INDEMNIFICATION AGREEMENT**

INDEMNIFICATION AGREEMENT, dated effective as of [●], 2021 (this "Agreement"), by and between Clear Secure, Inc., a Delaware corporation (the "Company"), and [●] ("Indemnitee"). Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in Article 1.

WHEREAS, the Company desires to attract and retain the services of highly qualified individuals, such as Indemnitee, to serve the Company;

WHEREAS, in order to induce Indemnitee to provide or continue to provide services to the Company, the Company wishes to provide for the indemnification of, and advancement of expenses to, Indemnitee to the fullest extent permitted by law;

WHEREAS, the Company and Indemnitee further recognize the substantial increase in corporate litigation in general, subjecting directors, officers, employees, agents and fiduciaries to expensive litigation risks at the same time as the availability and scope of coverage of liability insurance provide increasing challenges for the Company;

WHEREAS, the Company's Second Amended and Restated Certificate of Incorporation (as the same may be amended and/or restated from time to time, the "Certificate of Incorporation") requires indemnification of the officers and directors of the Company, and Indemnitee may also be entitled to indemnification pursuant to applicable provisions of the Delaware General Corporation Law ("DGCL");

WHEREAS, the Certificate of Incorporation and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts providing for indemnification may be entered into between the Company and members of the board of directors of the Company (the "Board"), executive officers and other key employees of the Company;

WHEREAS, this Agreement is a supplement to and in furtherance of the Certificate of Incorporation and any resolutions adopted pursuant thereto and shall not be deemed a substitute therefor nor to diminish or abrogate any rights of Indemnitee thereunder (regardless of, among other things, any amendment to or revocation of governing documents or any change in the composition of the Board or any Corporate Transaction); and

WHEREAS, Indemnitee will serve or continue to serve as a director, officer or key employee of the Company for so long as Indemnitee is duly elected or appointed or until Indemnitee tenders his or her resignation or is otherwise terminated by the Company.

NOW, THEREFORE, in consideration of the promises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

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**ARTICLE 1**

**DEFINITIONS**

As used in this Agreement:

1.1. "Affiliate" shall have the meaning set forth in Rule 405 under the Securities Act of 1933, as amended (as in effect on the date hereof).

1.2. "Agreement" shall have the meaning set forth in the preamble.

1.3. "Beneficial Owner" and "Beneficial Ownership" shall have the meaning set forth in Rule 13d-3 under the Exchange Act (as in effect on the date hereof).

1.4. "Board" shall have the meaning set forth in the recitals.

1.5. "By-Laws" shall mean the Company's First Amended and Restated By-Laws (as the same may be amended and/or restated from time to time).

1.6. "Certificate of Incorporation" shall have the meaning set forth in the recitals.

1.7. "Change in Control" shall mean, and shall be deemed to occur upon the earliest to occur after the date of this Agreement of any of the following events:

(a) Acquisition of Stock by Third Party. Any Person other than a Permitted Holder is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company's then outstanding Voting Securities, unless (i) the change in the relative Beneficial Ownership of the Company's securities by any Person results solely from a reduction in the aggregate number of outstanding shares of securities entitled to vote generally in the election of directors or (ii) such acquisition was approved in advance by the Continuing Directors and such acquisition would not constitute a Change in Control under part (c) of this definition;

(b) Change in Board of Directors. Individuals who, as of the date hereof, constitute the Board, and any new director whose appointment or election by the Board or nomination for election by the Company's stockholders was approved or recommended by a vote of at least a majority of the directors then still in office who were directors on the date hereof or whose appointment, election or nomination for election was previously so approved or recommended by the directors referred to in this clause (b) (collectively, the "Continuing Directors"), cease for any reason to constitute at least a majority of the members of the Board;

(c) Corporate Transactions. The effective date of a reorganization, merger or consolidation of the Company (in each case, a "Corporate Transaction"), unless following such Corporate Transaction: (i) all or substantially all of the individuals and entities who were the Beneficial Owners of Voting Securities of the Company immediately prior to such Corporate Transaction beneficially own, directly or indirectly, more than 50% of the combined voting power of the then outstanding Voting Securities of the Company or other Person resulting from such Corporate Transaction (including, without limitation, a corporation or other Person that as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more Subsidiaries) in substantially the same proportions as their ownership of Voting Securities immediately prior to such Corporate Transaction; (ii) no Person (excluding any corporation resulting from such Corporate Transaction or the Permitted Holders) is the Beneficial Owner, directly or indirectly, of 50% or more of the combined voting power of the then outstanding Voting Securities of the Company or other Person resulting from such Corporate Transaction, except to the extent that such ownership existed prior to such Corporate Transaction; and (iii) at least a majority of the board of directors of the Company or other Person resulting from such Corporate Transaction were Continuing Directors at the time of the execution of the initial agreement, or of the action of the Board, providing for such Corporate Transaction; or



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(d) Other Events. The approval by the stockholders of the Company of a plan of complete liquidation or dissolution of the Company or the consummation of an agreement or series of related agreements for the sale or other disposition, directly or indirectly, by the Company of all or substantially all of the Company's assets, other than such sale or other disposition by the Company of all or substantially all of the Company's assets to a Person, at least 50% of the combined voting power of the Voting Securities of which are Beneficially Owned by (i) the stockholders of the Company immediately prior to such sale or (ii) the Permitted Holders.

1.8. "Company" shall have the meaning set forth in the preamble and shall also include, in addition to the resulting corporation or other entity, any constituent corporation (including, without limitation, any constituent of a constituent) absorbed in a consolidation or merger that, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents, so that if Indemnitee is or was a director,

officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, manager, managing member, employee or agent of another corporation, partnership, limited liability company, joint venture, trust or other enterprise, Indemnitee shall stand in the same position under the provisions of this Agreement with respect to the resulting or surviving corporation or other entity as Indemnitee would have with respect to such constituent corporation if its separate existence had continued.

1.9. "Continuing Directors" shall have the meaning set forth in Section 1.7(b).

1.10. "Corporate Status" shall describe the status as such of a person who is or was a director, officer, trustee, general partner, manager, managing member, fiduciary, employee or agent of the Company or of any other Enterprise which such person is or was serving at the request of the Company.



1.11. "Corporate Transaction" shall have the meaning set forth in Section 1.8(c).

1.12. "Delaware Court" shall mean the Court of Chancery of the State of Delaware.

1.13. "DGCL" shall have the meaning set forth in the recitals.

1.14. "Disinterested Director" shall mean a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

1.15. "Enterprise" shall mean the Company and any other corporation, constituent corporation (including, without limitation, any constituent of a constituent) absorbed in a consolidation or merger to which the Company (or any of its wholly owned Subsidiaries) is a party, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise of which Indemnitee is or was serving at the request of the Company as a director, officer, trustee, general partner, manager, managing member, fiduciary, employee or agent.

1.16. "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

1.17. "Expenses" shall include all reasonable and documented out-of-pocket costs, expenses and fees, including, but not limited to, attorneys' fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, settling or negotiating for the settlement of, responding to or objecting to a request to provide discovery in, or otherwise participating in, any Proceeding. Expenses also shall include expenses incurred in connection with any appeal resulting from any Proceeding, including, without limitation, the premium, security for, and other costs relating to any cost bond, supersedeas bond, or other appeal bond or its equivalent and any federal, state, local or foreign taxes imposed on the Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments, fines or penalties against Indemnitee.

1.18. "Indemnification Arrangements" shall have the meaning set forth in Section 15.2.

1.19. "Indemnitee" shall have the meaning set forth in the preamble.



1.20. "Indemnitee-Related Entities" shall mean any corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise (other than the Company, any other Enterprise controlled by the Company or the insurer under and pursuant to an insurance policy of the Company or any such controlled Enterprise) from whom an Indemnitee may be entitled to indemnification or advancement of expenses with respect to which, in whole or in part, the Company or any other Enterprise controlled by the Company may also have an indemnification or advancement obligation.

1.21. "Independent Counsel" shall mean a law firm, or a person admitted to practice law in any state of the United States or the District of Columbia who is a member of a law firm, that is of outstanding reputation, experienced in matters of corporation law and neither is as of the date of selection of such firm, nor has been during the period of three years immediately preceding the date of selection of such firm, retained to represent: (a) the Company or Indemnitee in any material matter (other than with respect to matters concerning Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements); or (b) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement. The Company agrees to pay the reasonable fees and expenses of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto. For purposes of this definition, a "material matter" shall mean any matter for which billings exceeded or are expected to exceed $100,000.

1.22. "Permitted Holder" shall mean Alclear Investments I, LLC and Alclear Investments II, LLC and their respective Affiliates and Related Parties.

1.23. "Person" shall have the meaning set forth in Sections 13(d) and 14(d) of the Exchange Act (as in effect on the date hereof); provided, however, that the term "Person" shall exclude: (a) the Company; (b) any Subsidiaries of the Company; and (c) any employee benefit plan of the Company or a Subsidiary of the Company or any trustee or other fiduciary holding securities under an employee benefit plan of the Company or of a Subsidiary of the Company or of a corporation or other entity owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

1.24. "Proceeding" shall include any threatened, pending or completed action, suit, arbitration, mediation, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened, pending or completed proceeding, including, without limitation, any and all appeals, whether brought by or in the right of the Company or otherwise and whether of a civil (including, without limitation, intentional or unintentional tort claims), criminal, administrative or investigative nature, whether formal or informal, in which Indemnitee was, is, will or might be involved as a party or otherwise by reason of the fact that Indemnitee is or was a director or officer or key employee of the Company, by reason of any action taken by or omission by Indemnitee, or of any action or omission on Indemnitee's part, while acting as a director or officer or key employee of the Company, or by reason of the fact that Indemnitee is or was serving at the request of the Company as a director, officer, trustee, general partner, managing member, fiduciary, employee or agent of any other Enterprise; in each case whether or not acting or serving in such capacity at the time any liability or expense is incurred for which indemnification, reimbursement or advancement of expenses can be provided under this Agreement or Section 145 of the DGCL; including any proceeding pending on or before the date of this

Agreement but excluding any proceeding initiated by Indemnitee to enforce Indemnitee's rights under this Agreement or Section 145 of the DGCL.



1.25. "Related Party" shall mean, with respect to any Person, (a) any controlling stockholder, controlling member, general partner, Subsidiary, spouse or immediate family member (in the case of an individual) of such Person, (b) any estate, trust, corporation, partnership or other entity, the beneficiaries, stockholders, partners or owners of which consist solely of one or more Permitted Holders and/or such other Persons referred to in the immediately preceding clause (a), or (c) any executor, administrator, trustee, manager, director or other similar fiduciary of any Person referred to in the immediately preceding clause (b), acting solely in such capacity.

1.26. "Section 409A" shall have the meaning set forth in Section 17.2.

1.27. "Subsidiary" with respect to any Person, shall mean any corporation or other entity of which a majority of the voting power of the voting equity securities or equity interest is owned, directly or indirectly, by that Person.

1.28. "Voting Securities" shall mean any securities of the Company (or a surviving entity as described in the definition of a "Change in Control") that vote generally in the election of directors (or similar body).

1.29. References to "fines" shall include any excise tax or penalty assessed on Indemnitee with respect to any employee benefit plan; references to "other enterprise" shall include employee benefit plans; references to "serving at the request of the Company" shall include, without limitation, any service as a director, officer, employee, agent or fiduciary of the Company which imposes duties on, or involves services by, such director, officer, employee, agent or fiduciary with respect to an employee benefit plan, its participants or beneficiaries; and if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan, Indemnitee shall be deemed to have acted in a manner "not opposed to the best interests of the Company" as referred to in this Agreement.



1.30. The phrase "to the fullest extent not prohibited by (and not merely to the extent affirmatively permitted by) applicable law" shall include, but not be limited to: (a) to the fullest extent authorized or permitted by the provision of the DGCL that authorizes or contemplates additional indemnification by agreement, or the corresponding provision of any amendment to or replacement of the DGCL and (b) to the fullest extent authorized or permitted by any amendments to or replacements of the DGCL adopted after the date of this Agreement that increase the extent to which a corporation may indemnify its officers and directors.

**ARTICLE 2**

**INDEMNITY IN THIRD-PARTY PROCEEDINGS**

Subject to Article 8, the Company shall indemnify, hold harmless and exonerate Indemnitee in accordance with the provisions of this Article 2 if Indemnitee is, was or is threatened to be made a party to or a participant in any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor. Subject to Article 8, to the fullest extent not prohibited by applicable law, Indemnitee shall be indemnified against all Expenses, judgments, fines, penalties and, subject to Section 10.3, amounts paid in settlement actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company and, in the case of a criminal Proceeding, had no reasonable cause to believe that such conduct was unlawful.

**ARTICLE 3**

**INDEMNITY IN PROCEEDINGS BY OR IN THE RIGHT OF THE COMPANY**

Subject to Article 8, the Company shall indemnify, hold harmless and exonerate Indemnitee in accordance with the provisions of this Article 3 if Indemnitee is, was or is threatened to be made a party to or a participant in any Proceeding by or in the right of the Company to procure a judgment in its favor. Subject to Article 8, to the fullest extent not prohibited by (and not merely to the extent affirmatively permitted by) applicable law, Indemnitee shall be indemnified, held harmless and exonerated against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company. No indemnification for Expenses shall be made under this Article 3 in respect of any claim, issue or matter as to which Indemnitee shall have been finally adjudged (and not subject to further appeal) by a court of competent jurisdiction to be liable to the Company, except to the extent that the Delaware Court or any court in which the Proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification.



**ARTICLE 4**

**INDEMNIFICATION FOR EXPENSES OF A PARTY WHO IS WHOLLY OR PARTLY SUCCESSFUL**

Notwithstanding any other provisions of this Agreement, to the extent that Indemnitee is a party to (or a participant in) and is successful, on the merits or otherwise, in any Proceeding or in defense of any claim, issue or matter therein, in whole or in part, the Company shall indemnify, hold harmless and exonerate Indemnitee against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith. For the avoidance of doubt, if Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, then the Company shall indemnify, hold harmless and exonerate Indemnitee against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with each resolved claim, issue or matter, whether or not Indemnitee was wholly or partly successful; provided that Indemnitee shall only be entitled to indemnification for Expenses with respect to unsuccessful claims under this Article 4 to the extent Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company and, in the case of a criminal Proceeding, had no reasonable cause to believe that such conduct was unlawful. For purposes of this Article 4 and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, or by settlement, shall be deemed to be a successful result as to such claim, issue or matter.

**ARTICLE 5**

**INDEMNIFICATION FOR EXPENSES OF A WITNESS**

Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of Indemnitee's Corporate Status, a witness in any Proceeding to which Indemnitee is not a party, Indemnitee shall be indemnified, held harmless and exonerated against all out-of-pocket Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith.

**ARTICLE 6**

**ADDITIONAL INDEMNIFICATION, HOLD HARMLESS AND EXONERATION RIGHTS**

In addition to and notwithstanding any limitations in Articles 2, 3 or 4, but subject to Article 8, the Company shall indemnify, hold harmless and exonerate Indemnitee to the fullest extent not prohibited by (and not merely to the extent affirmatively permitted by) law if Indemnitee is, was or is threatened to be made a party to or a participant in, any Proceeding (including a Proceeding by or in the right of the Company to procure a judgment in its favor) against all Expenses, judgments, fines, penalties and, subject to Section 10.3, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines, penalties and amounts paid in settlement) actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with the Proceeding.



**ARTICLE 7**

**CONTRIBUTION IN THE EVENT OF JOINT LIABILITY**

7.1. To the fullest extent not prohibited by (and not merely to the extent affirmatively permitted by) law, if the indemnification rights provided for in this Agreement are unavailable to Indemnitee in whole or in part for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall pay, in the first instance, the entire amount incurred by Indemnitee, whether for judgments, liabilities, fines, penalties, amounts paid or to be paid in settlement and/or for Expenses, in connection with any Proceeding without requiring Indemnitee to contribute to such payment, and the Company hereby waives and relinquishes any right of contribution it may have at any time against Indemnitee.

7.2. The Company shall not enter into any settlement of any Proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such Proceeding) unless such settlement provides for a full and final release of all claims asserted against Indemnitee.

7.3. The Company hereby agrees to fully indemnify, hold harmless and exonerate Indemnitee from any claims for contribution which may be brought by officers, directors or employees of the Company (other than Indemnitee) who may be jointly liable with Indemnitee subject to the other terms and provisions of the Agreement.

**ARTICLE 8**

**EXCLUSIONS**

8.1. Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to make any indemnity, contribution or advancement of Expenses in connection with any claim made against Indemnitee:

(a) except as provided in Section 15.4, to the extent payment thereunder has actually been made to or on behalf of Indemnitee under any insurance policy of the Company or its Subsidiaries or other indemnity provision of the Company or its Subsidiaries, except with respect to any excess beyond the amount paid under any insurance policy, contract, agreement, other indemnity provision or otherwise; or

(b) for an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Exchange Act (or any similar successor statute) or similar provisions of state statutory law or common law; or



(c) in connection with any Proceeding (or any part of any Proceeding) initiated or brought voluntarily by Indemnitee, including, without limitation, any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, managers, managing members, employees or other indemnitees, other than a Proceeding initiated by Indemnitee to enforce its rights under this Agreement, unless (i) the Board authorized the Proceeding (or any part of any Proceeding) or (ii) the Company provides the indemnification payment, in its sole discretion, pursuant to the powers vested in the Company under applicable law; or

(d) for the payment of amounts required to be reimbursed to the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002, as amended, or any similar successor statute; or

(e) for any payment to Indemnitee that is determined to be unlawful by a final judgment or other adjudication of a court or arbitration, arbitral or administrative body of competent jurisdiction as to which there is no further right or option of appeal or the time within which an appeal must be filed has expired without such filing and under the procedures and subject to the presumptions of this Agreement

The exclusions in this Article 8 shall not apply to affirmative defenses asserted or mandatory counterclaims made by Indemnitee in an action brought against Indemnitee.

**ARTICLE 9**

**ADVANCES OF EXPENSES; SELECTION OF LAW FIRM**

9.1. Subject to Article 8, the Company shall, unless prohibited by applicable law, advance the Expenses incurred by or on behalf of Indemnitee in connection with any Proceeding within ten business days after the receipt by the Company of a statement or statements requesting such advances, together with a reasonably detailed written explanation of the basis therefor and an itemization of legal fees and disbursements in reasonable detail, from time to

time, whether prior to or after final disposition of any Proceeding; provided that, in the case of statements requesting advancement of Expenses relating to legal services, any references to legal work performed or to expenditures made that would cause Indemnitee to waive any privilege accorded by applicable law shall not be included with such statement or accompanying documents. Advances shall be unsecured and interest free. Advances shall be made without regard to Indemnitee's ability to repay the expenses and without regard to Indemnitee's ultimate entitlement to indemnification under the other provisions of this Agreement. Indemnitee shall qualify for advances, to the fullest extent permitted by this Agreement, upon the execution and delivery to the Company of this Agreement, which shall constitute an undertaking providing that Indemnitee undertakes to repay the advance if and to the extent that it is ultimately determined, by final judicial decision of a court or arbitration, arbitral or administrative body of competent jurisdiction from which there is no further right to appeal, that Indemnitee is not entitled to be indemnified by the Company under the provisions of this Agreement or pursuant to applicable law. The right to advances under this paragraph shall in all events continue until final disposition of any Proceeding, including any appeal therein. Nothing in this Article 9 shall limit Indemnitee's right to advancement pursuant to Article 13 of this Agreement.



**ARTICLE 10**

**PROCEDURE FOR NOTIFICATION; DEFENSE OF CLAIM; SETTLEMENT**

10.1. Indemnitee shall, as a condition precedent to Indemnitee's right to be indemnified under this Agreement, give the Company notice in writing promptly of any claim made against Indemnitee for which indemnification will or could be sought under this Agreement; provided, however, that a delay in giving such notice shall not deprive Indemnitee of any right to be indemnified under this Agreement unless, and then only to the extent that, such delay is materially prejudicial to the defense of such claim. The omission or delay to notify the Company will not relieve the Company from any liability for indemnification which it may have to Indemnitee otherwise than under this Agreement. The Secretary of the Company shall, promptly upon receipt of such a request for indemnification, advise the Board in writing that Indemnitee has requested indemnification.

10.2. The Company will be entitled to participate in the Proceeding at its own expense.

10.3. The Company shall have no obligation to indemnify Indemnitee under this Agreement for any amounts paid in settlement of any claim effected without the Company's prior written consent, provided the Company has not breached its obligations hereunder. The Company shall not settle any claim, including, without limitation, any claim in which it takes the position that Indemnitee is not entitled to indemnification in connection with such settlement, nor shall the Company settle any claim which would impose any fine or obligation on Indemnitee or attribute to Indemnitee any admission of liability, without Indemnitee's prior written consent. Neither the Company nor Indemnitee shall unreasonably withhold, delay or condition their consent to any proposed settlement.

**ARTICLE 11**

**PROCEDURE UPON APPLICATION FOR INDEMNIFICATION**

11.1. Upon written request by Indemnitee for indemnification pursuant to the first sentence of Section 10.1, a determination, if required by applicable law, with respect to Indemnitee's entitlement thereto shall be made in the specific case: (a) by a majority of the Company's stockholders, (b) if a Change in Control shall have occurred, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee; or (c) if a Change in Control shall not have occurred, (i) by a majority vote of the Disinterested Directors (provided there is a minimum of three Disinterested Directors), even though less than a quorum of the Board, (ii) by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors (provided there is a minimum of three Disinterested Directors), even though less than a quorum of the Board, or (iii) if there are less than three Disinterested Directors or, if such Disinterested Directors so direct, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee, and, if it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within ten business days after such determination and any future amounts due to Indemnitee shall be paid in accordance with this Agreement. Indemnitee shall cooperate with the Persons making such determination with respect to Indemnitee's entitlement to indemnification, including, without limitation, providing to such Persons upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination, provided, that nothing contained in this Agreement shall require Indemnitee to waive any privilege Indemnitee may have. Any costs or expenses (including, without limitation, reasonable and documented attorneys' fees and disbursements) incurred by Indemnitee in so cooperating with the Persons making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification), and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.



11.2. If the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 11.1 hereof, the Independent Counsel shall be selected as provided in this Section 11.2. If a Change in Control shall not have occurred, the Independent Counsel shall be selected by the Board, and the Company shall give written notice to Indemnitee advising Indemnitee of the identity of the Independent Counsel so selected. If a Change in Control shall have occurred, the Independent Counsel shall be selected by Indemnitee (unless Indemnitee shall request that such selection be made by the Board, in which event the preceding sentence shall apply), and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either event, Indemnitee or the Company, as the case may be, may, within thirty days after such written notice of selection shall have been given, deliver to the Company or to Indemnitee, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Article 1 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court or arbitration, arbitral or administrative body has determined that such objection is without merit. If, within thirty days after submission by Indemnitee of a written request for indemnification pursuant to Section 10.1 hereof, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may seek arbitration for resolution of any objection which shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the arbitrator or by such other person as the arbitrator shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 11.1 hereof. Such arbitration referred to in the previous sentence shall be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association, and Article 13 hereof shall apply in respect of such arbitration and the Company and Indemnitee. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 13.1 of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

**ARTICLE 12**

**PRESUMPTIONS AND EFFECT OF CERTAIN PROCEEDINGS**

12.1. In making a determination with respect to entitlement to indemnification hereunder, it shall be presumed that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 10.1 of this Agreement. Anyone seeking to overcome this presumption shall have the burden of proof to overcome such presumption. Neither the failure of the Company (including by its Board, its Independent Counsel and its stockholders) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Company (including by its Board, its Independent Counsel and its stockholders) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

12.2. If Independent Counsel is empowered or selected under Article 11 of this Agreement to determine whether Indemnitee is entitled to indemnification and shall not have made a determination within sixty days after such Person's appointment as Independent Counsel pursuant to Section 11.2, the requisite determination of entitlement to indemnification shall be deemed to have been made and Indemnitee shall be entitled to such indemnification, absent (a) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (b) a final judicial determination that any or all such indemnification is expressly prohibited under applicable law; provided, however, that such sixty-day period may be extended for a reasonable time, not to exceed an additional thirty days, if Independent Counsel in good faith requires such additional time for the obtaining or evaluating of documentation and/or information relating thereto

12.3. The termination of any Proceeding or of any claim, issue or matter therein by judgment, order, settlement (with or without court approval) or conviction, or upon a plea of guilty, nolo contender or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which Indemnitee reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that Indemnitee's conduct was unlawful.



12.4. For purposes of any determination of good faith pursuant to this Agreement, Indemnitee shall be deemed to have acted in good faith if, among other things, Indemnitee's action is based on the records or books of account of the Enterprise, including financial statements, or on information supplied to Indemnitee by the directors or officers of the Enterprise in the course of their duties, or on the advice of legal counsel for the Enterprise, its board of directors, any committee of the board of directors or any director, or on information or records given or reports made to the Enterprise, its board of directors, any committee of the board of directors or any director, by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Enterprise, its board of directors, any committee of the board of directors or any director. The provisions of this Section 12.4 shall not be deemed to be exclusive or to limit in any way the other circumstances in which Indemnitee may be deemed or found to have met the applicable standard of conduct set forth in this Agreement. In any event, it shall be presumed that Indemnitee has at all times acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company. Anyone seeking to overcome this presumption shall have the burden of proof to overcome such presumption.

12.5. The knowledge and/or actions, or failure to act, of any other director, officer, trustee, partner, managing member, fiduciary, agent or employee of the Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

12.6. The Company acknowledges that a settlement or other disposition short of final judgment may be successful if it permits a party to avoid expense, delay, distraction, disruption and uncertainty. In the event that any action, claim or proceeding to which Indemnitee is a party is resolved in any manner other than by adverse judgment against Indemnitee (including, without limitation, settlement of such action, claim or proceeding with or without payment of money or other consideration) it shall be presumed that Indemnitee has been successful on the merits or otherwise in such action, suit or proceeding. Anyone seeking to overcome this presumption shall have the burden of proof to overcome such presumption.



**ARTICLE 13**

**REMEDIES OF INDEMNITEE**

13.1. Subject to Section 13.7, in the event that (a) a determination is made pursuant toArticle 11 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (b) advancement of Expenses is not timely made pursuant to Article 9 of this Agreement, (c) no determination of entitlement to indemnification shall have been made pursuant to Section 11.1 of this Agreement within thirty days after receipt by the Company of the request for indemnification (and of reasonable documentation and information which Indemnitee may be called upon to provide pursuant to Section 11.1) that does not include a request for Independent Counsel, (d) payment of indemnification is not made pursuant to Articles 4, 5 or 6 or the last sentence of Section 11.1 of this Agreement within ten business days after receipt by the Company of a written request therefor, (e) a contribution payment is not made in a timely manner pursuant to Article 7 of this Agreement, (f) payment of indemnification pursuant to Article 2, 3 or 6 of this Agreement is not made within ten days after a determination has been made that Indemnitee is entitled to indemnification or (g) the Company or any representative thereof takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any litigation or other action or Proceeding designed to deny, or to recover from, Indemnitee the benefits provided or intended to be provided to Indemnitee hereunder, Indemnitee shall be entitled to an adjudication by a court of his or her entitlement to such indemnification or advancement. Alternatively, Indemnitee, at his or her option, may seek an adjudication of Indemnitee's entitlement to such indemnification, contribution or advancement of Expenses in arbitration to be conducted by a single arbitrator mutually selected by the parties hereto; provided, however, if the parties are unable to mutually agree on the selection of a single arbitrator within fourteen (14) days after the service of a demand for arbitration, then the Company on the one hand and Indemnitee on the other hand shall each select one arbitrator within ten (10) days thereafter, and the two arbitrators so selected shall mutually agree on a third (neutral) arbitrator within ten (10) days thereafter, and the panel of three arbitrators shall preside over the arbitration with the majority rendering the binding decision upon the parties. In the event that a single arbitrator is mutually selected, the parties shall equally split the fees and costs of the arbitrator, and in the event that a panel of three arbitrators is selected then the parties shall equally split the fees and costs of the neutral arbitrator and the Company shall be responsible for paying the fees and costs of the arbitrator it selects and Indemnitee shall be responsible for paying the fees and costs of the arbitrator Indemnitee selects. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration. An award rendered by such arbitration will be final and binding upon the parties hereto, and final judgment on the arbitration award may be entered in any court of competent jurisdiction.

13.2. In the event that a determination shall have been made pursuant to Section 11.1 of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Article 13 shall be conducted in all respects as a de novo trial, or arbitration, on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Article 13, Indemnitee shall be presumed to be entitled to receive indemnification and advances of Expenses under this Agreement and the Company shall have the burden of proving Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be, and the Company may not refer to or introduce into evidence any determination pursuant to Section 11.1 of this Agreement adverse to Indemnitee for any purpose. If Indemnitee commences a judicial proceeding or arbitration pursuant to this Article 13, Indemnitee shall not be required to reimburse the Company for any advances pursuant to Article 9 until a final determination is made with respect to Indemnitee's entitlement to indemnification (as to which all rights of appeal shall have been exhausted or lapsed).

13.3. If a determination shall have been made pursuant to Section 11.1 of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Article 13, absent (a) a misstatement by Indemnitee of a material fact or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification or (b) a prohibition of such indemnification under applicable law.

13.4. The Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Article 13 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement.

13.5. The Company shall indemnify and hold harmless Indemnitee to the fullest extent permitted by law against all Expenses and, if requested by Indemnitee, shall (within ten business days after the Company's receipt of such written request) advance to Indemnitee, to the fullest extent permitted by applicable law, such Expenses which are incurred by Indemnitee in connection with any judicial proceeding or arbitration brought by Indemnitee (a) to enforce his or her rights under, or to recover damages for breach of, this Agreement or any other indemnification, advancement or contribution agreement or provision of the Certificate of Incorporation, or the By-Laws now or hereafter in effect; or (b) for recovery or advances under any insurance policy maintained by any person for the benefit of Indemnitee, regardless of the outcome and whether Indemnitee ultimately is determined to be entitled to such indemnification, advancement, contribution or insurance recovery, as the case may be (unless such judicial proceeding or arbitration was not brought by Indemnitee in good faith).

13.6. Interest shall be paid by the Company to Indemnitee at the legal rate under Delaware law for amounts which the Company indemnifies, or is obliged to indemnify, for the period commencing with the date on which Indemnitee requests indemnification, or advancement of any Expenses and ending with the date on which such payment is made to Indemnitee by the Company. Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding, including any appeal therein.



## ARTICLE 14

## SECURITY

Notwithstanding anything herein to the contrary, to the extent requested by Indemnitee and approved by the Board, the Company may, as permitted by applicable securities laws, at any time and from time to time provide security to Indemnitee for the Company's obligations hereunder through an irrevocable bank line of credit, funded trust or other collateral. Any such security, once provided to Indemnitee, may not be revoked or released without the prior written consent of Indemnitee.

## ARTICLE 15

## NON-EXCLUSIVITY; SURVIVAL OF RIGHTS; INSURANCE; PRIMACY OF INDEMNIFICATION; SUBROGATION

15.1. The rights of Indemnitee as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Certificate of Incorporation, the By-Laws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. To the extent that a change in applicable law, whether by statute or judicial decision, permits greater indemnification or advancement of Expenses than would be afforded currently under the Certificate of Incorporation, the By-Laws or this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

15.2. The DGCL, the Certificate of Incorporation and the By-Laws permit the Company to purchase and maintain insurance or furnish similar protection or make other arrangements, including, but not limited to, providing a trust fund, letter of credit or surety bond ("Indemnification Arrangements") on behalf of Indemnitee against any liability asserted against Indemnitee or incurred by or on behalf of Indemnitee or in such capacity as a director, officer, employee or agent of the Company, or arising out of his or her status as such, whether or not the Company would have the power to indemnify Indemnitee against such liability under the provisions of this Agreement or under the DGCL, as it may then be in effect. The purchase, establishment and maintenance of any such Indemnification Arrangement shall not in any way limit or affect the rights and obligations of the Company or of Indemnitee under this Agreement except as expressly provided herein, and the execution and delivery of this Agreement by the Company and Indemnitee shall not in any way limit or affect the rights and obligations of the Company or the other party or parties thereto under any such Indemnification Arrangement.



15.3. To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, officers, trustees, partners, managers, managing members, fiduciaries, employees or agents of the Company or of any other Enterprise which such person serves at the request of the Company, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, officer, trustee, partner, manager, managing member, fiduciary, employee or agent under such policy or policies. If, at the time the Company receives notice from any source of a Proceeding as to which Indemnitee is a party or a participant (as a witness or otherwise), the Company has director and officer liability insurance in effect, the Company shall give prompt notice of the commencement of such Proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all

amounts payable as a result of such Proceeding in accordance with the terms of such policies and Indemnitee shall promptly cooperate with any request by the Company or insurers in connection with such action.

15.4. The Company hereby acknowledges that Indemnitee has certain rights to indemnification, advancement of Expenses and/or insurance provided by the Indemnitee-Related Entities. The Company hereby agrees (i) that it is the indemnitor of first resort (i.e., its obligations to Indemnitee are primary and any obligation of the Indemnitee-Related Entities to advance Expenses or to provide indemnification for the same Expenses or liabilities incurred by Indemnitee are secondary), (ii) that it shall be required to advance the full amount of Expenses incurred by Indemnitee and shall be liable for the full amount of all Expenses, judgments, penalties, fines and amounts paid in settlement to the extent not prohibited by (and not merely to the extent affirmatively permitted by) applicable law and as required by the terms of this Agreement and the Certificate of Incorporation or the By-Laws (or any other agreement between the Company and Indemnitee), without regard to any rights Indemnitee may have against the Indemnitee-Related Entities and (iii) that it irrevocably waives, relinquishes and releases the Indemnitee-Related Entities from any and all claims against the Indemnitee-Related Entities for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Indemnitee-Related Entities (or any insurer under a policy provided by the Indemnitee-Related Entities) to or on behalf of Indemnitee with respect to any claim for which Indemnitee has sought indemnification payment from the Company shall reduce or otherwise alter the rights of Indemnitee or the obligations of the Company hereunder. Under no circumstance shall the Company be entitled to any right of subrogation or contribution by the Indemnitee-Related Entities. In the event that any of the Indemnitee-Related Entities (or any insurer under a policy provided by the Indemnitee-Related Entities) shall make any advancement or payment to or on behalf of Indemnitee with respect to any claim for which Indemnitee has sought indemnification from the Company, the Indemnitee-Related Entity making such payment shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of Indemnitee against the Company. The Company and Indemnitee agree that the Indemnitee-Related Entities are express third party beneficiaries of the terms of this Section 15.4, entitled to enforce this Section 15.4 as though each of the Indemnitee-Related Entities were a party to this Agreement.



15.5. Except as provided in Section 15.4, in the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee (other than against the Indemnitee-Related Entities or any insurer under a policy provided by any of the Indemnitee-Related Entities), who shall take, at the request of the Company, all reasonable action necessary to secure such rights, including, without limitation, execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

15.6. Except as provided in Section 15.4, the Company's obligation to indemnify or advance Expenses hereunder to Indemnitee who is or was serving at the request of the Company as a director, officer, trustee, partner, managing member, fiduciary, employee or agent of any other Enterprise shall be reduced by any amount Indemnitee has actually received as indemnification payments or advancement of Expenses from such Enterprise. Notwithstanding any other provision of this Agreement to the contrary, (a) Indemnitee shall have no obligation to reduce, offset, allocate, pursue or apportion any indemnification advancement, contribution or insurance coverage among multiple parties possessing such duties to Indemnitee prior to the Company's satisfaction and performance of all its obligations under this Agreement, and (b) the Company shall perform fully its obligations under this Agreement without regard to whether Indemnitee holds, may pursue or has pursued any indemnification, advancement, contribution or insurance coverage rights against any person or entity other than the Company.

## ARTICLE 16

## ENFORCEMENT AND BINDING EFFECT

16.1. The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve or continue to serve as a director, officer or key employee of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving or continuing to serve as a director, officer or key employee of the Company.

16.2. This Agreement shall be effective as of the date set forth on the first page and may apply to acts or omissions of Indemnitee which occurred prior to such date if Indemnitee was an officer, director, employee or other agent of the Company, or was serving at the request of the Company as a director, officer, trustee, general partner, managing member, fiduciary, employee or agent of another corporation, limited liability company, partnership, joint venture, trust or other enterprise, at the time such act or omission occurred.



16.3. The Company and Indemnitee agree herein that a monetary remedy for breach of this Agreement, at some later date, may be inadequate, impracticable and difficult to prove, and further agree that such breach may cause Indemnitee irreparable harm. Accordingly, the parties hereto agree that Indemnitee may enforce this Agreement by seeking, among other things, injunctive relief and/or specific performance hereof, without any necessity of showing actual damage or irreparable harm and that by seeking injunctive relief and/or specific performance, Indemnitee shall not be precluded from seeking or obtaining any other relief to which he or she may be entitled. The Company and Indemnitee further agree that Indemnitee shall be entitled to such specific performance and injunctive relief, including, without limitation, temporary restraining orders, preliminary injunctions and permanent injunctions, without the necessity of posting bonds or other undertaking in connection therewith. The Company acknowledges that in the absence of a waiver, a bond or undertaking may be required of Indemnitee by the court, and the Company hereby waives any such requirement of such a bond or undertaking.

## ARTICLE 17

## MISCELLANEOUS

17.1. Successors and Assigns. This Agreement shall be binding upon the Company and its successors and assigns and shall inure to the benefit of Indemnitee and Indemnitee's assigns, heirs, executors and administrators. The Company shall require and cause any successor (whether direct or indirect successor by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part, of the business and/or assets of the Company, by written agreement in form and substance reasonably satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

17.2. Section 409A. It is intended that any indemnification payment or advancement of Expenses made hereunder shall be exempt from Section 409A of the Internal Revenue Code of 1986, as amended, and the guidance issued thereunder ("Section 409A") pursuant to Treasury Regulation Section 1.409A-1(b)(10). Notwithstanding the foregoing, if any indemnification payment or advancement of Expenses made hereunder shall be determined to be "nonqualified deferred compensation" within the meaning of Section 409A, then (i) the amount of the indemnification payment or advancement of Expenses during one taxable year shall not affect the amount of the indemnification payments or advancement of Expenses during any other taxable year, (ii) the indemnification payments or advancement of Expenses must be made on or before the last day of the Indemnitee's taxable year following the year in which the

expense was incurred and (iii) the right to indemnification payments or advancement of Expenses hereunder is not subject to liquidation or exchange for another benefit.



17.3. Severability. In the event that any provision of this Agreement is determined by a court to require the Company to do or to fail to do an act which is in violation of applicable law, such provision (including, without limitation, any provision within a single Article, Section, paragraph or sentence) shall be limited or modified in its application to the minimum extent necessary to avoid a violation of law, and, as so limited or modified, such provision and the balance of this Agreement shall be enforceable in accordance with their terms to the fullest extent permitted by law.

17.4. Entire Agreement. Without limiting any of the rights of Indemnitee under the Certificate of Incorporation, By-Laws or other applicable law, this Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof.

17.5. Modification, Waiver and Termination. No supplement, modification, termination, cancellation or amendment of this Agreement shall be binding unless executed in writing by each of the parties hereto. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in Indemnitee's Corporate Status prior to such amendment, alteration or repeal. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement nor shall any waiver constitute a continuing waiver.

17.6. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given (a) if delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed or (b) mailed by certified or registered mail with postage prepaid on the third business day after the date on which it is so mailed:

(i) If to Indemnitee, at the address indicated on the signature page of this Agreement, or such other address as Indemnitee shall provide in writing to the Company.



(ii) If to the Company, to:

Clear Secure, Inc.
65 East 55th Street, 17th Floor
New York, NY 10022
Attention: Matthew Levine, General Counsel and Chief Privacy Officer

or to any other address as may have been furnished to Indemnitee in writing by the Company.

17.7. Applicable Law and Consent to Jurisdiction. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. Except with respect to any arbitration commenced by Indemnitee pursuant to Section 13.1 of this Agreement, to the fullest extent permitted by law, the Company and Indemnitee hereby irrevocably and unconditionally: (a) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Delaware Court and not in any other state or federal court in the United States of America or any court in any other country; (b) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement; (c) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court; and (d) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum, or is subject (in whole or in part) to a jury trial. To the fullest extent permitted by law, the parties hereby agree that the mailing of process and other papers in connection with any such action or proceeding in the manner provided by Section 17.6 or in such other manner as may be permitted by law, shall be valid and sufficient service thereof.

17.8. Identical Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

17.9. Headings. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

17.10. Representation by Counsel. Each of the parties has been represented by and has had an opportunity to consult legal counsel in connection with the negotiation and execution of this Agreement. No provision of this Agreement shall be construed against or interpreted to the disadvantage of any party by any court or arbitrator or any governmental authority by reason of such party having drafted or being deemed to have drafted such provision.



17.11. Additional Acts. If for the validation of any of the provisions in this Agreement any act, resolution, approval or other procedure is required, the Company undertakes to cause such act, resolution, approval or other procedure to be affected or adopted in a manner that will enable the Company to fulfill its obligations under this Agreement.

*[Signature page follows]*

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed as of the day and year first above written.

**COMPANY:**

CLEAR SECURE, INC.

By: _____
Name:
Title:

**INDEMNITEE:**

By: _____
Name:

Address:

*[Signature page to Indemnification Agreement]*

**Exhibit 10.2**

**EXCHANGE AGREEMENT**

EXCHANGE AGREEMENT (this "Agreement"), dated as of [____], 2021, by and among Alclear Holdings, LLC, a Delaware limited liability company (the "Company"), Clear Secure, Inc., a Delaware corporation ("Pubco"), and the holders of Common Units (as defined below) and shares of Class C Common Stock (as defined below) or Class D Common Stock (as defined below) from time to time party hereto (each, a "Holder").

W I T N E S S E T H:

WHEREAS, on the date hereof, the Company, Pubco and the Holders entered into the Second Amended and Restated Operating Agreement of the Company (as amended, restated, amended and restated or otherwise modified or supplemented from time to time, the "LLC Agreement");

WHEREAS, the parties hereto desire to provide for the exchange of Common Units together with shares of Class C Common Stock or Class D Common Stock for (i) (A) shares of Class A Common Stock (as defined below), in the case of shares of Class C Common Stock, or (B) shares of Class B Common Stock (as defined below), in the case of shares of Class D Common Stock, or (ii) cash from a substantially concurrent public offering or private sale of shares of Class A Common Stock (based on the market price of Class A Common Stock in such public offering or private sale), at Pubco's option, in each case, on the terms and subject to the conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein made and other good and valuable consideration, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS AND USAGE

Section 1.01 Definitions.

(a) The following terms shall have the following meanings for the purposes of this Agreement:

"Alclear Investments I" means Alclear Investments, LLC, a Delaware limited liability company.

"Alclear Investments II" means Alclear Investments II, LLC, a Delaware limited liability company.

"Applicable Law" means, with respect to any Person, any federal, state or local law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated or applied by a Governmental Authority or Regulatory Agency that is binding upon or applicable to such Person or its assets, as amended unless expressly specified otherwise.

"Business Day" means a day, other than Saturday, Sunday or other day on which commercial banks in New York, New York are authorized or required by Applicable Law to close.

"Cash Exchange Payment" means an amount in U.S. dollars equal to the product of (a) the number of applicable Paired Interests multiplied by (b) the sale price of Class A Common Stock in a private sale or the price to the public of Class A Common Stock in a public offering as set forth in Section 2.01.

"Class A Common Stock" means Class A common stock, $0.00001 par value per share, of Pubco.

"Class B Common Stock" means Class B common stock, $0.00001 par value per share, of Pubco.

"Class C Common Stock" means Class C common stock, $0.00001 par value per share, of Pubco.

"Class C Paired Interest" means one Common Unit together with one share of Class C Common Stock, subject to adjustment pursuant to Section 2.03(a).

"Class D Common Stock" means Class D common stock, $0.00001 par value per share, of Pubco.

"Class D Paired Interest" means one Common Unit together with one share of Class D Common Stock, subject to adjustment pursuant to Section 2.03(b).

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

"Common Unit" means a Unit (as such term is defined in the LLC Agreement).

"Deliverable Common Stock" means (i) with respect to Class C Paired Interests, Class A Common Stock and (ii) with respect to Class D Paired Interests, Class B Common Stock.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Exchange Date" means the third Business Day immediately following the receipt of the applicable Notice of Exchange by Pubco, or such later Business Day set forth in the applicable Notice of Exchange.

"Exchange Rate" means (i) with respect to Class C Paired Interests, the number of shares of Class A Common Stock for which one Class C Paired Interest is entitled to be Exchanged or (ii) with respect to Class D Paired Interests, the number of shares of Class B Common Stock for which one Class D Paired Interest is entitled to be Exchanged. On the date of this Agreement, the Exchange Rate for the purposes of the Class C Paired Interests and Class D Paired Interests shall be one (1), subject to adjustment pursuant to Section 2.03 of this Agreement.

"Exchanging Holder" means a Holder effecting an Exchange pursuant to this Agreement.

"Governmental Authority" means any transnational, domestic or foreign federal, state or local governmental, regulatory or administrative authority, department, court, agency or official, including any political subdivision thereof.

"Paired Interest" means one Class C Paired Interest or one Class D Paired Interest, as applicable.

"Person" means any individual, firm, corporation, partnership, limited liability company, trust, estate, joint venture, governmental authority or other entity.

"Pubco Charter" means the Second Amended and Restated Certificate of Incorporation of Pubco, as amended, restated, amended and restated or otherwise modified or supplemented from time to time.

"Registration Rights Agreement" means the Registration Rights Agreement by and among Pubco and the stockholders party thereto, dated on or about the date hereof, as such agreement may be amended from time to time.

"Regulatory Agency" means the United States Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., the Financial Services Authority, any non-U.S. regulatory agency and any other regulatory authority or body (including any state or provincial securities authority and any self-regulatory organization) with jurisdiction over the Company or any of its Subsidiaries.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Securities Exchange" means the national securities exchange on which the Class A Common Stock is listed or admitted to trading.

"Tax Receivable Agreement" shall have the meaning given to such term in the LLC Agreement.

(b) Capitalized terms used but not defined herein shall have the meaning ascribed thereto in the LLC Agreement.

(c) Each of the following terms is defined in the Section set forth opposite such term:



| **Term** | **Section** |
|---|---|
| Agreement | Preamble |
| Company | Preamble |
| e-mail | 4.03 |
| Exchange | 2.01 |
| Exchange Agent | 2.02(a) |
| Holder | Preamble |
| IPO | 2.02(f) |
| Notice of Exchange | 2.02(a) |
| LLC Agreement | Recitals |
| Permitted Transferee | 4.01 |
| Process Agent | 4.05(b) |
| Pubco | Preamble |
| Pubco Offer | 2.04(a) |
| Share Exchange | 2.01(b) |

Section 1.02 Other Definitional and Interpretative Provisions. The words "hereof", "herein" and "hereunder" and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof. References to Articles and Sections are to Articles and Sections of this Agreement unless otherwise specified. Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation", whether or not they are in fact followed by those words or words of like import. "Writing", "written" and comparable terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form. References to any statute shall be deemed to refer to such statute as amended from time to time and to any rules or regulations promulgated thereunder. References to any agreement or contract are to that agreement or contract as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof. References to any Person include the successors and permitted assigns of that Person. References from or through any date mean, unless otherwise specified, from and including or through and including, respectively. References to "law", "laws" or to a particular statute or law shall be deemed also to include any Applicable Law. Unless otherwise expressly provided herein, when any approval, consent or other matter requires any action or approval of any group of Holders, including any holders of any class of Paired Interests, such approval, consent or other matter shall require the approval of a majority in interest of such group of Holders. Except to the extent otherwise expressly provided herein, all references to any Holder shall be deemed to refer solely to such Person in its capacity as such Holder and not in any other capacity.

## ARTICLE II

## EXCHANGE

Section 2.01 Exchange of Paired Interests for Class A Common Stock or Class B Common Stock From and after the execution and delivery of this Agreement, each Holder shall be entitled on an Exchange Date, upon the terms and subject to the conditions hereof, to surrender Paired Interests (excluding, for the avoidance of doubt, any Paired Interest that includes an unvested Common Unit) to Pubco (subject to adjustment as provided in Section 2.03) in exchange (such exchange, an "Exchange") for the delivery to such Holder, at the option of the board of directors of Pubco (acting (which may be by e-mail) by a majority of the disinterested members of the board of directors of Pubco or a committee of disinterested directors of the board of directors of Pubco), of:



(a) a Cash Exchange Payment by the Company from the proceeds of a private sale or a public offering of Class A Common Stock; or

(b) (X) with respect to Class C Paired Interests, a number of shares of Class A Common Stock that is equal to the product of the number of Class C Paired Interests surrendered multiplied by the Exchange Rate; and (Y) with respect to Class D Paired Interests, a number of shares of Class B Common Stock that is equal to the product of the number of Class D Paired Interests surrendered multiplied by the Exchange Rate (in each case under this clause (b), a "Share Exchange");

provided that a Holder, together with any other Holder that is an Affiliate of such Holder, shall only be entitled to one Exchange per each calendar month unless otherwise agreed to by Pubco.

Notwithstanding anything to the contrary herein, Pubco and the Company shall not effectuate a Cash Exchange Payment pursuant to Section 2.01(a) above unless (A) Pubco determines to consummate a private sale or public offering of Class A Common Stock on, or not later than five Business Days after, the relevant Exchange Date and (B) Pubco contributes sufficient proceeds from such private sale or public offering to the Company for payment by the Company of the applicable Cash Exchange Payment.

Section 2.02 Exchange Procedures; Notices and Revocations.

(a) A Holder may exercise the right to effect an Exchange as set forth in Section 2.01 by delivering a written notice of exchange in respect of the Paired Interests to be Exchanged substantially in the form of Exhibit A hereto (the "Notice of Exchange"), duly executed by such Holder or such Holder's duly authorized attorney, to Pubco at least three Business Days prior to the Exchange Date at its address set forth in Section 4.03 during normal business hours, or if any agent for the Exchange is duly appointed and acting (the "Exchange Agent"), to the office of the Exchange Agent during normal business hours. Each Exchange shall be deemed to be effective immediately prior to the close of business on the Exchange Date. The Notice of Exchange must set forth the number of Paired Interests to be surrendered, which number shall not be less than the number of Paired Interests reasonably expected to have a value of at least $50,000 unless (x) the number of surrendered Paired Interests constitutes all of such Holder's Paired Interests or (y) Pubco consents to such Exchange.

(b) *Contingent Notice of Exchange and Revocation by Holders.*

(i) A Notice of Exchange from a Holder may specify that the Exchange is to be contingent (including as to the timing) upon the consummation of a purchase by another Person (whether in a tender or exchange offer, an underwritten offering or otherwise) of shares of Deliverable Common Stock into which the Paired Interests are exchangeable, or contingent (including as to timing) upon the closing of an announced merger, consolidation or other transaction or event in which the Deliverable Common Stock would be exchanged or converted or become exchangeable for or convertible into cash or other securities or property.



(ii) Notwithstanding anything herein to the contrary, a Holder may withdraw or amend a Notice of Exchange, in whole or in part, prior to the effectiveness of the Exchange, at any time prior to 5:00 p.m. New York City time, on the Business Day immediately preceding the Exchange Date (or any such later time as may be required by Applicable Law) by delivery of a written notice of withdrawal to Pubco or the Exchange Agent, specifying (1) the number of withdrawn Paired Interests, (2) if any, the number of Paired Interests as to which the Notice of Exchange remains in effect and (3) if the Holder so determines, a new Exchange Date or any other new or revised information permitted in the Notice of Exchange.

(c) *Cash Exchange Payment.* The Company shall provide notice to the Exchanging Holder of its intention to consummate an Exchange through a Cash Exchange Payment on the first Business Day immediately following the receipt of a Notice of Exchange by Pubco. Additionally, the Company shall deliver or cause to be delivered the Cash Exchange Payment in accordance with Section 2.01(a) as promptly as practicable (but not later than five Business Days) after the Exchange Date.

(d) *Share Exchange.* In the case of a Share Exchange:

(i) the Exchanging Holder (or other Person(s) whose name or names in which the Deliverable Common Stock is to be issued) shall be deemed to be a holder of Deliverable Common Stock from and after the close of business on the Exchange Date;

(ii) as promptly as practicable on or after the Exchange Date, Pubco shall deliver or cause to be delivered to the Exchanging Holder (or other Person(s) whose name or names in which the Deliverable Common Stock is to be issued) the number of shares of Deliverable Common Stock deliverable upon such Exchange, registered in the name of such Holder (or other Person(s) whose name or names in which the Deliverable Common Stock is to be issued). To the extent the Deliverable Common Stock is settled through the facilities of The Depository Trust Company, Pubco will, subject to Section 2.02(d)(iii) below, upon the written instruction of an Exchanging Holder, deliver or cause to be delivered the shares of Deliverable Common Stock deliverable to such Holder (or other Person(s) whose name or names in which the Deliverable Common Stock is to be issued), through the facilities of The Depository Trust Company, to the account of the participant of The Depository Trust Company designated by such Holder;

(iii) if the shares of Deliverable Common Stock issued upon an Exchange are not issued pursuant to a registration statement that has been declared effective by the Securities and Exchange Commission, such shares shall bear a legend in substantially the following form:



THE TRANSFER OF THESE SECURITIES HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER THE SECURITIES LAWS OF ANY OTHER JURISDICTION, AND MAY NOT BE SOLD OR TRANSFERRED OTHER THAN IN ACCORDANCE WITH THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OF 1933, AS AMENDED (OR OTHER APPLICABLE LAW), OR AN EXEMPTION THEREFROM.

(iv) if (i) any shares of Deliverable Common Stock may be sold pursuant to a registration statement that has been declared effective by the Securities and Exchange Commission, (ii) all of the applicable conditions of Rule 144 are met or (iii) the legend (or a portion thereof) otherwise ceases to be applicable, Pubco, upon the written request of the Holder thereof shall promptly provide such Holder or its respective transferees, without any expense to such Persons (other than applicable transfer taxes and similar governmental charges, if any) with new certificates (or evidence of book-entry share) for securities of like tenor not bearing the provisions of the legend with respect to which the restriction has terminated. In connection therewith, such Holder shall provide Pubco with such information in its possession as Pubco may reasonably request in connection with the removal of any such legend.

(e) Pubco shall bear all expenses in connection with the consummation of any Exchange, whether or not any such Exchange is ultimately consummated, including any transfer taxes, stamp taxes or duties, or other similar taxes in connection with, or arising by reason of, any Exchange; provided, however, that if any shares of Deliverable Common Stock are to be delivered in a name other than that of the Holder that requested the Exchange (or The Depository Trust Company or its nominee for the account of a participant of The Depository Trust Company that will hold the shares for the account of such Holder), then such Holder and/or the Person in whose name such shares are to be delivered shall pay to Pubco the amount of any transfer taxes, stamp taxes or duties, or other similar taxes in connection with, or arising by reason of, such Exchange or shall establish to the reasonable satisfaction of Pubco that such tax has been paid or is not payable.

(f) Notwithstanding anything to the contrary in this Article II, a Holder shall not be entitled to effect an Exchange, and Pubco and the Company shall have the right to refuse to honor any request to effect an Exchange, at any time or during any period, if Pubco or the Company shall reasonably determine that such Exchange (i) would be prohibited by any Applicable Law (including the unavailability of any requisite registration statement filed under the Securities Act or any exemption from the registration requirements thereunder), or (ii) would not be permitted under (x) the LLC Agreement, (y) other agreements with Pubco, the Company or any of the Company's subsidiaries to which such Exchanging Holder may be party or (z) any written policies of Pubco, the Company or any of the Company's subsidiaries related to unlawful or inappropriate trading applicable to its directors, officers or other personnel. Upon such determination, Pubco or the Company (as applicable) shall notify the Holder requesting the Exchange of such determination, which such notice shall include an explanation in reasonable detail as to the reason that the Exchange has not been honored. Notwithstanding anything to the contrary herein, if PubCo, after consultation with its outside legal counsel and tax advisor, shall determine in good faith that interests in the Company do not meet the requirements of Treasury Regulation Section 1.7704-1(h) (or other provisions of those Treasury Regulations as determined by PubCo) (including for Exchanges in 2021), the Company may impose such restrictions on Exchange as the Company may reasonably determine to be necessary or advisable so that the Company is not treated as a "publicly traded partnership" under Section 7704 of the Code.



Section 2.03 Adjustment.

(a) The Exchange Rate with respect to the Class C Paired Interests and/or the components of a Class C Paired Interest shall be adjusted accordingly if there is: (i) any subdivision (by any stock or unit split, stock or unit dividend or distribution, reclassification, reorganization, recapitalization or otherwise) or combination (by reverse stock or unit split, reclassification, reorganization, recapitalization or otherwise) of the shares of Class C Common Stock or Common Units that is not accompanied by a substantively identical subdivision or combination of the Class A Common Stock; or (ii) any subdivision (by any stock split, stock dividend, reclassification, reorganization, recapitalization or otherwise) or combination (by reverse stock split, reclassification, reorganization, recapitalization or otherwise) of the Class A Common Stock that is not accompanied by a substantively identical subdivision or combination of the shares of Class C Common Stock and Common Units. If there is any reclassification, reorganization, recapitalization or other similar transaction in which the Class A Common Stock are converted or changed into another security, securities or other property, then upon any subsequent Exchange, an Exchanging Holder shall be entitled to receive the amount of such security, securities or other property that such Exchanging Holder would have received if such Exchange had occurred immediately prior to the effective date of such reclassification, reorganization, recapitalization or other similar transaction, taking into account any adjustment as a result of any subdivision (by any split, dividend or distribution, reclassification, reorganization, recapitalization or otherwise) or combination (by reverse split, reclassification, reorganization, recapitalization or otherwise) of such security, securities or other property that occurs after the effective time of such reclassification, reorganization, recapitalization or other similar transaction. For the avoidance of doubt, if there is any reclassification, reorganization, recapitalization or other similar transaction in which the Class A Common Stock are converted or changed into another security, securities or other property, this Section 2.03(a) shall continue to be applicable, *mutatis mutandis*, with respect to such security or other property. This Agreement shall apply to,*mutatis mutandis*, and all references to "Class C Paired Interests" shall be deemed to include, any security, securities or other property of Pubco or the Company which may be issued in respect of, in exchange for or in substitution of shares of Class C Common Stock or Common Units, as applicable, by reason of stock or unit split, reverse stock or unit split, stock or unit dividend or distribution, combination, reclassification, reorganization, recapitalization, merger, exchange (other than an Exchange) or other transaction.



(b) The Exchange Rate with respect to the Class D Paired Interests and/or the components of a Class D Paired Interest shall be adjusted accordingly if there is: (i) any subdivision (by any stock or unit split, stock or unit dividend or distribution, reclassification, reorganization, recapitalization or otherwise) or combination (by reverse stock or unit split, reclassification, reorganization, recapitalization or otherwise) of the shares of Class D Common Stock or Common Units that is not accompanied by a substantively identical subdivision or combination of the Class B Common Stock; or (ii) any subdivision (by any stock split, stock dividend, reclassification, reorganization, recapitalization or otherwise) or combination (by reverse stock split, reclassification, reorganization, recapitalization or otherwise) of the Class B Common Stock that is not accompanied by a substantively identical subdivision or combination of the shares of Class D Common Stock and Common Units. If there is any reclassification, reorganization, recapitalization or other similar transaction in which the Class B Common Stock are converted or changed into another security, securities or other property, then upon any subsequent Exchange, an Exchanging Holder shall be entitled to receive the amount of such security, securities or other property that such Exchanging Holder would have received if such Exchange had occurred immediately prior to the effective date of such reclassification, reorganization, recapitalization or other similar transaction, taking into account any adjustment as a result of any subdivision (by any split, dividend or distribution, reclassification, reorganization, recapitalization or otherwise) or combination (by reverse split, reclassification, reorganization, recapitalization or otherwise) of such security, securities or other property that occurs after the effective time of such reclassification, reorganization, recapitalization or other similar transaction. For the avoidance of doubt, if there is any reclassification, reorganization, recapitalization or other similar transaction in which the Class B Common Stock are converted or changed into another security, securities or other property, this Section 2.03(b) shall continue to be applicable, *mutatis mutandis*, with respect to such security or other property. This Agreement shall apply to,*mutatis mutandis*, and all references to "Class D Paired Interests" shall be deemed to include, any security, securities or other property of Pubco or the Company which may be issued in respect of, in exchange for or in substitution of shares of Class D Common Stock or Common Units, as applicable, by reason of stock or unit split, reverse stock or unit split, stock or unit dividend or distribution, combination, reclassification, reorganization, recapitalization, merger, exchange (other than an Exchange) or other transaction.

(c) This Agreement shall apply to the Paired Interests held by the Holders and their Permitted Transferees as of the date hereof, as well as any Paired Interests hereafter acquired by a Holder and his or her or its Permitted Transferees.

Section 2.04 Tender Offers and Other Events with Respect to Pubco

(a) In the event that a tender offer, share exchange offer, issuer bid, take-over bid, recapitalization or similar transaction with respect to Class A Common Stock (a "Pubco Offer") is proposed by Pubco or is proposed to Pubco or its stockholders and approved by the board of directors of Pubco or is otherwise effected or to be effected with the consent or approval of the board of directors of Pubco, the Holders of Paired Interests shall be permitted to participate in such Pubco Offer by delivery of a Notice of Exchange (which Notice of Exchange shall be effective immediately prior to the consummation of such Pubco Offer (and, for the avoidance of doubt, shall be contingent upon such Pubco Offer and not be effective if such Pubco Offer is not consummated)). In the case of a Pubco Offer proposed by Pubco, Pubco will use its reasonable best efforts to expeditiously and in good faith take all such actions and do all such things as are necessary or desirable to enable and permit the Holders of Paired Interests to participate in such Pubco Offer to the same extent or on an economically equivalent basis as the holders of shares of Class A Common Stock without discrimination; provided, that without limiting the generality of this sentence, Pubco will use its reasonable best efforts to expeditiously and in good faith ensure that such Holders may participate in each such Pubco Offer without being required to Exchange Paired Interests. For the avoidance of doubt (but subject to Section 2.04(c)), in no event shall the Holders of Paired Interests be entitled to receive in such Pubco Offer aggregate consideration for each Paired Interest that is greater than the consideration payable in respect of each share of Class A Common Stock in connection with a Pubco Offer.

(b) Notwithstanding any other provision of this Agreement, in the event of a Pubco Offer intended to qualify as a reorganization within the meaning of Section 368(a) of the Code or as a transfer described in Section 351(a) or Section 721 of the Code, a Holder shall not be required to exchange its Paired Interest without its prior consent.

(c) Notwithstanding any other provision of this Agreement, (i) in a Pubco Offer where the consideration payable in connection therewith includes Equity Securities, the aggregate consideration for any Class D Paired Interest shall be deemed to be equivalent to the consideration payable in respect of each share of Class A Common Stock if the only difference in the per share distribution to the Holders of Class D Paired Interests is that the Equity Securities distributed to such Holders have not more than twenty times the voting power of any Equity Securities distributed to the holder of a share of Class A Common Stock (so long as such Equity Securities issued to the Class D Paired Interests remain subject to automatic conversion on terms no more favorable to such Holders than those set forth in Article IV, Section G of the Pubco Charter), (ii) in a Pubco Offer, payments under or in respect of the Tax Receivable Agreement shall not be considered part of the consideration payable in respect of any Paired Interest or share of Class A Common Stock in connection with such Pubco Offer for the purposes of Section 2.04(a) and (iii) the Company shall not be entitled to make a Cash Exchange Payment in the case of an Exchange in connection with a Pubco Offer.

Section 2.05 Listing of Deliverable Common Stock. If the Class A Common Stock is listed on a securities exchange or inter-dealer quotation system, Pubco shall use its reasonable best efforts to cause all Class A Common Stock issued upon an exchange of Paired Interests to be listed on the same securities exchange or traded on such inter-dealer quotation system at the time of such issuance.

Section 2.06 Deliverable Common Stock to be Issued; Class C Common Stock or Class D Common Stock to be Cancelled.

(a) Pubco shall at all times reserve and keep available out of its authorized but unissued Class A Common Stock and Class B Common Stock, solely for the purpose of issuance upon an Exchange, the maximum number of shares of Deliverable Common Stock as shall be deliverable upon Exchange of all then-outstanding Paired Interests; provided, that nothing contained herein shall be construed to preclude Pubco from satisfying its obligations in respect of an Exchange by delivery of shares of Deliverable Common Stock that are held in the treasury of Pubco or any of its subsidiaries or by delivery of purchased shares of Deliverable Common Stock (which may or may not be held in the treasury of Pubco or any subsidiary thereof). Pubco covenants that all shares of Deliverable Common Stock issued upon an Exchange will, upon issuance thereof, be validly issued, fully paid and non-assessable.

(b) When a Paired Interest has been Exchanged in accordance with this Agreement, (i) the share of Class C Common Stock or Class D Common Stock corresponding to such Paired Interest shall be cancelled by Pubco and (ii) the Common Unit corresponding to such Paired Interest shall be deemed transferred from the Exchanging Holder to Pubco and the Company shall cause such transfer to be registered in the books and records of the Company.



(c) Pubco agrees that it has taken all or will take such steps as may be required to cause to qualify for exemption under Rule 16b-3(d) or (e), as applicable, under the Exchange Act, and to be exempt for purposes of Section 16(b) under the Exchange Act, any acquisitions from, or dispositions to, Pubco of equity securities of Pubco (including derivative securities with respect thereto) and any securities that may be deemed to be equity securities or derivative securities of Pubco for such purposes that result from the transactions contemplated by this Agreement, by each officer or director of Pubco, including any director by deputization. The authorizing resolutions shall be approved by either Pubco's board of directors or a committee composed solely of two or more Non-Employee Directors (as defined in Rule 16b-3) of Pubco.

Section 2.07 Distributions. No Exchange shall impair the right of the Exchanging Holder to receive any distributions payable on the Common Units so exchanged in respect of a record date that occurs prior to the Exchange Date for such Exchange. No adjustments in respect of dividends or distributions on any Common Unit will be made on the Exchange of any Paired Interest, and if the Exchange Date with respect to a Common Unit occurs after the record date for the payment of a dividend or other distribution on Common Units but before the date of the payment, then the registered Holder of the Common Unit at the close of business on the record date will be entitled to receive the dividend or other distribution payable on the Common Unit on the payment date (without duplication of any distribution to which such Holder may be entitled under Section 5.03(e) of the LLC Agreement in respect of taxes) notwithstanding the Exchange of the Paired Interests or a default in payment of the dividend or distribution due on the Exchange Date. For the avoidance of doubt, no Exchanging Holder shall be entitled to receive, in respect of a single record date, distributions or dividends both on Common Units exchanged by such Holder and on shares of Deliverable Common Stock received by such Holder in such Exchange.

Section 2.08 Withholding; Certification of Non-Foreign Status.

(a) If PubCo or the Company shall be required to withhold any amounts by reason of any federal, state, local or non-U.S. foreign tax rules or regulations in respect of any Exchange, PubCo or the Company, as the case may be, shall be entitled to take such action as it deems appropriate in order to ensure compliance with such withholding requirements, including, at its option, withholding shares of Class A Common Stock or Class B Common Stock, as applicable, with a fair market value equal to the minimum amount of any taxes that PubCo or the Company, as the case may be, may be required to withhold with respect to such Exchange. To the extent that amounts are (or property is) so withheld and paid over to the appropriate taxing authority, such withheld amounts (or property) shall be treated for all purposes of this Agreement as having been paid (or delivered) to the applicable Holder.

(b) Notwithstanding anything to the contrary herein, each of PubCo and the Company may, in its discretion, require that an exchanging Holder deliver to the PubCo or the Company, as the case may be, a certification of non-foreign status in accordance with Treasury Regulation Section 1.1445-2(b) and 1.1446(f)-2(b)(2) prior to an Exchange. In the event PubCo or the Company has required delivery of such certification but an exchanging Holder does not provide such certification, PubCo or the Company, as the case may be, shall nevertheless deliver or cause to be delivered to the exchanging Holder the Class A Common Stock or the Class B Common Stock, as applicable, or Cash Payment in accordance with Section 2.01, but subject to withholding as provided in Section 2.08(a).



## ARTICLE III

## REPRESENTATIONS AND WARRANTIES

Section 3.01 Representations and Warranties of Pubco and of the Company. Each of Pubco and the Company represents and warrants that (i) it is a corporation or limited liability company duly incorporated or formed and is existing in good standing under the laws of the State of Delaware, (ii) it has all requisite corporate or limited liability company power and authority to enter into and perform this Agreement and to consummate the transactions contemplated hereby and, in the case of Pubco, to issue the Deliverable Common Stock in accordance with the terms hereof, (iii) the execution and delivery of this Agreement by it and the consummation by it of the transactions contemplated hereby (including, without limitation, in the case of Pubco, the issuance of the Deliverable Common Stock) have been duly authorized by all necessary corporate or limited liability company action on its part and (iv) this Agreement constitutes a legal, valid and binding obligation of it

enforceable against it in accordance with its terms, except as enforcement may be limited by equitable principles or by bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or limiting creditors' rights generally.

Section 3.02 Representations and Warranties of the Holders. Each Holder, severally and not jointly, represents and warrants that (i) if it is not a natural person, that it is duly incorporated or formed and, the extent such concept exists in its jurisdiction of organization, is in good standing under the laws of such jurisdiction, (ii) it has all requisite legal capacity and authority to enter into and perform this Agreement and to consummate the transactions contemplated hereby, (iii) if it is not a natural person, the execution and delivery of this Agreement by it of the transactions contemplated hereby have been duly authorized by all necessary corporate or other entity action on the part of such Holder and (iv) this Agreement constitutes a legal, valid and binding obligation of such Holder enforceable against it in accordance with its terms, except as enforcement may be limited by equitable principles or by bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or limiting creditors' rights generally.

## ARTICLE IV

## MISCELLANEOUS

Section 4.01 Additional Holders. To the extent a Holder validly transfers any or all of such Holder's Paired Interests to another Person in a transaction in accordance with, and not in contravention of, the LLC Agreement or the Registration Rights Agreement, then such transferee (each, a "Permitted Transferee") shall have the right to execute and deliver a joinder to this Agreement, substantially in the form of Exhibit B hereto, whereupon such Permitted Transferee shall become a Holder hereunder. To the extent the Company issues Common Units in the future, then the holder of such Common Units shall have the right to execute and deliver a joinder to this Agreement, substantially in the form of Exhibit B hereto, whereupon such holder shall become a Holder hereunder.



Section 4.02 Further Assurances. Each party hereto agrees to execute, acknowledge, deliver, file and record such further certificates, amendments, instruments and documents, and to do all such other acts and things, as may be required by law or as, in the reasonable judgment of Pubco, may be necessary or advisable to carry out the intent and purposes of this Agreement.

Section 4.03 Notices. All notices, requests and other communications to any party hereunder shall be in writing (including facsimile transmission and electronic mail ("e-mail") transmission, so long as a receipt of such e-mail is requested and received by non-automated response) and shall be given:

(a) if to Pubco, to:

Clear Secure, Inc.
65 East 55th Street, 17th Floor
New York, New York, 10022
Attention: Matthew Levine, General Counsel and Chief Privacy Officer

(b) if to the Company, to:

Alclear Holdings, LLC
65 East 55th Street, 17th Floor
New York, New York, 10022
Attention: Matthew Levine, General Counsel and Chief Privacy Officer

(c) if to any Holder, to the address and other contact information set forth in the records of Pubco or the Company from time to time,

or to such other address or facsimile number as such party may hereafter specify for the purpose by notice to the other parties hereto. All such notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5:00 p.m. New York City time on a Business Day in the place of receipt. Otherwise, any such notice, request or communication shall be deemed to have been received on the next succeeding Business Day in the place of receipt.



Section 4.04 Binding Effect. The provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. No provision of this Agreement is intended to confer any rights, benefits, remedies, obligations or liabilities hereunder upon any Person other than the parties hereto and their respective successors and assigns.

Section 4.05 Jurisdiction.

(a) The parties hereto agree that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby (whether brought by any party or any of its Affiliates or against any party or any of its Affiliates) shall be brought in the Delaware Chancery Court or, if such court shall not have jurisdiction, any federal court located in the State of Delaware or other Delaware state court, and each of the parties hereby irrevocably consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided in Section 4.03 shall be deemed effective service of process on such party.

(b) EACH OF THE COMPANY AND THE HOLDERS HEREBY IRREVOCABLY DESIGNATES CORPORATION SERVICE COMPANY (IN SUCH CAPACITY, THE "PROCESS AGENT"), WITH AN OFFICE AT 251 LITTLE FALLS DRIVE, WILMINGTON, NEW CASTLE COUNTY, DELAWARE 19808, AS ITS DESIGNEE, APPOINTEE AND AGENT TO RECEIVE, FOR AND ON ITS BEHALF SERVICE OF PROCESS IN SUCH JURISDICTION IN ANY LEGAL ACTION OR PROCEEDINGS WITH RESPECT TO THIS AGREEMENT OR ANY OTHER AGREEMENT EXECUTED IN CONNECTION WITH THIS AGREEMENT, AND SUCH SERVICE SHALL BE DEEMED COMPLETE UPON DELIVERY THEREOF TO THE PROCESS AGENT; PROVIDED THAT IN THE CASE OF ANY SUCH SERVICE UPON THE PROCESS AGENT, THE PARTY EFFECTING SUCH SERVICE SHALL ALSO DELIVER A COPY THEREOF TO EACH OTHER SUCH PARTY IN THE MANNER PROVIDED IN SECTION 4.03 OF THIS AGREEMENT. EACH PARTY SHALL TAKE ALL SUCH ACTION AS MAY BE NECESSARY TO CONTINUE SAID APPOINTMENT IN FULL FORCE AND EFFECT OR TO APPOINT ANOTHER AGENT SO THAT SUCH PARTY SHALL AT ALL TIMES HAVE AN AGENT FOR SERVICE OF PROCESS FOR THE ABOVE PURPOSES IN WILMINGTON, DELAWARE. NOTHING HEREIN SHALL AFFECT

THE RIGHT OF ANY PARTY TO SERVE PROCESS IN ANY MANNER PERMITTED BY APPLICABLE LAW. EACH PARTY EXPRESSLY ACKNOWLEDGES THAT THE FOREGOING WAIVER IS INTENDED TO BE IRREVOCABLE UNDER THE LAWS OF THE STATE OF DELAWARE AND OF THE UNITED STATES OF AMERICA.



Section 4.06 WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 4.07 Counterparts. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. Until and unless each party has received a counterpart hereof signed by the other party hereto, this Agreement shall have no effect and no party shall have any right or obligation hereunder (whether by virtue of any other oral or written agreement or other communication).

Section 4.08 Entire Agreement. This Agreement, the LLC Agreement and the other Reorganization Documents constitute the entire agreement between the parties with respect to the subject matter of this Agreement and supersede all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter of this Agreement. Nothing in this Agreement shall create any third-party beneficiary rights in favor of any Person or other party hereto, except to the extent provided herein with respect to Holders of Indemnitee-Related Entities, each of whom are intended third-party beneficiaries of those provisions that specifically relate to them with the right to enforce such provisions as if they were a party hereto.

Section 4.09 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other Governmental Authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such a determination, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the fullest extent possible.

Section 4.10 Amendment. This Agreement can be amended at any time and from time to time (including in accordance with Section 2.3 of the Reorganization Agreement to the extent applicable) by written instrument signed by the Company and Pubco; provided that:

(i) so as long as Alclear Investments I owns any Paired Interests, without the prior written consent of Alclear Investments I, no amendment to this Agreement may (x) adversely affect the rights (including the ability to Exchange Paired Interests pursuant to this Agreement) and obligations of Alclear Investments I or (y) modify the rights or obligations of Alclear Investments I hereunder in any different or disproportionate manner to the rights or obligations of Alclear Investments II hereunder that, in any such case, is more favorable to Alclear Investments II relative to Alclear Investments I;



(ii) so as long as Alclear Investments II owns any Paired Interests, without the prior written consent of Alclear Investments II, no amendment to this Agreement may (x) adversely affect the rights (including the ability to Exchange Paired Interests pursuant to this Agreement) and obligations of Alclear Investments II or (y) modify the rights or obligations of Alclear Investments II hereunder in any different or disproportionate manner to the rights or obligations of Alclear Investments I hereunder that, in any such case, is more favorable to Alclear Investments I relative to Alclear Investments II; and

(iii) no amendment to this Agreement may adversely modify in any material respect the rights (including the ability to Exchange Paired Interests pursuant to this Agreement) and obligations of any Holders in any materially disproportionate manner to the rights and obligations of any other Holders without the prior written consent of a majority in interest of such disproportionately affected Holder or Holders.

In the event that this Agreement is amended, whether or not the prior written consent of Alclear Investments I or Alclear Investments II is required under the foregoing clauses (i), (ii) or (iii), as applicable, the Company and Pubco shall provide a copy of such amendment to all Holders.

Section 4.11 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the conflicts of law rules of such State that would result in the application of the laws of any other State.

Section 4.12 Tax Treatment. This Agreement shall be treated as part of the LLC Agreement as described in Section 761(c) of the Code and Sections 1.704-1(b)(2)(ii)(h) and 1.761-1(c) of the Treasury Regulations promulgated thereunder. As required by the Code and the Treasury Regulations, and the parties shall report any Exchange consummated hereunder as a taxable sale of the Common Units and shares of Class C Common Stock or Class D Common Stock, as applicable, by a Holder to Pubco, and no party shall take a contrary position on any income tax return or amendment thereof unless an alternate position is permitted under the Code and Treasury Regulations and Pubco consents in writing.

Section 4.13 Independent Nature of Holders' Rights and Obligations. The obligations of each Holder hereunder are several and not joint with the obligations of any other Holder, and no Holder shall be responsible in any way for the performance of the obligations of any other Holder under hereunder. The decision of each Holder to enter into to this Agreement has been made by such Holder independently of any other Holder. Nothing contained herein, and no action taken by any Holder pursuant hereto, shall be deemed to constitute the Holders as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Holders are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated hereby.

**[signature pages follow]**



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first written above.

**CLEAR SECURE, INC.**

By: _____
Name:
Title:

**ALCLEAR HOLDINGS, LLC**

By: _____
Name:
Title:

[Signature Page to the Exchange Agreement]

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**HOLDERS:**

**ALCLEAR INVESTMENTS, LLC**

_____
By: Caryn Seidman-Becker
Title: Manager

**ALCLEAR INVESTMENTS II, LLC**

_____
By: Kenneth L. Cornick
Title: Manager

[Signature Page to the Exchange Agreement]

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_____
**[OTHER HOLDERS]**

[Signature Page to the Exchange Agreement]

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**EXHIBIT A**

[FORM OF]

NOTICE OF EXCHANGE

Clear Secure, Inc.
65 East 55th Street, 17th Floor
New York, New York 10022
Attention: General Counsel and Chief Privacy Officer

Alclear Holdings, LLC
65 East 55th Street, 17th Floor
New York, New York 10022
Attention: General Counsel and Chief Privacy Officer

Reference is hereby made to the Exchange Agreement, dated as of [____], 2021 (the "Exchange Agreement"), by and among Clear Secure, Inc., a Delaware corporation ("Pubco"), Alclear Holdings, LLC, a Delaware limited liability company (the "Company"), and the holders of Common Units (as defined therein) and shares of Class C Common Stock (as defined therein) or Class D Common Stock (as defined therein) from time to time party hereto (each, a "Holder"). Capitalized terms used but not defined herein shall have the meanings given to them in the Exchange Agreement.

The undersigned Holder desires to transfer to Pubco the number of (i) shares of Class [C/D] Common Stock plus Common Units set forth below (together, the Paired Interests") in Exchange for shares of Class [A/B] Common Stock (the "Deliverable Common Stock") to be issued in its name as set forth below, in accordance with the terms of the Exchange Agreement.

Legal Name of Holder: _____

Address: _____
_____
_____
_____

Number of Paired Interests
to be Exchanged: _____

Proposed Exchange Date: _____

DTC Participant Number for delivery of Deliverable Common Stock: _____

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The undersigned hereby represents and warrants that (i) the undersigned has full legal capacity to execute and deliver this Notice of Exchange and to perform the undersigned's obligations hereunder, (ii) this Notice of Exchange has been duly executed and delivered by the undersigned and is the legal, valid and binding obligation of the undersigned enforceable against it in accordance with the terms thereof or hereof, as the case may be, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and the availability of equitable remedies, (iii) the Paired Interests subject to this Notice of Exchange are being transferred to Pubco free and clear of any pledge, lien, security interest, encumbrance, equities or claim and (iv) no consent, approval, authorization, order, registration or qualification of any third party or with any court or governmental agency or body having jurisdiction over the undersigned or the Paired Interests subject to this Notice of Exchange is required to be obtained by the undersigned for the transfer of such Paired Interests to Pubco.

The undersigned hereby irrevocably constitutes and appoints any officer of Pubco as the attorney of the undersigned, with full power of substitution and resubstitution in the premises, to do any and all things and to take any and all actions that may be necessary to transfer to Pubco the Paired Interests subject to this Notice of Exchange and to deliver to the undersigned the shares of Deliverable Common Stock to be delivered in Exchange therefor.

IN WITNESS WHEREOF, the undersigned, by authority duly given, has caused this Notice of Exchange to be executed and delivered by the undersigned or by its duly authorized attorney.

_____

Name:

Date:

---

**EXHIBIT B**

[FORM OF]

JOINDER AGREEMENT

This Joinder Agreement ("Joinder Agreement") is a joinder to the Exchange Agreement, dated as of [____], 2021 (the "Agreement"), by and among Clear Secure, Inc., a Delaware corporation ("Pubco"), Alclear Holdings, LLC, a Delaware limited liability company (the "Company"), and the holders of Common Units (as defined therein) and shares of Class C Common Stock (as defined therein) or Class D Common Stock (as defined therein) from time to time party hereto (each, a "Holder"). Capitalized terms used but not defined in this Joinder Agreement shall have their meanings given to them in the Agreement. This Joinder Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the conflicts of law rules of such State that would result in the application of the laws of any other State. In the event of any conflict between this Joinder Agreement and the Agreement, the terms of this Joinder Agreement shall control.

The undersigned, having acquired shares of Class [C/D] Common Stock and Common Units, hereby joins and enters into the Agreement. By signing and returning this Joinder Agreement to Pubco, the undersigned (i) accepts and agrees to be bound by and subject to all of the terms and conditions of and agreements of a Holder contained in the Agreement, with all attendant rights, duties and obligations of a Holder thereunder and (ii) makes each of the representations and warranties of a Holder set forth in Section 3.02 of the Agreement as fully as if such representations and warranties were set forth herein. The parties to the Agreement shall treat the execution and delivery hereof by the undersigned as the execution and delivery of the Agreement by the undersigned and, upon receipt of this Joinder Agreement by Pubco and by the Company, the signature of the undersigned set forth below shall constitute a counterpart signature to the signature page of the Agreement.

Name: _____

Address for Notices: _____
_____
_____
_____

With Copies To: _____
_____
_____
_____

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IN WITNESS WHEREOF, the undersigned, by authority duly given, has caused this Joinder Agreement to be executed and delivered by the undersigned or by its duly authorized attorney.

_____

Name:

Date:

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**Exhibit 10.3**

# REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (as amended, supplemented or otherwise modified from time to time, this "Agreement"), dated as of [___], 2021, is made by and among:

i. Clear Secure, Inc., a Delaware corporation (the "Company");

ii. Alclear Investments, LLC, a Delaware limited liability company (the "Alclear Investments Holder");

iii. Alclear Investments II, LLC, a Delaware limited liability company (the "Alclear Investments II Holder" and, together with the Alclear Investments Holder, the "Founder Holders"); and

iv. each of the Persons who has executed a signature page hereto under the heading "Additional Holders" (collectively, the "Other Holders").

The Founder Holders and the Other Holders are each referred to herein as a "Holder" and are collectively referred to herein as the "Holders". In addition, the Holders and the Company are each referred to herein as a "Party" and are collectively referred to herein as the "Parties".

WHEREAS, pursuant to a Reorganization Agreement, dated as of [___], 2021, by and among the Company, Alclear (as defined below) and the other Persons listed on the signature pages thereto, the Company has effected a series of reorganization transactions (the "Reorganization Transactions");

WHEREAS, in connection with the Reorganization Transactions, Alclear, the Company and other parties thereto have entered into the Second Amended and Restated Operating Agreement of Alclear (the "LLC Agreement");

WHEREAS, the Company has priced an initial public offering of shares of its Class A Common Stock (the "IPO") pursuant to an Underwriting Agreement, dated as of the date hereof; and

WHEREAS, in connection with the Reorganization Transactions and the IPO, the Company has agreed to provide the Holders with certain registration rights with respect to their Registrable Securities, subject to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises and of the mutual agreements, covenants and provisions contained in this Agreement and for good and valuable consideration, the Parties agree as follows:



## ARTICLE I

## DEFINITIONS

**1.1 Definitions**. The following terms shall have the following respective meanings:

"Affiliate" means, with respect to any Person, any other Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such first Person.

"Agreement" has the meaning set forth in the preamble.

"Alclear" mean Alclear Holdings, LLC, a Delaware limited liability company.

"Alclear Investments Holder" has the meaning set forth in the preamble.

"Alclear Investments II Holder" has the meaning set forth in the preamble.

"Alclear Units" means non-voting common interest units in Alclear.

"Business Day" means a day, other than Saturday, Sunday or other day on which commercial banks in New York, New York are authorized or required by applicable law to close.

"Class A Common Stock" means shares of the Company's Class A common stock, $0.00001 par value per share.

"Class B Common Stock" means shares of the Company's Class B common stock, $0.00001 par value per share.

"Class C Common Stock" means shares of the Company's Class C common stock, $0.00001 par value per share.

"Class D Common Stock" means shares of the Company's Class D common stock, $0.00001 par value per share.

"Common Stock" means the Class A Common Stock.

"Company" has the meaning set forth in the preamble.

"Continuance Notice" has the meaning set forth in Section 2.6(c).

"Demand" has the meaning set forth in Section 2.1(a).

"Demand Registration" has the meaning set forth in Section 2.1(a).

"Disclosure Package" means (i) the preliminary prospectus, (ii) each Free Writing Prospectus and (iii) all other information that is deemed, under Rule 159 under the Securities Act, to have been conveyed to purchasers of securities at the time of sale (including a contract of sale).

"Equity Securities" means, with respect to any Person, any (i) equity interests, membership interests, shares of capital stock or other ownership, voting, profit

or participation interests of such Person or (ii) similar rights or securities of such Person, or any rights or securities convertible into or exchangeable for, options or other rights to acquire from such Person, any of the foregoing.



"Electing Registration Party" has the meaning set forth in Section 2.6(c).

"Exchange" means (i) the exchange of shares of Class D Common Stock together with Alclear Units for shares of Class B Common Stock, pursuant to the Exchange Agreement, and the further conversion of such shares of Class B Common Stock into shares of Common Stock and (ii) the exchange of shares of Class C Common Stock together with Alclear Units for shares of Common Stock, pursuant to the Exchange Agreement.

"Exchange Agreement" means that certain Exchange Agreement, dated as of the date hereof, by and among the Company, Alclear and the other Persons listed on the signature pages thereto.

"Form S-3 Registration Statement" has the meaning set forth in Section 2.3(b).

"Form S-3 Shelf Registration Statement" has the meaning set forth in Section 2.3(b).

"Founder Holder" has the meaning set forth in the preamble.

"Founder Registration Party" means any Founder Holder or any of their respective permitted Transferees that have executed and delivered a Joinder Agreement in accordance with this Agreement holding Registrable Securities.

"Free Writing Prospectus" means any "free writing prospectus," as defined in Rule 405 under the Securities Act.

"Governmental Authority" means any United States or non-United States federal, national, supranational, state, provincial, local or similar government, governmental, regulatory or administrative authority, branch, agency or commission or any court, tribunal, or arbitral or judicial body.

"Holder" has the meaning set forth in the preamble.

"Initiating Shelf Holder" has the meaning set forth in the Section 2.4(a).

"IPO" has the meaning set forth in the recitals.

"Law" means any statute, law, ordinance, regulation, rule, code, executive order, injunction, judgment, decree or order of any Governmental Authority.

"LLC Agreement" has the meaning set forth in the recitals.

"Marketed Underwritten Shelf Take-Down" has the meaning set forth in Section 2.4(b).

"Non-Marketed Take-Down Share" means with respect to each Initiating Shelf Holder and each other Notice Recipient delivering a notice with respect to and participating in such Non-Marketed Underwritten Shelf Take-Down subject to Section 2.4(d), a number equal to the product of (i) the total number of Registrable Securities to be included in such Non-Marketed Underwritten Shelf Take-Down pursuant to Section 2.4(c) and (ii) a fraction, the numerator of which is the total number of Registrable Securities beneficially owned by the Initiating Shelf Holder or such participating Notice Recipient, as applicable, and the denominator of which is the total number of Registrable Securities beneficially owned by the Initiating Shelf Holder and all participating Notice Recipients delivering a notice and participating in such Non-Marketed Underwritten Shelf Take-Down.



"Non-Marketed Underwritten Shelf Take-Down" has the meaning set forth in Section 2.4(c).

"Non-Marketed Underwritten Shelf Take-Down Notice" has the meaning set forth in Section 2.4(d).

"Non-Marketed Underwritten Shelf Take-Down Piggyback Election" has the meaning set forth in Section 2.4(c).

"Notice Recipient" has the meaning set forth in Section 2.4(c).

"Other Holders" has the meaning set forth in the preamble.

"Other Holder Registration Party" means, individually or collectively, any Other Holder or Other Holders, or any of their respective permitted Transferees that have executed and delivered a Joinder Agreement in accordance with this Agreement, beneficially owning at least a majority of the outstanding Common Stock.

"Other Securities" means Common Stock of the Company sought to be included in a registration other than Registrable Securities.

"Parties" has the meaning set forth in the preamble.

"Person" means an individual, corporation, partnership, limited liability company, limited liability partnership, joint venture, syndicate, person, trust, association, organization or other entity, including any Governmental Authority, and including any successor, by merger or otherwise, of any of the foregoing.

"Piggyback Notice" has the meaning set forth in Section 2.2(a).

"Public Offering" means a public offering of Common Stock pursuant to an effective registration statement (other than on Form S-4 or Form S-8 or their respective equivalents) filed by the Company under the Securities Act.

"Registrable Securities" means shares of Common Stock owned by a Holder, whether now held or hereinafter acquired, including any shares of Common Stock issuable or issued upon conversion or exchange of other securities of the Company or any of its Subsidiaries ("Overlying Securities"), including upon an Exchange or by way of unit or stock dividend or unit or stock split, or in connection with a combination of units or shares, recapitalization, merger, consolidation or other reorganization, until:

(i) a registration statement covering such shares of Common Stock or applicable Overlying Securities has been declared effective by the SEC and such shares of Common Stock or applicable Overlying Securities have been disposed of pursuant to such effective registration statement; (ii) such shares of Common Stock or applicable Overlying Securities are sold under circumstances in which all of the applicable conditions of Rule 144 (or any similar provisions then in force) under the Securities Act are met; (iii) with respect to any Holder, such Holder and its Affiliates beneficially own less than 1% of the outstanding Common Stock and all of such shares of Common Stock may be sold without restriction under Rule 144 (or any similar provisions then in force); or (iv) (A) such shares of Common Stock or applicable Overlying Securities are otherwise Transferred to a non-Affiliate of the Transferor, (B) the Company has delivered a new certificate or other evidence of ownership for such shares of Common Stock or applicable Overlying Securities not bearing a restrictive legend and (C) such shares of Common Stock or applicable Overlying Securities may be resold without limitation or subsequent registration under the Securities Act.



"Registration Expenses" means any and all expenses incident to performance of or compliance with any registration of securities pursuant to Article II (other than underwriting discounts and commissions), including (i) the fees, disbursements and expenses of the Company's counsel and accountants, including for special audits and comfort letters; (ii) all expenses, including filing fees, in connection with the preparation, printing and filing of the registration statement, any preliminary prospectus or final prospectus, any other offering document and amendments and supplements thereto and the mailing and delivering of copies thereof to any underwriters and dealers; (iii) the cost of printing or producing any underwriting agreements and blue sky or legal investment memoranda and any other documents in connection with the offering, sale or delivery of the securities to be disposed of; (iv) all expenses in connection with the qualification of the securities to be disposed of for offering and sale under state "blue sky" securities laws, including the reasonable fees and disbursements of one counsel for the underwriters and the Selling Holders in connection with such qualification and in connection with any blue sky and legal investment surveys; (v) all expenses, including filing fees, incident to securing any required review by FINRA of the terms of the sale of the securities to be disposed of; (vi) transfer agents' and registrars' fees and expenses and the fees and expenses of any other agent or trustee appointed in connection with such offering; (vii) all security engraving and security printing expenses; (viii) all fees and expenses payable in connection with the listing of the securities on any securities exchange or automated interdealer quotation system or the rating of such securities; (ix) all expenses with respect to road shows that the Company is obligated to pay pursuant to Section 2.7(o); and (x) the reasonable fees and disbursements of one counsel for the Registration Parties participating in the registration (which counsel shall be chosen by the participating Registration Party that then holds the most Registrable Securities), not to exceed $50,000, incurred in connection with any such registration and any offering of Common Stock relating to such registration, including Shelf-Take Downs (as defined below).

"Registration Party" means any Founder Registration Party or Other Holder Registration Party.

"Selling Holder" means, with respect to any registration statement, any Holder whose Registrable Securities are included therein.



"Shelf Holder" means any Holder whose Registrable Securities are included in the Form S-3 Shelf Registration Statement.

"Shelf Take-Down" has the meaning set forth in Section 2.4(a).

"Subsidiary" means, with respect to any Person, any other Person controlled by such first Person, directly or indirectly, through one of more intermediaries.

"Transfer" means, in respect of any Common Stock, property or other assets, any direct or indirect sale, assignment, hypothecation, lien, encumbrance, transfer, distribution or other disposition thereof or of a participation therein, or other conveyance of legal or beneficial interest therein, including rights to vote and to receive dividends or other income with respect thereto, or any short position in a security or any other action or position otherwise reducing risk related to ownership through hedging or other derivative instruments, whether voluntarily or by operation of Law, or any agreement or commitment to do any of the foregoing.

"Underwritten Shelf Take-Down" has the meaning set forth in Section 2.4(b).

"Underwritten Shelf Take-Down Notice" has the meaning set forth in Section 2.4(b).

"Withdrawn Offering" has the meaning set forth in Section 2.6(c).

Capitalized terms used but not otherwise defined in this Agreement shall have the meanings ascribed to such terms in the LLC Agreement.

## ARTICLE II

## REGISTRATION RIGHTS

**2.1 Demand Rights**.

(a) *Demand Rights*. Subject to the terms and conditions of this Agreement (including Section 2.1(b)), (I) at any time, upon written notice delivered by a Founder Registration Party or (II) at any time after November 22, 2023, upon written notice delivered by an Other Holder Registration Party (in each case, a "Demand"), in each case requesting that the Company effect the registration (a "Demand Registration") under the Securities Act of any or all of the Registrable Securities held by such Registration Party, which Demand shall specify the number and type of such Registrable Securities to be included in such registration and the intended method or methods of disposition of such Registrable Securities, the Company shall use its reasonable best efforts to promptly (but in any event within 10 days of such Demand) give written notice of such Demand to all other Holders and shall use its reasonable best efforts to promptly file the appropriate registration statement with the SEC and use its reasonable best efforts to effect the registration under the Securities Act and applicable state securities laws of (i) the Registrable Securities which the Company has been so requested to register for sale by such Registration Party in the Demand, and (ii) all other Registrable Securities which the Company has been requested to register for sale by such other Holders by written request given to the Company within 20 days after the giving of such written notice by the Company (which request shall specify the intended method of disposition of such Registrable Securities), in each case subject to Section 2.1(f), all to the extent required to permit the disposition (in accordance with such intended methods of disposition) of the Registrable Securities to be so registered for sale. Notwithstanding the foregoing, in the event the method of disposition is an underwritten offering, (x) the right of any Holder to include Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting (unless otherwise agreed by the Holders with a majority of the Registrable Securities participating in the registration and by the requesting Registration Party) to the extent provided in this Agreement and (y) all Holders proposing to distribute their Registrable Securities through such underwriting shall (together with the Company) enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting.

(b) *Limitations on Demand Rights.* The Founder Registration Parties shall be entitled to make two Demands in the aggregate under Section 2.1(a) and the Other Registration Parties shall be entitled to make two Demands in the aggregate under Section 2.1(a), subject, in each case, to Section 2.6(c). No registration effected pursuant to Section 2.2 or Section 2.3 and no Shelf Take-Down pursuant to Section 2.4 shall be counted as the making of a Demand for purposes of Section 2.1(a).

(c) *Assignment*. In connection with the Transfer of Registrable Securities to any Person, a Registration Party or Other Holder may assign to any Transferee of such Registrable Securities (i) the right to make one or more Demands pursuant to Section 2.1(a) (in the case of the Registration Party) and (ii) the right to participate in or effect any registration and/or Shelf Take-Down pursuant to the terms of Section 2.1(a), Section 2.2, Section 2.3 and Section 2.4, in each case to the extent that such Transferor has such rights. In the event of any such assignment, references to the Registration Parties in Section 2.1, Section 2.2, Section 2.3 and Section 2.4 shall be deemed to refer to such Transferee if such Transferee is making any Demand or otherwise exercising its registration rights hereunder. In each of the foregoing cases, in the event the relevant Registration Party or Other Holder assigns, directly or indirectly, any registration rights to any Person as contemplated in this Section 2.1(c) in connection with a Transfer of Registrable Securities, the Registration Party or Other Holder shall, as a condition to any such assignment, require such Transferee to enter into a Joinder Agreement in the form attached hereto as Annex B to become party to this Agreement and expressly be subject to Section 2.12. If any such Transferee is an individual and married, such relevant Registration Party or Other Holder shall, as a condition to such Transfer, cause such Transferee to deliver to the Company a duly executed copy of a Spousal Consent in the form attached hereto as Annex C. In the event of any such assignment, references to the Registration Party or Other Holder in Section 2.12 shall be deemed to refer to such Transferee. In addition, in each of the foregoing cases, the relevant Registration Party or Other Holder, as applicable, shall, as promptly as reasonably practicable, give written notice of any such assignment to the Company and, in the case of an assignment by a Registration Party, the other Registration Parties in accordance with the LLC Agreement or, to the extent applicable to such other Registration Parties, to the addresses and other contact information set forth on Annex A to this Agreement.



(d) *Company Blackout Rights.* With respect to any registration statement filed, or to be filed, including any amendment, renewal or replacement thereof, pursuant to this Section 2.1, if the board of directors of the Company determines in good faith after consultation with outside counsel that such registration would cause the Company to disclose material non-public information, which disclosure (x) would be required to be made in any registration statement so that such registration statement would not be materially misleading, (y) would not be required to be made at such time but for the filing or effectiveness of such registration statement and (z) would be materially detrimental to the Company or would materially interfere with any material financing, acquisition, corporate reorganization or merger or other similar transaction involving the Company or any of its Subsidiaries, and that, as a result of such potential disclosure or interference, it is in the best interests of the Company to defer the filing or effectiveness of such registration statement at such time or suspend the Selling Holders' use of any prospectus which is a part of the registration statement, then the Company shall have the right to defer such filing or effectiveness or suspend the continuance of such effectiveness for a period of not more than 120 days (in which event, in the case of a suspension, such Selling Holder shall discontinue sales of Registrable Securities pursuant to such registration statement); provided, that the Company shall not use this right, together with any other deferral or suspension of the Company's obligations under Section 2.1 or Section 2.3, more than once in any 12-month period. The Company shall as promptly as reasonably practicable notify the Selling Holders of the expiration of any deferral or suspension period during which it exercised its rights under this Section 2.1(d). The Company agrees that, in the event it exercises its rights under this Section 2.1(d), it shall use its reasonable best efforts to, as promptly as reasonably practicable following the expiration of the applicable deferral or suspension period, file or update and use its reasonable best efforts to cause the effectiveness of, as applicable, the applicable deferred or suspended registration statement or prospectus which is a part of the registration statement.

(e) *Fulfillment of Registration Obligations.* Notwithstanding any other provision of this Agreement, a registration requested pursuant to this Section 2.1 shall not be deemed to have been effected and the Registration Party that issued the Demand shall not be deemed to have used one of its Demands for purposes of Section 2.1(b): (i) if the registration statement is withdrawn without becoming effective; (ii) if after it has become effective such registration is interfered with by any stop order, injunction or other order or requirement of the SEC or any other Governmental Authority for any reason other than a misrepresentation or an omission by a Selling Holder that is the Registration Party, or an Affiliate of the Registration Party (other than the Company and its controlled Affiliates), that made the Demand relating to such registration and, as a result thereof, the Registrable Securities requested to be registered cannot be completely distributed in accordance with the plan of distribution set forth in the related registration statement; (iii) if the registration does not contemplate an underwritten offering, if it does not remain effective for at least 180 days (or such shorter period as will terminate when all securities covered by such registration statement have been sold or withdrawn); or if such registration statement contemplates an underwritten offering, if it does not remain effective for at least 180 days plus such longer period as, in the opinion of counsel for the underwriter or underwriters, a prospectus is required by applicable Law to be delivered in connection with the sale of Registrable Securities by an underwriter or dealer; or (iv) in the event of an underwritten offering, if the conditions to closing (including any condition relating to an overallotment option) specified in the purchase agreement or underwriting agreement entered into in connection with such registration are not satisfied or waived other than by reason of some wrongful act or omission by a Selling Holder that is the Registration Party, or an Affiliate of the Registration Party, that made the Demand relating to such registration.



(f) *Cutbacks in Demand Registration.* If the lead underwriter or managing underwriter advises the Company in writing that, in such firm's good faith view, the aggregate number of Registrable Securities and Other Securities requested to be included in a Demand Registration exceeds the largest number that can be included in such registration without materially adversely affecting the distribution (including timing or pricing) of the Registrable Securities and Other Securities proposed to be included in such registration, the Company shall include in such registration:

(1) first, Registrable Securities owned by the Holders that are requested to be included in such registration pursuant to Section 2.1(a) and that can be sold without having the adverse effect referred to above (or, if necessary, such Registrable Securities *pro rata* among the Holders thereof based upon the number of Registrable Securities held by each such Holder);

(2) second, Other Securities proposed to be sold by the Company for its own account that can be sold without having the adverse effect referred to above; and

(3) third, Other Securities owned by any holder thereof with a contractual right to include such Other Securities in such registration that can be sold without having the adverse effect referred to above, *pro rata* on the basis of the relative number of such Other Securities owned by such Persons requesting inclusion in such registration.

**2.2 Piggyback Registration Rights**.

(a) *Notice and Exercise of Rights.* If the Company at any time proposes or is required to register any of its Common Stock or any other Equity Securities of the Company under the Securities Act (other than a Demand Registration pursuant to Section 2.1 or a registration pursuant to Section 2.3) whether or not for sale for its own account, in a manner that would permit registration of Registrable Securities for sale for cash to the public under the Securities Act, subject to the last sentence of this Section 2.2(a), it shall at each such time promptly give written notice (the "Piggyback Notice") to each Holder of Registrable Securities of its intention to do so at least 10 Business Days before the initial filing of the registration statement related thereto and, upon the request of any Holder of Registrable Securities to include in such registration Registrable Securities (which request shall specify the number of shares of such Registrable Securities to be included in such registration), the Company shall use its reasonable best efforts to cause all such Registrable Securities to be included in such registration on the same terms and conditions as the Common Stock or other Equity Securities being

registered in such registration; provided, that in no event shall the Company be required to register pursuant to this Section 2.2 any securities other than Common Stock. Notwithstanding anything to the contrary contained in this Section 2.2, the Company shall not be required to effect any registration of Registrable Securities under this Section 2.2 incidental to the registration of any of its securities on Forms S-4 or S-8 (or any similar or successor form providing for the registration of securities in connection with mergers, acquisitions, exchange offers, subscription offers, dividend reinvestment plans or stock option or other executive or employee benefit or compensation plans) or any other form that would not be available for registration of Registrable Securities.



(b) *Determination Not to Effect Registration.* If at any time after giving such Piggyback Notice and prior to the effective date of the registration statement filed in connection with such registration the Company shall determine for any reason not to register the securities originally intended to be included in such registration, the Company may, at its election, give written notice of such determination to the Selling Holders and thereupon the Company shall be relieved of its obligation to register such Registrable Securities in connection with the registration of securities originally intended to be included in such registration, without prejudice, however, (i) to the right of a Registration Party immediately to request that such registration be effected as a registration under Section 2.1 or (ii) the right of a Shelf Registration Party (as defined below) immediately to request that such registration be effected as a shelf registration under Section 2.3, in each case, to the extent permitted thereunder.

(c) *Cutbacks in Company Offering or Other Offerings.*

(1) *Cutbacks in Company Offering.* If the registration referred to in the first sentence of Section 2.2(a) is to be an underwritten registration on behalf of the Company, and the lead underwriter or managing underwriter advises the Company in writing that, in such firm's good faith view, the aggregate number of Registrable Securities and Other Securities requested to be included in such registration exceeds the largest number that can be included in such registration without materially adversely affecting the distribution (including timing or pricing) of the Registrable Securities and Other Securities proposed to be included in such registration, the Company shall include in such registration:

(A) first, all securities proposed to be registered on behalf the Company;

(B) second, Registrable Securities owned by the Holders that are requested to be included in such registration pursuant to this Section 2.2 and that can be sold without having the adverse effect referred to above (or, if necessary, such Registrable Securities *pro rata* among the Holders thereof based upon the number of Registrable Securities held by each such Holder); and

(C) third, Other Securities that are requested to be included in such registration pursuant to the terms of any agreement providing for registration rights to which the Company is a party that can be sold without having the adverse effect referred to above, *pro rata* on the basis of the relative number of such Other Securities owned by such Persons requesting inclusion in such registration.

(2) *Cutbacks in Other Offerings.* If the registration referred to in the first sentence of Section 2.2(a) is to be an underwritten registration other than on behalf of the Company, and the lead underwriter or managing underwriter advises the Company in writing that, in such firm's good faith view, the aggregate number of Registrable Securities and Other Securities requested to be included in such registration exceeds the largest number that can be included in such registration without materially adversely affecting the distribution (including timing or pricing) of the Registrable Securities and Other Securities proposed to be included in such registration, the Company shall include in such registration:



(A) first, Other Securities held by any holder thereof with a contractual right to include such Other Securities in such registration prior to any other Person;

(B) second, Registrable Securities owned by the Holders that are requested to be included in such registration pursuant to this Section 2.2 and that can be sold without having the adverse effect referred to above (or, if necessary, such Registrable Securities *pro rata* among the Holders thereof based upon the number of Registrable Securities held by each such Holder);

(C) third, Other Securities proposed to be sold by the Company for its own account that can be sold without having the adverse effect referred to above; and

(D) fourth, Other Securities owned by any holder thereof with a contractual right to include such Other Securities in such registration that can be sold without having the adverse effect referred to above, *pro rata* on the basis of the relative number of such Other Securities owned by such Persons requesting inclusion in such registration.

**2.3 Form S-3 Registration; Shelf Registration**.

(a) Notwithstanding anything in Section 2.1 or Section 2.2 to the contrary, at such time the Company shall have qualified for the use of a Form S-3 under the Securities Act or any successor form thereto, any Founder Registration Party or any other Holder who beneficially owns not less than 10% of the outstanding Common Stock at the time of determination (each, a "Shelf Registration Party"), shall have the right to request an unlimited number of registrations of Registrable Securities on Form S-3 (which may, at such Holder's request, be shelf registrations pursuant to Rule 415 promulgated under the Securities Act) or its successor form, which request or requests shall (i) specify the number of Registrable Securities intended to be Transferred and the Holders thereof and (ii) state whether the intended method of Transfer of such Registrable Securities is an underwritten offering or a shelf registration, and upon receipt of such request, the Company shall use its reasonable best efforts to promptly effect the registration under the Securities Act of the Registrable Securities so requested to be registered. A requested registration on Form S-3 (or its successor form) in compliance with this Section 2.3 shall not constitute a Demand. If requested in accordance with this Section 2.3(a), the Company shall use its reasonable best efforts to:

(1) as promptly as reasonably practicable, give written notice of the proposed registration, and any related qualification or compliance, to all other Holders; and

(2) as promptly as reasonably practicable, file with the SEC and use reasonable best efforts to effect such registration and all such qualifications and compliances as may be so requested and as would permit or facilitate the sale and distribution of all or such portion of such Shelf Registration Party's Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any other Holder joining in such request as are specified in a written request given within 10 days after receipt of such written notice from the Company; provided, that the Company shall not be obligated to effect any such registration, qualification or compliance pursuant to this Section 2.3 (or, with respect to a request under Section 2.4, any Shelf Take-Down pursuant to Section 2.4):

(A) if Form S-3 is not available for such registration or offering;

(B) solely with respect to filing and causing the effectiveness of a registration on Form S-3 or effecting a Marketed Underwritten Shelf Take-Down, if the Shelf Registration Party, together with the Holders of any Registrable Securities entitled to inclusion in such registration (or Marketed Underwritten Shelf Take-Down, as applicable), propose to sell Registrable Securities at an aggregate price to the public (net of any underwriting discounts or commissions) of less than $50 million;

(C) if the board of directors of the Company determines in good faith after consultation with outside counsel that such Form S-3 registration would cause the Company to disclose material non-public information, which disclosure (x) would be required to be made in any registration statement so that such registration statement would not be materially misleading, (y) would not be required to be made at such time but for the filing or effectiveness of such registration statement and (z) would be materially detrimental to the Company or would materially interfere with any material financing, acquisition, corporate reorganization or merger or other similar transaction involving the Company or any of its Subsidiaries, and that, as a result of such potential disclosure or interference, it is in the best interests of the Company to defer the filing or effectiveness of such registration statement (or, with respect to a Shelf Take-Down under Section 2.4, the sale of securities of the Company pursuant to such Form S-3 Registration Statement (as defined below)) at such time, then the Company shall have the right to defer such filing of the Form S-3 Registration Statement (or Shelf Take-Down) for a period of not more than 120 days after receipt of the request of the Shelf Registration Party under this Section 2.3 (or Section 2.4, as applicable); provided, that the Company shall not use this right, together with any other deferral or suspension of the Company's obligations under Section 2.1 or Section 2.3, more than once in any 12-month period. The Company shall as promptly as reasonably practicable notify the Selling Holders of the expiration of any period during which it exercised its rights under this Section 2.3(a)(2)(C). The Company agrees that, in the event it exercises its rights under this Section 2.3(a)(2)(C), it shall use its reasonable best efforts to, as promptly as reasonably practicable following the expiration of the applicable deferral period, file or update and use its reasonable best efforts to cause the effectiveness of, as applicable, the applicable deferred registration statement (or Shelf Take-Down);

(D) solely with respect to filing and causing the effectiveness of a registration on Form S-3, subject to Section 2.3(d), if the Company has, within the 120-day period preceding the date of such request, already effected one registration on Form S-3 for a Shelf Registration Party pursuant to this Section 2.3 (but, for the avoidance of doubt, regardless of whether any Shelf Take-Downs have been effected during such period); provided, that any such registration shall be deemed to have been "effected" if the registration statement relating thereto (x) has become or been declared or ordered effective under the Securities Act, and any of the Registrable Securities of the Shelf Registration Party included in such registration have actually been sold thereunder, and (y) has remained effective for a period of at least 180 days; or



(E) in any particular jurisdiction in which the Company would be required to qualify to do business or to execute a general consent to service of process in effecting such registration, qualification or compliance.

(b) Subject to the foregoing, the Company shall use its reasonable best efforts to file a registration statement covering the Registrable Securities so requested to be registered, as promptly as reasonably practicable, after receipt of the request or requests of the Shelf Registration Party and the other Holders (the "Form S-3 Registration Statement") and any such Holder may request inclusion of a plan of distribution in accordance with Section 2.7(i) and/or that such Form S-3 Registration Statement constitute a shelf offering on a delayed or continuous basis in accordance with Rule 415 under the Securities Act (a "Form S-3 Shelf Registration Statement"), in which case the provisions of Section 2.4 shall also be applicable.

(c) If a Shelf Registration Party intends to distribute the Registrable Securities covered by its request under this Section 2.3 by means of a Marketed Underwritten Shelf Take-Down pursuant to Section 2.4(b), it shall so advise the Company as a part of its request made pursuant to this Section 2.3 and, subject to the limitations set forth in Section 2.3(a), the Company shall include such information in the written notice referred to in Section 2.3(a). In such event, the right of any Holder to include Registrable Securities in such registration (or Underwritten Shelf Take-Down, as applicable) shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided in this Agreement. All Holders proposing to distribute their securities through such underwriting shall (together with the Company) enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting. Notwithstanding any other provision of this Section 2.3 or Section 2.4, if the lead underwriter or managing underwriter advises the Company in writing that, in such firm's good faith view, the aggregate number of Registrable Securities and Other Securities requested to be included in such registration exceeds the largest number that can be included in such registration without materially adversely affecting the distribution (including timing or pricing) of the Registrable Securities and Other Securities proposed to be included in such registration, the Company shall include in such registration:

(1) first, Registrable Securities owned by the Holders that are requested to be included in such registration pursuant to Section 2.3 and Section 2.4 and that can be sold without having the adverse effect referred to above (or, if necessary, such Registrable Securities *pro rata* among the Holders thereof based upon the number of Registrable Securities held by each such Holder); and

(2) second, Other Securities proposed to be sold by the Company for its own account that can be sold without having the adverse effect referred to above; and

(3) third, Other Securities owned by any holder thereof with a contractual right to include such Other Securities in such registration that can be sold without having the adverse effect referred to above, *pro rata* on the basis of the relative number of such Other Securities owned by such Persons requesting inclusion in such registration.



(d) Notwithstanding the foregoing, if the Company shall receive from any Holders of Registrable Securities then outstanding a written request or requests under Section 2.3 that the Company effect a registration statement on Form S-3 that includes only those items and that information that is required to be included in parts I and II of such Form, and does not include any additional or extraneous items of information (e.g., a lengthy description of the Company or the Company's business) (an "Ordinary S-3 Registration Statement"), then Section 2.3(a)(2)(D) shall not apply to such Ordinary S-3 Registration Statement request.

(e) Upon the written request of any Shelf Registration Party (which shall not constitute a Demand), prior to the expiration of effectiveness of any existing Form S-3 Shelf Registration Statement in accordance with Rule 415, the Company shall use its reasonable best efforts to file and seek the effectiveness of a new Form S-3 Shelf Registration Statement in order to permit the continued offering of the Registrable Securities included under such existing Form S-3 Shelf Registration Statement.

**2.4 Shelf Take-Downs**.

(a) Any Selling Holder of Registrable Securities included in a Form S-3 Shelf Registration Statement (an "Initiating Shelf Holder") may initiate an offering or sale of all or part of such Registrable Securities (a "Shelf Take-Down"), in which case the provisions of this Section 2.4 shall apply.

(b) If an Initiating Shelf Holder who is a Shelf Registration Party so elects in a written request delivered to the Company (an "Underwritten Shelf Take-Down Notice"), a Shelf Take-Down may be in the form of an underwritten offering (an "Underwritten Shelf Take-Down") and, subject to the limitations set forth in the proviso to Section 2.3(a)(2) as modified by Section 2.3(d), the Company shall file and effect an amendment or supplement to its Form S-3 Shelf Registration Statement (including the filing of a supplemental prospectus) for such purpose as promptly as reasonably practicable. Such Initiating Shelf Holder who is a Shelf Registration Party shall indicate in such Underwritten Shelf Take-Down Notice whether it intends for such Underwritten Shelf Take-Down to involve a customary "road show" (including an "electronic road show") or other substantial marketing effort by the underwriters over a period of at least 48 hours (a "Marketed Underwritten Shelf Take-Down"). Upon receipt of an Underwritten Shelf Take-Down Notice indicating that such Underwritten Shelf Take-Down will be a Marketed Underwritten Shelf Take-Down, the Company shall use its reasonable best efforts to as promptly as reasonably practicable (but in any event no later than three Business Days after receipt of such Marketed Underwritten Shelf Take-Down Notice) give written notice of such Marketed Underwritten Shelf Take-Down to all other Shelf Holders and shall permit the participation of all such Shelf Holders that request inclusion in such Marketed Underwritten Shelf Take-Down who respond in writing within five days after the receipt of such notice of their election to participate. The provisions of Section 2.3(c) (other than the first sentence thereof) shall apply with respect to the right of the Initiating Shelf Holder and any other Shelf Holder to participate in any Underwritten Shelf Take-Down.



(c) If the Initiating Shelf Holder who is a Shelf Registration Party desires to effect an Underwritten Shelf Take-Down that does not constitute a Marketed Underwritten Shelf Take-Down (a "Non-Marketed Underwritten Shelf Take-Down"), such Initiating Shelf Holder shall so indicate in a written request delivered to the Company no later than two Business Days prior to the expected date of such Non-Marketed Underwritten Shelf Take-Down, which request shall include (i) the total number of Registrable Securities expected to be offered and sold in such Non-Marketed Underwritten Shelf Take-Down, (ii) the expected plan of distribution of such Non-Marketed Underwritten Shelf Take-Down, (iii) the action or actions required (including the timing thereof) in connection with such Non-Marketed Underwritten Shelf Take-Down (including the delivery of one or more stock certificates representing shares of Registrable Securities to be sold in such Non-Marketed Underwritten Shelf Take-Down) and (iv) at the option and in the sole discretion of such Initiating Shelf Holder, an election that such Non-Marketed Underwritten Shelf Take-Down shall be subject to Section 2.4(d) (a "Non-Marketed Underwritten Shelf Take-Down Piggyback Election"), and, subject to the limitations set forth in the proviso to Section 2.3(a)(2) as modified by Section 2.3(d), the Company shall use its reasonable best efforts to file and effect an amendment or supplement to its Form S-3 Shelf Registration Statement (including the filing of a supplemental prospectus) for such purpose as promptly as reasonably practicable (and in any event within three Business Days).

(d) Upon receipt from any Shelf Registration Party of a written request pursuant to Section 2.4(c) that contains an affirmative Non-Marketed Underwritten Shelf Take-Down Piggyback Election, the Company shall provide written notice (a "Non-Marketed Underwritten Shelf Take-Down Notice") of such Non-Marketed Underwritten Shelf Take-Down promptly to all Holders (other than the requesting Shelf Registration Party), which Non-Marketed Underwritten Shelf Take-Down Notice shall set forth (i) the total number of Registrable Securities expected to be offered and sold in such Non-Marketed Underwritten Shelf Take-Down, (ii) the expected plan of distribution of such Non-Marketed Underwritten Shelf Take-Down, (iii) that each recipient of such Non-Marketed Underwritten Shelf Take-Down Notice (each, a "Notice Recipient") shall have the right, upon the terms and subject to the conditions set forth in this Section 2.4(d), to elect to sell up to its Non-Marketed Take-Down Share and (iv) the action or actions required (including the timing thereof, which for the avoidance of doubt shall not require any delay in the expected date of such Non-Marketed Underwritten Shelf Take-Down or extension of the Company's obligation to file and effect an amendment or supplement to its Form S-3 Shelf Registration Statement as soon as practicable of the Initiating Shelf Holder's Non-Marketed Underwritten Shelf Take-Down request pursuant to Section 2.4(c)) in connection with such Non-Marketed Underwritten Shelf Take-Down with respect to each Notice Recipient that elects to exercise such right (including the delivery of one or more stock certificates representing shares of Registrable Securities held by such Notice Recipient to be sold in such Non-Marketed Underwritten Shelf Take-Down). Upon receipt of such Non-Marketed Underwritten Shelf Take-Down Notice, each such Notice Recipient may elect to sell up to its Non-Marketed Take-Down Share with respect to each such Non-Marketed Underwritten Shelf Take-Down, by taking such action or actions referred to in clause (iv) above in a timely manner. If the Shelf Registration Party does not elect to sell all of its Non-Marketed Take-Down Share, the unelected portion of such Non-Marketed Take-Down Share shall be allocated to the Notice Recipients, *pro rata* based on their respective Non-Marketed Take-Down Shares. Notwithstanding the delivery of any Non-Marketed Underwritten Shelf Take-Down Notice, all determinations as to whether to complete any Non-Marketed Underwritten Shelf Take-Down and as to the timing, manner, price and other terms of any Non-Marketed Underwritten Shelf Take-Down contemplated by Section 2.4(d) shall be at the discretion of the Initiating Shelf Holder who is a Shelf Registration Party.



**2.5 Selection of Underwriters**. In the event that any registration pursuant to this Article II (other than a registration under Section 2.2) shall involve, in whole or in part, an underwritten offering, the underwriter or underwriters shall be designated by the Registration Party (or in the case of a Shelf Take-Down, the Initiating Shelf Holder) that requested such underwritten offering in accordance with this Article II, which underwriter or underwriters shall be reasonably acceptable to the Company.

**2.6 Withdrawal Rights; Expenses**.

(a) A Selling Holder may withdraw all or any part of its Registrable Securities from any registration or offering (including a registration effected pursuant to Section 2.1) by giving written notice to the Company of its request to withdraw at any time prior to the earlier of the effectiveness of the registration statement for such registration or the public announcement of such offering. The Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to a Demand if the registration request is subsequently withdrawn at the request of the Selling Holders (in which case all Selling Holders shall bear such expenses pro rata based upon the number of Selling Holders that were to be included in the withdrawn registration), unless the Selling Holders agree to forfeit their right to one registration pursuant to Section 2.1. In the case of a withdrawal, any Registrable Securities so withdrawn shall be reallocated among the remaining participants in accordance with the applicable provisions of this Agreement.

(b) Except as provided in this Agreement, the Company shall pay all Registration Expenses with respect to a particular offering (or proposed offering). Except as provided herein, each Selling Holder and the Company shall be responsible for its own fees and expenses of financial advisors and their internal administrative and similar costs, as well as their respective pro rata shares of underwriting discounts and commissions, which shall not constitute Registration Expenses.

(c) If the Registration Party that requested a Demand Registration or the Shelf Registration Party that requested a Marketed Underwritten Shelf Take-Down pursuant to Section 2.1 or Section 2.4 withdraws all of its Registrable Securities from such Demand Registration or Marketed Underwritten Shelf Take-Down (a "Withdrawn Offering"), the other applicable Party(ies) or the Company may, in any of their sole discretion, elect within two Business Days thereafter to have the Company continue such Withdrawn Offering by giving written notice of such election to the Company and/or the other applicable Parties (a "Continuance Notice"), in which case such Withdrawn Offering shall proceed in accordance with the applicable provisions of this Agreement as if such Withdrawn Offering had been initiated by the Party providing the Continuance Notice (which, for the avoidance of doubt, shall not cause any new notice or consent period with respect to other Holders to occur under this Agreement and shall not otherwise change the requirements for and timing of any notices and consents under this Agreement as they then exist with respect to such Withdrawn Offering). If a Continuance Notice is provided by a Registration Party (the "Electing Registration Party"), for the purpose of the limits on number of Demands set forth in Section 2.1(b), such Withdrawn Offering shall count as use of one Demand by such Electing Registration Party and shall not count as use of a Demand by the Registration Party that originally requested such Withdrawn Offering. If a Continuance Notice is provided by the Company, such Withdrawn Registration shall not count as use of a Demand for any Registration

Party for the purpose of the limits on number of Demands set forth in Section 2.1(b). If no Continuance Notice is timely provided with respect to a Withdrawn Offering, the Company shall abandon the Withdrawn Offering, and such Withdrawn Offering shall count as use of one Demand by the Registration Party that originally requested such Withdrawn Offering for the purpose of the limits on number of Demands set forth in Section 2.1(b), unless such Registration Party elects in writing to bear the Registration Expenses for such Withdrawn Offering.



**2.7 Registration and Qualification**. If and whenever the Company is under an obligation pursuant to this Agreement to use its reasonable best efforts to effect the registration of any Registrable Securities under the Securities Act as provided in this Article II, the Company shall use its reasonable best efforts to as promptly as practicable:

(a) *Registration Statement.* (i) Prepare and file a registration statement that registers such Registrable Securities, and cause such registration statement to become effective as promptly as practicable thereafter, and keep such registration statement effective for 180 days or, if earlier, until the distribution contemplated in the registration statement has been completed; provided, that in the case of any registration of Registrable Securities on Form S-3 which are intended to be offered on a continuous or delayed basis, such 180-day period shall be extended, if necessary, to keep the registration statement continuously effective, supplemented and amended to the extent necessary to ensure that it is available for sales of such Registrable Securities, and to ensure that it conforms with the requirements of this Agreement, the Securities Act and the policies, rules and regulations of the SEC as announced from time to time, until (A) the Selling Holders have sold all of such Registrable Securities or (B) no Registrable Securities then exist; (ii) furnish to the lead underwriter or underwriters, if any, and to the Selling Holders who have requested that Registrable Securities be covered by such registration statement, prior to the filing thereof with the SEC, a copy of the registration statement, and each amendment thereof, and a copy of any prospectus, and each amendment or supplement thereto (excluding amendments caused by the filing of a report under the Exchange Act); and (iii) use reasonable best efforts to reflect in each such document, when so filed with the SEC, such comments as such Persons reasonably may on a timely basis propose;

(b) *Amendments; Supplements*. Prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective until (A) all of such Registrable Securities have been disposed of and to comply with the provisions of the Securities Act with respect to the sale or other disposition of such Registrable Securities and (B) if a Form S-3 registration, the expiration of the applicable period specified in Section 2.7(a) and, if not a Form S-3 registration, the applicable period specified in Section 2.1(e)(iii); provided, that any such required period shall be extended for such number of days (x) during any period from and including the date any written notice contemplated by paragraph (f) below is given by the Company until the date on which the Company delivers to the Selling Holders the supplement or amendment contemplated by paragraph (f) below or written notice that the use of the prospectus may be resumed, as the case may be, and (y) during which the offering of Registrable Securities pursuant to such registration statement is interfered with by any stop order, injunction or other order or requirement of the SEC or any other governmental agency or court; provided, further, that the Company shall have no obligation to a Selling Holder participating on a "piggyback" basis pursuant to Section 2.1(a) or Section 2.2 in a registration statement that has become effective to keep such registration statement effective for a period beyond 180 days from the effective date of such registration statement. The Company shall respond, as promptly as reasonably practicable, to any comments received from the SEC and request acceleration of effectiveness, as promptly as reasonably practicable, after it learns that the SEC will not review the registration statement or after it has satisfied comments received from the SEC. With respect to each Free Writing Prospectus or other materials to be included in the Disclosure Package, ensure that no Registrable Securities be sold "by means of" (as defined in Rule 159A(b) under the Securities Act) such Free Writing Prospectus or other materials without the prior written consent of the Selling Holders of the Registrable Securities covered by such registration statement, which Free Writing Prospectuses or other materials shall be subject to the review of counsel to such Selling Holders, and make all required filings of all Free Writing Prospectuses with the SEC;



(c) *Copies*. Furnish to the Selling Holders and to any underwriter of such Registrable Securities such number of conformed copies of such registration statement and of each such amendment and supplement thereto (in each case including all exhibits), such number of copies of the prospectus included in such registration statement (including each preliminary prospectus, summary prospectus and Free Writing Prospectus), in conformity with the requirements of the Securities Act, such documents incorporated by reference in such registration statement or prospectus, and such other documents, as such Selling Holders or such underwriter may reasonably request, and upon request a copy of any and all transmittal letters or other correspondence to or received from, the SEC or any other Governmental Authority or self-regulatory body or other body having jurisdiction (including any domestic or foreign securities exchange) relating to such offering;

(d) *Blue Sky*. Use its reasonable best efforts to register or qualify such Registrable Securities under such other securities or blue sky laws of such jurisdictions as the Selling Holders reasonably request and do any and all other acts and things which may be reasonably necessary or advisable to enable such Selling Holders to consummate the disposition in such jurisdictions of the Registrable Securities owned by such Selling Holder; provided, however, that the Company shall not be required to qualify generally to do business, subject itself to general taxation, or consent to general service of process, in any jurisdiction where it would not otherwise be required to do so but for this Section 2.7(d);

(e) *Delivery of Certain Documents.* (i) Furnish to each Selling Holder and to any underwriter of such Registrable Securities an opinion of counsel for the Company (which opinion (in form, scope and substance) shall be reasonably satisfactory to the managing underwriters, if any, or, in the case of a non-underwritten offering, to the Selling Holders) dated the date of the closing under the underwriting agreement (if any) (or if such offering is not underwritten, dated the effective date of the applicable registration statement) covering the matters customarily covered in opinions requested in sales of securities or underwritten offerings, (ii) in connection with an underwritten offering, furnish to each Selling Holder and any underwriter of such Registrable Securities a "cold comfort" and "bring-down" letter signed by the independent public accountants who have audited the financial statements of the Company included in such registration statement, in each such case covering substantially the same matters with respect to such registration statement (and the prospectus included therein) as are customarily covered in accountants' letters delivered to underwriters in underwritten public offerings of securities and such other matters as any Selling Holder may reasonably request and, in the case of such accountants' letter, with respect to events subsequent to the date of such financial statements and (iii) cause such authorized officers of the Company to execute customary certificates as may be requested by any Selling Holder or any underwriter of such Registrable Securities;



(f) *Notification of Certain Events; Corrections.* (i) Notify the Selling Holders on a timely basis when a prospectus relating to such Registrable Securities or any document related thereto includes an untrue statement of a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing and furnish to such Selling Holders a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the offerees of such Registrable Securities, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing; and (ii) promptly notify the Holders of Registrable Securities in writing (A) of the receipt by the Company of any notification with respect to any comments by the SEC with respect to such

registration statement or prospectus or any amendment or supplement thereto or any request by the SEC for the amending or supplementing thereof or for additional information with respect thereto, (B) of the receipt by the Company of any notification with respect to the issuance by the SEC of any stop order suspending the effectiveness of such registration statement or prospectus or any amendment or supplement thereto, which the Company will take all reasonable actions required to prevent the entry of such stop order or remove it if entered after the filing of the registration statement, or the initiation or threatening of any proceeding for that purpose, and (C) of the receipt by the Company of any notification with respect to the suspension of the qualification of such Registrable Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purposes.

(g) *Notice of Effectiveness.* Notify the Selling Holders and the lead underwriter or underwriters, if any, and (if requested) confirm such advice in writing, as promptly as reasonably practicable after notice thereof is received by the Company (i) when the applicable registration statement or any amendment thereto has been filed or becomes effective and when the applicable prospectus or any amendment or supplement thereto has been filed, (ii) of any comments by the SEC, (iii) of the issuance by the SEC of any stop order suspending the effectiveness of such registration statement or any order preventing or suspending the use of any preliminary or final prospectus or the initiation or threat of any proceedings for such purposes and (iv) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Registrable Securities for offering or sale in any jurisdiction or the initiation or threat of any proceeding for such purpose;

(h) *Stop Orders*. Use its reasonable best efforts to prevent the entry of, and use its reasonable best efforts to obtain as promptly as reasonably practicable the withdrawal of, any stop order with respect to the applicable registration statement or other order suspending the use of any preliminary or final prospectus;



(i) *Plan of Distribution*. Promptly incorporate in a prospectus supplement or post-effective amendment to the applicable registration statement such information as any Selling Holder requests (subject to the agreement of the lead underwriter or underwriters, if any) be included therein relating to the plan of distribution with respect to such Registrable Securities; and make all required filings of such prospectus supplement or post-effective amendment as promptly as reasonably practicable after being notified of the matters to be incorporated in such prospectus supplement or post-effective amendment;

(j) *Other Filings.* Use its reasonable best efforts to cause such Registrable Securities to be registered with or approved by such other Governmental Authorities as may be necessary by virtue of the business and operations of the Company to enable the Selling Holders to consummate the disposition of such Registrable Securities;

(k) *FINRA Compliance*. Cooperate with each Selling Holder and each underwriter or agent, if any, participating in the disposition of such Registrable Securities and their respective counsel in connection with any filings required to be made with FINRA;

(l) *Listing*. Use its reasonable best efforts to cause all such Registrable Securities registered pursuant to such registration to be listed and remain on each securities exchange and automated interdealer quotation system on which identical securities issued by the Company are then listed;

(m) *Transfer Agent; Registrar; CUSIP Number*. Provide a transfer agent and registrar (which may be the same entity and which may be the Company) for such Registrable Securities and a CUSIP number for all such Registrable Securities, in each case not later than the effective date of the applicable registration statement;

(n) *Compliance; Earnings Statement.* Otherwise use its reasonable best efforts to comply with all applicable rules and regulations of the SEC, and make available to each Selling Holder, as soon as reasonably practicable, an earnings statement covering the period of 12 months beginning within three months after the effective date of the subject registration statement;

(o) *Road Shows.* To the extent reasonably requested by the lead or managing underwriters in connection with an underwritten offering pursuant to Section 2.1 or a Form S-3 underwritten offering pursuant to Section 2.3 and Section 2.4(b), send appropriate officers of the Company to attend any "road shows" scheduled in connection with any such underwritten offering, with all out of pocket costs and expenses incurred by the Company or such officers in connection with such attendance to be paid by the Company;

(p) *Certificates*. Unless the relevant securities are issued in book-entry form, furnish for delivery in connection with the closing of any offering of Registrable Securities pursuant to a registration effected pursuant to this Article II unlegended certificates representing ownership of the Registrable Securities being sold in such denominations as shall be requested by any Selling Holder or the underwriters of such Registrable Securities (it being understood that the Selling Holders shall use reasonable best efforts to arrange for delivery to the Depository Trust Company); and

(q) *Reasonable Best Efforts.* Use its reasonable best efforts to take all other steps necessary to effect the registration and offering of the Registrable Securities contemplated hereby.



**2.8 Underwriting; Due Diligence**.

(a) If requested by the underwriters for any underwritten offering of Registrable Securities pursuant to a registration requested under this Article II, the Company shall enter into an underwriting agreement with such underwriters for such offering, which agreement will contain such representations and warranties by the Company and such other terms and provisions as are customarily contained in underwriting agreements generally with respect to secondary distributions to the extent relevant, including indemnification and contribution provisions substantially to the effect and to the extent provided in Section 2.9, and agreements as to the provision of opinions of counsel and accountants' letters to the effect and to the extent provided in Section 2.7(e). The Selling Holders on whose behalf the Registrable Securities are to be distributed by such underwriters shall be parties to any such underwriting agreement, and the representations and warranties by, and the other agreements on the part of, the Company to and for the benefit of such underwriters, shall also be made to and for the benefit of such Selling Holders and the conditions precedent to the obligations of such underwriters under such underwriting agreement shall also be conditions precedent to the obligations of such Selling Holders to the extent applicable. Subject to the following sentence, such underwriting agreement shall also contain such representations and warranties by such Selling Holders and such other terms and provisions as are customarily contained in underwriting agreements with respect to secondary distributions, when relevant. No Selling Holder shall be required in any such underwriting agreement or related documents to make any representations or warranties to or agreements with the Company or the underwriters other than customary representations, warranties or agreements, and the liability of any Selling Holder under the underwriting agreement shall be several and not joint and in no event shall the liability of any Selling Holder under the underwriting agreement be greater in amount than the dollar amount of the proceeds received by such Selling Holder under the sale of the Registrable Securities pursuant to such underwriting agreement (net of underwriting discounts and commissions).

(b) In connection with the preparation and filing of each registration statement registering Registrable Securities under the Securities Act pursuant to this Article II, the Company shall make available upon reasonable notice at reasonable times and for reasonable periods for inspection by each Selling Holder, by any lead underwriter or underwriters participating in any disposition to be effected pursuant to such registration statement, and by any attorney, accountant or other agent retained by any

Selling Holder or any lead underwriter, all pertinent financial and other records, pertinent corporate documents and properties of the Company, and use its reasonable best efforts to cause all of the Company's officers, directors and employees and the independent public accountants who have certified the Company's financial statements to make themselves reasonably available to discuss the business of the Company and to supply all information reasonably requested by any such Selling Holders, lead underwriters, attorneys, accountants or agents in connection with such registration statement as shall be necessary to enable them to exercise their due diligence responsibility (subject to entry by each party referred to in this clause (b) into customary confidentiality agreements in a form reasonably acceptable to the Company).



(c) In the case of an underwritten offering requested by the Registration Parties pursuant to Section 2.1 or Section 2.3 or an Underwritten Shelf Take-Down pursuant to Section 2.4, the price, underwriting discount and other financial terms for the Registrable Securities of the related underwriting agreement shall be determined by the Registration Party exercising its Demand or Shelf Registration Party requesting such Underwritten Shelf Take-Down. In the case of any underwritten offering of securities by the Company pursuant to Section 2.2, such price, discount and other terms shall be determined by the Company, subject to the right of Selling Holders to withdraw their Registrable Securities from the registration pursuant to Section 2.6(a).

(d) Subject to Section 2.8(a), no Person may participate in an underwritten offering (including an Underwritten Shelf Take-Down) unless such Person (i) agrees to sell such Person's securities on the basis provided in any underwriting arrangements approved by the Persons entitled to approve such arrangements and (ii) completes and executes all customary questionnaires, powers of attorney, custody agreements, indemnities, underwriting agreement and other documents reasonably required under the terms of such underwriting arrangements.

**2.9 Indemnification and Contribution**.

(a) *Indemnification by the Company.* In connection with any registration of any Registrable Securities under the Securities Act pursuant to this Agreement, the Company shall indemnify and hold harmless the Holders of Registrable Securities, each of such Holder's officers, directors, employees, members, partners, and advisors and their respective Affiliates, each underwriter, broker or any other Person acting on behalf of the Holders of Registrable Securities and each other Person, if any, who controls any of the foregoing Persons within the meaning of the Securities Act against any losses, claims, damages, liabilities, or actions joint or several (or actions in respect thereof), costs and reasonable expenses (including legal fees and expenses), to which any of the foregoing persons may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in the registration statement under which such Registrable Securities were registered under the Securities Act, any preliminary prospectus or final prospectus contained therein or otherwise filed with the SEC, any amendment or supplement thereto or any document incident to registration or qualification of any Registrable Securities, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading or, with respect to any prospectus, necessary to make the statements therein in light of the circumstances under which they were made not misleading, or any violation by the Company of the Securities Act or state securities or blue sky laws applicable to the Company or relating to action or inaction required of the Company in connection with such registration or qualification under such state securities or blue sky laws; and shall reimburse such Persons for any legal or other expenses reasonably incurred by any of them in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage, liability or action (including any legal or other expenses incurred) arises out of or is based upon an untrue statement or allegedly untrue statement or omission or alleged omission made in said registration statement, preliminary prospectus, final prospectus, amendment, supplement or document incident to registration or qualification of any Registrable Securities in reliance upon and in conformity with written information furnished to the Company by the Holders of Registrable Securities specifically for use in the preparation thereof; provided further, however, that the foregoing indemnity agreement is subject to the condition that, insofar as it relates to any untrue statement, allegedly untrue statement, omission or alleged omission made in any preliminary prospectus but eliminated or remedied in the final prospectus, such indemnity agreement shall not inure to the benefit of any of such Persons if a copy of such final prospectus had been made available to such Persons and such final prospectus was not delivered to the purchaser of the Registrable Securities with or prior to the written confirmation of the sale of such Registrable Securities.



(b) *Indemnification by Selling Holders.* In connection with any registration of Registrable Securities under the Securities Act pursuant to the terms of this Agreement, each Holder of Registrable Securities shall severally, and not jointly and severally, indemnify and hold harmless (in the same manner and to the same extent as set forth in Section 2.9(a)) the Company, each member of the board of directors of the Company, each officer of the Company who shall sign such registration statement, each underwriter, broker or other person acting on behalf of the Holders of Registrable Securities and each person who controls any of the foregoing persons within the meaning of the Securities Act with respect to any statement or omission from such registration statement, any preliminary prospectus or final prospectus contained therein or otherwise filed with the SEC, any amendment or supplement thereto or any document incident to registration or qualification of any Registrable Securities, if such statement or omission was made in reliance upon and in conformity with written information furnished to the Company or such underwriter by such Holder of Registrable Securities specifically for use in connection with the preparation of such registration statement, preliminary prospectus, final prospectus, amendment, supplement or document; provided, however, that the maximum amount of liability in respect of such indemnification shall be in proportion and limited to, in the case of each Holder of Registrable Securities, to an amount equal to the net proceeds actually received by such Holder from the sale of Registrable Securities effected pursuant to such registration.

(c) *Indemnification Procedures.* Promptly after receipt by an indemnified party of notice of the commencement of any action involving a claim referred to in this Section 2.9, such indemnified party will, if a claim in respect thereof is made against an indemnifying party, give written notice to the latter of the commencement of such action. The failure of any indemnified party to notify an indemnifying party of any such action shall not (unless such failure shall have a material adverse effect on the indemnifying party) relieve the indemnifying party from any liability in respect of such action that it may have to such indemnified party hereunder. In case any such action is brought against an indemnified party, the indemnifying party will be entitled to participate in and to assume the defense thereof, jointly with any other indemnifying party similarly notified to the extent that it may wish, with counsel reasonably satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be responsible for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense thereof; provided, however, that if any indemnified party shall have reasonably concluded that there may be one or more legal or equitable defenses available to such indemnified party which are additional to or conflict with those available to the indemnifying party, or that such claim or litigation involves or could have an effect upon matters beyond the scope of the indemnity agreement provided hereunder, the indemnifying party shall not have the right to assume the defense of such action on behalf of such indemnified party (but shall have the right to participate therein with counsel of its choice) and such indemnifying party shall reimburse such indemnified party and any Person controlling such indemnified party for that portion of the fees and expenses of any counsel retained by the indemnified party which is reasonably related to the matters covered by the indemnity agreement provided hereunder. If the indemnifying party is not entitled to, or elects not to, assume the defense of a claim, it will not be obligated to pay the fees and expenses of more than one counsel with respect to such claim.



(d) *Contribution*. If the indemnification provided for hereunder is held by a court of competent jurisdiction to be unavailable to an indemnified party

with respect to any loss, claim, damage, liability or action referred to herein, then the indemnifying party, in lieu of indemnifying such indemnified party hereunder, shall contribute to the amounts paid or payable by such indemnified party as a result of such loss, claim, damage, liability or action in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other in connection with the statements or omissions which resulted in such loss, claim, damage, liability or action as well as any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The parties agree that it would not be just and equitable if contribution pursuant hereto were determined by pro rata allocation or by any other method or allocation which does not take account of the equitable considerations referred to herein. No person guilty or liable of fraudulent misrepresentation shall be entitled to contribution from any person.

(e) *Settlement/Judgement*. In the defense of any claim or litigation pursuant to this Section 2.9, the indemnifying party shall not, without the prior written consent of the indemnified party, consent to entry of any judgment or enter into any settlement which imposes restrictions or non-monetary obligations on the indemnified party, nor shall the indemnifying party, without the prior written consent of the indemnified party, consent to entry of any judgment or enter into any settlement unless such judgment or settlement includes an unconditional release of each indemnified party from any liabilities arising out of such claim, action or proceeding.

(f) *Survival*. The indemnification provided for under this Agreement will remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director or controlling Person of such indemnified party and will survive the Transfer of Securities.

(g) *Limitation of Selling Holder Liability.* The liability of any Selling Holder under this Section 2.9 shall be several and not joint and in no event shall the liability of any Selling Holder under this Section 2.9 be greater in amount than the dollar amount of the proceeds, net of underwriting discounts and commissions, received by such Selling Holder from the sale of the Registrable Securities giving rise to such indemnification/contribution obligation.

(h) *Third Party Beneficiary*. Each of the indemnified Persons referred to in this Section 2.9 shall be a third party beneficiary of the rights conferred to such Person in this Section.



**2.10 Cooperation; Information by Holders**.

(a) It shall be a condition of each Selling Holder's rights under this Article II that such Selling Holder cooperate with the Company by entering into any undertakings and taking such other action relating to the conduct of the proposed offering which the Company or the underwriters may reasonably request as being necessary to insure compliance with federal and state securities laws and the rules or other requirements of FINRA and the stock exchange on which the Common Stock is then listed or which are otherwise customary and which the Company or the underwriters may reasonably request to effectuate the offering.

(b) Each Selling Holder shall furnish to the Company such information regarding such Selling Holder and the distribution proposed by such Selling Holder as the Company may reasonably request in writing and as shall be reasonably required in connection with any registration, qualification or compliance referred to in this Article II. The Company shall have the right to exclude from the registration any Selling Holder that does not comply with this Section 2.10.

(c) At such time as an underwriting agreement with respect to a particular underwriting is entered into, the terms of any such underwriting agreement shall govern with respect to the matters set forth therein to the extent inconsistent with this Article II; provided, that the indemnification provisions of such underwriting agreement as they relate to the Selling Holders are customary for registrations of the type then proposed and provide for indemnification by such Selling Holders only with respect to information relating to such Selling Holder (which information shall be limited to the name of such Selling Holder, the address of such Selling Holder, the number of shares of Common Stock held by such Selling Holder, the number of shares of Common Stock being offered by such Selling Holder in the offering and the nature of the beneficial ownership of the Common Stock owned by such Person) furnished in writing to the Company by or on behalf of such Selling Holder expressly for inclusion in such registration statement (or in any preliminary, final or summary prospectus included therein) or Disclosure Package, or any amendment thereof or supplement thereto.

**2.11 Rule 144**. The Company shall use its reasonable best efforts to ensure that the conditions to the availability of Rule 144 under the Securities Act set forth in paragraph (c) of Rule 144 shall be satisfied. The Company agrees to use its reasonable best efforts to file with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act, at any time after it has become subject to such reporting requirements. Upon the request of any Holder for so long as such information is a necessary element of such Person's ability to avail itself of Rule 144, the Company shall deliver to such Person (i) a written statement as to whether it has complied with such requirements and (ii) a copy of the most recent annual or quarterly report of the Company, and such other reports and documents so filed as such Person may reasonably request in availing itself of any rule or regulation of the SEC allowing such Person to sell any such securities without registration.



**2.12 Holdback Agreement**. (a) In connection with any underwritten offering pursuant to this Agreement, each Holder agrees (i) not to effect any sale, distribution or other Transfer (including sales pursuant to Rule 144) of Common Stock or other equity securities of the Company, or any securities convertible into or exchangeable or exercisable for such equity securities, during any time period reasonably requested by the managing underwriter(s) of such underwritten offering, which shall not exceed 90 days, and (ii) if requested by the Company or the managing underwriter(s) for such underwritten offering, to execute and delivery customary lock-up or similar agreements to the managing underwriter(s). Each Holder subject to the restrictions of the preceding sentence shall receive the benefit of any shorter "lock-up" period or permitted exceptions agreed to by the managing underwriter(s) for any underwritten offering pursuant to this Agreement.

(b) In the case of any underwritten offering pursuant to this Agreement, the Company shall use commercially reasonable efforts to cause any stockholders that beneficially own 1% or more of the Common Stock (other than the Holders) and its directors and executive officers to execute any lock-up agreements in form and substance as reasonably requested by the managing underwriters for a time period reasonably requested by the managing underwriter(s) of such underwritten offering, which shall not exceed 90 days.

**2.13 Suspension of Sales**. Each Selling Holder, upon receipt of any notice from the Company of any event of the kind described in Section 2.7(f)(i), shall forthwith discontinue disposition of the Registrable Securities pursuant to the registration statement covering such Registrable Securities until such holder's receipt of the copies of the supplemented or amended prospectus contemplated by Section 2.7(f)(i), or until advised in writing by the Company that the use of the prospectus may be resumed, as the case may be, and, if so directed by the Company, such Selling Holder shall deliver to the Company all copies, other than permanent file copies then in such Selling Holder's possession, of the prospectus covering such Registrable Securities at the time of receipt of such notice.

**2.14 Third Party Registration Rights**. Nothing in this Agreement shall be deemed to prevent the Company from providing registration rights to any other Person on such terms as the board of directors of the Company deems desirable in its sole discretion, so long as (1) such registration rights do not limit the ability of the Registration Parties to require a Demand Registration or the Shelf Registration Party to request a Marketed Underwritten Shelf Take-Down under this Agreement and (2) such

Person may include Common Stock in a registration only to the extent that the inclusion of such Common Stock will not diminish the amount of Registrable Securities that are entitled to be included in such registration by the Holders under the terms of this Agreement.

**2.15** **Synthetic Secondary Offerings**. If a Holder elects to conduct an offering of Registrable Securities pursuant to this Agreement, the Company may, in its sole discretion, elect to conduct a synthetic secondary offering with respect to such Registrable Securities (i.e. an offering in which the Company sells Common Stock for its account and uses the net proceeds of such offering to acquire an equal number of Registrable Securities from the Holder that has elected to conduct an offering). In such case, the Common Stock sold by the Company for its own account shall be treated the same as Registrable Securities being offered by the Holder for purposes of Sections 2.1(f), 2.2(c)(1), 2.2(c)(2), 2.3(c) and 2.4 and other related provisions of this Agreement.



## ARTICLE III

## MISCELLANEOUS

**3.1** **Notices**. All notices, requests, demands and other communications to any party hereunder shall be made in writing (including facsimile transmission and electronic mail ("e-mail") transmission, so long as a receipt of such e-mail is requested and received by non-automated response) and shall be given:

(a) if to the Company, to:

Clear Secure, Inc.
65 East 55th Street, 17th Floor
New York, New York 10022
Attention: Matthew Levine, General Counsel and Chief Privacy Officer
E-mail:

With copies (which shall not constitute actual or constructive notice) to:

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, NY 10019
Attention: Brian M. Janson
Facsimile: (212) 492-0588
E-mail: bjanson@paulweiss.com

(b) if to the Alclear Investments Holder, to:

Alclear Investments, LLC
65 East 55th Street, 17th Floor
New York, New York 10022
Attention: Caryn Seidman Becker
E-mail:

With copies (which shall not constitute actual or constructive notice) to:

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, NY 10019
Attention: Brian M. Janson
Facsimile: (212) 492-0588
E-mail: bjanson@paulweiss.com



(c) if to the Alclear Investments II Holder, to:

Alclear Investments, LLC
65 East 55th Street, 17th Floor
New York, New York 10022
Attention: Kenneth L. Cornick
E-mail:

With copies (which shall not constitute actual or constructive notice) to:

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, NY 10019
Attention: Brian M. Janson
Facsimile: (212) 492-0588
E-mail: bjanson@paulweiss.com

(d) if to any Additional Holder, to the addresses and other contact information set forth on Annex A to this Agreement (it being understood that any Holder may, from time to time, update any address and/or other contact information for itself on Annex A by providing written notice of such update to the Company and the other Holders), or to such other address or facsimile number as such party may hereafter specify for the purpose by notice to the other parties hereto. All such notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5:00 p.m. New York City time on a Business Day in the place of receipt. Otherwise, any such notice, request or communication shall be deemed to have been received on the next succeeding Business Day in the place of receipt.

**3.2** **Section Headings**. The article and section headings in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement. References in this Agreement to a designated "Article" or "Section" refer to an Article or Section of this Agreement unless otherwise specifically indicated.

**3.3** **Governing Law**. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware.

**3.4** **Consent to Jurisdiction and Service of Process** The Parties agree that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated by this Agreement (whether brought by any Party or any of its Affiliates or against any Party or any of its Affiliates) shall be brought in the Delaware Chancery Court or, if such court shall not have jurisdiction, any federal court located in the State of Delaware or other Delaware state court, and each of the Parties hereby irrevocably consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any Party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each Party agrees that service of process on such Party as provided in Section 3.1 shall be deemed effective service of process on such Party.



**3.5** **WAIVER OF JURY TRIAL**. EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

**3.6** **Amendments; Termination**. This Agreement may be amended only by an instrument in writing executed by the Company and the Holders holding a majority of the Registrable Securities at the time of determination. Any such amendment will apply to all Holders equally, without distinguishing between them. This Agreement will terminate as to any Holder when it no longer holds any Registrable Securities. This Agreement will no longer be applicable to Registrable Securities that are registered in a Public Offering on The New York Stock Exchange, Nasdaq National Market or any successor thereto or any other U.S. securities exchange on which shares issued by the Company are then so qualified or listed or are sold pursuant to a brokers' transaction or a transaction directly with a market maker, including a sale pursuant to Rule 144 of the Securities Act or any similar rule or successor rule promulgated for similar purposes.

**3.7** **Specific Enforcement**. The Parties acknowledge that the remedies at law of the other Parties for a breach or threatened breach of this Agreement would be inadequate and, in recognition of this fact, any Party to this Agreement, without posting any bond, and in addition to all other remedies that may be available, shall be entitled to obtain equitable relief in the form of specific performance, a temporary restraining order, a temporary or permanent injunction or any other equitable remedy that may then be available.

**3.8** **Entire Agreement**. This Agreement constitutes the entire agreement and understanding of the Parties with respect to the transactions contemplated by this Agreement. The registration rights granted under this Agreement supersede any registration, qualification or similar rights with respect to any Registrable Securities granted under any other agreement at any time, and any of such preexisting registration rights are hereby terminated.

**3.9** **Severability**. The invalidity or unenforceability of any specific provision of this Agreement shall not invalidate or render unenforceable any of its other provisions. Any provision of this Agreement held invalid or unenforceable shall be deemed reformed, if practicable, to the extent necessary to render it valid and enforceable and to the extent permitted by law and consistent with the intent of the Parties to this Agreement.

**3.10** **Counterparts**. This Agreement may be executed in multiple counterparts, including by means of facsimile or .pdf, each of which shall be deemed an original, but all of which together shall constitute the same instrument.

[Signature Page Follows]



IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed and delivered as of the date first set forth above.

**CLEAR SECURE, INC.**

By: _____
Name:
Title:

[Signature Page to Registration Rights Agreement]

**ALCLEAR INVESTMENTS, LLC**

By: _____
Name:
Title:

[Signature Page to Registration Rights Agreement]

**ALCLEAR INVESTMENTS II, LLC**

_____

By:
Title:

[Signature Page to Registration Rights Agreement]

**ADDITIONAL HOLDERS**

[Additional Holders]

[Signature Page to Registration Rights Agreement]

**Annex A**

Contact Information

| Additional Holder | Address |
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**Annex B**

**FORM OF**
**JOINDER AGREEMENT**

The undersigned is executing and delivering this Joinder Agreement pursuant to that certain Registration Rights Agreement, dated as of [___], 2021 (as amended, restated, supplemented or otherwise modified in accordance with the terms thereof, the "Registration Rights Agreement"), by and among Clear Secure, Inc., Alclear Investments, LLC, Alclear Investments II, LLC and the other Persons who execute the signature pages thereto under the heading "Additional Holders." Capitalized terms used but not defined in this Joinder Agreement shall have the respective meanings ascribed to such terms in the Registration Rights Agreement.

By executing and delivering this Joinder Agreement to the Registration Rights Agreement, the undersigned hereby adopts and approves the Registration Rights Agreement and agrees, effective commencing on the date hereof and as a condition to the undersigned's becoming a Transferee of Registrable Securities, to be bound by and comply with the provisions of, the Registration Rights Agreement, including Section 2.12 therein, in the same manner as if the undersigned were an original signatory to the Registration Rights Agreement.

The undersigned acknowledges and agrees that Article III of the Registration Rights Agreement is incorporated herein by reference, *mutatis mutandis*.

Accordingly, the undersigned has executed and delivered this Joinder Agreement as of the __ day of _____, _____.

(Signature of Transferee)

(Print Name of Transferee)

Address:

Telephone:

Facsimile:

Email:

AGREED AND ACCEPTED
as of the ____ day of _____, _____.

CLEAR SECURE, INC.

By: _____
Name:
Title:

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**Annex C**

**FORM OF**
**SPOUSAL CONSENT**

In consideration of the execution of that certain Registration Rights Agreement, dated as of [___], 2021 (as amended, restated, supplemented or otherwise modified in accordance with the terms thereof, the "Registration Rights Agreement"), by and among Clear Secure, Inc., Alclear Investments, LLC, Alclear Investments II, LLC and the other parties thereto, I, _____, the spouse of _____, who is a party to the Registration Rights Agreement, do hereby join with my spouse in executing the foregoing Registration Rights Agreement and do hereby agree to be bound by all of the terms and provisions thereof, in consideration of Transfer of Registrable Securities and all other interests I may have in the shares and securities subject thereto, whether the interest may be pursuant to community property laws or similar laws relating to marital property in effect in the state or province of my or our residence as of the date of signing this consent. Capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Registration Rights Agreement.

Dated as of _____ __, ____

_____
(Signature of Spouse)

_____
(Print Name of Spouse)

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**Exhibit 10.4**

**TAX RECEIVABLE AGREEMENT**

**among**

**CLEAR SECURE, INC.,**

**and**

**THE PERSONS NAMED HEREIN**

**Dated as of [●], 2021**

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**TAX RECEIVABLE AGREEMENT**

This TAX RECEIVABLE AGREEMENT (as amended from time to time, this "Agreement"), dated as of [●], 2021, is hereby entered into by and among Clear Secure, Inc., a Delaware corporation (the "Corporate Taxpayer"), Alclear Investments, LLC, a Delaware limited liability company, and Alclear Investments II, LLC, a Delaware limited liability company (together with their direct and indirect equity owners, the "Founder Entities") each of the undersigned parties, and each of the other persons from time to time that become a party hereto (each, excluding the Corporate Taxpayer, the "Members").

WHEREAS, Alclear Holdings, LLC, a Delaware limited liability company ("OpCo"), is treated as a partnership for U.S. federal income tax purposes;

WHEREAS, the Corporate Taxpayer is classified as an association taxable as a corporation for U.S. federal income tax purposes;

WHEREAS, the Members hold common interest units in OpCo (the "Common Units"), and following certain reorganization transactions, the Corporate Taxpayer will be the managing member of OpCo and will hold, directly and/or indirectly, Common Units;

WHEREAS, each Member may exchange Common Units (when exchanged along with shares of Class C common stock, $0.00001 par value per share, of the Corporate Taxpayer ("Class C Common Stock") or Class D common stock, $0.00001 par value per share, of the Corporate Taxpayer ("Class D Common Stock")) for cash or shares of Class A common stock, $0.00001 par value per share, of the Corporate Taxpayer (the "Class A Common Stock") or Class B common stock, $0.00001 par value per share, of the Corporate Taxpayer (the "Class B Common Stock") pursuant to the provisions of the LLC Agreement (as defined below) and the Exchange Agreement (as defined below);

WHEREAS, OpCo and each of its direct and indirect subsidiaries treated as a partnership for U.S. federal income tax purposes will have in effect an election under Section 754 of the Internal Revenue Code of 1986, as amended (the "Code"), for each Taxable Year (as defined below) in which an Exchange (as defined below) occurs, which elections are intended generally to result in an adjustment to the tax basis of the assets owned by OpCo (solely with respect to the Corporate Taxpayer) at the time of an Exchange (such time, the "Exchange Date") by reason of the Exchange and the receipt of payments under this Agreement;

WHEREAS, the income, gain, loss, expense and other Tax (as defined below) items of the Corporate Taxpayer may be affected by (i) the Basis Adjustment (as defined below) and (ii) Imputed Interest (as defined below); and

WHEREAS, the parties to this Agreement desire to make certain arrangements with respect to the effect of the Basis Adjustment and Imputed Interest on the actual liability for Taxes of the Corporate Taxpayer.

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NOW, THEREFORE, in consideration of the foregoing and the respective covenants and agreements set forth herein, and intending to be legally bound hereby, the parties hereto agree as follows:

**ARTICLE I**

**DEFINITIONS**

Section 1.01 Definitions.

(a) The following terms shall have the following meanings for the purposes of this Agreement:

"Affiliate" shall have the meaning ascribed to such term in the LLC Agreement.

"Agreed Rate" means LIBOR plus 100 basis points.

"Applicable Member" means any Member to whom any portion of a Realized Tax Benefit may be Attributable under this Agreement.

"Assumed State and Local Tax Rate" means the tax rate equal to the sum of the product of (x) the OpCo's income and franchise Tax apportionment rate(s) for each state and local jurisdiction in which the OpCo files income or franchise Tax Returns for the relevant Taxable Year and (y) the highest corporate income and franchise Tax rate(s) for each such state and local jurisdiction in which the OpCo files income or franchise Tax Returns for each relevant Taxable Year; provided, that the Assumed State and Local Tax Rate calculated pursuant to the foregoing shall be reduced by the assumed federal income Tax benefit received by the Corporate Taxpayer with respect to state and local jurisdiction income and franchise Taxes (with such benefit calculated as the product of (a) the Corporate Taxpayer's marginal U.S. federal income tax rate for the relevant Taxable Year and (b) the Assumed State and Local Tax Rate (without regard to this proviso)).

"Attributable" means, with respect to any Applicable Member, the portion of any Realized Tax Benefit of the Corporate Taxpayer that is "attributable" to such Applicable Member, which shall be determined by reference to the assets from which arise the depreciation, amortization or other similar deductions for recovery of cost or basis ("Depreciation") and with respect to increased basis upon a disposition of an asset, the Imputed Interest that produce the Realized Tax Benefit, under the following principles:

(i) A portion of any Realized Tax Benefit arising from a deduction to the Corporate Taxpayer with respect to a Taxable Year for Depreciation arising in respect of a Basis Adjustment to a Reference Asset resulting from an Exchange is Attributable to the Applicable Member to the extent that the ratio of all Depreciation for the Taxable Year in respect of Basis Adjustments resulting from all Exchanges by the Applicable Member bears to the aggregate of all Depreciation for the Taxable Year in respect of Basis Adjustments resulting from all Exchanges by the Applicable Members (in each case, other than with respect to the portion of the Basis Adjustment described in clause (ii) below).



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(ii) A portion of any Realized Tax Benefit arising from a deduction to the Corporate Taxpayer with respect to a Taxable Year for Depreciation arising in respect of a Basis Adjustment to a Reference Asset resulting from a payment hereunder is Attributable to the Applicable Member that receives such payment.

(iii) A portion of any Realized Tax Benefit arising from the disposition of a Reference Asset is Attributable to the Applicable Member to the extent that the ratio of all Basis Adjustments (to the extent not previously taken into account in the calculation of Realized Tax Benefits) resulting from all Exchanges by the Applicable Member with respect to such Reference Asset bears to the aggregate of all Basis Adjustments (to the extent not previously taken into account in the calculation of Realized Tax Benefits) with respect to such Reference Asset.

(iv) A portion of any Realized Tax Benefit arising from a deduction to the Corporate Taxpayer with respect to a Taxable Year in respect of Imputed Interest is Attributable to the Applicable Member to the extent corresponding to amounts that such Member is required to include in income in respect of Imputed Interest (without regard to whether such Member is actually subject to tax thereon).

(v) For the avoidance of doubt, in the case of a Basis Adjustment arising under Section 734(b) of the Code with respect to an Exchange, depreciation, amortization or other similar deductions for recovery of cost of basis shall constitute Depreciation only to the extent that such depreciation, amortization or other similar deductions may produce or increase a Realized Tax Benefit (and not to the extent that such depreciation, amortization or other similar deductions may be for the benefit of a Person other than the Corporate Taxpayer), as reasonably determined by the Corporate Taxpayer.

(vi) A portion of any Realized Tax Benefit arising from a carryover or carryback of any Tax item is Attributable to such Member to the extent such carryover or carryback is attributable to or available for use because of the prior use of the Basis Adjustments or Imputed Interest with respect to which a Realized Tax Benefit would be Attributable to such Member pursuant to clauses (i)–(vi) above.

Portions of any Realized Tax Detriment shall be Attributed to Members under principles similar to those described in clauses (i)–(vii) above.

"Basis Adjustment" means the adjustment to the tax basis of a Reference Asset under Sections 732, 755 and 1012 of the Code and the Treasury Regulations promulgated thereunder (in situations where, as a result of one or more Exchanges, OpCo becomes an entity that is disregarded as separate from its owner for U.S. federal income tax purposes) or under Sections 734(b), 743(b) and 755 of the Code and the Treasury Regulations promulgated thereunder (in situations where, following an Exchange, OpCo remains in existence as an entity for U.S. federal income tax purposes) and, in each case, comparable sections of state and local tax laws, as a result of (i) an Exchange and (ii) the payments made pursuant to the Tax Receivable Agreement. For the avoidance of doubt, the amount of any Basis Adjustment resulting from an Exchange of one or more Common Units shall be the amount that the new Basis Adjustments from clauses (i) and (ii) in the prior sentence exceed any prior adjustments to basis resulting from any Pre-Exchange Transfer of such Common Units (including any interest that was a predecessor to such Common Unit).



A "Beneficial Owner" of a security is a Person who directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares: (i) voting power, which includes the power to vote, or to direct the voting of, such security and/or (ii) investment power, which includes the power to dispose of, or to direct the disposition of, such security.

"Board" means the board of directors of the Corporate Taxpayer.

"Business Day" shall have the meaning ascribed to such term in the LLC Agreement.

"Change of Control" means the occurrence of any of the following events:

(i) any Person or any group of Persons acting together which would constitute a "group" for purposes of Section 13(d) of the Securities and Exchange Act of 1934, or any successor provisions thereto, excluding (x) a corporation or other entity owned, directly or indirectly, by the stockholders of the Corporate Taxpayer in substantially the same proportions as their ownership of stock in the Corporate Taxpayer and (y) the Founder Entities, become the Beneficial Owner, directly or indirectly, of securities of the Corporate Taxpayer representing more than 50% of the combined voting power of the Corporate Taxpayer's then outstanding voting securities;

(ii) the following individuals cease for any reason to constitute a majority of the number of directors of the Corporate Taxpayer then serving: individuals who, on the IPO Date, constitute the Board and any new director whose appointment or election by the Board or nomination for election by the Corporate Taxpayer's shareholders was approved or recommended by a vote of at least a majority of the directors then still in office who either were directors on the IPO Date or whose appointment, election or nomination for election was previously so approved or recommended by the directors referred to in this clause (ii);

(iii) there is consummated a merger or consolidation of the Corporate Taxpayer with any other corporation or other entity, and, immediately after the consummation of such merger or consolidation, either (x) the Board immediately prior to the merger or consolidation does not constitute at least a majority of the board of directors of the company surviving the merger or, if the surviving company is a Subsidiary, the ultimate parent thereof, or (y) the voting securities of the Corporate Taxpayer immediately prior to such merger or consolidation do not continue to represent or are not converted into more than 50% of the combined voting power of the then outstanding voting securities of the Person resulting from such merger or consolidation or, if the surviving company is a Subsidiary, the ultimate parent thereof; or



(iv) the shareholders of the Corporate Taxpayer approve a plan of complete liquidation or dissolution of the Corporate Taxpayer or there is consummated an agreement or series of related agreements for the sale or other disposition, directly or indirectly, by the Corporate Taxpayer of all or substantially all of the Corporate Taxpayer's assets, other than such sale or other disposition by the Corporate Taxpayer of all or substantially all of the Corporate Taxpayer's assets to an entity, at least 50% of the combined voting power of the voting securities of which are owned by shareholders of the Corporate Taxpayer in substantially the same proportions as their ownership of the Corporate Taxpayer immediately prior to such sale.

Notwithstanding the foregoing, except with respect to clause (ii) and clause (iii)(x) above, a "Change of Control" shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately following which the record holders of the shares of the Corporate Taxpayer immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in, and own substantially all of the shares of, an entity which owns all or substantially all of the assets of the Corporate Taxpayer immediately following such transaction or series of transactions.

"Control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

"Corporate Taxpayer Return" means the federal and/or state and/or local Tax Return, as applicable, of the Corporate Taxpayer filed with respect to Taxes of any Taxable Year.

"Cumulative Net Realized Tax Benefit" for a Taxable Year means the cumulative amount of Realized Tax Benefits for all Taxable Years of the Corporate Taxpayer, up to and including such Taxable Year, net of the cumulative amount of Realized Tax Detriments for the same period. The Realized Tax Benefit and Realized Tax

Detriment for each Taxable Year shall be determined based on the most recent Tax Benefit Schedule or Amended Schedule, if any, in existence at the time of such determination.

"Default Rate" means LIBOR plus 500 basis points.

"Determination" shall have the meaning ascribed to such term in Section 1313(a) of the Code or similar provision of state and local tax law, as applicable, or any other event (including the execution of IRS Form 870-AD) that finally and conclusively establishes the amount of any liability for Tax and shall also include the acquiescence of the Corporate Taxpayer to the amount of any assessed liability for Tax.



"Early Termination Date" means the date of an Early Termination Notice for purposes of determining the Early Termination Payment.

"Early Termination Rate" means the lesser of (i) 6.5% per annum, compounded annually, and (ii) LIBOR plus 100 basis points.

"Exchange" means an acquisition of Common Units or a purchase of Common Units by OpCo or the Corporate Taxpayer, including by way of an exchange of stock of the Corporate Taxpayer for Common Units pursuant to the Exchange Agreement, in each case occurring on or after the date of this Agreement. Any reference in this Agreement to Common Units "Exchanged" is intended to denote Common Units subject to an Exchange.

"Exchange Agreement" means that certain Exchange Agreement, dated as of the date hereof, by and among the Corporate Taxpayer, OpCo, and the other holders of Common Units and shares of Class C Common Stock and Class D Common Stock from time to time party thereto.

"Governmental Authority" has the meaning set forth in the LLC Agreement.

"Hypothetical Tax Liability" means, with respect to any Taxable Year, the liability for Taxes of (i) the Corporate Taxpayer and (ii) without duplication, OpCo, but only with respect to Taxes imposed on OpCo and allocable to the Corporate Taxpayer (or to the other members of the consolidated group of which the Corporate Taxpayer is the parent), in each case using the same methods, elections, conventions and similar practices used on the relevant Corporate Taxpayer Return, but (a) using the Non-Stepped Up Tax Basis as reflected on the Exchange Basis Schedule, including amendments thereto for the Taxable Year, (b) excluding any deduction attributable to Imputed Interest for the Taxable Year, (c) without taking into account the carryover or carryback of any Tax item (or portions thereof) that is attributable to or (without duplication) available for use because of the prior use of any of the Basis Adjustments or Imputed Interest, (d) using the Assumed State and Local Tax Rate, solely for purposes of calculating the state and local Hypothetical Tax Liability of the Corporate Taxpayer and (e) assuming, solely for purposes of calculating the liability for U.S. federal income Taxes, in order to prevent double counting, that state and local income and franchise Taxes are not deductible by the Corporate Taxpayer for U.S. federal income Tax purposes.

"Imputed Interest" shall mean any interest imputed under Section 1272, 1274 or 483 or other provision of the Code and any similar provision of state and local tax law with respect to the Corporate Taxpayer's payment obligations under this Agreement.

"IPO" means the initial public offering of Class A Common Stock of the Corporate Taxpayer.

"IPO Date" means the closing date of the IPO.



"IRS" means the U.S. Internal Revenue Service.

"LIBOR" means during any period, an interest rate per annum equal to the one-year LIBOR reported, on the date two days prior to the first day of such period, on the Telerate Page 3750 (or if such screen shall cease to be publicly available, as reported on Reuters Screen page "LIBOR01" or by any other publicly available source of such market rate) for London interbank offered rates for United States dollar deposits for such period; provided, however, that if at any time a majority of the Corporate Taxpayer's then-outstanding loans and/or other agreements governing material secured, floating rate indebtedness discontinue the use of LIBOR in determining pricing or interest rates and apply an alternative benchmark rate (such agreements that have discontinued the use of LIBOR, the "Discontinued Agreements"), then, during any period, all references in this Agreement to LIBOR shall automatically and without further action by any party refer to the sum of (1) the alternative benchmark rate applied in such period in the majority of the Discontinued Agreements (the "Successor Benchmark") and (2) the weighted average mathematical spread adjustment (which may be zero, negative or positive and shall be determined based on the aggregate principal amount of financing provided under each such Discontinued Agreement, whether utilized or unutilized at the time that Successor Benchmark is adopted) applied to such Successor Benchmark in the Discontinued Agreements.

"LLC Agreement" means the Second Amended and Restated Operating Agreement of OpCo, dated as of the date hereof.

"Market Value" shall mean the closing price of the Class A Common Stock on the applicable Exchange Date on the national securities exchange or interdealer quotation system on which such Class A Common Stock is then traded or listed, as reported by the *Wall Street Journal*; provided, that if the closing price is not reported by the *Wall Street Journal* for the applicable Exchange Date, then the Market Value shall mean the closing price of the Class A Common Stock on the Business Day immediately preceding such Exchange Date on the national securities exchange or interdealer quotation system on which such Class A Common Stock is then traded or listed, as reported by the *Wall Street Journal*; provided, further, that if the Class A Common Stock is not then listed on a national securities exchange or interdealer quotation system, the Market Value shall mean the cash consideration paid for Class A Common Stock, or the fair market value of the other property delivered for Class A Common Stock, as determined by the Board in good faith. Notwithstanding anything to the contrary in the above sentence, to the extent property is exchanged for cash in a transaction, the Market Value shall be determined by reference to the amount of cash transferred in such transaction.

"Member Representative" means Alclear Investments II, LLC, a Delaware limited liability company.

"Non-Stepped Up Tax Basis" means, with respect to any Reference Asset at any time, the Tax basis that such asset would have had at such time if no Basis Adjustments had been made.

"Payment Date" means any date on which a payment is required to be made pursuant to this Agreement.

"Percentage Interest" has the meaning set forth in the LLC Agreement.

"Person" means any individual, corporation, firm, partnership, joint venture, limited liability company, estate, trust, business association, organization, governmental entity or other entity.

"Pre-Exchange Transfer" means any transfer or distribution in respect of one or more Common Units (including any interest that was a predecessor to such Common Unit) (i) that occurs prior to an Exchange of such Common Units, and (ii) to which Section 743(b) or 734(b) of the Code applies.

"Realized Tax Benefit" means, for a Taxable Year, the excess, if any, of the Hypothetical Tax Liability over the actual liability for Taxes of (i) the Corporate Taxpayer and (ii) without duplication, OpCo, but only with respect to Taxes imposed on OpCo and allocable to the Corporate Taxpayer (or to the other members of the consolidated group of which the Corporate Taxpayer is the parent) for such Taxable Year. If all or a portion of the actual liability for such Taxes for the Taxable Year arises as a result of an audit by a Taxing Authority of any Taxable Year, such liability shall not be included in determining the Realized Tax Benefit unless and until there has been a Determination.

"Realized Tax Detriment" means, for a Taxable Year, the excess, if any, of the actual liability for Taxes of (i) the Corporate Taxpayer and (ii) without duplication, OpCo, but only with respect to Taxes imposed on OpCo and allocable to the Corporate Taxpayer (or to the other members of the consolidated group of which the Corporate Taxpayer is the parent) for such Taxable Year, over the Hypothetical Tax Liability for such Taxable Year. If all or a portion of the actual liability for such Taxes for the Taxable Year arises as a result of an audit by a Taxing Authority of any Taxable Year, such liability shall not be included in determining the Realized Tax Detriment unless and until there has been a Determination.

"Reference Asset" means an asset that is held by OpCo, or by any of its direct or indirect subsidiaries treated as a partnership or disregarded entity for purposes of the applicable Tax, at the time of an Exchange. A Reference Asset also includes any asset that is "substituted basis property" under Section 7701(a)(42) of the Code with respect to a Reference Asset.

"Schedule" means any of the following: (i) an Exchange Basis Schedule, (ii) a Tax Benefit Schedule, or (iii) the Early Termination Schedule.

"Subsidiaries" shall have the meaning ascribed to such term in the LLC Agreement.

"Subsidiary Stock" means any stock or other equity interest in any Subsidiary of the Corporate Taxpayer that is treated as a corporation for U.S. federal income tax purposes.



"Tax Return" means any return, declaration, report or similar statement required to be filed with respect to Taxes (including any attached schedules), including any information return, claim for refund, amended return and declaration of estimated Tax.

"Taxable Year" means a taxable year of the Corporate Taxpayer as defined in Section 441(b) of the Code or comparable section of state or local tax law, as applicable (and, therefore, for the avoidance of doubt, may include a period of less than 12 months for which a Tax Return is made), ending on or after the IPO Date.

"Taxes" means any and all U.S. federal, state and local taxes, assessments or similar charges that are based on or measured with respect to net income or profits, and any interest related to such Tax.

"Taxing Authority" shall mean any domestic, federal, national, state, county or municipal or other local government, any subdivision, agency, commission or authority thereof, or any quasi-governmental body exercising any taxing authority or any other authority exercising Tax regulatory authority.

"Treasury Regulations" means the final, temporary and proposed regulations under the Code promulgated from time to time (including corresponding provisions and succeeding provisions) as in effect for the relevant taxable period.

"Valuation Assumptions" shall mean, as of an Early Termination Date, the assumptions that (1) the Corporate Taxpayer will have taxable income sufficient to fully utilize (i) the deductions arising from the Basis Adjustments and Imputed Interest during such Taxable Year or future Taxable Years (including, for the avoidance of doubt, Basis Adjustments and Imputed Interest that would result from future Tax Benefit Payments that would be paid in accordance with the Valuation Assumptions) in which such deductions would become available and (ii) any net operating loss, excess interest deduction, or credit carryovers or carrybacks (or similar items with respect to carryovers or carrybacks) generated by deductions arising from Basis Adjustments or Imputed Interest that are available as of such Early Termination Date, (2) the U.S. federal income tax rates that will be in effect for each such Taxable Year will be those specified for each such Taxable Year by the Code and other law as in effect on the Early Termination Date, except to the extent any change to such tax rates for such Taxable Year have already been enacted into law as of the Early Termination Date, (3) all taxable income of the Corporate Taxpayer will be subject to the maximum applicable tax rate for U.S. federal income tax purposes throughout the relevant period, and the tax rate for U.S. state and local income taxes shall be the Assumed State and Local Tax Rate as in effect for the Taxable Year of the Early Termination Date, (4) any non-amortizable assets will be disposed of on the fifteenth anniversary of the applicable Basis Adjustment; provided, that in the event of a Change of Control, such non-amortizable assets shall be deemed disposed of at the time of sale of the relevant asset (if earlier than such fifteenth anniversary), (5) if, at the Early Termination Date, there are Common Units that have not been Exchanged, then each such Common Unit shall be deemed to be Exchanged for the Market Value of the number of shares of Class A Common Stock and the amount of cash that would be transferred if the Exchange occurred on the Early Termination Date, (6) any payment obligations pursuant to this Agreement will be satisfied on the date that any Tax Return to which such payment obligation relates is required to be filed excluding any extensions and (7) any Subsidiary Stock will be disposed of on the fifteenth anniversary of the IPO Date in a fully taxable transaction for U.S. federal income tax purposes (or, if later, on the Early Termination Date); provided, that if any Subsidiary Stock is disposed of in connection with a Change of Control, such Subsidiary Stock shall be deemed to be sold at the time of such Change of Control.



(b) Each of the following terms is defined in the Section set forth opposite such term:

| Term | Section |
|---|---|
| Agreement | Preamble |
| Amended Schedule | 2.03(b) |
| Class A Common Stock | Recitals |
| Class B Common Stock | Recitals |

| | |
|---|---|
| Class C Common Stock | Recitals |
| Class D Common Stock | Recitals |
| Code | Recitals |
| Common Units | Recitals |
| Contribution | Recitals |
| Corporate Taxpayer | Preamble |
| Depreciation | 1.01 |
| Dispute | 7.03(a) |
| Early Termination Effective Date | 4.02 |
| Early Termination Notice | 4.02 |
| Early Termination Payment | 4.03(b) |
| Early Termination Schedule | 4.02 |
| e-mail | 7.01 |
| Exchange Basis Schedule | 2.01 |
| Exchange Date | Recitals |
| Expert | 7.09 |
| Interest Amount | 3.01(b) |
| Material Objection Notice | 4.02 |
| Member | Preamble |
| Net Tax Benefit | 3.01(b) |
| Objection Notice | 2.03(a) |
| OpCo | Recitals |
| Reconciliation Dispute | 7.09 |
| Reconciliation Procedures | 2.03(a) |
| Senior Obligations | 5.01 |
| Tax Benefit Payment | 3.01(b) |
| Tax Benefit Schedule | 2.02(a) |



(c) Other Definitional and Interpretative Provisions. The words "hereof", "herein" and "hereunder" and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof. References to Articles and Sections are to Articles and Sections of this Agreement unless otherwise specified. Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation", whether or not they are in fact followed by those words or words of like import. "Writing", "written" and comparable terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form. References to any statute shall be deemed to refer to such statute as amended from time to time and to any rules or regulations promulgated thereunder. References to any agreement or contract are to that agreement or contract as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof. References to any Person include the successors and permitted assigns of that Person. References from or through any date mean, unless otherwise specified, from and including or through and including, respectively.

## ARTICLE II

## DETERMINATION OF REALIZED TAX BENEFIT

Section 2.01 Basis Adjustment. Within 90 calendar days after the filing of the U.S. federal income tax return of the Corporate Taxpayer for each Taxable Year in which any Exchange has been effected by any Member, the Corporate Taxpayer shall deliver to such Member and to the Member Representative a schedule (the "Exchange Basis Schedule") that shows, in reasonable detail necessary to perform the calculations required by this Agreement, including with respect to each Exchanging party, (i) the Non-Stepped Up Tax Basis of the Reference Assets as of each applicable Exchange Date, (ii) the Basis Adjustments with respect to the Reference Assets as a result of the Exchanges effected in such Taxable Year, calculated (x) in the aggregate, (y) solely with respect to Exchanges by such Member and (z) in the case of a Basis Adjustment under Section 734(b) of the Code solely with respect to the amount that is available to the Corporate Taxpayer in such Taxable Year, (iii) the period (or periods) over which the Reference Assets are amortizable and/or depreciable and (iv) the period (or periods) over which each Basis Adjustment is amortizable and/or depreciable.

Section 2.02 Realized Tax Benefit and Realized Tax Detriment

(a) Tax Benefit Schedule. Within 120 calendar days after the filing of the U.S. federal income tax return of the Corporate Taxpayer for any Taxable Year in which there is a Realized Tax Benefit or Realized Tax Detriment a portion of which is Attributable to a Member, the Corporate Taxpayer shall provide to such Member and to the Member Representative a schedule showing, in reasonable detail and, at the request of such Member or the Member Representative, with respect to each separate Exchange, the calculation of the Realized Tax Benefit or Realized Tax Detriment and the portion Attributable to such Member for such Taxable Year (a "Tax Benefit Schedule"). The Tax Benefit Schedule will become final as provided in Section 2.03(a) and may be amended as provided in Section 2.03(b) (subject to the procedures set forth in Section 2.03(b)).



(b) Applicable Principles. The Realized Tax Benefit or Realized Tax Detriment for each Taxable Year is intended to measure the decrease or increase in the actual liability for Taxes of the Corporate Taxpayer for such Taxable Year attributable to the Basis Adjustments and Imputed Interest, determined using a "with and without" methodology. For the avoidance of doubt, the actual liability for Taxes will take into account the deduction of the portion of the Tax Benefit Payment that must be accounted for as interest under the Code based upon the characterization of Tax Benefit Payments as additional consideration payable by the Corporate Taxpayer for the Common Units acquired in an Exchange. Carryovers or carrybacks of any Tax item attributable to the Basis Adjustments or Imputed Interest shall be considered to be subject to the rules of the Code and the Treasury Regulations or the appropriate provisions of U.S. state and local income and franchise tax law, as applicable, governing the use, limitation and expiration of carryovers or carrybacks of the relevant type. If a carryover or carryback of any Tax item includes a portion that is attributable to the Basis Adjustments or Imputed Interest and another portion that is not, such portions shall be considered to be used in accordance with the "with and without" methodology. The parties agree that (i) all Tax Benefit Payments attributable to the Basis Adjustments (other than amounts accounted for as interest under the Code) will (A) be treated as subsequent upward purchase price adjustments that give rise to further Basis Adjustments to Reference Assets for the Corporate Taxpayer and (B) have the effect of creating additional Basis Adjustments to Reference Assets for the Corporate Taxpayer in the year of payment, and (ii) as a result, such additional Basis Adjustments will be incorporated into the calculation for the year in which the applicable Tax Benefits Payments are paid and into future year calculations, as appropriate.

Section 2.03 Procedures, Amendments.

(a) Procedure. Every time the Corporate Taxpayer delivers to a Member and to the Member Representative an applicable Schedule under this Agreement, including any Amended Schedule delivered pursuant to Section 2.03(b) and any Early Termination Schedule or amended Early Termination Schedule, the Corporate Taxpayer shall also (x) deliver to such Member and to the Member Representative schedules, valuation reports (if any), and work papers, as determined by the Corporate Taxpayer or requested by such Member or the Member Representative, providing reasonable detail regarding the preparation of the Schedule and (y) allow such Member or the Member Representative reasonable access at no cost to the appropriate Representative at the Corporate Taxpayer, as determined by the Corporate Taxpayer or requested by such Member or the Member Representative, in connection with a review of such Schedule. Without limiting the application of the preceding sentence, each time the Corporate Taxpayer delivers to a Member or the Member Representative a Tax Benefit Schedule, in addition to the Tax Benefit Schedule duly completed, the Corporate Taxpayer shall deliver to such Member and to the Member Representative the Corporate Taxpayer Return, the reasonably detailed calculation by the Corporate Taxpayer of the Hypothetical Tax Liability, the reasonably detailed calculation by the Corporate Taxpayer of the actual Tax liability, as well as any other work papers as determined by the Corporate Taxpayer or requested by such Member or the Member Representative. An applicable Schedule or amendment thereto shall become final and binding on all parties 30 calendar days from the first date on which the Member has received the applicable Schedule or amendment thereto unless such Member (i) within 30 calendar days after receiving an applicable Schedule or amendment thereto, provides the Corporate Taxpayer with notice of a material objection to such Schedule ("Objection Notice") made in good faith or (ii) provides a written waiver of such right of any Objection Notice within the period described in clause (i) above, in which case such Schedule or amendment thereto becomes binding on the date the waiver is received by the Corporate Taxpayer. If the parties, for any reason, are unable to successfully resolve the issues raised in the Objection Notice within 30 calendar days after receipt by the Corporate Taxpayer of an Objection Notice, the Corporate Taxpayer and the applicable Member shall employ the reconciliation procedures as described in Section 7.09 (the "Reconciliation Procedures").



(b) Amended Schedule. The applicable Schedule for any Taxable Year may be amended from time to time by the Corporate Taxpayer (i) in connection with a Determination affecting such Schedule, (ii) to correct inaccuracies in the Schedule identified as a result of the receipt of additional factual information relating to a Taxable Year after the date the Schedule was provided to the applicable Member, (iii) to comply with the Expert's determination under the Reconciliation Procedures, (iv) to reflect a change in the Realized Tax Benefit or Realized Tax Detriment for such Taxable Year attributable to a carryback or carryforward of a loss or other tax item to such Taxable Year, (v) to reflect a change in the Realized Tax Benefit or Realized Tax Detriment for such Taxable Year attributable to an amended Tax Return filed for such Taxable Year, or (vi) to adjust the Exchange Basis Schedule to take into account payments made pursuant to this Agreement (any such Schedule, an "Amended Schedule"). The Corporate Taxpayer shall provide an Amended Schedule to each Member and the Member Representative within 30 calendar days of the occurrence of an event referenced in clauses (i) through (vi) of the preceding sentence.

## ARTICLE III

## TAX BENEFIT PAYMENTS

Section 3.01 Payments.

(a) Within five (5) Business Days after a Tax Benefit Schedule with respect to a Taxable Year is delivered to a Member and the Member Representative pursuant to this Agreement becomes final in accordance with Section 2.03(a), the Corporate Taxpayer shall pay to each Member for such Taxable Year the Tax Benefit Payment in the amount determined pursuant to Section 3.01(b). Each such Tax Benefit Payment to a Member shall be made by wire transfer of immediately available funds to the bank account previously designated by such Member to the Corporate Taxpayer or as otherwise agreed by the Corporate Taxpayer and such Member. For the avoidance of doubt, no Tax Benefit Payment shall be made in respect of estimated tax payments, including federal estimated income tax payments. Notwithstanding anything to the contrary in this Agreement, with respect to each Exchange by or with respect to any Member, if such Member notifies the Corporate Taxpayer in writing of a stated maximum selling price (within the meaning of Treasury Regulations Section 15A.453-1(c)(2)), then the amount of the consideration received in connection with such Exchange and the aggregate Tax Benefit Payments to such Member in respect of such Exchange (other than amounts accounted for as interest under the Code) shall not exceed such stated maximum selling price.

(b) A "Tax Benefit Payment" means, with respect to a Member, an amount, not less than zero, equal to the sum of the amount of the Net Tax Benefit Attributable to such Member and the related Interest Amount. For the avoidance of doubt, for Tax purposes, the Interest Amount shall not be treated as interest but instead shall be treated as additional consideration for the acquisition of Common Units in Exchanges, unless otherwise required by law. Subject to Section 3.03(a), the "Net Tax Benefit" for a Taxable Year shall be an amount equal to the excess, if any, of 85% of the Cumulative Net Realized Tax Benefit as of the end of such Taxable Year over the sum of the total amount of Tax Benefit Payments previously made under this Section 3.01 (excluding payments attributable to Interest Amounts); provided, for the avoidance of doubt, that such Member shall not be required to return any portion of any previously made Tax Benefit Payment. The "Interest Amount" shall equal the interest on the amount of the Net Tax Benefit Attributable to such Member calculated at the Agreed Rate from the due date (without extensions) for filing the Corporate Taxpayer Return with respect to Taxes for such Taxable Year until the Payment Date of the applicable Tax Benefit Payment. Notwithstanding anything to the contrary in this Agreement, after any lump-sum payment under Article IV in respect of present or future Tax attributes subject to this Agreement, the Tax Benefit Payment, Net Tax Benefit and components thereof shall be calculated without taking into account any such attributes or any such lump-sum payment.

Section 3.02 No Duplicative Payments. It is intended that the provisions of this Agreement will not result in duplicative payment of any amount (including interest) required under this Agreement. The provisions of this Agreement shall be construed in the appropriate manner to ensure such intentions are realized.



## ARTICLE IV

## TERMINATION

Section 4.01 Termination, Early Termination and Breach of Agreement

(a) Unless terminated earlier pursuant to Section 4.01(b) or Section 4.01(c), this Agreement will terminate when there is no further potential for a Tax Benefit Payment pursuant to this Agreement. Tax Benefit Payments under this Agreement are not conditioned on any Member retaining an interest in the Corporate Taxpayer or OpCo (or any successor thereto).

(b) The Corporate Taxpayer may terminate this Agreement with respect to (i) all amounts payable to the Members and with respect to all of the Common Units held (or previously held and exchanged) by all Members at any time by paying to each Member the Early Termination Payment in respect of such Member or (ii) the amount payable to any Member having a Percentage Interest of less than 5% by paying to any such individual Member the Early Termination Payment in respect of such Member; provided, however, that this Agreement shall only terminate pursuant to this Section 4.01(b) upon the receipt of the Early Termination Payment by all Members; and provided, further, that the Corporate Taxpayer may withdraw any notice to execute its termination rights under this Section 4.01(b) prior to the time at which any Early

Termination Payment has been paid. Upon payment of the Early Termination Payment by the Corporate Taxpayer in accordance with this Section 4.01(b), neither the Members nor the Corporate Taxpayer shall have any further payment obligations under this Agreement, other than for any (1) Tax Benefit Payment agreed to by the Corporate Taxpayer and a Member as due and payable but unpaid as of the Early Termination Notice and (2) Tax Benefit Payment due for the Taxable Year ending with or including the date of the Early Termination Notice (except to the extent that the amount described in clause (2) is included in the Early Termination Payment). If an Exchange occurs after the Corporate Taxpayer makes the Early Termination Payment pursuant to this Section 4.01(b), the Corporate Taxpayer shall have no obligations under this Agreement with respect to such Exchange.

(c) In the event that the Corporate Taxpayer breaches any of its material obligations under this Agreement, whether as a result of failure to make any payment when due, failure to honor any other material obligation required hereunder or by operation of law as a result of the rejection of this Agreement in a case commenced under the Bankruptcy Code or otherwise, unless otherwise waived or directed in writing by the Member Representative, then all obligations hereunder shall be accelerated and such obligations shall be calculated as if an Early Termination Notice had been delivered on the date of such breach and shall include, but not be limited to, (1) the Early Termination Payment calculated as if an Early Termination Notice had been delivered on the date of a breach, (2) any Tax Benefit Payment agreed to by the Corporate Taxpayer and any Members as due and payable but unpaid as of the date of a breach, and (3) any Tax Benefit Payment due for the Taxable Year ending with or including the date of a breach; provided that procedures similar to the procedures of Section 4.02 shall apply with respect to the determination of the amount payable by the Corporate Taxpayer pursuant to this sentence. Notwithstanding the foregoing, in the event that the Corporate Taxpayer breaches this Agreement, the Members shall be entitled to elect to receive the amounts set forth in clauses (1), (2) and (3) above or to seek specific performance of the terms hereof. The parties agree that the failure to make any payment due pursuant to this Agreement within three months of the date such payment is due shall be deemed to be a breach of a material obligation under this Agreement for all purposes of this Agreement, and that it will not be considered to be a breach of a material obligation under this Agreement to make a payment due pursuant to this Agreement within three months of the date such payment is due. Notwithstanding anything in this Agreement to the contrary, it shall not be a breach of this Agreement if the Corporate Taxpayer fails to make any payment due pursuant to this Agreement when due to the extent the Corporate Taxpayer has insufficient funds to make such payment; provided that the interest provisions of Section 5.02 shall apply to such late payment (unless the Corporate Taxpayer does not have sufficient cash to make such payment as a result of limitations imposed by debt agreements to which the Corporate Taxpayer or its Subsidiaries is a party, in which case Section 5.02 shall apply, but the Default Rate shall be replaced by the Agreed Rate); provided, further, that the Corporate Taxpayer shall promptly (and in any event, within two (2) Business Days), pay all such unpaid payments, together with accrued and unpaid interest thereon, immediately following such time that the Corporate Taxpayer has, and to the extent the Corporate Taxpayer has, sufficient funds to make such payment, and the failure of the Corporate Taxpayer to do so shall constitute a breach of this Agreement. For the avoidance of doubt, all cash and cash equivalents used or to be used to pay dividends by, or repurchase equity securities of, the Corporate Taxpayer shall be deemed to be funds sufficient and available to pay such unpaid payments, together with any accrued and unpaid interest thereon.



Section 4.02 Early Termination Notice. If the Corporate Taxpayer chooses to exercise its right of early termination under Section 4.01(b) above, the Corporate Taxpayer shall deliver to each Member and the Member Representative notice of such intention to exercise such right ("Early Termination Notice") and a schedule (the "Early Termination Schedule") specifying the Corporate Taxpayer's intention to exercise such right and showing in reasonable detail the calculation of the Early Termination Payment for such Member. The Early Termination Schedule shall become final and binding on such Member 30 calendar days from the first date on which the Member and the Member Representative have received such Schedule or amendment thereto unless the Member in case of an Early Termination Payment pursuant to Section 4.01(b)(ii) or the Member Representative in the case of an Early Termination Payment pursuant to Section 4.01(b)(i), (i) within 30 calendar days after receiving the Early Termination Schedule, provides the Corporate Taxpayer with notice of a material objection to such Schedule made in good faith ("Material Objection Notice") or (ii) provides a written waiver of such right of a Material Objection Notice within the period described in clause (i) above, in which case such Schedule becomes binding on the date the waiver is received by the Corporate Taxpayer (such 30 calendar day date as modified, if at all, by clauses (i) or (ii), the "Early Termination Effective Date"). If the Corporate Taxpayer and the Member or Member Representative, for any reason, are unable to successfully resolve the issues raised in such notice within 30 calendar days after receipt by the Corporate Taxpayer of the Material Objection Notice, the Corporate Taxpayer and the Member or Member Representative shall employ the Reconciliation Procedures.

Section 4.03 Payment upon Early Termination.

(a) Within three Business Days after the Early Termination Date, the Corporate Taxpayer shall pay to each Member an amount equal to the Early Termination Payment in respect of such Member. Such payment shall be made by wire transfer of immediately available funds to a bank account or accounts designated by such Member or as otherwise agreed by the Corporate Taxpayer and such Member.

(b) "Early Termination Payment" in respect of a Member shall equal the present value, discounted at the Early Termination Rate as of the Early Termination Effective Date, of all Tax Benefit Payments in respect of such Member that would be required to be paid by the Corporate Taxpayer beginning from the Early Termination Date and assuming that the Valuation Assumptions are applied.

Section 4.04 Change of Control. In connection with any Change of Control, unless otherwise waived or directed in writing by the Member Representative, all obligations hereunder with respect to such Member shall be accelerated and such obligations shall be calculated as if an Early Termination Notice had been delivered on the date of such Change of Control and shall include, but not be limited to, (1) the Early Termination Payment to such Member calculated as if an Early Termination Notice had been delivered on the date of such Change of Control, (2) any Tax Benefit Payment agreed to by the Corporate Taxpayer and such Member as due and payable but unpaid as of the date of such Change of Control, and (3) any Tax Benefit Payment due for the Taxable Year ending with or including the date of such Change of Control; provided, that procedures similar to the procedures of Section 4.02 shall apply with respect to the determination of the amount payable by the Corporate Taxpayer pursuant to this sentence.

## ARTICLE V

## SUBORDINATION AND LATE PAYMENTS

Section 5.01 Subordination. Notwithstanding any other provision of this Agreement to the contrary, any Tax Benefit Payment or Early Termination Payment required to be made by the Corporate Taxpayer to any Member under this Agreement shall rank subordinate and junior in right of payment to any principal, interest or other amounts due and payable in respect of any obligations in respect of indebtedness for borrowed money of the Corporate Taxpayer and its Subsidiaries ("Senior Obligations") and shall rank pari passu with all current or future unsecured obligations of the Corporate Taxpayer that are not Senior Obligations. To the extent that any payment under this Agreement is not permitted to be made at the time payment is due as a result of this Section 5.01 and the terms of agreements governing Senior Obligations, such payment obligation nevertheless shall accrue for the benefit of Members and the Corporate Taxpayer shall make such payments at the first opportunity that such payments are permitted to be made in accordance with the terms of the Senior Obligations. The Corporate Taxpayer shall use commercially reasonable efforts not to enter into any agreement if a principal purpose of such agreement is to restrict in any material respect the amounts payable hereunder.



Section 5.02 Late Payments by the Corporate Taxpayer. The amount of all or any portion of any Tax Benefit Payment or Early Termination Payment not made to the applicable Member when due under the terms of this Agreement shall be payable together with any interest thereon, computed at the Default Rate and commencing

from the date on which such Tax Benefit Payment or Early Termination Payment was due and payable.

**ARTICLE VI**

**NO DISPUTES; CONSISTENCY; COOPERATION**

Section 6.01 Participation in the Corporate Taxpayer's and OpCo's Tax Matters. Except as otherwise provided herein, and except as provided in the LLC Agreement, the Corporate Taxpayer shall have full responsibility for, and sole discretion over, all Tax matters concerning the Corporate Taxpayer and OpCo, including the preparation, filing or amending of any Tax Return and defending, contesting or settling any issue pertaining to Taxes. Notwithstanding the foregoing, the Corporate Taxpayer shall notify the Member Representative of, and keep the Member Representative reasonably informed with respect to, the portion of any audit of the Corporate Taxpayer and OpCo by a Taxing Authority the outcome of which is reasonably expected to affect the rights and obligations of a Member under this Agreement, and shall provide to the Member Representative reasonable opportunity to provide information and other input to the Corporate Taxpayer, OpCo and their respective advisors concerning the conduct of any such portion of such audit; provided, however, that the Corporate Taxpayer and OpCo shall not be required to take any action that is inconsistent with any provision of the LLC Agreement; provided, further, that the Corporate Taxpayer shall not settle or fail to contest any issue pertaining to Taxes or Tax matters where such settlement or failure to contest would reasonably be expected to materially adversely affect the Members' rights and obligations under this Agreement without the written consent of the Member Representative, such consent not to be unreasonably withheld, conditioned, or delayed.

Section 6.02 Consistency. The Corporate Taxpayer and the Members agree to report and cause to be reported for all purposes, including federal, state and local Tax purposes and financial reporting purposes, all Tax-related items (including the Basis Adjustments and each Tax Benefit Payment) in a manner consistent with that specified by the Corporate Taxpayer in any Schedule required to be provided by or on behalf of the Corporate Taxpayer under this Agreement unless otherwise required by law. Any dispute as to required Tax or financial reporting shall be subject to Section 7.09.

Section 6.03 Cooperation. Each of the Corporate Taxpayer and each Member shall (a) furnish to the other party in a timely manner such information, documents and other materials as the other party may reasonably request for purposes of making any determination or computation necessary or appropriate under this Agreement, preparing any Tax Return or contesting or defending any audit, examination or controversy with any Taxing Authority, (b) make itself available to the other party and its Representative to provide explanations of documents and materials and such other information as the other party or its Representative may reasonably request in connection with any of the matters described in clause (a) above, and (c) reasonably cooperate in connection with any such matter, and the Corporate Taxpayer shall reimburse the applicable Member for any reasonable third-party costs and expenses incurred pursuant to this Section 6.03. The Corporate Taxpayer shall not, without the prior written consent of the Member Representative, take any action that has the primary purpose of circumventing the achievement or attainment of any Tax Benefit Payment or Early Termination Payment under this Agreement.



**ARTICLE VII**

**MISCELLANEOUS**

Section 7.01 Notices. All notices, requests and other communications to any party hereunder shall be in writing (including facsimile transmission and electronic mail ("e-mail") transmission, so long as a receipt of such e-mail is requested and received) and shall be given to such party as set forth below, or pursuant to such other instructions as may be designated in writing by the party to receive such notice:

If to the Corporate Taxpayer, to:

Clear Secure, Inc.
65 East 55th Street, 17th Floor
New York, NY 10022
Attention: Matthew Levine, General Counsel and Chief Privacy Officer

With copies (which shall not constitute notice) to:

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, NY 10019-6064
Facsimile No.: (212) 757-3990
Attention: Brian M. Janson
E-mail: bjanson@paulweiss.com

If to the applicable Member, to the address, facsimile number or e-mail address specified for such party on the Member Schedule to the LLC Agreement.

All such notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5:00 p.m. on a Business Day in the place of receipt. Otherwise, any such notice, request or communication shall be deemed to have been received on the next succeeding Business Day in the place of receipt

Section 7.02 Binding Effect; Benefit; Assignment.

(a) The provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. No provision of this Agreement is intended to confer any rights, benefits, remedies, obligations or liabilities hereunder upon any Person other than the parties hereto and their respective successors and assigns. The Corporate Taxpayer shall require and cause any direct or indirect successor (whether by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Corporate Taxpayer, by written agreement, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Corporate Taxpayer would be required to perform if no such succession had taken place.



(b) A Member may assign any of its rights under this Agreement to any Person as long as such transferee has executed and delivered, or, in connection with such transfer, executes and delivers, a joinder to this Agreement, in form of Exhibit A, agreeing to become a "Member" for all purposes of this Agreement, except as otherwise provided in such joinder; provided, that a Member's rights under this Agreement shall be assignable by such Member under the procedure in this

Section 7.02(b) regardless of whether such Member continues to hold any interests in OpCo or the Corporate Taxpayer or has fully transferred any such interests.

Section 7.03 Resolution of Disputes.

(a) Except for Reconciliation Disputes subject to Section 7.09, any and all disputes which cannot be settled amicably, including any ancillary claims of any party, arising out of, relating to or in connection with the validity, negotiation, execution, interpretation, performance or non-performance of this Agreement (including the validity, scope and enforceability of this arbitration provision) (each a "Dispute") shall be finally settled by arbitration conducted by a single arbitrator in Delaware in accordance with the then-existing Rules of Arbitration of the International Chamber of Commerce. If the parties to the Dispute fail to agree on the selection of an arbitrator within ten (10) days of the receipt of the request for arbitration, the International Chamber of Commerce shall make the appointment. The arbitrator shall be a lawyer admitted to the practice of law in the State of Delaware and shall conduct the proceedings in the English language. Performance under this Agreement shall continue if reasonably possible during any arbitration proceedings.

(b) Notwithstanding the provisions of paragraph (a), the Corporate Taxpayer may bring an action or special proceeding in any court of competent jurisdiction for the purpose of compelling a party to arbitrate, seeking temporary or preliminary relief in aid of an arbitration hereunder, and/or enforcing an arbitration award and, for the purposes of this paragraph (b), each Member and the Member Representative s(i) expressly consents to the application of paragraph (c) of this Section 7.03 to any such action or proceeding, (ii) agrees that proof shall not be required that monetary damages for breach of the provisions of this Agreement would be difficult to calculate and that remedies at law would be inadequate, and (iii) irrevocably appoints the Corporate Taxpayer for service of process in connection with any such action or proceeding and agrees that service of process upon such agent, who shall promptly advise such Member and the Member Representative of any such service of process, shall be deemed in every respect effective service of process upon such Member and the Member Representative in any such action or proceeding.

(c) EACH PARTY HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF THE CHANCERY COURT OF THE STATE OF DELAWARE OR, IF SUCH COURT DECLINES JURISDICTION, THE COURTS OF THE STATE OF DELAWARE SITTING IN WILMINGTON, DELAWARE, AND OF THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF DELAWARE SITTING IN WILMINGTON, DELAWARE, AND ANY APPELLATE COURT FROM ANY THEREOF, FOR THE PURPOSE OF ANY JUDICIAL PROCEEDING BROUGHT IN ACCORDANCE WITH THE PROVISIONS OF THIS SECTION 7.03, OR ANY JUDICIAL PROCEEDING ANCILLARY TO AN ARBITRATION OR CONTEMPLATED ARBITRATION ARISING OUT OF OR RELATING TO OR CONCERNING THIS AGREEMENT. Such ancillary judicial proceedings include any suit, action or proceeding to compel arbitration, to obtain temporary or preliminary judicial relief in aid of arbitration, or to confirm an arbitration award. The parties acknowledge that the fora designated by this paragraph (c) have a reasonable relation to this Agreement, and to the parties' relationship with one another.

(d) The parties hereby waive, to the fullest extent permitted by applicable law, any objection which they now or hereafter may have to personal jurisdiction or to the laying of venue of any such ancillary suit, action or proceeding brought in any court referred to in the preceding paragraph of this Section 7.03 and such parties agree not to plead or claim the same.



Section 7.04 Counterparts. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. Until and unless each party has received a counterpart hereof signed by the other party hereto, this Agreement shall have no effect and no party shall have any right or obligation hereunder (whether by virtue of any other oral or written agreement or other communication).

Section 7.05 Entire Agreement. This Agreement and the other Reorganization Documents (as such term is defined in the LLC Agreement) constitute the entire agreement between the parties with respect to the subject matter of this Agreement and supersede all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter of this Agreement. Except to the extent provided in Section 3.03, nothing in this Agreement shall create any third-party beneficiary rights in favor of any Person or other party hereto.

Section 7.06 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other Governmental Authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such a determination, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the fullest extent possible.



Section 7.07 Amendment. No provision of this Agreement may be amended unless such amendment is approved in writing by the Corporate Taxpayer and by Persons who would be entitled to receive at least two-thirds of the Early Termination Payments payable to all Persons entitled to Early Termination Payments under this Agreement if the Corporate Taxpayer had exercised its right of early termination on the date of the most recent Exchange prior to such amendment (excluding, for purposes of this sentence, all payments made to any Persons pursuant to this Agreement since the date of such most recent Exchange); provided, that no such amendment shall be effective if such amendment will have a disproportionate effect on the payments certain Persons will or may receive under this Agreement unless all such Persons disproportionately affected consent in writing to such amendment. No provision of this Agreement may be waived unless such waiver is in writing and signed by the party against whom the waiver is to be effective.

Section 7.08 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the conflicts of law rules of such State that would result in the application of the laws of any other State.

Section 7.09 Reconciliation. In the event that the Corporate Taxpayer and a Member or the Member Representative are unable to resolve a disagreement with respect to the matters governed by Sections 2.03, 3.01(b), 4.02 and 6.02 within the relevant period designated in this Agreement ("Reconciliation Dispute"), the Reconciliation Dispute shall be submitted for determination to a nationally recognized expert (the "Expert") in the particular area of disagreement mutually acceptable to both parties. The Expert shall be a partner or principal in a nationally recognized accounting or law firm, and unless the Corporate Taxpayer and the Member or the Member Representative agree otherwise, the Expert shall not, and the firm that employs the Expert shall not, have any material relationship with the Corporate Taxpayer, the Member or the Member Representative or other actual or potential conflict of interest. If the parties are unable to agree on an Expert within fifteen (15) calendar days of receipt by the respondent(s) of written notice of a Reconciliation Dispute, the Expert shall be appointed by the International Chamber of Commerce Centre for Expertise. The Expert shall resolve any matter relating to the Exchange Basis Schedule or an amendment thereto or the Early Termination Schedule or an amendment thereto within 30 calendar days and shall resolve any matter relating to a Tax Benefit Schedule or an amendment thereto within 15 calendar days or as soon thereafter as is reasonably practicable, in each case after the matter has been submitted to the Expert for resolution. Notwithstanding the preceding sentence, if the matter is not resolved before any payment that is the subject of a disagreement would be due (in the absence of such disagreement) or any Tax Return reflecting the subject of a disagreement is due, the undisputed amount shall be paid on the date prescribed by this Agreement and such Tax Return may be filed as prepared by the Corporate Taxpayer, subject to adjustment or amendment upon resolution. The costs and expenses relating to the engagement of such Expert or amending any Tax Return shall be borne by the Corporate Taxpayer, except as provided in the next sentence. The

Corporate Taxpayer and the Member or the Member Representative shall bear their own costs and expenses of such proceeding, unless (i) the Expert substantially adopts the Member or Member Representative' position, in which case the Corporate Taxpayer shall reimburse the Member or the Member Representative for any reasonable out-of-pocket costs and expenses in such proceeding, or (ii) the Expert substantially adopts the Corporate Taxpayer's position, in which case the Member of Member Representative shall reimburse the Corporate Taxpayer for any reasonable out-of-pocket costs and expenses in such proceeding. Any dispute as to whether a dispute is a Reconciliation Dispute within the meaning of this Section 7.09 shall be decided by the Expert. The Expert shall finally determine any Reconciliation Dispute and the determinations of the Expert pursuant to this Section 7.09 shall be binding on the Corporate Taxpayer and the Member or Member Representative and may be entered and enforced in any court having jurisdiction.

Section 7.10 Withholding. The Corporate Taxpayer shall be entitled to deduct and withhold from any payment payable pursuant to this Agreement such amounts as the Corporate Taxpayer is required to deduct and withhold with respect to the making of such payment under the Code or any provision of state, local or foreign tax law. To the extent that amounts are so withheld and paid over to the appropriate Taxing Authority by the Corporate Taxpayer, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the applicable Member.



Section 7.11 Admission of the Corporate Taxpayer into a Consolidated Group; Transfers of Corporate Assets

(a) If the Corporate Taxpayer is or becomes a member of an affiliated or consolidated group of corporations that files a consolidated income tax return pursuant to Sections 1501 et seq. of the Code or any corresponding provisions of state or local law, then: (i) the provisions of this Agreement shall be applied with respect to the group as a whole; and (ii) Tax Benefit Payments, Early Termination Payments and other applicable items hereunder shall be computed with reference to the consolidated taxable income of the group as a whole (including, for the avoidance of doubt, by treating any direct or indirect transfer of one or more Reference Assets or Common Units to a corporation with which the Corporate Taxpayer files a consolidated Tax Return pursuant to Section 1501 of the Code as an Exchange which gives rise to a Basis Adjustment).

(b) If the Corporate Taxpayer (or any member of a group described in Section 7.11(a)) transfers one or more Reference Assets to a Person treated as a corporation for U.S. federal income tax purposes (with which the Corporate Taxpayer does not file a consolidated Tax Return pursuant to Section 1501 of the Code), such transferor, for purposes of calculating the amount of any Tax Benefits Payment due hereunder, shall be treated as having disposed of such asset in a fully taxable transaction on the date of such transfer. The consideration deemed to be received by the Corporate Taxpayer, shall be equal to the fair market value of the transferred asset plus the amount of debt to which such asset is subject, in the case of a transfer of an encumbered asset. For purposes of this Section 7.11(b), a transfer of a partnership interest shall be treated as a transfer of the transferring partner's applicable share of each of the assets and liabilities of that partnership. Notwithstanding anything to the contrary set forth herein, if the Corporate Taxpayer or any member of a group described in Section 7.11(a) transfers its assets pursuant to a transaction that qualifies as a "reorganization" (within the meaning of Section 368(a) of the Code) in which such entity does not survive or pursuant to any other transaction to which Section 381(a) of the Code applies (other than any such reorganization or any such other transaction, in each case, pursuant to which such entity transfers assets to a corporation with which the Corporate Taxpayer or any member of the group described in Section 7.11(a) (other than any such member being transferred in such reorganization or other transaction) does not file a consolidated Tax Return pursuant to Section 1501 of the Code), the transfer will not cause such entity to be treated as having transferred any assets to a corporation (or a Person classified as a corporation for U.S. federal income tax purposes) pursuant to this Section 7.11(b).

Section 7.12 Confidentiality. Section 11.10 (*Confidentiality*) of the LLC Agreement as of the date of this Agreement shall apply to any information of the Corporate Taxpayer provided to the Members and their assignees pursuant to this Agreement.

Section 7.13 Change in Law. Notwithstanding anything herein to the contrary, if, in connection with an actual or proposed change in law, a Member reasonably believes that the existence of this Agreement could cause income (other than income arising from receipt of a payment under this Agreement) recognized by such Member (or direct or indirect equity holders in such Member) upon an Exchange to be treated as ordinary income rather than capital gain (or otherwise taxed at ordinary income rates) for U.S. federal income tax purposes or would have other material adverse tax consequences to the Corporate Taxpayer or such Member or any direct or indirect owner of a Member, then at the election of such Member and to the extent specified by such Member, this Agreement (i) shall cease to have further effect with respect to such Member, (ii) shall not apply to an Exchange occurring after a date specified by such Member, or (iii) shall otherwise be amended in a manner determined by such Member; provided, that such amendment shall not result in an increase in payments under this Agreement to such Member at any time as compared to the amounts and times of payments that would have been due to such Member in the absence of such amendment.



Section 7.14 Member Representative. By executing this Agreement, each of the Members shall be deemed to have irrevocably constituted the Member Representative as his, her or its agent and attorney in fact with full power of substitution to act from and after the date hereof and to do any and all things and execute any and all documents on behalf of such Members which may be necessary, convenient or appropriate to facilitate any matters under this Agreement, including but not limited to: (i) execution of the documents and certificates required pursuant to this Agreement; (ii) except to the extent specifically provided in this Agreement receipt and forwarding of notices and communications pursuant to this Agreement; (iii) administration of the provisions of this Agreement; (iv) any and all consents, waivers, amendments or modifications deemed by the Member Representative, in its sole and absolute discretion, to be necessary or appropriate under this Agreement and the execution or delivery of any documents that may be necessary or appropriate in connection therewith; (v) amending this Agreement or any of the instruments to be delivered to the Corporate Taxpayer pursuant to this Agreement; (vi) taking actions the Member Representative is expressly authorized to take pursuant to the other provisions of this Agreement; (vii) negotiating and compromising, on behalf of such Members, any dispute that may arise under, and exercising or refraining from exercising any remedies available under, this Agreement or any other agreement contemplated hereby and executing, on behalf of such Members, any settlement agreement, release or other document with respect to such dispute or remedy; and (viii) engaging attorneys, accountants, agents or consultants on behalf of such Members in connection with this Agreement or any other agreement contemplated hereby and paying any fees related thereto. The Member Representative may resign upon thirty (30) days' written notice to the Corporate Taxpayer. All reasonable, documented out-of-pocket costs and expenses incurred by the Member Representative in its capacity as such shall be promptly reimbursed by the Corporate Taxpayer upon invoice and reasonable support therefor by the Member Representative. To the fullest extent permitted by law, none of the Member Representative, any of its Affiliates, or any of the Member Representative's or Affiliate's directors, officers, employees or other agents (each a "Covered Person") shall be liable, responsible or accountable in damages or otherwise to any Member, OpCo or the Corporate Taxpayer for damages arising from any action taken or omitted to be taken by the Member Representative or any other Person with respect to OpCo or the Corporate Taxpayer, except in the case of any action or omission which constitutes, with respect to such Person, willful misconduct or fraud. Each of the Covered Persons may consult with legal counsel, accountants, and other experts selected by it, and any act or omission suffered or taken by it on behalf of OpCo or the Corporate Taxpayer or in furtherance of the interests of OpCo or the Corporate Taxpayer in good faith in reliance upon and in accordance with the advice of such counsel, accountants, or other experts shall create a rebuttable presumption of the good faith and due care of such Covered Person with respect to such act or omission; provided, that such counsel, accountants, or other experts were selected with reasonable care. Each of the Covered Persons may rely in good faith upon, and shall have no liability to OpCo, the Corporate Taxpayer or the Members for acting or refraining from acting upon, any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture, or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties. Each Covered Person shall not be liable for, and shall be indemnified by the Corporate Taxpayer for, any liability, loss, damage, penalty or fine incurred by the Covered Persons (and any cost or expense incurred by the Covered Persons in connection therewith and herewith and not previously reimbursed pursuant to this Section 7.14) arising out of or in connection with the acceptance or administration of its duties under this Agreement, and such liability, loss, damage, penalty, fine, cost or expense shall be treated as an expense subject to

reimbursement pursuant to the provisions of this Section 7.14, except to the extent that any such liability, loss, damage, penalty, fine, cost or expense is the proximate result of the willful misconduct or fraud of the Covered Person.



Section 7.15 Partnership Agreement. This Agreement shall be treated as part of the partnership agreement of OpCo as described in Section 761(c) of the Code, and Sections 1.704-1(b)(2)(ii)(h) and 1.761-1(c) of the Treasury Regulations.

[Remainder of Page Intentionally Left Blank]



IN WITNESS WHEREOF, the Corporate Taxpayer and each Member set forth below have duly executed this Agreement as of the date first written above.

CORPORATE TAXPAYER:

**CLEAR SECURE, INC.**

By: _____
Name:
Title: Chief Executive Officer

[Signature Page to Tax Receivable Agreement]

MEMBERS:

**ALCLEAR INVESTMENTS, LLC**

_____
By:
Title:

**[Others]**

[Signature Page to Tax Receivable Agreement]

**Exhibit A**
**Form of Joinder**

This JOINDER (this "Joinder") to the Tax Receivable Agreement (as defined below), dated as of _____, by and among Clear Secure, Inc., a Delaware corporation (the "Corporate Taxpayer"), and _____ ("Permitted Transferee").

WHEREAS, on _____, Permitted Transferee acquired (the "Acquisition") [___ Common Units and the corresponding shares of Class D Common Stock] [the right to receive any and all payments that may become due and payable under the Tax Receivable Agreement with respect to ___ Common Units that were previously Exchanged and are described in greater detail in Annex A to this Joinder] (collectively, "Interests" and, together with all other interests hereinafter acquired by the Permitted Transferee from Transferor, the "Acquired Interests") from _____ ("Transferor"); and

WHEREAS, Transferor, in connection with the Acquisition, has required Permitted Transferee to execute and deliver this Joinder pursuant to Section 7.02(b) of the Tax Receivable Agreement, dated as of [ ], by and among the Corporate Taxpayer and each Member (as defined therein) (the "Tax Receivable Agreement").

NOW, THEREFORE, in consideration of the foregoing and the respective covenants and agreements set forth herein, and intending to be legally bound hereby, the parties hereto agree as follows:

Section 1.01 Definitions. To the extent capitalized words used in this Joinder are not defined in this Joinder, such words shall have the respective meanings set forth in the Tax Receivable Agreement.

Section 1.02 Joinder. Permitted Transferee hereby acknowledges and agrees to become a "Member" (as defined in the Tax Receivable Agreement) for all purposes of the Tax Receivable Agreement. Permitted Transferee hereby acknowledges the terms of Section 7.02(b) of the Tax Receivable Agreement and agrees to be bound by Section 7.12 of the Tax Receivable Agreement.

Section 1.03 Notice. Any notice, request, consent, claim, demand, approval, waiver or other communication hereunder to Permitted Transferee shall be delivered or sent to Permitted Transferee at the address set forth on the signature page hereto in accordance with Section 7.01 of the Tax Receivable Agreement.

Section 1.04 Governing Law. This Joinder shall be governed by and construed in accordance with the laws of the State of New York, without regard to the conflicts of law rules of such State that would result in the application of the laws of any other State.

IN WITNESS WHEREOF, this Joinder has been duly executed and delivered by Permitted Transferee as of the date first above written.

[PERMITTED TRANSFEREE]

By: _____
Name:
Title:

Address for notices:

**Exhibit 10.5**

**SECOND AMENDED AND RESTATED**

**OPERATING AGREEMENT**

**of**

**ALCLEAR HOLDINGS, LLC**

Dated as [●], 2021

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SECOND AMENDED AND RESTATED OPERATING AGREEMENT (this "Agreement") OF ALCLEAR HOLDINGS, LLC, a Delaware limited liability company (the "Company"), dated as of [●], 2021, by and among the Company, Clear Secure, Inc., a Delaware corporation ("Clear Secure"), and the other Persons listed on the signature pages hereto.

W I T N E S S E T H:

WHEREAS, the Company has been heretofore formed as a limited liability company under the Delaware Act (as defined below) pursuant to a certificate of formation which was executed and filed with the Secretary of State of the State of Delaware on January 21, 2010;

WHEREAS, Alclear entered into the initial Operating Agreement of the Company, dated as of January 22, 2010 (the "Initial Operating Agreement");

WHEREAS, the Initial Operating Agreement was amended and restated in its entirety by the Amended and Restated Operating Agreement of the Company, dated as of November 22, 2019, by and among the Company and certain members party thereto (the "A&R Operating Agreement");

WHEREAS, pursuant to the terms of that certain Reorganization Agreement (the "Reorganization Agreement"), dated as of the date hereof, by and among the Company, Clear Secure and the other Persons listed on the signature pages thereto, the parties thereto have agreed to consummate the reorganization of the Company contemplated by Section 9.9 of the A&R Operating Agreement and to take the other actions contemplated in such Reorganization Agreement (collectively, the "Reorganization"); and

WHEREAS, the Company and Clear Secure desire to enter into this Agreement to make the modifications hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein made and other good and valuable consideration, the parties hereto hereby agree, to amend and restate the A&R Operating Agreement in its entirety as follows:

ARTICLE I

DEFINITIONS AND USAGE

Section 1.01 Definitions.

(a) The following terms shall have the following meanings for the purposes of this Agreement:

"Additional Member" means any Person admitted as a Member of the Company pursuant to Section 3.02 in connection with the new issuance of Units to such Person.

"Adjusted Capital Account Deficit" means, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments:

(i) Credit to such Capital Account any amounts that such Member is deemed to be obligated to restore pursuant to the penultimate sentence in Treasury Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5); and

(ii) Debit to such Capital Account the items described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5) and 1.704-1(b)(2)(ii)(d)(6).

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Treasury Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

"Affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such Person; provided that no Member nor any Affiliate of any Member shall be deemed to be an Affiliate of any other Member or any of its Affiliates solely by virtue of such Members' Units.

"Applicable Law" means, with respect to any Person, any federal, state or local law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated or applied by a Governmental Authority or Regulatory Agency that is binding upon or applicable to such Person or its assets, as amended unless expressly specified otherwise.

"Business Day" means a day, other than Saturday, Sunday or other day on which commercial banks in New York, New York are authorized or required by Applicable Law to close.

"Capital Account" means the capital account established and maintained for each Member pursuant to Section 5.02.

"Capital Contribution" means, with respect to any Member, the amount of money and the initial Carrying Value of any Property (other than money) contributed to the Company.



"Carrying Value" means with respect to any Property (other than money), such Property's adjusted basis for U.S. federal income tax purposes, except as follows:

(i) The initial Carrying Value of any such Property contributed by a Member to the Company shall be the gross fair market value of such Property, as reasonably determined by the Managing Member;

(ii) The Carrying Values of all such Properties shall be adjusted to equal their respective gross fair market values (taking Section 7701(g) of the Code into account), as reasonably determined by the Managing Member, at the time of any Revaluation pursuant to Section 5.02(c);

(iii) The Carrying Value of any item of such Properties distributed to any Member shall be adjusted to equal the gross fair market value (taking Section 7701(g) of the Code into account) of such Property on the date of distribution as reasonably determined by the Managing Member; and

(iv) The Carrying Values of such Properties shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such Properties pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m) and subparagraph (vi) of the definition of "Net Income" and "Net Loss" or Section 5.04(b)(vi); provided, however, that Carrying Values shall not be adjusted pursuant to this subparagraph (iv) to the extent that an adjustment pursuant to subparagraph (ii) is required in connection with a transaction that would otherwise result in an adjustment pursuant to this subparagraph (iv). If the Carrying Value of such Property has been determined or adjusted pursuant to subparagraph (i), (ii) or (iv), such Carrying Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset, for purposes of computing Net Income and Net Loss.

"Class A Common Stock" means Class A common stock, $0.00001 par value per share, of Clear Secure.

"Class B Common Stock" means Class B common stock, $0.00001 par value per share, of Clear Secure.

"Class C Common Stock" means Class C common stock, $0.00001 par value per share, of Clear Secure.

"Class D Common Stock" means Class D common stock, $0.00001 par value per share, of Clear Secure.

"Clear Secure Common Stock" means all classes and series of common stock of Clear Secure, including the Class A Common Stock, Class B Common Stock, Class C Common Stock and Class D Common Stock.

"Clear Secure Equity Plan" means the Clear Secure, Inc. 2021 Omnibus Incentive Plan, as the same may be amended from time to time.



"Clear Secure Member" means (i) Clear Secure and (ii) any Subsidiary of Clear Secure (other than the Company and its Subsidiaries) that is a Member.

"Clear Secure Subscription Agreements" means those certain Subscription Agreements by and between Clear Secure and each of the Non-Clear Secure Members as of the date hereof.

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

"Common Unit" means a common limited liability company interest in the Company.

"Company Business" means business of providing secure biometric identification services for travel and other secure identification applications, as conducted by the Company and its subsidiaries from time to time.

"Company Minimum Gain" means "partnership minimum gain," as defined in Treasury Regulation Sections 1.704-2(b)(2) and 1.704-2(d).

"Control" including the terms "controlling," "controlled by" and "under common control with," means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting stock, by contract, or otherwise.

"Covered Person" means (i) each Member or an Affiliate thereof, in each case in such capacity, (ii) each officer, director, shareholder, member, partner, employee, representative, agent or trustee of a Member or an Affiliate thereof, in all cases in such capacity and (iii) each officer, director, shareholder (other than any public shareholder of Clear Secure that is not a Member), member, partner, employee, representative, agent or trustee of the Managing Member, Clear Secure (in the event Clear Secure is not the Managing Member), the Company or an Affiliate controlled thereby, in all cases in such capacity.

"Delaware Act" means the Delaware Limited Liability Company Act, 6 Del. C. §§ 18-101 et seq.

"Depreciation" means, for each Fiscal Year, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable with respect to an asset for such Fiscal Year, except that if the Carrying Value of an asset differs from its adjusted basis for U.S. federal income tax purposes at the beginning of such Fiscal Year, Depreciation shall be an amount that bears the same ratio to such beginning Carrying Value as the U.S. federal income tax depreciation, amortization, or other cost recovery deduction for such Fiscal Year bears to such beginning adjusted tax basis; provided, however, that if the adjusted basis for U.S. federal income tax purposes of an asset at the beginning of such Fiscal Year is zero, Depreciation shall be determined with reference to such beginning Carrying Value using any reasonable method selected by the Managing Member.

"DGCL" means the General Corporation Law of the State of Delaware, as amended from time to time.

"Equity Securities" means, with respect to any Person, any (i) membership interests or shares of capital stock, (ii) equity, ownership, voting, profit or participation interests or (iii) similar rights or securities in such Person or any of its Subsidiaries, or any rights or securities convertible into or exchangeable for, options or other rights to acquire from such Person or any of its Subsidiaries, or obligation on the part of such Person or any of its Subsidiaries to issue, any of the foregoing.

"Exchange Agreement" means the Exchange Agreement, dated as of the date hereof, by and among Clear Secure, the Company and the holders of Common Units and shares of Class C Common Stock and Class D Common Stock from time to time party thereto.

"Family Member" means, with respect to any natural person, the spouse, domestic partner, parents, grandparents, lineal descendants, siblings of such person or such person's spouse and lineal descendants of siblings of such person or such person's spouse. Lineal descendants shall include adopted persons (but only so long as they are adopted during minority), former spouses or former domestic partners of such person.

"FINRA" means the Financial Industry Regulatory Authority, Inc.

"Fiscal Year" means the Company's fiscal year, which shall initially be the calendar year and which may be changed from time to time as determined by the Managing Member.

"Form 8-A Effective Time" has the meaning set forth in the Reorganization Agreement.

"Founder Post-IPO Members" means Alclear Investments, LLC, a Delaware limited liability company, and Alclear Investments II, LLC, a Delaware limited liability company.

"Governmental Authority" means any transnational, domestic or foreign federal, state or local governmental, regulatory or administrative authority, department, court, agency or official, including any political subdivision thereof.

"Highest Member Tax Amount" means the Member receiving the greatest proportionate allocation of taxable income attributable to its ownership of the Company in the applicable tax period (or portion thereof) (including 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 Member (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 Tax Rate.

"Indebtedness" means (a) all indebtedness for borrowed money (including capitalized lease obligations, sale-leaseback transactions or other similar transactions, however evidenced), (b) any other indebtedness that is evidenced by a note, bond, debenture, draft or similar instrument, (c) notes payable and (d) lines of credit and any other agreements relating to the borrowing of money or extension of credit.



"IPO" means the initial underwritten public offering of Clear Secure.

"Managing Member" means (i) Clear Secure so long as Clear Secure has not withdrawn as the Managing Member pursuant toSection 7.02 and (ii) any successor thereof appointed as Managing Member in accordance with Section 7.02.

"Member" means any Person named as a Member of the Company on the Member Schedule and the books and records of the Company, as the same may be amended from time to time to reflect any Person admitted as an Additional Member or a Substitute Member, for so long as such Person continues to be a Member of the Company.

"Member Nonrecourse Debt" has the same meaning as the term "partner nonrecourse debt" in Treasury Regulations Section 1.704-2(b)(4).

"Member Nonrecourse Debt Minimum Gain" means an amount with respect to each "partner nonrecourse debt" (as defined in Treasury Regulation Section 1.704-2(b)(4)) equal to the Company Minimum Gain that would result if such partner nonrecourse debt were treated as a nonrecourse liability (as defined in Treasury Regulation Section 1.752-1(a)(2)) determined in accordance with Treasury Regulation Section 1.704-2(i)(3).

"Member Nonrecourse Deductions" has the same meaning as the term "partner nonrecourse deductions" in Treasury Regulations Sections 1.704-2(i)(1) and 1.704-2(i)(2).

"MIP" means Alclear Holdings, LLC Amended and Restated Equity Incentive Plan and the applicable individual award agreement thereunder.

"Net Income" and "Net Loss" mean, for each Fiscal Year or other period, an amount equal to the Company's taxable income or loss for such Fiscal Year or period, determined in accordance with Section 703(a) of the Code (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Section 703(a)(1) of the Code shall be included in taxable income or loss), with the following adjustments (without duplication):

(i) Any income of the Company that is exempt from U.S. federal income tax and not otherwise taken into account in computing Net Income or Net Loss pursuant to this definition of "Net Income" and "Net Loss" shall be added to such taxable income or loss;

(ii) Any expenditures of the Company described in Section 705(a)(2)(B) of the Code or treated as Section 705(a)(2)(B) of the Code expenditures pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Net Income and Net Loss pursuant to this definition of "Net Income" and "Net Loss," shall be treated as deductible items;



(iii) In the event the Carrying Value of any Company asset is adjusted pursuant to subparagraphs (ii) or (iii) of the definition of "Carrying Value," the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the Carrying Value of the asset) or an item of loss (if the adjustment decreases the Carrying Value of the asset) from the disposition of such asset and shall be taken into account, immediately prior to the event giving rise to such adjustment, for purposes of computing Net Income or Net Loss;

(iv) Gain or loss resulting from any disposition of Property with respect to which gain or loss is recognized for U.S. federal income tax purposes shall be computed by reference to the Carrying Value of the Property disposed of, notwithstanding that the adjusted tax basis of such Property differs from its Carrying Value;

(v) In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Fiscal Year, computed in accordance with the definition of Depreciation;

(vi) To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Section 734(b) of the Code is required, pursuant to Treasury Regulations Section 1.704-(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Member's interest in the Company, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) from the disposition of such asset and shall be taken into account for purposes of computing Net Income or Net Loss; and

(vii) Notwithstanding any other provision of this definition, any items that are specially allocated pursuant to Section 5.04(b), Section 5.04(c) and Section 5.04(d) shall not be taken into account in computing Net Income and Net Loss.

The amounts of the items of Company income, gain, loss, or deduction available to be specially allocated pursuant to Section 5.04(b), Section 5.04(c) and Section 5.04(d) shall be determined by applying rules analogous to those set forth in subparagraphs (i) through (vi) above.

"Non-Clear Secure Member" means any Member that is not a Clear Secure Member.

"Nonrecourse Deductions" has the meaning set forth in Treasury Regulations Sections 1.704-2(b)(1) and 1.704-2(c).

"Paired Interest" has the meaning set forth in the Exchange Agreement.



"Partnership Audit Provisions" means Title XI, Section 1101, of the Bipartisan Budget Act of 2015, P.L. 114-74 (together with any subsequent amendments thereto, Treasury Regulations promulgated thereunder, and published administrative interpretations thereof, and any comparable provisions of state or local tax law).

"Percentage Interest" means, with respect to any Member, a fractional amount, expressed as a percentage: (i) the numerator of which is the aggregate number of Common Units owned of record thereby (excluding any Unvested Common Units) and (ii) the denominator of which is the aggregate number of Common Units issued and outstanding (excluding any Unvested Common Units). The sum of the outstanding Percentage Interests of all Members shall at all times equal 100%.

"Permitted Transfer" means any Transfer to any Permitted Transferee.

"Permitted Transferee" means, with respect to any Member, (i) any Affiliate of such Member, (ii) a donee of Units who is a member of the family of such Member or any trust for the benefit of any such family member or (iii) a transferee of Units who receives such Units by will or the laws of descent and distribution. For purposes of this definition, the word "family" shall include any spouse, lineal ancestor or descendant, brother or sister. Notwithstanding the foregoing, in no event shall any Person that directly or indirectly competes with the Company (as determined by the Managing Member) in the Company Business constitute a Permitted Transferee.

"Person" means any individual, corporation, partnership, unincorporated association or other entity.

"Prime Rate" means the rate of interest from time to time identified by JP Morgan Chase, N.A. as being its "prime" or "reference" rate.

"Property" means an interest of any kind in any real, personal or intellectual (or mixed) property, including cash, and any improvements thereto, and shall include both tangible and intangible property.

"Registration Rights Agreement" means the Registration Rights Agreement, dated as of the date hereof, by and among Clear Secure and the other parties thereto.

"Regulatory Agency" means the SEC, FINRA and any other regulatory authority or body (including any state or provincial securities authority and any self-regulatory organization) with jurisdiction over the Company or any of its Subsidiaries.

"Relative Percentage Interest" means, with respect to any Member relative to another Member or Members, a fractional amount, expressed as a percentage, the numerator of which is the Percentage Interest of such Member; and the denominator of which is (x) the Percentage Interest of such Member plus (y) the aggregate Percentage Interest of such other Member or Members.



"Reorganization Date Capital Account Balance" means, with respect to any Member, the positive Capital Account balance of such Member as of immediately following the Reorganization, the amount or deemed value of which is set forth on the Member Schedule.

"Reorganization Documents" means the Reorganization Agreement, this Agreement, the Tax Receivable Agreement, the Exchange Agreement, the Registration Rights Agreement, the Clear Secure Subscription Agreement and the MIP.

"SEC" means the United States Securities and Exchange Commission.

"Subsidiary" means, with respect to any Person, any corporation, partnership, limited liability company, association, joint venture or other business entity of which more than 50% of the total voting power of Equity Securities or other ownership interests entitled (without regard to the occurrence of any contingency) to vote in the election of the Person or Persons (whether directors, managers, trustees or other Persons performing similar functions) having the power to direct or cause the direction of the management and policies thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof.

"Substitute Member" means any Person admitted as a Member of the Company pursuant to Section 3.02 in connection with the Transfer of then-existing Units to such Person.

"Tax Amount" means the Highest Member Tax Amount divided by the Percentage Interest of the Member described in the definition of "Highest Member Tax Amount".

"Tax Distribution" means a distribution made by the Company pursuant to Section 5.03(e)(i) or Section 5.03(e)(iii) or a distribution made by the Company

pursuant to another provision of Section 5.03 but designated as a Tax Distribution pursuant to Section 5.03(e)(ii).

"Tax Distribution Amount" means, with respect to a Member's Units, whichever of the following applies with respect to the applicable Tax Distribution, in each case in amount not less than zero:

(i) With respect to a Tax Distribution pursuant to Section 5.03(e)(i), the excess, if any, of (A) such Member's required annualized income installment for such estimated payment date under Section 6655(e) of the Code, assuming that (x) such Member is a corporation (which assumption, for the avoidance of doubt, shall not affect the determination of the Tax Rate), (y) Section 6655(e)(2)(C)(ii) is in effect and (z) such Member's only income is from the Company, which amount shall be calculated based on the projections believed by the Managing Member in good faith to be, reasonable projections of the product of (1) the Tax Amount and (2) such Member's Percentage Interest over (B) the aggregate amount of Tax Distributions designated by the Company pursuant to Section 5.03(e)(ii) with respect to such Units since the date of the previous Tax Distribution pursuant to Section 5.03(e)(i) (or if no such Tax Distribution was required to be made, the date such Tax Distribution would have been made pursuant to Section 5.03(e)(i)).



(ii) With respect to the designation of an amount as a Tax Distribution pursuant to Section 5.03(e)(ii), the product of (x) the Tax Amount projected, in the good faith belief of the Managing Member, during the period since the date of the previous Tax Distribution (or, if more recent, the date that the previous Tax Distribution pursuant to Section 5.03(e)(i) would have been made or, in the case of the first distribution pursuant to Section 5.03(b), the date of this Agreement) and (y) such Member's Percentage Interest.

(iii) With respect to an entire Fiscal Year to be calculated for purposes of Section 5.03(e)(iii), the excess, if any, of (A) the product of (x) the Tax Amount for the relevant Fiscal Year and (y) such Member's Percentage Interest, over (B) the aggregate amount of Tax Distributions (other than Tax Distributions under Section 5.03(e)(iii) with respect to a prior Fiscal Year) with respect to such Units made with respect to such Fiscal Year.

"Tax Rate" means the highest marginal federal, state and local tax rate for an individual or corporation that is resident in New York City or California (whichever is higher) applicable to ordinary income, qualified dividend income or capital gains, as appropriate, taking into account the holding period of the assets disposed of and the year in which the taxable net income is recognized by the Company, and taking into account the deductibility of state and local income taxes as applicable at the time for U.S. federal income tax purposes and any limitations thereon including pursuant to Section 68 of the Code or Section 164 of the Code, which Tax Rate shall be the same for all Members.

"Tax Receivable Agreement" means the Tax Receivable Agreement, dated as of [●], 2021, by and among Clear Secure, Alclear Investments, LLC, Alclear Investments II, LLC and the other parties thereto.

"Transfer" of a Unit means, directly or indirectly, any sale, assignment, transfer, exchange, gift, bequest, pledge, hypothecation or other disposition or encumbrance of such Unit or any legal or beneficial interest in such Unit, in whole or in part, whether or not for value and whether voluntary or involuntary or by operation of Applicable Law, and shall include all matters deemed to constitute a Transfer under Article VIII; provided, however, that the following shall not be considered a "Transfer": (i) the pledge of Units by a Member that creates a mere security interest in such Units pursuant to a bona fide loan or indebtedness transaction so long as such Member continues to exercise sole voting control over such pledged Units; provided, however, that a foreclosure on such Units or other similar action by the pledgee shall constitute a "Transfer"; or (ii) the fact that the spouse of any Member possesses or obtains an interest in such Member's Units arising solely by reason of the application of the community property laws of any jurisdiction, so long as no other event or circumstance shall exist or have occurred that constitutes a "Transfer" of such Units. The terms "Transferred", "Transferring", "Transferor", "Transferee" and "Transferable" have meanings correlative to the foregoing.



"Treasury Regulations" mean the regulations promulgated under the Code, as amended from time to time.

"Units" means Common Units or any other class of limited liability interests in the Company designated by the Company after the date hereof in accordance with this Agreement; provided that any type, class or series of Units shall have the designations, preferences or special rights set forth or referenced in this Agreement, and the membership interests of the Company represented by such type, class or series of Units shall be determined in accordance with such designations, preferences or special rights.

"Unvested Common Unit" means, on any date of determination, any Common Unit held by a Member that is not "vested" in accordance with the MIP.

"Unvested Member" means any Member that is a holder of Unvested Common Units in such Member's capacity as a holder of such Unvested Common Units.

(b) Each of the following terms is defined in the Section set forth opposite such term:

| **Term** | **Section** |
|---|---|
| A&R Operating Agreement | Recitals |
| Agreement | Preamble |
| Clear Secure | Preamble |
| Company | Preamble |
| Confidential Information | 12.10(b) |
| Controlled Entities | 10.02(e) |
| Dissolution Event | 11.01(c) |
| Economic Clear Secure Security | 4.01(a) |
| e-mail | 12.03 |
| Expenses | 10.02(e) |
| GAAP | 3.03(b) |
| Imputed Underpayment Amount | 6.01(b) |
| Indemnification Sources | 10.02(e) |
| Indemnitee-Related Entities | 10.02(e)(i) |
| Initial Operating Agreement | Recitals |
| Jointly Indemnifiable Claims | 10.02(e)(ii) |
| Member Parties | 12.10(a) |
| Noncompete Term | 9.01 |

| | |
|---|---|
| Officers | 7.05(a) |
| Process Agent | 12.05(b) |
| Regulatory Allocations | 5.04(c) |
| Reorganization | Recitals |
| Reorganization Agreement | Recitals |
| Restricted Person | 9.01 |
| Revaluation | 5.02(c) |
| Withholding Advances | 5.06(b) |



Section 1.02 Other Definitional and Interpretative Provisions. The words "hereof", "herein" and "hereunder" and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof. References to Articles, Sections and Schedules are to Articles, Sections and Schedules of this Agreement unless otherwise specified. All Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Schedule but not otherwise defined therein, shall have the meaning as defined in this Agreement. Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation", whether or not they are in fact followed by those words or words of like import. The word "or" shall be disjunctive but not exclusive. "Writing", "written" and comparable terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form. References to any statute shall be deemed to refer to such statute as amended from time to time and to any rules or regulations promulgated thereunder. References to any agreement or contract are to that agreement or contract as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof. References to any Person include the successors and permitted assigns of that Person. References from or through any date mean, unless otherwise specified, from and including or through and including, respectively. References to "law", "laws" or to a particular statute or law shall be deemed also to include any Applicable Law. As used in this Agreement, all references to "majority in interest" and phrases of similar import shall be deemed to refer to such percentage or fraction of interest based on the Relative Percentage Interests of the Members subject to such determination. Unless otherwise expressly provided herein, when any approval, consent or other matter requires any action or approval of any group of Members, including any holders of any class of Units, such approval, consent or other matter shall require the approval of a majority in interest of such group of Members. Except to the extent otherwise expressly provided herein, all references to any Member shall be deemed to refer solely to such Person in its capacity as such Member and not in any other capacity.

## ARTICLE II

## THE COMPANY

Section 2.01 Formation. The Company was formed upon the filing of the certificate of formation of the Company with the Secretary of State of the State of Delaware on January 21, 2010. The Managing Member or an "authorized person" within the meaning of the Delaware Act shall file and record any amendments or restatements to the certificate of formation of the Company and such other certificates and documents (and any amendments or restatements thereof) as may be required under the laws of the State of Delaware and of any other jurisdiction in which the Company may conduct business. The authorized officer or representative shall, on request, provide any Member with copies of each such document as filed and recorded. The Members hereby agree that the Company and its Subsidiaries shall be governed by the terms and conditions of this Agreement and, except as provided herein, the Delaware Act.



Section 2.02 Name. The name of the Company shall be Alclear Holdings, LLC;provided that the Managing Member may change the name of the Company to such other name as the Managing Member shall determine in its sole discretion, and shall have the authority to execute, acknowledge, deliver, file and record such further certificates, amendments, instruments and documents, and to do all such other acts and things, as may be required by Applicable Law or as, in the reasonable judgment of the Managing Member, may be necessary or advisable to effect such change.

Section 2.03 Term. The Company shall have perpetual existence unless sooner dissolved and its affairs wound up as provided inArticle XI.

Section 2.04 Registered Agent and Registered Office. The name of the registered agent of the Company for service of process on the Company in the State of Delaware shall be Corporation Service Company, and the address of such registered agent and the address of the registered office of the Company in the State of Delaware shall be 2711 Centerville Road, Suite 400, Wilmington, New Castle County, Delaware, 19808. Such office and such agent may be changed to such place within the State of Delaware and any successor registered agent, respectively, as may be determined from time to time by the Managing Member in accordance with the Delaware Act.

Section 2.05 Purposes. The primary business and purpose of the Company shall be to engage in such activities as are permitted under the Delaware Act and determined from time to time by the Managing Member in accordance with the terms and conditions of this Agreement.

Section 2.06 Powers of the Company. The Company shall have the power and authority to take any and all actions necessary, appropriate or advisable to or for the furtherance of the purposes set forth in Section 2.05.

Section 2.07 Partnership Tax Status. The Members intend that the Company shall be treated as a partnership for federal, state and local income tax purposes to the extent such treatment is available, and agree to take (or refrain from taking) such actions as may be necessary to receive and maintain such treatment and refrain from taking any actions inconsistent thereof.

Section 2.08 Regulation of Internal Affairs. The internal affairs of the Company and the conduct of its business shall be regulated by this Agreement, and to the extent not provided for herein, shall be determined by the Managing Member.



Section 2.09 Ownership of Property. Legal title to all Property, conveyed to, or held by the Company or its Subsidiaries shall reside in the Company or its Subsidiaries and shall be conveyed only in the name of the Company or its Subsidiaries and no Member or any other Person, individually, shall have any ownership of such Property.

Section 2.10 Subsidiaries. The Company shall cause the business and affairs of each of the Subsidiaries to be managed by the Managing Member in accordance with and in a manner consistent with this Agreement.

ARTICLE III

UNITS; MEMBERS; BOOKS AND RECORDS; REPORTS

Section 3.01 Units; Admission of Members.

(a) Effective upon the Reorganization, pursuant to Section 2.1(b)(iii) of the Reorganization Agreement, (i) Clear Secure has been admitted to the Company as the Managing Member and (ii) the Company has hereby reclassified all membership interests of the Company outstanding as of immediately prior to the Form 8-A Effective Time into the number of Common Units, in the aggregate, set forth on Schedule A (the "Member Schedule"). The Member Schedule shall be maintained by the Managing Member on behalf of the Company in accordance with this Agreement and, upon any subsequent update to the Member Schedule, the Managing Member shall promptly deliver a copy of such updated Member Schedule to each Member. When any Units or other Equity Securities of the Company are issued, repurchased, redeemed, converted or Transferred in accordance with this Agreement, the Member Schedule shall be amended by the Managing Member to reflect such issuance, repurchase, redemption or Transfer, the admission of additional or substitute Members and the resulting Percentage Interest of each Member. Following the date hereof, no Person shall be admitted as a Member and no additional Units shall be issued except as expressly provided herein.

(b) The Managing Member may cause the Company to authorize and issue from time to time such other Units or other Equity Securities of any type, class or series and having the designations, preferences or special rights as may be determined the Managing Member. Such Units or other Equity Securities may be issued pursuant to such agreements as the Managing Member shall approve with respect to Persons employed by or otherwise performing services for the Company or any of its Subsidiaries, other equity compensation agreements, options or warrants. When any such other Units or other Equity Securities are authorized and issued, the Member Schedule and this Agreement shall be amended by the Managing Member to reflect such additional issuances and resulting dilution, which shall be borne pro rata by all Members based on their Common Units.

(c) Unvested Common Units shall be subject to the terms of the MIP, and the Managing Member shall have sole and absolute discretion to interpret and administer the MIP and to adopt such amendments thereto or otherwise determine the terms and conditions of such Unvested Common Units in accordance with this Agreement. Distributions shall not be made in respect of Unvested Common Units. Unvested Common Units that fail to vest and are forfeited by the applicable Unvested Member shall be cancelled by the Company (and the corresponding shares of Class C Common Stock or Class D Common Stock, as applicable, constituting the remainder of any Paired Interests in which such Unvested Common Units were included shall be cancelled by Clear Secure, in each case for no consideration) and shall not be entitled to any distributions pursuant to Section 5.03.



Section 3.02 Substitute Members and Additional Members.

(a) No Transferee of any Units or Person to whom any Units are issued pursuant to this Agreement shall be admitted as a Member hereunder or acquire any rights hereunder, including any class voting rights or the right to receive distributions and allocations in respect of the Transferred or issued Units, as applicable, unless (i) such Units are Transferred or issued in compliance with the provisions of this Agreement (including Article VIII) and (ii) such Transferee or recipient shall have executed and delivered to the Company such instruments as the Managing Member deems necessary or desirable, in its reasonable discretion, to effectuate the admission of such Transferee or recipient as a Member and to confirm the agreement of such Transferee or recipient to be bound by all the terms and provisions of this Agreement. Upon complying with the immediately preceding sentence, without the need for any further action of any Person, a Transferee or recipient shall be deemed admitted to the Company as a Member. A Substitute Member shall enjoy the same rights, and be subject to the same obligations, as the Transferor; provided that such Transferor shall not be relieved of any obligation or liability hereunder arising prior to the consummation of such Transfer but shall be relieved of all future obligations with respect to the Units so Transferred. As promptly as practicable after the admission of any Person as a Member, the books and records of the Company shall be changed to reflect such admission of a Substitute Member or Additional Member. In the event of any admission of a Substitute Member or Additional Member pursuant to this Section 3.02(a), this Agreement shall be deemed amended to reflect such admission, and any formal amendment of this Agreement (including the Member Schedule) in connection therewith shall only require execution by the Company and such Substitute Member or Additional Member, as applicable, to be effective.

(b) If a Member shall Transfer all (but not less than all) its Units, the Member shall thereupon cease to be a Member of the Company.

Section 3.03 Tax and Accounting Information.

(a) Accounting Decisions and Reliance on Others. All decisions as to accounting matters, except as otherwise specifically set forth herein, shall be made by the Managing Member in accordance with Applicable Law and with accounting methods followed for U.S. federal income tax purposes. In making such decisions, the Managing Member may rely upon the advice of the independent accountants of the Company.



(b) Records and Accounting Maintained. The books and records of the Company shall be kept, and the financial position and the results of its operations recorded, in all material respects in accordance with United States generally accepted accounting principles as in effect from time to time ("GAAP"). The Fiscal Year of the Company shall be used for financial reporting and for U.S. federal income tax purposes.

(c) Financial Reports.

(i) The books and records of the Company shall be audited as of the end of each Fiscal Year by the same accounting firm that audits the books and records of Clear Secure (or, if such firm declines to perform such audit, by an accounting firm selected by the Managing Member).

(ii) In the event neither Clear Secure nor the Company is required to file an annual report on Form 10-K or quarterly report on Form 10-Q, the Company shall deliver, or cause to be delivered, the following to each Member:

(A) not later than ninety (90) days after the end of each fiscal year of the Company, a copy of the audited consolidated balance sheet of the Company and its Subsidiaries as of the end of such fiscal year and the related statements of operations and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous year, all in reasonable detail; and

(B) not later than forty five (45) days or such later time as permitted under applicable securities law after the end of each of the first three fiscal quarters of each fiscal year, the unaudited consolidated balance sheet of the Company and its Subsidiaries, and the related statements of operations

and cash flows for such quarter and for the period commencing on the first day of the fiscal year and ending on the last day of such quarter.

(d) Tax Returns.

(i) The Company shall timely cause to be prepared by an accounting firm selected by the Managing Member all federal, state, local and foreign tax returns (including information returns) of the Company and its Subsidiaries, which may be required by a jurisdiction in which the Company and its Subsidiaries operate or conduct business for each year or period for which such returns are required to be filed and shall cause such returns to be timely filed. Copies of the Company's tax returns shall be kept at the Company's principal place of business or at such other place as the Partnership Representative shall determine and shall be available for inspection by the Members or their duly authorized representatives during regular business hours; and

(ii) The Company shall furnish to each Member (a) as soon as practicable after the end of each Fiscal Year, all information concerning the Company and its Subsidiaries required for the preparation of tax returns of such Members (or any beneficial owner(s) of such Member), including a report (including Schedule K-1), indicating each Member's share of the Company's taxable income, gain, credits, losses and deductions for such year, in sufficient detail to enable such Member to prepare its federal, state and other tax returns, (b) as soon as reasonably possible after the close of the relevant fiscal period, but in no event later than ten days prior to the date an estimated tax payment is due, such information concerning the Company as is required to enable such Member (or any beneficial owner of such Member) to pay estimated taxes and (c) as soon as reasonably possible after a request by such Member, such other information concerning the Company and its Subsidiaries that is reasonably requested by such Member for compliance with its tax obligations (or the tax obligations of any beneficial owner(s) of such Member) or for tax planning purposes.



(e) Inconsistent Positions. No Member shall take a position on its income tax return with respect to any item of Company income, gain, deduction, loss or credit that is different from the position taken on the Company's income tax return with respect to such item unless such Member notifies the Company of the different position the Member desires to take and the Company's regular tax advisors, after consulting with the Member, are unable to provide an opinion that (after taking into account all of the relevant facts and circumstances) the arguments in favor of the Company's position outweigh the arguments in favor of the Member's position.

Section 3.04 Books and Records. The Company shall keep full and accurate books of account and other records of the Company at its principal place of business. No Member (other than the Managing Member) shall have any right to inspect the books and records of Clear Secure, the Company or any of its Subsidiaries.

## ARTICLE IV

## CLEAR SECURE OWNERSHIP; RESTRICTIONS ON CLEAR SECURE STOCK

Section 4.01 Clear Secure Ownership.

(a) If at any time Clear Secure issues a share of Class A Common Stock or Class B Common Stock or any other Equity Security of Clear Secure entitled to any economic rights (including in the IPO) (an "Economic Clear Secure Security") with regard thereto (other than Class C Common Stock, Class D Common Stock or other Equity Security of Clear Secure not entitled to any economic rights with respect thereto), (i) the Company shall issue to Clear Secure one Common Unit (if Clear Secure issues a share of Class A Common Stock or Class B Common Stock) or such other Equity Security of the Company (if Clear Secure issues an Economic Clear Secure Security other than Class A Common Stock or Class B Common Stock) corresponding to the Economic Clear Secure Security, and with substantially the same rights to dividends and distributions (including distributions upon liquidation) and other economic rights as those of such Economic Clear Secure Security and (ii) the net proceeds received by Clear Secure with respect to the corresponding Economic Clear Secure Security, if any, shall be concurrently contributed to the Company; provided, however, that if Clear Secure issues any Economic Clear Secure Securities, some or all of the net proceeds of which are to be used to fund expenses or other obligations of Clear Secure for which Clear Secure would be permitted a distribution pursuant to Section 5.03(c), then Clear Secure shall not be required to transfer such net proceeds to the Company which are used or will be used to fund such expenses or obligations, and provided, further, that if Clear Secure issues any shares of Class A Common Stock or Class B Common Stock in order to purchase or fund the purchase from a Non-Clear Secure Member of a number of Common Units (and shares of Class C Common Stock or Class D Common Stock, as applicable) or to purchase or fund the purchase of shares of Class A Common Stock or Class B Common Stock, in each case equal to the number of shares of Class A Common Stock or Class B Common Stock issued, then the Company shall not issue any new Common Units in connection therewith and Clear Secure shall not be required to transfer such net proceeds to the Company (it being understood that such net proceeds shall instead be transferred to such Non-Clear Secure Member as consideration for such purchase).



(b) Notwithstanding Section 4.01(a), this Article IV shall not apply (i) to the issuance and distribution to holders of shares of Clear Secure Common Stock of rights to purchase Equity Securities of Clear Secure under a "poison pill" or similar shareholders rights plan (it being understood that upon exchange of Paired Interests for Class A Common Stock or Class B Common Stock, as the case may be, pursuant to the Exchange Agreement, such Class A Common Stock or Class B Common Stock, as the case may be, will be issued together with a corresponding right) or (ii) to the issuance under the Clear Secure Equity Plan or Clear Secure's other employee benefit plans of any warrants, options or other rights to acquire Equity Securities of Clear Secure or rights or property that may be converted into or settled in Equity Securities of Clear Secure, but shall in each of the foregoing cases apply to the issuance of Equity Securities of Clear Secure in connection with the exercise or settlement of such rights, warrants, options or other rights or property.

Section 4.02 Restrictions on Clear Secure Common Stock.

(a) Except as otherwise determined by the Managing Member in accordance with Section 4.02(d), (i) the Company may not issue any additional Common Units to Clear Secure or any of its Subsidiaries unless substantially simultaneously therewith Clear Secure or such Subsidiary issues or sells an equal number of shares of Class A Common Stock or Class B Common Stock to another Person and (ii) the Company may not issue any other Equity Securities of the Company to Clear Secure or any of its Subsidiaries unless substantially simultaneously, Clear Secure or such Subsidiary issues or sells, to another Person, an equal number of shares of a new class or series of Equity Securities of Clear Secure or such Subsidiary with substantially the same rights to dividends and distributions (including distributions upon liquidation) and other economic rights as those of such Equity Securities of the Company.



(b) Except as otherwise determined by the Managing Member in accordance with Section 4.02(d), (i) Clear Secure or any of its Subsidiaries may not redeem, repurchase or otherwise acquire any shares of Class A Common Stock or Class B Common Stock unless substantially simultaneously the Company redeems,

repurchases or otherwise acquires from Clear Secure an equal number of Units for the same price per security (or, if Clear Secure uses funds received from distributions from the Company or the net proceeds from an issuance of Class A Common Stock or Class B Common Stock to fund such redemption, repurchase or acquisition, then the Company shall cancel an equal number of Units for no consideration) and (ii) Clear Secure or any of its Subsidiaries may not redeem or repurchase any other Equity Securities of Clear Secure unless substantially simultaneously, the Company redeems or repurchases from Clear Secure an equal number of Equity Securities of the Company of a corresponding class or series with substantially the same rights to dividends and distributions (including distributions upon liquidation) or other economic rights as those of such Equity Securities of Clear Secure for the same price per security (or, if Clear Secure uses funds received from distributions from the Company or the net proceeds from an issuance of Equity Securities other than Class A Common Stock or Class B Common Stock to fund such redemption, repurchase or acquisition, then the Company shall cancel an equal number of its corresponding Equity Securities for no consideration). Except as otherwise determined by the Managing Member in accordance with Section 4.02(d): (x) the Company may not redeem, repurchase or otherwise acquire Common Units from Clear Secure or any of its Subsidiaries unless substantially simultaneously Clear Secure or such Subsidiary redeems, repurchases or otherwise acquires an equal number of Class A Common Stock or Class B Common Stock for the same price per security from holders thereof (except that if the Company cancels Common Units for no consideration as described in Section 4.02(b)(i), then the price per security need not be the same) and (y) the Company may not redeem, repurchase or otherwise acquire any other Equity Securities of the Company from Clear Secure or any of its Subsidiaries unless substantially simultaneously Clear Secure or such Subsidiary redeems, repurchases or otherwise acquires for the same price per security an equal number of Equity Securities of Clear Secure of a corresponding class or series with substantially the same rights to dividends and distributions (including dividends and distributions upon liquidation) and other economic rights as those of such Equity Securities of Clear Secure (except that if the Company cancels Equity Securities for no consideration as described in Section 4.02(b)(ii), then the price per security need not be the same). Notwithstanding the immediately preceding sentence, to the extent that any consideration payable to Clear Secure in connection with the redemption or repurchase of any shares or other Equity Securities of Clear Secure or any of its Subsidiaries consists (in whole or in part) of shares or such other Equity Securities (including, for the avoidance of doubt, in connection with the cashless exercise of an option or warrant), then redemption or repurchase of the corresponding Common Units or other Equity Securities of the Company shall be effectuated in an equivalent manner (except if the Company cancels Common Units or other Equity Securities for no consideration as described in this Section 4.02(b)).

(c) The Company shall not in any manner effect any subdivision (by any stock or unit split, stock or unit dividend or distribution, reclassification, reorganization, recapitalization or otherwise) or combination (by reverse stock or unit split, reclassification, reorganization, recapitalization or otherwise) of the outstanding Common Units unless accompanied by a substantively identical subdivision or combination, as applicable, of the outstanding Clear Secure Common Stock, with corresponding changes made with respect to any other exchangeable or convertible securities. Clear Secure shall not in any manner effect any subdivision (by any stock or unit split, stock or unit dividend or distribution, reclassification, reorganization, recapitalization or otherwise) or combination (by reverse stock or unit split, reclassification, reorganization, recapitalization or otherwise) of the outstanding Clear Secure Common Stock unless accompanied by a substantively identical subdivision or combination, as applicable, of the outstanding Common Units, with corresponding changes made with respect to any other exchangeable or convertible securities.



(d) Notwithstanding anything to the contrary in this Article IV:

(i) if at any time the Managing Member shall determine that any debt instrument of Clear Secure, the Company or its Subsidiaries shall not permit Clear Secure or the Company to comply with the provisions of Section 4.02(a) or Section 4.02(b) in connection with the issuance, redemption or repurchase of any shares of Class A Common Stock or Class B Common Stock or other Equity Securities of Clear Secure or any of its Subsidiaries or any Units or other Equity Securities of the Company, then the Managing Member may in good faith implement an economically equivalent alternative arrangement without complying with such provisions;

(ii) if (x) Clear Secure incurs any indebtedness and desires to transfer the proceeds of such indebtedness to the Company and (y) Clear Secure is unable to lend the proceeds of such indebtedness to the Company on an equivalent basis because of restrictions in any debt instrument of Clear Secure, the Company or its Subsidiaries, then notwithstanding Section 4.02(a) or Section 4.02(b), the Managing Member may in good faith implement an economically equivalent alternative arrangement in connection with the transfer of proceeds to the Company using non-participating preferred Equity Securities of the Company without complying with such provisions; and

(iii) If Clear Secure receives a distribution pursuant to Section 5.03 and Clear Secure subsequently contributes any of the amounts received to the Company, the Managing Member may take any reasonable action to properly reflect the changes in the Members' economic interests in the Company including by making appropriate adjustments to the number of Common Units held by the Members other than Clear Secure in order to proportionally reduce the respective Percentage Interests held by the Members other than Clear Secure.

(e) In the event any adjustment pursuant to this Agreement in the number of Common Units held by a Member results (x) in a decrease in the number of Common Units held by a Member that constitute a portion of a Paired Interest, concurrently with such decrease, such Member shall surrender the number of shares of Class C Common Stock or Class D Common Stock, as the case may be, constituting the remainder of such Paired Interest (which, as of the date hereof, would be one share of Class C Common Stock or Class D Common Stock, as the case may be) to Clear Secure or (y) in an increase in the number of Common Units held by a Member that constitute a portion of a Paired Interest, concurrently with such increase, Clear Secure shall issue the number of shares of Class C Common Stock or Class D Common Stock, as the case may be, constituting the remainder of such Paired Interest (which, as of the date hereof, would be one share of Class C Common Stock or Class D Common Stock, as the case may be) to such Member.



## ARTICLE V

## CAPITAL CONTRIBUTIONS; CAPITAL ACCOUNTS; DISTRIBUTIONS; ALLOCATIONS

Section 5.01 Capital Contributions.

(a) From and after the date hereof, no Member shall have any obligation to the Company, to any other Member or to any creditor of the Company to make any further Capital Contribution, except as expressly provided in Section 4.01(a).

(b) Except as expressly provided herein, no Member, in its capacity as a Member, shall have the right to receive any cash or any other property of the Company.

Section 5.02 Capital Accounts.

(a) Maintenance of Capital Accounts. The Company shall maintain a Capital Account for each Member on the books of the Company in accordance with the provisions of Treasury Regulations Section 1.704-1(b)(2)(iv) and, to the extent consistent with such provisions, the following provisions:

(i) Each Member listed on the Member Schedule shall be credited with the Reorganization Date Capital Account Balance set forth on the Member Schedule. The Member Schedule shall be amended by the Managing Member after the closing of the IPO and from time to time to reflect adjustments to the Members' Capital Accounts made in accordance with Sections 5.02(a)(ii), 5.02(a)(iii), 5.02(a)(iv), 5.02(c) or otherwise.

(ii) To each Member's Capital Account there shall be credited: (A) such Member's Capital Contributions, (B) such Member's distributive share of Net Income and any item in the nature of income or gain that is allocated pursuant to Section 5.04 and (C) the amount of any Company liabilities assumed by such Member or that are secured by any Property distributed to such Member.

(iii) To each Member's Capital Account there shall be debited: (A) the amount of money and the Carrying Value of any Property distributed to such Member pursuant to any provision of this Agreement, (B) such Member's distributive share of Net Loss and any items in the nature of expenses or losses that are allocated to such Member pursuant to Section 5.04 and (C) the amount of any liabilities of such Member assumed by the Company or that are secured by any Property contributed by such Member to the Company.

(iv) In determining the amount of any liability for purposes of subparagraphs (ii) and (iii) above there shall be taken into account Section 752(c) of the Code and any other applicable provisions of the Code and the Treasury Regulations.



The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Treasury Regulations Section 1.704-1(b) and shall be interpreted and applied in a manner consistent with such Treasury Regulations. In the event that the Managing Member shall reasonably determine that it is prudent to modify the manner in which the Capital Accounts or any debits or credits thereto are maintained (including debits or credits relating to liabilities that are secured by contributed or distributed Property or that are assumed by the Company or the Members), the Managing Member may make such modification so long as such modification will not have any effect on the amounts distributed to any Person pursuant to Article XI upon the dissolution of the Company. The Managing Member also shall (i) make any adjustments that are necessary or appropriate to maintain equality between Capital Accounts of the Members and the amount of capital reflected on the Company's balance sheet, as computed for book purposes, in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(g) and (ii) make any appropriate modifications in the event unanticipated events might otherwise cause this Agreement not to comply with Treasury Regulations Section 1.704-1(b).

(b) Succession to Capital Accounts. In the event any Person becomes a Substitute Member in accordance with the provisions of this Agreement, such Substitute Member shall succeed to the Capital Account of the former Member to the extent such Capital Account relates to the Transferred Units.

(c) Adjustments of Capital Accounts. The Company shall revalue the Capital Accounts of the Members in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(f) (a "Revaluation") at the following times: (i) immediately prior to the contribution of more than a *de minimis* amount of money or other property to the Company by a new or existing Member as consideration for one or more Units; (ii) the distribution by the Company to a Member of more than a *de minimis* amount of property in respect of one or more Units; (iii) the issuance by the Company of more than a *de minimis* amount of Units as consideration for the provision of services to or for the benefit of the Company (as described in Treasury Regulations Section 1.704-1(b)(2)(iv)(f)(5)(iii)); and (iv) the liquidation of the Company within the meaning of Treasury Regulations Section 1.704-1(b)(2)(ii)(g); provided, however, that adjustments pursuant to clauses (i), (ii) and (iii) above shall be made only if the Managing Member reasonably determines that such adjustments are necessary or appropriate to reflect the relative economic interest of the Members.

(d) No Member shall be entitled to withdraw capital or receive distributions except as specifically provided herein. A Member shall have no obligation to the Company, to any other Member or to any creditor of the Company to restore any negative balance in the Capital Account of such Member. Except as expressly provided elsewhere herein, no interest shall be paid on the balance in any Member's Capital Account.



(e) Whenever it is necessary for purposes of this Agreement to determine a Member's Capital Account on a per Unit basis, such amount shall be determined by dividing the Capital Account of such Member attributable to the applicable class of Units held of record by such Member by the number of Units of such class held of record by such Member.

Section 5.03 Amounts and Priority of Distributions.

(a) Distributions Generally. Except as otherwise provided in Section 11.02, distributions shall be made to the Members as set forth in this Section 5.03, at such times and in such amounts as the Managing Member, in its sole discretion, shall determine.

(b) Distributions to the Members. Subject to Section 5.03(e), at such times and in such amounts as the Managing Member, in its sole discretion, shall determine, distributions shall be made to the Members in proportion to their respective Percentage Interests.

(c) Clear Secure Distributions. Notwithstanding the provisions of Section 5.03(b), the Managing Member, in its sole discretion, may authorize that (i) cash be paid to Clear Secure (which payment shall be made without pro rata distributions to the other Members) in exchange for the redemption, repurchase or other acquisition of Units held by Clear Secure to the extent that such cash payment is used to redeem, repurchase or otherwise acquire an equal number of shares of Class A Common Stock or Class B Common Stock in accordance with Section 4.02(b) and (ii) to the extent that the Managing Member determines that expenses or other obligations of Clear Secure are related to its role as the Managing Member or the business and affairs of Clear Secure that are conducted through the Company or any of the Company's direct or indirect Subsidiaries, cash (and, for the avoidance of doubt, only cash) distributions may be made to Clear Secure (which distributions shall be made without pro rata distributions to the other Members) in amounts required for Clear Secure to pay (w) operating, administrative and other similar costs incurred by Clear Secure, including payments in respect of Indebtedness and preferred stock, to the extent the proceeds are used or will be used by Clear Secure to pay expenses or other obligations described in this clause (ii) (in either case only to the extent economically equivalent Indebtedness or Equity Securities of the Company were not issued to Clear Secure), payments representing interest with respect to payments not made when due under the terms of the Tax Receivable Agreement and payments pursuant to any legal, tax, accounting and other professional fees and expenses (but, for the avoidance of doubt, excluding any tax liabilities of Clear Secure), (x) any judgments, settlements, penalties, fines or other costs and expenses in respect of any claims against, or any litigation or proceedings involving, Clear Secure, (y) fees and expenses (including any underwriting discounts and commissions) related to any securities offering, investment or acquisition transaction (whether or not successful) authorized by the board of directors of Clear Secure and (z) other fees and expenses in connection with the maintenance of the existence of Clear Secure (including any costs or expenses associated with being a public company listed on a national securities exchange). For the avoidance of doubt, distributions made under this Section 5.03(c) may not be used to pay or facilitate dividends or distributions on the Clear Secure Common Stock and must be used solely for one of the express purposes set forth under clause (i) or (ii) of the immediately preceding sentence.

(d) Distributions in Kind. Any distributions in kind shall be made at such times and in such amounts as the Managing Member, in its sole discretion, shall determine based on their fair market value as determined by the Managing Member in the same proportions as if distributed in accordance with Section 5.03(b), with all Members participating in proportion to their respective Percentage Interests. If cash and property are to be distributed in kind simultaneously, the Company shall distribute such cash and property in kind in the same proportion to each Member. For the purposes of this Section 5.03(d), if any such distribution in kind includes securities, distributions to the Members shall be deemed proportionate notwithstanding that the securities distributed to holders of Common Units that are included in Paired Interests with shares of Class D Common Stock have not more than twenty times the voting power of any securities distributed to holders of Common Units that are included in Paired Interests with shares of Class C Common Stock, so long as such securities issued to the holders of Common Units that are included in Paired Interests with shares of Class D Common stock remain subject to automatic conversion on terms no more favorable to such holders than those set forth in Article IV, Section G of the certificate of incorporation of Clear Secure.

(e) Tax Distributions.

(i) Notwithstanding any other provision of this Section 5.03 to the contrary, to the extent permitted by Applicable Law and consistent with the Company's obligations to its creditors as reasonably determined by the Managing Member, the Company shall make cash distributions by wire transfer of immediately available funds pursuant to this Section 5.03(e)(i) to the Members with respect to their Units in proportion to their respective Percentage Interests at least two Business Days prior to the date on which any U.S. federal corporate estimated tax payments are due, in an amount equal to such Member's Tax Distribution Amount, if any; provided that the Managing Member shall have no liability to any Member in connection with any underpayment of estimated taxes, so long as cash distributions are made in accordance with this Section 5.03(e)(i) and the Tax Distribution Amounts are determined as provided in paragraph (i) of the definition of Tax Distribution Amount.

(ii) On any date that the Company makes a distribution to the Members with respect to their Units under a provision of Section 5.03 other than this Section 5.03(e), if the Tax Distribution Amount is greater than zero, the Company shall designate all or a portion of such distribution as a Tax Distribution with respect to a Member's Units to the extent of the Tax Distribution Amount with respect to such Member's Units as of such date (but not to exceed the amount of such distribution). For the avoidance of doubt, such designation shall be performed with respect to all Members with respect to which there is a Tax Distribution Amount as of such date.



(iii) Notwithstanding any other provision of this Section 5.03 to the contrary, if the Tax Distribution Amount for such Fiscal Year is greater than zero, to the extent permitted by Applicable Law and consistent with the Company's obligations to its creditors as reasonably determined by the Managing Member, the Company shall make additional distributions under this Section 5.03(e)(iii) to the extent of such Tax Distribution Amount for such Fiscal Year as soon as reasonably practicable after the end of such Fiscal Year (or as soon as reasonably practicable after any event that subsequently adjusts the taxable income of such Fiscal Year).

(iv) Under no circumstances shall Tax Distributions reduce the amount otherwise distributable to any Member pursuant to this Section 5.03 (other than this Section 5.03(e)) after taking into account the effect of Tax Distributions on the amount of cash or other assets available for distribution by the Company.

(f) Pre-IPO Tax Distribution. Notwithstanding Section 5.03(b), before any other distributions are distributed to the Members by the Company, unless already made prior to the date hereof, the Company shall distribute to certain Members and former Members an amount of cash sufficient to fund tax obligations of such Members and former Members for periods prior to the date hereof.

(g) Assignment. The Founder Post-IPO Members shall have the right to assign to any Transferee of Common Units, pursuant to a Transfer made in compliance with this Agreement, the right to receive any portion of the amounts distributable or otherwise payable to such Member pursuant to Section 5.03(b).

Section 5.04 Allocations.

(a) Net Income and Net Loss. Except as otherwise provided in this Agreement, and after giving effect to the special allocations set forth in Section 5.04(b), Section 5.04(c) and Section 5.04(d), Net Income and Net Loss (and, to the extent necessary, individual items of income, gain, loss, deduction or credit) of the Company shall be allocated among the Capital Accounts of the Members pro rata in accordance with their respective Percentage Interests. Notwithstanding the foregoing, the Managing Member shall make such adjustments to Capital Accounts as it determines in its sole discretion to be appropriate to ensure allocations are made in accordance with a Member's interest in the Company.

(b) Special Allocations. The following special allocations shall be made in the following order:

(i) Minimum Gain Chargeback. Except as otherwise provided in Treasury Regulations Section 1.704-2(f), notwithstanding any other provision of this Article V, if there is a net decrease in Company Minimum Gain during any Fiscal Year, each Member shall be specially allocated items of Company income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to such Member's share of the net decrease in Company Minimum Gain, determined in accordance with Treasury Regulations Section 1.704-2(g). Allocations pursuant to the immediately preceding sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Treasury Regulations Section 1.704-2(f)(6) and 1.704-2(j)(2). This Section 5.04(b)(i) is intended to comply with the minimum gain chargeback requirement in Treasury Regulations Section 1.704-2(f) and shall be interpreted consistently therewith.



(ii) Member Nonrecourse Debt Minimum Gain Chargeback. Except as otherwise provided in Treasury Regulations Section 1.704-2(i)(4), notwithstanding any other provision of this Article V, if there is a net decrease in Member Nonrecourse Debt Minimum Gain attributable to a Member Nonrecourse Debt during any Fiscal Year, each Member who has a share of the Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Treasury Regulations Section 1.704-2(i)(5), shall be specially allocated items of Company income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to such Member's share of the net decrease in Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Treasury Regulations Section 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Treasury Regulations Sections 1.704-2(i)(4) and 1.704-2(j)(2). This Section 5.04(b)(ii) is intended to comply with the minimum gain chargeback requirement in Treasury Regulations Section 1.704-2(i)(4) and shall be interpreted consistently therewith.

(iii) Qualified Income Offset. In the event any Member unexpectedly receives any adjustments, allocations, or distributions described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5) or Section 1.704-1(b)(2)(ii)(d)(6), items of Company income and gain shall be specially allocated to such Member in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the Adjusted Capital Account Deficit of

the Member as promptly as possible; provided that an allocation pursuant to this Section 5.04(b)(iii) shall be made only if and to the extent that the Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Article V have been tentatively made as if this Section 5.04(b)(iii) were not in the Agreement.

(iv) Nonrecourse Deductions. Nonrecourse Deductions for any Fiscal Year shall be specially allocated to the Members in a manner determined by the Managing Member consistent with Treasury Regulations Sections 1.704-2(b) and 1.704-2(c).



(v) Member Nonrecourse Deductions. Any Member Nonrecourse Deductions for any Fiscal Year shall be specially allocated to the Member who bears the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Treasury Regulations Sections 1.704-2(i)(1) and 1.704-2(j)(1).

(vi) Section 754 Adjustments. (A) To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Sections 734(b) or 743(b) of the Code is required, pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Member's interest in the Company, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of such asset) or loss (if the adjustment decreases the basis of such asset) from the disposition of the asset and shall be taken into account for purposes of computing Net Income and Net Loss, and further (B) to the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Sections 734(b) or 743(b) of the Code is required, pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m)(2) or Section 1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as the result of a distribution to a Member in complete liquidation of such Member's interest in the Company, the amount of such adjustment to Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to such Members in accordance with their interests in the Company in the event Treasury Regulations Section 1.704-1(b)(2)(iv)(m)(2) applies, or to the Member to whom such distribution was made in the event Treasury Regulations Section 1.704-1(b)(2)(iv)(m)(4) applies.

(c) Curative Allocations. The allocations set forth in Section 5.04(b)(i) through Section 5.04(b)(vi) and Section 5.04(d) (the "Regulatory Allocations") are intended to comply with certain requirements of the Treasury Regulations. It is the intent of the Members that, to the extent possible, all Regulatory Allocations shall be offset either with other Regulatory Allocations or with special allocations of other items of Company income, gain, loss, or deduction pursuant to this Section 5.04(c). Therefore, notwithstanding any other provision of this Article V (other than the Regulatory Allocations), the Managing Member shall make such offsetting special allocations of Company income, gain, loss, or deduction in whatever manner it determines appropriate so that, after such offsetting allocations are made, each Member's Capital Account balance is, to the extent possible, equal to the Capital Account balance such Member would have had if the Regulatory Allocations were not part of the Agreement and all Company items were allocated pursuant to Section 5.04.

(d) Loss Limitation. Net Loss (or individual items of loss or deduction) allocated pursuant to Section 5.04 hereof shall not exceed the maximum amount of Net Loss (or individual items of loss or deduction) that can be allocated without causing any Member to have an Adjusted Capital Account Deficit at the end of any Fiscal Year. In the event some but not all of the Members would have Adjusted Capital Account Deficits as a consequence of an allocation of Net Loss (or individual items of loss or deduction) pursuant to Section 5.04 hereof, the limitation set forth in this Section 5.04(d) shall be applied on a Member by Member basis and Net Loss (or individual items of loss or deduction) not allocable to any Member as a result of such limitation shall be allocated to the other Members in accordance with the positive balances in such Member's Capital Accounts so as to allocate the maximum permissible Net Loss to each Member under Treasury Regulations Section 1.704-1(b)(2)(ii)(d). Any reallocation of Net Loss pursuant to this Section 5.04(d) shall be subject to chargeback pursuant to the curative allocation provision of Section 5.04(c).



Section 5.05 Other Allocation Rules.

(a) Interim Allocations Due to Percentage Adjustment. If a Percentage Interest is the subject of a Transfer or the Members' interests in the Company change pursuant to the terms of the Agreement during any Fiscal Year, the amount of Net Income and Net Loss (or items thereof) to be allocated to the Members for such entire Fiscal Year shall be allocated to the portion of such Fiscal Year which precedes the date of such Transfer or change (and if there shall have been a prior Transfer or change in such Fiscal Year, which commences on the date of such prior Transfer or change) and to the portion of such Fiscal Year which occurs on and after the date of such Transfer or change (and if there shall be a subsequent Transfer or change in such Fiscal Year, which precedes the date of such subsequent Transfer or change), in accordance with a pro rata allocation unless the Managing Member elects to use an interim closing of the books, and the amounts of the items so allocated to each such portion shall be credited or charged to the Members in accordance with Section 5.04 as in effect during each such portion of the Fiscal Year in question. Such allocation shall be in accordance with Section 706 of the Code and the regulations thereunder and made without regard to the date, amount or receipt of any distributions that may have been made with respect to the transferred Percentage Interest to the extent consistent with Section 706 of the Code and the regulations thereunder. As of the date of such Transfer, the Transferee shall succeed to the Capital Account of the Transferor with respect to the transferred Units.

(b) Tax Allocations: Code Section 704(c). For U.S. federal, state and local income tax purposes, items of income, gain, loss, deduction and credit shall be allocated to the Partners in accordance with the allocations of the corresponding items for Capital Account purposes under Section 5.04, except that in accordance with Section 704(c) of the Code and the Treasury Regulations thereunder, income, gain, loss, and deduction with respect to any Property contributed to the capital of the Company and with respect to reverse Code Section 704(c) allocations described in Treasury Regulations 1.704-3(a)(6) shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such Property to the Company for U.S. federal income tax purposes and its initial Carrying Value or its Carrying Value determined pursuant to Treasury Regulation 1.704-1(b)(2)(iv)(f) (computed in accordance with the definition of Carrying Value) using the traditional allocation method under Treasury Regulation 1.704-3(b). Any elections or other decisions relating to such allocations shall be made by the Managing Member in any manner that reasonably reflects the purpose and intention of this Agreement. Allocations pursuant to this Section 5.05(b), Section 704(c) of the Code (and the principles thereof), and Treasury Regulation 1.704-1(b)(4)(i) are solely for purposes of federal, state, and local taxes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account or share of Net Income, Net Loss, other items, or distributions pursuant to any provision of this Agreement.



(c) Modification of Allocations. The allocations set forth in Section 5.04 and Section 5.05 are intended to comply with certain requirements of the Treasury Regulations. Notwithstanding the other provisions of this Article V, the Managing Member shall be authorized to make, in its reasonable discretion, appropriate amendments to the allocations of Net Income and Net Loss (and to individual items of income, gain, loss, deduction and credit) pursuant to this Agreement (i) in order to comply with Section 704 of the Code or applicable Treasury Regulations, (ii) to allocate properly Net Income and Net Loss (and individual items of income, gain, loss, deduction and credit) to those Members that bear the economic burden or benefit associated therewith and (iii) to cause the Members to achieve the objectives underlying this Agreement as reasonably determined by the Managing Member

Section 5.06 Tax Withholding; Withholding Advances.

(a) Tax Withholding.

(i) If requested by the Managing Member, each Member shall, if able to do so, deliver to the Managing Member:(A) an affidavit in form satisfactory to the Company that the applicable Member (or its partners, as the case may be) is not subject to withholding under the provisions of any Applicable Law; (B) any certificate that the Company may reasonably request with respect to any such laws; or(C) any other form or instrument reasonably requested by the Company relating to any Member's status under such law. In the event that a Member fails or is unable to deliver to the Company an affidavit described in subclause (A) of this clause (i), the Company may withhold amounts from such Member in accordance with Section 5.06(b).

(ii) After receipt of a written request of any Member, the Company shall provide such information to such Member and take such other action as may be reasonably necessary to assist such Member in making any necessary filings, applications or elections to obtain any available exemption from, or any available refund of, any withholding imposed by any foreign taxing authority with respect to amounts distributable or items of income allocable to such Member hereunder to the extent not adverse to the Company or any Member. In addition, the Company shall, at the request of any Member, make or cause to be made (or cause the Company to make) any such filings, applications or elections; provided that any such requesting Member shall cooperate with the Company, with respect to any such filing, application or election to the extent reasonably determined by the Company and that any filing fees, taxes or other out-of-pocket expenses reasonably incurred and related thereto shall be paid and borne by such requesting Member or, if there is more than one requesting Member, by such requesting Members in accordance with their Relative Percentage Interests.



(b) Withholding Advances. To the extent the Company is required by Applicable Law to withhold or to make tax payments on behalf of or with respect to any Member (e.g., backup withholding) ("Withholding Advances"), the Company may withhold such amounts and make such tax payments as so required.

(c) Repayment of Withholding Advances. All Withholding Advances made on behalf of a Member, plus interest thereon at a rate equal to the Prime Rate as of the date of such Withholding Advances plus 2.0% per annum, shall (i) be paid on demand by the Member on whose behalf such Withholding Advances were made (it being understood that no such payment shall increase such Member's Capital Account), or (ii) with the consent of the Managing Member and the affected Member be repaid by reducing the amount of the current or next succeeding distribution or distributions that would otherwise have been made to such Member or, if such distributions are not sufficient for that purpose, by so reducing the proceeds of liquidation otherwise payable to such Member. Whenever repayment of a Withholding Advance by a Member is made as described in clause (ii) of this Section 5.06(c), for all other purposes of this Agreement such Member shall be treated as having received all distributions (whether before or upon any Dissolution Event) unreduced by the amount of such Withholding Advance and interest thereon.

(d) Withholding Advances — Reimbursement of Liabilities. Each Member hereby agrees to reimburse the Company for any liability with respect to Withholding Advances (including interest thereon) required or made on behalf of or with respect to such Member (including penalties imposed with respect thereto).

## ARTICLE VI

## CERTAIN TAX MATTERS

Section 6.01 Partnership Representative.

(a) The "Partnership Representative" (as such term is defined under Partnership Audit Provisions) of the Company shall be selected by the Managing Member with the initial Partnership Representative being Clear Secure. The Partnership Representative may retain, at the Company's expense, such outside counsel, accountants and other professional consultants as it may reasonably deem necessary in the course of fulfilling its obligations as the Partnership Representative. The Partnership Representative is authorized to take, and shall determine in its sole discretion whether or not the Company will take, such actions and execute and file all statements and forms on behalf of the Company that are approved by the Managing Member and are permitted or required by the applicable provisions of the Partnership Audit Provisions (including a "push-out" election under Section 6226 of the Code or any analogous election under state or local tax Law). Each Member agrees to cooperate with the Partnership Representative and to use commercially reasonable efforts to do or refrain from doing any or all things requested by the Partnership Representative (including paying any and all resulting taxes, additions to tax, penalties and interest in a timely fashion) in connection with any examination of the Company's affairs by any federal, state, or local tax authorities, including resulting administrative and judicial proceedings.



(b) In the event that the Partnership Representative has not caused the Company to make a "push-out" election pursuant to Section 6226 of the Partnership Audit Provisions, then any "imputed underpayment" (as determined in accordance with Section 6225 of the Partnership Audit Provisions) or partnership adjustment that does not give rise to an imputed underpayment shall be apportioned among the Members of the Company for the taxable year in which the adjustment is finalized in such manner as may be necessary (as determined by the Partnership Representative in good faith) so that, to the maximum extent possible, the tax and economic consequences of the imputed underpayment or other partnership adjustment and any associated interest and penalties (any such amount, an "Imputed Underpayment Amount") are borne by the Members based upon their Percentage Interests in the Company for the reviewed year. Imputed Underpayment Amounts also shall include any imputed underpayment within the meaning of Section 6225 of the Partnership Audit Provisions paid (or payable) by any entity treated as a partnership for U.S. federal income tax purposes in which the Company holds (or has held) a direct or indirect interest other than through entities treated as corporations for U.S. federal income tax purposes to the extent that the Company bears the economic burden of such amounts, whether by Applicable Law or contract.

(c) Each Member agrees to indemnify and hold harmless the Company from and against any liability with respect to such Member's share of any tax deficiency paid or payable by the Company that is allocable to the Member as determined in accordance with Section 6.01(b) with respect to an audited or reviewed taxable year for which such Member was a partner in the Company. Any obligation of a Member pursuant to this Section 6.01(c) shall be implemented through adjustments to distributions otherwise payable to such Member as determined in accordance with Section 5.03; provided, however, that, at the written request of the Partnership Representative, each Member or former Member may be required to contribute to the Company such Member's Imputed Underpayment Amount imposed on and paid by the Company; provided, further, that if a Member or former Member individually directly pays, pursuant to the Partnership Audit Provisions, any such Imputed Underpayment Amount, then such payment shall reduce any offset to distribution or required capital contribution of such Member or former Member. Any amount withheld from distributions pursuant to this Section 6.01(c) shall be treated as an amount distributed to such Member or former Member for all purposes under this Agreement. For the avoidance of doubt, the obligations of a Member set forth in this Section 6.01(c) shall survive the withdrawal of a Member from the Company or any Transfer of a Member's interest.

Section 6.02 Section 754 Election. The Company has previously made or will make a timely election under Section 754 of the Code (and a corresponding election under state and local law) effective starting with the taxable year ended December 31, 2020, and the Managing Member shall not take any action to revoke such election.

ARTICLE VII

MANAGEMENT OF THE COMPANY

Section 7.01 Management by the Managing Member. Except as otherwise specifically set forth in this Agreement, the Managing Member shall be deemed to be a "manager" for purposes of applying the Delaware Act. Except as expressly provided in this Agreement or the Delaware Act, the day-to-day business and affairs of the Company and its Subsidiaries shall be managed, operated and controlled by the Managing Member in accordance with the terms of this Agreement and no other Members shall have management authority or rights over the Company or its Subsidiaries. The Managing Member is, to the extent of its rights and powers set forth in this Agreement, an agent of the Company for the purpose of the Company's and its Subsidiaries' business, and the actions of the Managing Member taken in accordance with such rights and powers, shall bind the Company (and no other Members shall have such right). Except as expressly provided in this Agreement, the Managing Member shall have all necessary powers to carry out the purposes, business, and objectives of the Company and its Subsidiaries. The Managing Member may delegate to Members, employees, officers or agents of the Company or any Subsidiary in its discretion the authority to sign agreements and other documents on behalf of the Company or any Subsidiary.

Section 7.02 Withdrawal of the Managing Member. Clear Secure may withdraw as the Managing Member and appoint as its successor at any time upon written notice to the Company (i) any wholly-owned Subsidiary of Clear Secure, (ii) any Person of which Clear Secure is a wholly-owned Subsidiary, (iii) any Person into which Clear Secure is merged or consolidated or (iv) any transferee of all or substantially all of the assets of Clear Secure, which withdrawal and replacement shall be effective upon the delivery of such notice. No appointment of a Person other than Clear Secure (or its successor, as applicable) as Managing Member shall be effective unless Clear Secure (or its successor, as applicable) and the new Managing Member (as applicable) provide all other Members with contractual rights, directly enforceable by such other Members against the new Managing Member, to cause the new Managing Member to comply with all the Managing Member's obligations under this Agreement and the Exchange Agreement.

Section 7.03 Decisions by the Members.

(a) Other than the Managing Member, the Members shall take no part in the management of the Company's business, shall transact no business for the Company and shall have no power to act for or to bind the Company; provided, however, that the Company may engage any Member or principal, partner, member, shareholder or interest holder thereof as an employee, independent contractor or consultant to the Company, in which event the duties and liabilities of such individual or firm with respect to the Company as an employee, independent contractor or consultant shall be governed by the terms of such engagement with the Company.



(b) Except as expressly provided herein, neither the Members nor any class of Members shall have the power or authority to vote, approve or consent to any matter or action taken by the Company. Except as otherwise provided herein, any proposed matter or action subject to the vote, approval or consent of the Members or any class of Members shall require the approval of (i) a majority in interest of the Members or such class of Members, as the case may be (by (x) resolution at a duly convened meeting of the Members or such class of Members, as the case may be, or (y) written consent of the Members or such class of Members, as the case may be) and (ii) except with respect to any approval or other rights expressly granted to the Founder Post-IPO Members, the Managing Member. Except as expressly provided herein, all Members shall vote together as a single class on any matter subject to the vote, approval or consent of the Members (but not, for the avoidance of doubt, any vote, approval or consent of any class of Members). In the case of any such approval, a majority in interest of the Members or any class of Members, as the case may be, may call a meeting of the Members or such class of Members at such time and place or by means of telephone or other communications facility that permits all persons participating in such meeting to hear and speak to each other for the purpose of a vote thereon. Notice of any such meeting shall be required, which notice shall include a brief description of the action or actions to be considered by the Members or such class of Members, as the case may be. Unless waived by any such Member in writing, notice of any such meeting shall be given to each Member or Member of such class, as the case may be, at least four (4) days prior thereto. Attendance or participation of a Member at a meeting shall constitute a waiver of notice of such meeting, except when such Member attends or participates in the meeting for the express purpose of objecting at the beginning thereof to the transaction of any business because the meeting is not properly called or convened. Any action required or permitted to be taken at any meeting of the Members may be taken without a meeting, if a consent in writing, setting forth the actions so taken, shall be signed by Members sufficient to approve such action pursuant to this Section 7.03(b). A copy of any such consent in writing will be provided to the Members promptly thereafter.

Section 7.04 Fiduciary Duties.

(a) (i) The Managing Member shall, in its capacity as Managing Member, and not in any other capacity, have the same fiduciary duties to the Company and the Members as a member of the board of directors of a Delaware corporation (assuming such corporation had in its certificate of incorporation a provision eliminating the liabilities of directors and officers to the maximum extent permitted by Section 102(b)(7) of the DGCL); (ii) any member of the Board of Directors of Clear Secure that is an officer of Clear Secure or the Company shall, in its capacity as director, and not in any other capacity, have the same fiduciary duties to Clear Secure as a member of the board of directors of a Delaware corporation (assuming such corporation had in its certificate of incorporation a provision eliminating the liabilities of directors and officers to the maximum extent permitted by Section 102(b)(7) of the DGCL); and (iii) each Officer and each officer of Clear Secure shall, in their capacity as such, and not in any other capacity, have the same fiduciary duties to the Company and the Members (in the case of any Officer) or Clear Secure (in the case of any officer of Clear Secure) as an officer of a Delaware corporation (assuming such corporation had in its certificate of incorporation a provision eliminating the liabilities of directors and officers to the maximum extent permitted by Section 102(b)(7) of the DGCL). For the avoidance of doubt, the fiduciary duties described in clause (i) above shall not be limited by the fact that the Managing Member shall be permitted to take certain actions in its sole or reasonable discretion pursuant to the terms of this Agreement or any agreement entered into in connection herewith.



(b) The parties acknowledge that the Managing Member will take action through its board of directors, and that the members of the Managing Member's board of directors will owe fiduciary duties to the stockholders of the Managing Member. The Managing Member will use all commercially reasonable and appropriate efforts and means, as determined in good faith by the Managing Member, to minimize any conflict of interest between the Members, on the one hand, and the stockholders of the Managing Member, on the other hand, and to effectuate any transaction that involves or affects any of the Company, the Managing Member, the Members and/or the stockholders of the Managing Member in a manner that does not (i) disadvantage the Members or their interests relative to the stockholders of the Managing Member or (ii) advantage the stockholders of the Managing Member relative to the Members or (iii) treats the Members and the stockholders of the Managing Member differently; provided that in the event of a conflict between the interests of the stockholders of the Managing Member and the interests of the Members other than the Managing Member, such other Members agree that the Managing Member shall discharge its fiduciary duties to such other Members by acting in the best interests of the Managing Member's

stockholders.

(c) Without prior written consent of the Non-Clear Secure Members, the Managing Member will not engage in any business activity other than the direct or indirect management and ownership of the Company and its Subsidiaries, or own any assets (other than on a temporary basis) other than securities of the Company and its Subsidiaries (whether directly or indirectly held) or any cash or other property or assets distributed by or otherwise received from the Company and its Subsidiaries in accordance with this Agreement, provided that the Managing Member may take any action (including incurring its own Indebtedness) or own any asset if it determines in good faith that such actions or ownership are in the best interest of the Company.

Section 7.05 Officers.

(a) Appointment of Officers. The Managing Member may appoint individuals as officers ("Officers") of the Company, which may include such officers as the Managing Member determines are necessary and appropriate. No Officer need be a Member. An individual may be appointed to more than one office.

(b) Authority of Officers. The Officers shall have the duties, rights, powers and authority as may be prescribed by the Managing Member from time to time.



(c) Removal, Resignation and Filling of Vacancy of Officers. The Managing Member may remove any Officer, for any reason or for no reason, at any time. Any Officer may resign at any time by giving written notice to the Company, and such resignation shall take effect at the date of the receipt of that notice or any later time specified in that notice; provided that, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any such resignation shall be without prejudice to the rights, if any, of the Company or such Officer under this Agreement. A vacancy in any office because of death, resignation, removal or otherwise shall be filled by the Managing Member.

## ARTICLE VIII

## TRANSFERS OF INTERESTS

Section 8.01 Restrictions on Transfers.

(a) Except as expressly permitted by Section 8.02, and subject to Section 8.01(b), Section 8.01(c) and Section 8.01(d), any underwriter lock-up agreement applicable to such Member or any other agreement between such Member and the Company, Clear Secure or any of their controlled Affiliates, without the prior written approval of the Managing Member, no Member shall directly or indirectly Transfer all or any part of its Units or any right or economic interest pertaining thereto, including the right to vote or consent on any matter or to receive or have any economic interest in distributions or advances from the Company pursuant thereto. Any such Transfer which is not in compliance with the provisions of this Agreement shall be deemed a Transfer by such Member of Units in violation of this Agreement (and a breach of this Agreement by such Member) and shall be null and void *ab initio*. Notwithstanding anything to the contrary in this Article VIII, (i) the Exchange Agreement shall govern the exchange of Paired Interests for shares of Class A Common Stock or Class B Common Stock, and an exchange pursuant to and in accordance with the Exchange Agreement shall not be considered a "Transfer" for purposes of this Agreement, (ii) the certificate of incorporation of Clear Secure shall govern the conversion of Class B Common Stock to Class A Common Stock and the conversion of Class D Common Stock to Class C Common Stock, and a conversion pursuant to and in accordance with the certificate of incorporation of Clear Secure shall not be considered a "Transfer" for purposes of this Agreement, (iii) a Transfer of Clear Secure Common Stock constituting Registrable Securities (as such term is defined in the Registration Rights Agreement) in accordance with the Registration Rights Agreement shall not be considered a "Transfer" for the purposes of the Agreement and (iv) any other Transfer of shares of Class A Common Stock or Class B Common Stock shall not be considered a "Transfer" for purposes of this Agreement.



(b) Except as otherwise expressly provided herein, it shall be a condition precedent to any Transfer otherwise permitted or approved pursuant to this Article VIII that:

(i) the Transferor shall have provided to the Company prior notice of such Transfer;

(ii) the Transfer shall comply with all Applicable Laws; and

(iii) with respect to any Transfer of any Common Unit that constitutes a portion of a Paired Interest, concurrently with such Transfer, such Transferor shall also Transfer to such Transferee the number of shares of Class C Common Stock or Class D Common Stock, as the case may be, constituting the remainder of such Paired Interest (which, as of the date hereof, would be one share of Class C Common Stock or Class D Common Stock, as the case may be).

(c) Notwithstanding any other provision of this Agreement to the contrary, no Member shall directly or indirectly Transfer all or any part of its Units or any right or economic interest pertaining thereto if such Transfer, in the reasonable discretion of the Managing Member, would cause the Company to be classified as a "publicly traded partnership" as that term is defined in Section 7704 of the Code and Treasury Regulations promulgated thereunder or would result in the Company having more than one hundred (100) partners, within the meaning of Treasury Regulations Section 1.7704-1(h)(1) (determined pursuant to the rules of Treasury Regulations Section 1.7704-1(h)(3)).

(d) Any Transfer of Units pursuant to this Agreement, including this Article VIII, shall be subject to the provisions of Section 3.01 and Section 3.02.

Section 8.02 Certain Permitted Transfers. Notwithstanding anything to the contrary herein, the following Transfers shall be permitted:

(a) Any Transfer by any Member of its Units pursuant to a Clear Secure Offer (as such term is defined in the Exchange Agreement);

(b) At any time, any Permitted Transfer; provided that such Transfer, alone or together with other Transfers by any Member and any Transferee thereof, would not result in (x) the Founder Post-IPO Members and their Transferees, in the aggregate, representing at any time more than thirty partners or (y) all Members other than the Founder Post-IPO Members and their Transferees, in the aggregate, representing at any time more than sixty partners, in each case, for the purposes of Treasury Regulation Section 1.7704-1(h)(1) (determined pursuant to the rules of Treasury Regulations Section 1.7704-1(h)(3), excluding Clear Secure from the number of partners for purposes of this Section 8.02(b); or

(c) At any time, any Transfer by any Member of Units to any Transferee (i) previously approved in writing by the Company prior to the

Reorganization or (ii) approved in writing by the Managing Member (not to be unreasonably withheld), it being understood that it shall be reasonable for the Managing Member to withhold such consent if the Managing Member reasonably determines that such Transfer would materially increase the risk that the Company would be classified as a "publicly traded partnership" as that term is defined in Section 7704 of the Code and Treasury Regulations promulgated thereunder or would result in (x) the Founder Post-IPO Members and their Transferees, in the aggregate, representing at any time more than thirty partners or (y) all Members other than the Founder Post-IPO Members and their Transferees, in the aggregate, representing at any time, more than sixty partners, in each case, within the meaning of Treasury Regulations Section 1.7704-1(h)(1) (determined pursuant to the rules of Treasury Regulations Section 1.7704-1(h)(3)).



Section 8.03 Registration of Transfers. When any Units are Transferred in accordance with the terms of this Agreement, the Company shall cause such Transfer to be registered on the books of the Company.

## ARTICLE IX

## OTHER AGREEMENTS

Section 9.01 Noncompete. Those certain individuals set forth on Schedule B attached hereto (each, a "Restricted Person" and collectively, the "Restricted Persons") shall not, directly or indirectly, compete with the Company by producing, distributing, marketing or providing, or enter into any new agreement with any other Person to produce, distribute, market or provide, or hold any equity or financial interest in, or participate in the management of, any other Person producing, distributing, marketing or providing, any product or service related to the Company Business (as determined by the Managing Member), in the United States while such Restricted Person or any Permitted Transferee thereof, directly or indirectly, beneficially owns any Units in the Company and for a period of 12 months thereafter (the "Noncompete Term"); provided, that nothing in this Section 9.01 shall prevent a Restricted Person from holding up to a 10% passive equity or financial interest in any other Person producing, distributing, marketing or providing, any product or service related to the Company Business in the United States if such equity or financial interest is disclosed in writing to the Managing Member. During the Noncompete Term, no Restricted Person shall, directly or indirectly, acquire or create any existing or future business in any new product or service related to the Company Business (as determined by the Managing Member), in the United States other than through the Company. To the extent that a Restricted Person or any of its Affiliates engages in any of the business activities described in this Section 9.01 as of the date of this Agreement, such Restricted Person or its Affiliate shall, upon the request of the Managing Member, use its best efforts to integrate such activities into the Company on mutually agreeable terms or, if such terms cannot be agreed upon, shall discontinue such activities within six months from the date hereof. The Managing Member may from time to time in its discretion grant waivers of the restrictions contained in this Section 9.01 on a case by case basis.

Section 9.02 Nonsolicitation. During the Noncompete Term, no Restricted Person shall, directly or indirectly, without the prior written consent of the Managing Member, induce or attempt to persuade any employee of the Company to terminate his or her employment relationship with the Company. Notwithstanding the foregoing, no Restricted Person shall have any liability under this Section resulting from the hiring of employees who respond to general employment advertisements; provided, that the hiring party does not prompt, instruct or encourage such employee to respond to any such advertisement.



## ARTICLE X

## LIMITATION ON LIABILITY, EXCULPATION AND INDEMNIFICATION

Section 10.01 Limitation on Liability. The debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Covered Person shall be obligated personally for any such debt, obligation or liability of the Company; provided that the foregoing shall not alter a Member's obligation to return funds wrongfully distributed to it.

Section 10.02 Exculpation and Indemnification.

(a) Subject to the duties of the Managing Member and Officers set forth in Section 7.04, neither the Managing Member nor any other Covered Person described in clause (iii) of the definition thereof shall be liable, including under any legal or equitable theory of fiduciary duty or other theory of liability, to the Company or to any other Covered Person for any losses, claims, damages or liabilities incurred by reason of any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company. There shall be, and each Covered Person shall be entitled to, a presumption that such Covered Person acted in good faith.

(b) A Covered Person shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any Person as to matters the Covered Person reasonably believes are within such Person's professional or expert competence.

(c) The Company shall indemnify, defend and hold harmless each Covered Person against any losses, claims, damages, liabilities, expenses (including all reasonable out-of-pocket fees and expenses of counsel and other advisors), judgments, fines, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, in which such Covered Person may be involved or become subject to, in connection with any matter arising out of or in connection with the Company's business or affairs, or this Agreement or any related document, unless such loss, claim, damage, liability, expense, judgment, fine, settlement or other amount (i) is as a result of a Covered Person not acting in good faith on behalf of the Company or arose as a result of the willful commission by such Covered Person of any act that is dishonest and materially injurious to the Company, (ii) results from its contractual obligations under any Reorganization Document to be performed in a capacity other than as a Covered Person or from the breach by such Covered Person of Section 9.01 or (iii) results from the breach by any Member (in such capacity) of its contractual obligations under this Agreement. If any Covered Person becomes involved in any capacity in any action, suit, proceeding or investigation in connection with any matter arising out of or in connection with the Company's business or affairs, or this Agreement or any related document, other than by reason of a Covered Person not acting in good faith on behalf of the Company or by reason of the willful commission by such Covered Person of any act that is dishonest and materially injurious to the Company, the Company shall reimburse such Covered Person for its reasonable legal and other reasonable out-of-pocket expenses (including the cost of any investigation and preparation) as they are incurred in connection therewith; provided that such Covered Person shall promptly repay to the Company the amount of any such reimbursed expenses paid to it if it shall be finally judicially determined that such Covered Person was not entitled to indemnification by, or contribution from, the Company in connection with such action, suit, proceeding or investigation. If for any reason (other than by reason of a Covered Person not acting in good faith on behalf of the Company or by reason of the willful commission by such Covered Person of any act that is dishonest and materially injurious to the Company) the foregoing indemnification is unavailable to such Covered Person, or insufficient to hold it harmless, then the Company shall contribute to the amount paid or payable by such Covered Person as a result of such loss, claim, damage, liability, expense, judgment, fine, settlement or other amount in such proportion as is appropriate to reflect any relevant equitable considerations. There shall be, and each Covered Person shall be entitled to, a rebuttable presumption that such Covered Person acted in good faith.

(d) The obligations of the Company under Section 10.02(c) shall be satisfied solely out of and to the extent of the Company's assets, and no Covered Person shall have any personal liability on account thereof.

(e) Given that certain Jointly Indemnifiable Claims may arise by reason of the service of a Covered Person to the Company or as a director, trustee, officer, partner, member, manager, employee, consultant, fiduciary or agent of other corporations, limited liability companies, partnerships, joint ventures, trusts, employee benefit plans or other enterprises controlled by the Company (collectively, the "Controlled Entities"), or by reason of any action alleged to have been taken or omitted in any such capacity, the Company acknowledges and agrees that the Company shall, and to the extent applicable shall cause the Controlled Entities to, be fully and primarily responsible for the payment to the Covered Person in respect of indemnification or advancement of all out-of-pocket costs of any type or nature whatsoever (including, without limitation, all attorneys' fees and related disbursements) in each case, actually and reasonably incurred by or on behalf of a Covered Person in connection with either the investigation, defense or appeal of a claim, demand, action, suit or proceeding or establishing or enforcing a right to indemnification under this Agreement or otherwise incurred in connection with a claim that is indemnifiable hereunder (collectively, "Expenses") in connection with any such Jointly Indemnifiable Claim, pursuant to and in accordance with (as applicable) the terms of (i) the Delaware Act, (ii) this Agreement, (iii) any other agreement between the Company or any Controlled Entity and the Covered Person pursuant to which the Covered Person is indemnified, (iv) the laws of the jurisdiction of incorporation or organization of any Controlled Entity or (v) the certificate of incorporation, certificate of organization, bylaws, partnership agreement, operating agreement, certificate of formation, certificate of limited partnership, certificate of qualification or other organizational or governing documents of any Controlled Entity ((i) through (v) collectively, the "Indemnification Sources"), irrespective of any right of recovery the Covered Person may have from the Indemnitee-Related Entities. Under no circumstance shall the Company or any Controlled Entity be entitled to any right of subrogation or contribution by the Indemnitee-Related Entities and no right of advancement or recovery the Covered Person may have from the Indemnitee-Related Entities shall reduce or otherwise alter the rights of the Covered Person or the obligations of the Company or any Controlled Entity under the Indemnification Sources. In the event that any of the Indemnitee-Related Entities shall make any payment to the Covered Person in respect of indemnification or advancement of Expenses with respect to any Jointly Indemnifiable Claim, (i) the Company shall, and to the extent applicable shall cause the Controlled Entities to, reimburse the Indemnitee-Related Entity making such payment to the extent of such payment promptly upon written demand from such Indemnitee-Related Entity, (ii) to the extent not previously and fully reimbursed by the Company or any Controlled Entity pursuant to clause (i), the Indemnitee-Related Entity making such payment shall be subrogated to the extent of the outstanding balance of such payment to all of the rights of recovery of the Covered Person against the Company or any Controlled Entity, as applicable, and (iii) the Covered Person shall execute all papers reasonably required and shall do all things that may be reasonably necessary to secure such rights, including the execution of such documents as may be necessary to enable the Indemnitee-Related Entities effectively to bring suit to enforce such rights. The Company and the Covered Person agree that each of the Indemnitee-Related Entities shall be third-party beneficiaries with respect to this Section 10.02(e), entitled to enforce this Section 10.02(e) as though each such Indemnitee-Related Entity were a party to this Agreement. The Company shall cause each of the Controlled Entities to perform the terms and obligations of this Section 10.02(e) as though each such Controlled Entity was the "Company" under this Agreement. For purposes of this Section 10.02(e), the following terms shall have the following meanings:



(i) The term "Indemnitee-Related Entities" means any corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise (other than the Company, any Controlled Entity or the insurer under and pursuant to an insurance policy of the Company or any Controlled Entity) from whom a Covered Person may be entitled to indemnification or advancement of Expenses with respect to which, in whole or in part, the Company or any Controlled Entity may also have an indemnification or advancement obligation.

(ii) The term "Jointly Indemnifiable Claims" shall be broadly construed and shall include, without limitation, any claim, demand, action, suit or proceeding for which the Covered Person shall be entitled to indemnification or advancement of Expenses from both (i) the Company or any Controlled Entity pursuant to the Indemnification Sources, on the one hand, and (ii) any Indemnitee-Related Entity pursuant to any other agreement between any Indemnitee-Related Entity and the Covered Person pursuant to which the Covered Person is indemnified, the laws of the jurisdiction of incorporation or organization of any Indemnitee-Related Entity or the certificate of incorporation, certificate of organization, bylaws, partnership agreement, operating agreement, certificate of formation, certificate of limited partnership or other organizational or governing documents of any Indemnitee-Related Entity, on the other hand.



## ARTICLE XI

## DISSOLUTION AND TERMINATION

Section 11.01 Dissolution.

(a) The Company shall not be dissolved by the admission of Additional Members or Substitute Members pursuant to Section 3.02.

(b) No Member shall (i) resign from the Company prior to the dissolution and winding up of the Company except in connection with a Transfer of Units pursuant to the terms of this Agreement or (ii) take any action to dissolve, terminate or liquidate the Company or to require apportionment, appraisal or partition of the Company or any of its assets, or to file a bill for an accounting, except as specifically provided in this Agreement, and each Member, to the fullest extent permitted by Applicable Law, hereby waives any rights to take any such actions under Applicable Law, including any right to petition a court for judicial dissolution under Section 18-802 of the Delaware Act.

(c) The Company shall be dissolved and its business wound up only upon the earliest to occur of any one of the following events (each a "Dissolution Event"):

(i) The expiration of forty-five (45) days after the sale or other disposition of all or substantially all the assets of the Company; or

(ii) upon the approval of the Managing Member.

(d) The death, retirement, resignation, expulsion, bankruptcy, insolvency or dissolution of a Member or the occurrence of any other event that terminates the continued membership of a Member of the Company shall not in and of itself cause dissolution of the Company.

Section 11.02 Winding Up of the Company.

(a) The Managing Member shall promptly notify the other Members of any Dissolution Event. Upon dissolution, the Company's business shall be liquidated in an orderly manner. The Managing Member shall appoint a liquidating trustee to wind up the affairs of the Company pursuant to this Agreement. In

performing its duties, the liquidating trustee is authorized to sell, distribute, exchange or otherwise dispose of the assets of the Company in accordance with the Delaware Act and in any reasonable manner that the liquidating trustee shall determine to be in the best interest of the Members.



(b) The proceeds of the liquidation of the Company shall be distributed in the following order and priority:

(i) first, to the creditors (including any Members or their respective Affiliates that are creditors) of the Company in satisfaction of all of the Company's liabilities (whether by payment or by making reasonable provision for payment thereof, including the setting up of any reserves which are, in the judgment of the liquidating trustee, reasonably necessary therefor); and

(ii) second, to the Members in the same manner as distributions under Section 5.03(b), subject to Section 5.03(e).

(c) Distribution of Property. In the event it becomes necessary in connection with the liquidation of the Company to make a distribution of Property in-kind, subject to the priority set forth in Section 11.02, the liquidating trustee shall have the right to compel each Member to accept a distribution of any Property in-kind (with such Property, as a percentage of the total liquidating distributions to such Member, corresponding as nearly as possible to such Member's Percentage Interest), with such distribution being based upon the amount of cash that would be distributed to such Members if such Property were sold for an amount of cash equal to the fair market value of such Property, as determined by the liquidating trustee in good faith, subject to the last sentence of Section 5.03(d).

Section 11.03 Termination. The Company shall terminate when all of the assets of the Company, after payment of or reasonable provision for the payment of all debts and liabilities of the Company, shall have been distributed to the Members in the manner provided for in this Article XI, and the certificate of formation of the Company shall have been cancelled in the manner required by the Delaware Act.

Section 11.04 Survival. Termination, dissolution, liquidation or winding up of the Company for any reason shall not release any party from any liability which at the time of such termination, dissolution, liquidation or winding up already had accrued to any other party or which thereafter may accrue in respect to any act or omission prior to such termination, dissolution, liquidation or winding up.

## ARTICLE XII

## MISCELLANEOUS

Section 12.01 Expenses. Other than as set forth in Section 4.12 of the Reorganization Agreement, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such cost or expense.



Section 12.02 Further Assurances. Each Member agrees to execute, acknowledge, deliver, file and record such further certificates, amendments, instruments and documents, and to do all such other acts and things, as may be required by Applicable Law or as, in the reasonable judgment of the Managing Member, may be necessary or advisable to carry out the intent and purposes of this Agreement.

Section 12.03 Notices. All notices, requests and other communications to any party hereunder shall be in writing (including facsimile transmission and electronic mail ("e-mail") transmission, so long as a receipt of such e-mail is requested and received) and shall be given to such party at the address, facsimile number or e-mail address specified for such party on the Member Schedule hereto. All such notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5:00 p.m. on a Business Day in the place of receipt. Otherwise, any such notice, request or communication shall be deemed to have been received on the next succeeding Business Day in the place of receipt.

Section 12.04 Binding Effect; Benefit; Assignment.

(a) The provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. No provision of this Agreement is intended to confer any rights, benefits, remedies, obligations or liabilities hereunder upon any Person other than the parties hereto and their respective successors and assigns.

(b) Except as provided in Article VIII, no Member may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the consent of the Managing Member.

Section 12.05 Jurisdiction.

(a) The parties hereto agree that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby (whether brought by any party or any of its Affiliates or against any party or any of its Affiliates) shall be brought in the Delaware Chancery Court or, if such court shall not have jurisdiction, any federal court located in the State of Delaware or other Delaware state court, and each of the parties hereby irrevocably consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided in Section 12.03 shall be deemed effective service of process on such party.



(b) EACH OF THE COMPANY AND THE MEMBERS HEREBY IRREVOCABLY DESIGNATES THE CORPORATION TRUST COMPANY (IN SUCH CAPACITY, THE "PROCESS AGENT"), WITH AN OFFICE AT CORPORATION SERVICE COMPANY, 2711 CENTERVILLE ROAD, SUITE 400, WILMINGTON, NEW CASTLE COUNTY, DELAWARE, 19808, AS ITS DESIGNEE, APPOINTEE AND AGENT TO RECEIVE, FOR AND ON ITS BEHALF SERVICE OF PROCESS IN SUCH JURISDICTION IN ANY LEGAL ACTION OR PROCEEDINGS WITH RESPECT TO THIS AGREEMENT OR ANY OTHER AGREEMENT EXECUTED IN CONNECTION WITH THIS AGREEMENT, AND SUCH SERVICE SHALL BE DEEMED COMPLETE UPON DELIVERY THEREOF

TO THE PROCESS AGENT; PROVIDED THAT IN THE CASE OF ANY SUCH SERVICE UPON THE PROCESS AGENT, THE PARTY EFFECTING SUCH SERVICE SHALL ALSO DELIVER A COPY THEREOF TO EACH OTHER SUCH PARTY IN THE MANNER PROVIDED IN SECTION 12.03 OF THIS AGREEMENT. EACH PARTY SHALL TAKE ALL SUCH ACTION AS MAY BE NECESSARY TO CONTINUE SAID APPOINTMENT IN FULL FORCE AND EFFECT OR TO APPOINT ANOTHER AGENT SO THAT SUCH PARTY SHALL AT ALL TIMES HAVE AN AGENT FOR SERVICE OF PROCESS FOR THE ABOVE PURPOSES IN WILMINGTON, DELAWARE. NOTHING HEREIN SHALL AFFECT THE RIGHT OF ANY PARTY TO SERVE PROCESS IN ANY MANNER PERMITTED BY APPLICABLE LAW. EACH PARTY EXPRESSLY ACKNOWLEDGES THAT THE FOREGOING WAIVER IS INTENDED TO BE IRREVOCABLE UNDER THE LAWS OF THE STATE OF DELAWARE AND OF THE UNITED STATES OF AMERICA.

Section 12.06 Counterparts. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. Until and unless each party has received a counterpart hereof signed by the other party hereto, this Agreement shall have no effect and no party shall have any right or obligation hereunder (whether by virtue of any other oral or written agreement or other communication).

Section 12.07 Entire Agreement. This Agreement and the other Reorganization Documents constitute the entire agreement between the parties with respect to the subject matter of this Agreement and supersede all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter of this Agreement. Nothing in this Agreement shall create any third-party beneficiary rights in favor of any Person or other party, except to the extent provided herein with respect to Indemnitee-Related Entities, each of whom are intended third-party beneficiaries of those provisions that specifically relate to them with the right to enforce such provisions as if they were a party hereto.

Section 12.08 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other Governmental Authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such a determination, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the fullest extent possible.



Section 12.09 Amendment.

(a) This Agreement can be amended at any time and from time to time by the Managing Member;provided, in addition to the approval of the Managing Member, no amendment to this Agreement may:

(i) without the prior written consent of each Founder Post-IPO Member, (x) adversely modify the limited liability of any Founder Post-IPO Member set forth in Article V, Section 6.01(c), Section 10.01, Section 10.02 or Section 12.01, or otherwise modify in any material respect the limited liability of any Founder Post-IPO Member, or adversely increase the liabilities or obligations (other than *de minimis* liabilities or obligations) of any Founder Post-IPO Member or (y) adversely modify the express rights of any Founder Post-IPO Member set forth in Section 3.01, Article IV, Section 5.03(e), Section 7.03(b), Section 8.02(b) and this Section 12.09 (in the case of clause (y), only so long as such Founder Post-IPO Member is entitled to such express rights);

(ii) adversely modify in any material respect the Units (or the rights, preferences or privileges of the Units) then held by any Members in any materially disproportionate manner to those then held by any other Members without the prior written consent of a majority in interest of such disproportionately affected Member or Members.

(b) For the avoidance of doubt, the Managing Member, acting alone, may amend this Agreement, including the Member Schedule, (x) to reflect the admission of new Members or Transfers of Units, each as provided by and in accordance with, the terms of this Agreement, (y) to effect any subdivisions or combinations of Units made in compliance with Section 4.02(c) and (z) to issue additional Common Units or any new class of Units (whether or not pari passu with the Common Units) in accordance with the terms of this Agreement and to provide that the Members being issued such new Units be entitled to the rights provided to the Founder Post-IPO Members with respect to all or a portion of the provisions applicable thereto hereunder and any other rights that do not diminish or eliminate any of the express rights of the such Founder Post-IPO Members described in Section 12.09(a)(i)(y).

(c) No waiver of any provision or default under, nor consent to any exception to, the terms of this Agreement or any agreement contemplated hereby shall be effective unless in writing and signed by the party to be bound and then only to the specific purpose, extent and instance so provided.



Section 12.10 Confidentiality.

(a) Each Member shall, and shall direct those of its Affiliates and their respective directors, officers, members, stockholders, partners, employees, attorneys, accountants, consultants, trustees and other advisors (the "Member Parties") who have access to Confidential Information to, keep confidential and not disclose any Confidential Information to any Person other than a Member Party who agrees to keep such Confidential Information confidential in accordance with this Section 12.10, in each case without the express consent, in the case of Confidential Information acquired from the Company, of the Managing Member or, in the case of Confidential Information acquired from another Member, such other Member, unless:

(i) such disclosure is required by Applicable Law;

(ii) such disclosure is reasonably required in connection with any tax audit involving the Company or any Member or its Affiliates;

(iii) such disclosure is reasonably required in connection with any litigation against or involving the Company or any Member; or

(iv) such disclosure is reasonably required in connection with any proposed Transfer of all or any part of such Member's Units in the Company; provided that with respect to any such use of any Confidential Information referred to in this clause (iv), advance notice must be given to the Managing Member so that it may require any proposed Transferee that is not a Member to enter into a confidentiality agreement with terms substantially similar to the terms of this Section 12.10 (excluding this clause (iv)) prior to the disclosure of such Confidential Information.

(b) "Confidential Information" means any information related to the activities of the Company, the Members and their respective Affiliates that an Member may acquire from the Company or the Members, other than information that (i) is already available through publicly available sources of information (other than as a result of disclosure by such Member), (ii) was available to a Member on a non-confidential basis prior to its disclosure to such Member by the Company, or (iii) becomes available to a Member on a non-confidential basis from a third party, provided such third party is not known by such Member, after reasonable inquiry, to be bound by this Agreement or another confidentiality agreement with the Company. Such Confidential Information may include information that pertains or relates to the business

and affairs of any other Member or any other Company matters. Confidential Information may be used by a Member and its Member Parties only in connection with Company matters and in connection with the maintenance of its interest in the Company.

(c) In the event that any Member or any Member Parties of such Member is required to disclose any of the Confidential Information, such Member shall use reasonable efforts to provide the Company with prompt written notice so that the Company may seek a protective order or other appropriate remedy or waive compliance with the provisions of this Agreement, and such Member shall use reasonable efforts to cooperate with the Company in any effort any such Person undertakes to obtain a protective order or other remedy. In the event that such protective order or other remedy is not obtained, or that the Company waives compliance with the provisions of this Section 12.10, such Member and its Member Parties shall furnish only that portion of the Confidential Information that is legally required and shall exercise all reasonable efforts to obtain reasonably reliable assurance that the Confidential Information shall be accorded confidential treatment.



(d) Notwithstanding anything in this Agreement to the contrary, each Member may disclose to any persons the U.S. federal income tax treatment and tax structure of the Company and the transactions set out in the Reorganization Agreement. For this purpose, "tax structure" is limited to any facts relevant to the U.S. federal income tax treatment of the Company and does not include information relating to the identity of the Company or any Member.

Section 12.11 Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of Delaware without giving effect to choice of law principles that would require the application of the laws of another state.

**[signature pages follow]**



IN WITNESS WHEREOF, the parties hereto have caused this Amended and Restated Operating Agreement to be duly executed as of the day and year first written above.

**ALCLEAR HOLDINGS, LLC**

By: _____
Name:
Title:

**CLEAR SECURE, INC.**

By: _____
Name:
Title:

[Signature Page to the Second Amended and Restated Operating Agreement of Alclear Holdings, LLC]

**THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE, AND ARE BEING OFFERED AND SOLD IN RELIANCE UPON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE SECURITIES ACQUIRED HEREUNDER MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND OTHER APPLICABLE LAWS PURSUANT TO REGISTRATION OR EXEMPTION FROM REGISTRATION REQUIREMENTS THEREUNDER.**

# CLASS C COMMON STOCK SUBSCRIPTION AGREEMENT

THIS CLASS C COMMON STOCK SUBSCRIPTION AGREEMENT (this "Agreement") is entered into as of [●], 2021, by and between Clear Secure, Inc., a Delaware corporation (the "Company"), and the subscribers listed as "Subscribers" on the signature pages hereto, as subscribers (collectively, the "Subscribers" and each, a "Subscriber").

WHEREAS, in connection with the initial public offering of the shares of the Company's Class A common stock, par value $0.00001 per share (the "Class A Common Stock"), and the reorganization transactions contemplated by that certain Reorganization Agreement, dated as of the date hereof, by and among the Company, Alclear Holdings, LLC, a Delaware limited liability company ("Alclear"), the Subscribers and certain other parties listed therein (the "Reorganization Agreement"), pursuant to which, among other things, all of the existing equity interests in Alclear, including those held by the Subscribers, have been reclassified into non-voting equity interests in Alclear ("New Alclear Common Units"), based on a hypothetical liquidation of Alclear and the initial public offering price per share of the Class A Common Stock; and

WHEREAS, as a condition to receiving the New Alclear Common Units in the reclassification described above, each Subscriber has entered into this Agreement to subscribe for and purchase that number of shares of the Company's Class C common stock, par value $0.00001 per share (the "Class C Common Stock"), specified on Schedule I hereto.

The parties hereto, intending to be legally bound, hereby agree, for good and valuable consideration, the receipt of which is hereby acknowledged, as follows:

1. Subscription for Class C Common Stock. Subject to the terms and conditions set forth in this Agreement and any unit vesting agreement entered into between each Subscriber and the Company, each Subscriber hereby subscribes for and agrees to purchase, and the Company hereby agrees to sell and issue to each Subscriber, that number of shares of Class C Common Stock specified on Schedule I hereto, in exchange for the payment of the purchase price of $0.00001 per share (the "Purchase Price"). Within thirty (30) days following the execution and delivery hereof, and as a condition subsequent to the consummation of the transactions contemplated hereby, each Subscriber will tender to the Company, in cash, check or wire transfer, the Purchase Price.

2. Shares. The Company represents and warrants that the shares of Class C Common Stock subscribed for hereunder (the "Shares") have been duly authorized and, when issued and delivered in accordance with the terms of this Agreement, will be validly issued, fully paid and non-assessable.



3. Representations and Warranties of the Company. The Company hereby represents and warrants:

(a) that the Company is a corporation duly incorporated or formed and is existing in good standing under the laws of the State of Delaware;

(b) that the Company has all requisite corporate power and authority to enter into and perform this Agreement and to consummate the transactions contemplated hereby; and

(c) that this Agreement constitutes a legal, valid and binding obligation of the Company enforceable against it in accordance with its terms, except as enforcement may be limited by equitable principles or by bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or limiting creditors' rights generally.

4. Representations and Warranties of each Subscriber. Each Subscriber hereby represents and warrants:

(a) that such Subscriber is an "accredited investor" (as defined in Regulation D promulgated under the Securities Act of 1933, as amended (the "Act");

(b) that such Subscriber or such Subscriber's representative has had access to the same kind of information concerning the Company that is required by Schedule A of the Act, to the extent that the Company possesses such information;

(c) that such Subscriber has received a copy of the Company's Registration Statement on Form S-1 and such other information as such Subscriber may have requested from the Company;

(d) that such Subscriber has such knowledge and experience in financial and business matters that it is capable of utilizing the information that is available to it concerning the Company to evaluate the risks of investment in the Company including the risk that it could lose its entire investment in the Company;

(e) that such Subscriber understands that the Shares have not been registered under the Act, the securities laws of any state or the securities laws of any other jurisdiction, and that the Shares must be held indefinitely, are subject to restrictions on sale and Transfer (as defined below) and any sale or Transfer permitted under the terms of this Agreement must be registered under the Act and such other securities laws unless an exemption from registration under the Act and such other securities laws covering the sale or Transfer of the Shares is available;

(f) that the Shares are being purchased by such Subscriber for such Subscriber's own sole benefit and account for investment and not with a view to, or for resale in connection with, a public offering or distribution thereof;

(g) that such Subscriber understands that the certificate or certificates representing the Shares (if certificated) may be impressed with a legend stating that the Shares are subject to restrictions on sale and Transfer and have not been registered under the Act or any state securities laws and setting out or referring to the restrictions on the Transferability and resale of the Shares; and



(h) that such Subscriber understands that stop Transfer instructions in respect of the Shares may be issued to any Transfer agent, Transfer clerk or other agent at any time acting for the Company.

5. Transfer Restrictions. Each Subscriber hereby agrees that, unless otherwise agreed to by the Company in writing (with the approval of the board of directors of the Company), it shall not Transfer any of the Shares except for Transfers that are otherwise made in accordance with the Second Amended and Restated Operating Agreement of Alclear (the "LLC Agreement") (it being understood that, pursuant to the LLC Agreement, the Shares shall only be Transferred with the corresponding New Alclear Common Units that constitute a Paired Interest (as defined in the LLC Agreement) with such Shares). As used herein, "Transfer" shall have the meaning set forth in the LLC Agreement.

6. Certificate Restrictive Legends. Certificates evidencing the Shares, to the extent such certificates are issued, may bear such restrictive legends as the Company and/or the Company's counsel may deem necessary or advisable under applicable law or pursuant to this Agreement, including, without limitation, the following legends:

> "THE TRANSFER OF SHARES REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO THE CONDITIONS SPECIFIED IN THE CLASS C COMMON STOCK SUBSCRIPTION AGREEMENT, DATED AS OF [●], 2021, BETWEEN CLEAR SECURE, INC. AND THE SUBSCRIBER, AS IT MAY BE AMENDED, SUPPLEMENTED AND/OR RESTATED FROM TIME TO TIME, AND NO TRANSFER OF THESE SECURITIES WILL BE VALID OR EFFECTIVE UNTIL SUCH CONDITIONS HAVE BEEN FULFILLED. THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE, AND ARE BEING OFFERED AND SOLD IN RELIANCE UPON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE SECURITIES ACQUIRED HEREUNDER MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND OTHER APPLICABLE LAWS PURSUANT TO REGISTRATION OR EXEMPTION FROM REGISTRATION REQUIREMENTS THEREUNDER."

7. Notices. All notices required or permitted hereunder shall be in writing deemed effectively given upon personal delivery or upon deposit in the United States Post Office, by registered or certified mail, postage prepaid, addressed to the other party hereto at the address shown beneath his or her or its respective signature to this Agreement, or at such other address or addresses as either party shall designate to the other.



8. Successors and Assigns. The rights, duties and obligations under this Agreement may not be assigned by any Subscriber or the Company except that this Agreement shall be assignable by the Company to any successor entity, including an entity acquiring all, or substantially all, of the assets of the Company. The provisions of this Agreement shall be binding on any such assignee.

9. Entire Agreement; Amendments and Waivers.

(a) Amendments. This Agreement constitutes the entire agreement among the parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties. There are no agreements, understandings, specific restrictions, warranties, or representations relating to said subject matter between the parties other than those set forth herein or herein provided for. This Agreement may only be amended in writing by mutual agreement between the parties.

(b) Waivers. The failure of a party to insist upon strict performance of any provision of this Agreement in any one or more instances shall not be construed as a waiver or relinquishment of the right to insist upon strict compliance with such provision in the future.

10. WAIVER OF JURY TRIAL. THE COMPANY AND EACH SUBSCRIBER EACH WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM CONCERNING ANY RIGHTS UNDER THE AGREEMENT, OR UNDER ANY AMENDMENT, WAIVER, CONSENT, INSTRUMENT, DOCUMENT OR OTHER AGREEMENT DELIVERED OR WHICH, IN THE FUTURE, MAY BE DELIVERED IN CONNECTION THEREWITH, AND EACH AGREES THAT ANY SUCH ACTION, PROCEEDINGS OR COUNTERCLAIM SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. THE COMPANY AND EACH SUBSCRIBER REPRESENTS THAT NO OFFICER, REPRESENTATIVE, OR ATTORNEY OF SUCH SUBSCRIBER OR THE COMPANY, RESPECTIVELY, OR ANY AFFILIATE HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH SUBSCRIBER OR THE COMPANY, RESPECTIVELY, WOULD NOT, IN THE EVENT OF ANY ACTION, PROCEEDING OR COUNTERCLAIM, SEEK TO ENFORCE THE FOREGOING WAIVERS.

11. Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other governmental authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such a determination, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the fullest extent possible.

12. Number; Titles. As employed in this Agreement, the singular form shall include, if appropriate, the plural. The headings employed in this Agreement are solely for the convenience and reference of the parties and are not intended to be descriptive of the entire contents of any paragraph and shall not limit or otherwise affect any of terms, provisions, or construction thereof.



13. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware.

14. Jurisdiction.

(a) The parties hereto agree that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby (whether brought by any party or any of its affiliates or against any party or any of its affiliates) shall be brought in the Court of Chancery of the State of Delaware or, if such court shall not have jurisdiction, any federal court located in the State of Delaware or other Delaware state court, and each of the parties hereby irrevocably consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided in Section 7 shall be deemed effective service of process on such party.

(b) EACH OF THE COMPANY AND EACH SUBSCRIBER HEREBY IRREVOCABLY DESIGNATES CORPORATION SERVICE COMPANY (IN SUCH CAPACITY, THE "PROCESS AGENT"), WITH AN OFFICE AT 251 LITTLE FALLS DRIVE, WILMINGTON, NEW CASTLE COUNTY, DELAWARE 19808, AS ITS DESIGNEE, APPOINTEE AND AGENT TO RECEIVE, FOR AND ON ITS BEHALF SERVICE OF PROCESS IN SUCH JURISDICTION IN ANY LEGAL ACTION OR PROCEEDINGS WITH RESPECT TO THIS AGREEMENT OR ANY OTHER AGREEMENT EXECUTED IN CONNECTION WITH THIS AGREEMENT, AND SUCH SERVICE SHALL BE DEEMED COMPLETE UPON DELIVERY THEREOF TO THE PROCESS AGENT; PROVIDED THAT IN THE CASE OF ANY

SUCH SERVICE UPON THE PROCESS AGENT, THE PARTY EFFECTING SUCH SERVICE SHALL ALSO DELIVER A COPY THEREOF TO EACH APPLICABLE RECIPIENT PARTY IN THE MANNER PROVIDED IN SECTION 7 OF THIS AGREEMENT. EACH PARTY SHALL TAKE ALL SUCH ACTION AS MAY BE NECESSARY TO CONTINUE SAID APPOINTMENT IN FULL FORCE AND EFFECT OR TO APPOINT ANOTHER AGENT SO THAT SUCH PARTY SHALL AT ALL TIMES HAVE AN AGENT FOR SERVICE OF PROCESS FOR THE ABOVE PURPOSES IN WILMINGTON, DELAWARE. NOTHING HEREIN SHALL AFFECT THE RIGHT OF ANY PARTY TO SERVE PROCESS IN ANY MANNER PERMITTED BY APPLICABLE LAW. EACH PARTY EXPRESSLY ACKNOWLEDGES THAT THE FOREGOING WAIVER IS INTENDED TO BE IRREVOCABLE UNDER THE LAWS OF THE STATE OF DELAWARE AND OF THE UNITED STATES OF AMERICA.

15. Counterparts. This Agreement may be executed in any number of counterparts, any of which may be executed and transmitted by facsimile (or electronic mail in pdf format), and each of which shall be deemed to be an original, but all of which together shall be deemed to be one and the same instrument.



16. Further Representations and Acknowledgements of the Subscribers. Each Subscriber acknowledges having been afforded a reasonable opportunity to consult with the financial or legal advisors of such Subscriber's choosing with respect to such Subscriber's rights and responsibilities under this Agreement, and such Subscriber is advised to so consult.

[*Signature Pages Follow*]



IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, have duly executed this Agreement as of the date and year first written above.

***THE COMPANY:***

CLEAR SECURE, INC.

By: _____
Name:
Title:

[Signature Page to Class C Common Stock Subscription Agreement]

***SUBSCRIBER:***

By: _____
Name:
Title:

Schedule I

| Name of Subscriber | Shares of Class C Common Stock of the Company issued to such Subscriber |
|---|---|
| [●] | [●] |

**Exhibit 10.7**

**THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE, AND ARE BEING OFFERED AND SOLD IN RELIANCE UPON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE SECURITIES ACQUIRED HEREUNDER MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND OTHER APPLICABLE LAWS PURSUANT TO REGISTRATION OR EXEMPTION FROM REGISTRATION REQUIREMENTS THEREUNDER.**

**CLASS D COMMON STOCK SUBSCRIPTION AGREEMENT**

THIS CLASS D COMMON STOCK SUBSCRIPTION AGREEMENT (this "Agreement") is entered into as of [●], 2021, by and between Clear Secure, Inc., a Delaware corporation (the "Company"), and the subscribers listed as "Subscribers" on the signature pages hereto, as subscribers (collectively, the "Subscribers" and each, a "Subscriber").

WHEREAS, in connection with the initial public offering of the shares of the Company's Class A common stock, par value $0.00001 per share (the "Class A Common Stock"), and the reorganization transactions contemplated by that certain Reorganization Agreement, dated as of the date hereof, by and among the Company, Alclear Holdings, LLC, a Delaware limited liability company ("Alclear"), the Subscribers and certain other parties listed therein (the "Reorganization Agreement"), pursuant to which, among other things, all of the existing equity interests in Alclear, including those held by the Subscribers, have been reclassified into non-voting equity interests in Alclear ("New Alclear Common Units"), based on a hypothetical liquidation of Alclear and the initial public offering price per share of the Class A Common Stock; and

WHEREAS, as a condition to receiving the New Alclear Common Units in the reclassification described above, each Subscriber has entered into this Agreement to subscribe for and purchase that number of shares of the Company's Class D common stock, par value $0.00001 per share (the "Class D Common Stock"), specified on Schedule I hereto.

The parties hereto, intending to be legally bound, hereby agree, for good and valuable consideration, the receipt of which is hereby acknowledged, as follows:

1. Subscription for Class D Common Stock. Subject to the terms and conditions set forth in this Agreement and any unit vesting agreement entered into between each Subscriber and the Company, each Subscriber hereby subscribes for and agrees to purchase, and the Company hereby agrees to sell and issue to each Subscriber, that number of shares of Class D Common Stock specified on Schedule I hereto, in exchange for the payment of the purchase price of $0.00001 per share (the "Purchase Price"). Within thirty (30) days following the execution and delivery hereof, and as a condition subsequent to the consummation of the transactions contemplated hereby, each Subscriber will tender to the Company, in cash, check or wire transfer, the Purchase Price.

2. Shares. The Company represents and warrants that the shares of Class D Common Stock subscribed for hereunder (the "Shares") have been duly authorized and, when issued and delivered in accordance with the terms of this Agreement, will be validly issued, fully paid and non-assessable.



3. Representations and Warranties of the Company. The Company hereby represents and warrants:

(a) that the Company is a corporation duly incorporated or formed and is existing in good standing under the laws of the State of Delaware;

(b) that the Company has all requisite corporate power and authority to enter into and perform this Agreement and to consummate the transactions contemplated hereby; and

(c) that this Agreement constitutes a legal, valid and binding obligation of the Company enforceable against it in accordance with its terms, except as enforcement may be limited by equitable principles or by bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or limiting creditors' rights generally.

4. Representations and Warranties of each Subscriber. Each Subscriber hereby represents and warrants:

(a) that such Subscriber is an "accredited investor" (as defined in Regulation D promulgated under the Securities Act of 1933, as amended (the "Act");

(b) that such Subscriber or such Subscriber's representative has had access to the same kind of information concerning the Company that is required by Schedule A of the Act, to the extent that the Company possesses such information;

(c) that such Subscriber has received a copy of the Company's Registration Statement on Form S-1 and such other information as such Subscriber may have requested from the Company;

(d) that such Subscriber has such knowledge and experience in financial and business matters that it is capable of utilizing the information that is available to it concerning the Company to evaluate the risks of investment in the Company including the risk that it could lose its entire investment in the Company;

(e) that such Subscriber understands that the Shares have not been registered under the Act, the securities laws of any state or the securities laws of any other jurisdiction, and that the Shares must be held indefinitely, are subject to restrictions on sale and Transfer (as defined below) and any sale or Transfer permitted under the terms of this Agreement must be registered under the Act and such other securities laws unless an exemption from registration under the Act and such other securities laws covering the sale or Transfer of the Shares is available;

(f) that the Shares are being purchased by such Subscriber for such Subscriber's own sole benefit and account for investment and not with a view to, or for resale in connection with, a public offering or distribution thereof;

(g) that such Subscriber understands that the certificate or certificates representing the Shares (if certificated) may be impressed with a legend stating that the Shares are subject to restrictions on sale and Transfer and have not been registered under the Act or any state securities laws and setting out or referring to the restrictions on the Transferability and resale of the Shares; and

(h) that such Subscriber understands that stop Transfer instructions in respect of the Shares may be issued to any Transfer agent, Transfer clerk or other agent at any time acting for the Company.

5. Transfer Restrictions. Each Subscriber hereby agrees that, unless otherwise agreed to by the Company in writing (with the approval of the board of directors of the Company), it shall not Transfer any of the Shares except for Transfers that are otherwise made in accordance with the Second Amended and Restated Operating Agreement of Alclear (the "LLC Agreement") (it being understood that, pursuant to the LLC Agreement, the Shares shall only be Transferred with the corresponding New Alclear Common Units that constitute a Paired Interest (as defined in the LLC Agreement) with such Shares). As used herein, "Transfer" shall have the meaning set forth in the LLC Agreement.

6. Certificate Restrictive Legends. Certificates evidencing the Shares, to the extent such certificates are issued, may bear such restrictive legends as the Company and/or the Company's counsel may deem necessary or advisable under applicable law or pursuant to this Agreement, including, without limitation, the following legends:

> "THE TRANSFER OF SHARES REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO THE CONDITIONS SPECIFIED IN THE CLASS D COMMON STOCK SUBSCRIPTION AGREEMENT, DATED AS OF [●], 2021, BETWEEN CLEAR SECURE, INC. AND THE SUBSCRIBER, AS IT MAY BE AMENDED, SUPPLEMENTED AND/OR RESTATED FROM TIME TO TIME, AND NO TRANSFER OF THESE SECURITIES WILL BE VALID OR EFFECTIVE UNTIL SUCH CONDITIONS HAVE BEEN FULFILLED. THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE, AND ARE BEING OFFERED AND SOLD IN RELIANCE UPON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE SECURITIES ACQUIRED HEREUNDER MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND OTHER APPLICABLE LAWS PURSUANT TO REGISTRATION OR EXEMPTION FROM REGISTRATION REQUIREMENTS THEREUNDER."

7. Notices. All notices required or permitted hereunder shall be in writing deemed effectively given upon personal delivery or upon deposit in the United States Post Office, by registered or certified mail, postage prepaid, addressed to the other party hereto at the address shown beneath his or her or its respective signature to this Agreement, or at such other address or addresses as either party shall designate to the other.



8. Successors and Assigns. The rights, duties and obligations under this Agreement may not be assigned by any Subscriber or the Company except that this Agreement shall be assignable by the Company to any successor entity, including an entity acquiring all, or substantially all, of the assets of the Company. The provisions of this Agreement shall be binding on any such assignee.

9. Entire Agreement; Amendments and Waivers.

(a) Amendments. This Agreement constitutes the entire agreement among the parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties. There are no agreements, understandings, specific restrictions, warranties, or representations relating to said subject matter between the parties other than those set forth herein or herein provided for. This Agreement may only be amended in writing by mutual agreement between the parties.

(b) Waivers. The failure of a party to insist upon strict performance of any provision of this Agreement in any one or more instances shall not be construed as a waiver or relinquishment of the right to insist upon strict compliance with such provision in the future.

10. WAIVER OF JURY TRIAL. THE COMPANY AND EACH SUBSCRIBER EACH WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM CONCERNING ANY RIGHTS UNDER THE AGREEMENT, OR UNDER ANY AMENDMENT, WAIVER, CONSENT, INSTRUMENT, DOCUMENT OR OTHER AGREEMENT DELIVERED OR WHICH, IN THE FUTURE, MAY BE DELIVERED IN CONNECTION THEREWITH, AND EACH AGREES THAT ANY SUCH ACTION, PROCEEDINGS OR COUNTERCLAIM SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. THE COMPANY AND EACH SUBSCRIBER REPRESENTS THAT NO OFFICER, REPRESENTATIVE, OR ATTORNEY OF SUCH SUBSCRIBER OR THE COMPANY, RESPECTIVELY, OR ANY AFFILIATE HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH SUBSCRIBER OR THE COMPANY, RESPECTIVELY, WOULD NOT, IN THE EVENT OF ANY ACTION, PROCEEDING OR COUNTERCLAIM, SEEK TO ENFORCE THE FOREGOING WAIVERS.

11. Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other governmental authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such a determination, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the fullest extent possible.

12. Number; Titles. As employed in this Agreement, the singular form shall include, if appropriate, the plural. The headings employed in this Agreement are solely for the convenience and reference of the parties and are not intended to be descriptive of the entire contents of any paragraph and shall not limit or otherwise affect any of terms, provisions, or construction thereof.



13. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware.

14. Jurisdiction.

(a) The parties hereto agree that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby (whether brought by any party or any of its affiliates or against any party or any of its affiliates) shall be brought in the Court of Chancery of the State of Delaware or, if such court shall not have jurisdiction, any federal court located in the State of Delaware or other Delaware state court, and each of the parties hereby irrevocably consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided in Section 7 shall be deemed effective service of process on such party.

(b) EACH OF THE COMPANY AND EACH SUBSCRIBER HEREBY IRREVOCABLY DESIGNATES CORPORATION SERVICE COMPANY (IN SUCH CAPACITY, THE "PROCESS AGENT"), WITH AN OFFICE AT 251 LITTLE FALLS DRIVE, WILMINGTON, NEW CASTLE COUNTY, DELAWARE 19808, AS ITS DESIGNEE, APPOINTEE AND AGENT TO RECEIVE, FOR AND ON ITS BEHALF SERVICE OF PROCESS IN SUCH JURISDICTION IN ANY LEGAL ACTION OR PROCEEDINGS WITH RESPECT TO THIS AGREEMENT OR ANY OTHER AGREEMENT EXECUTED IN CONNECTION WITH THIS AGREEMENT, AND SUCH SERVICE SHALL BE DEEMED COMPLETE UPON DELIVERY THEREOF TO THE PROCESS AGENT; PROVIDED THAT IN THE CASE OF ANY SUCH SERVICE

UPON THE PROCESS AGENT, THE PARTY EFFECTING SUCH SERVICE SHALL ALSO DELIVER A COPY THEREOF TO EACH APPLICABLE RECIPIENT PARTY IN THE MANNER PROVIDED IN SECTION 7 OF THIS AGREEMENT. EACH PARTY SHALL TAKE ALL SUCH ACTION AS MAY BE NECESSARY TO CONTINUE SAID APPOINTMENT IN FULL FORCE AND EFFECT OR TO APPOINT ANOTHER AGENT SO THAT SUCH PARTY SHALL AT ALL TIMES HAVE AN AGENT FOR SERVICE OF PROCESS FOR THE ABOVE PURPOSES IN WILMINGTON, DELAWARE. NOTHING HEREIN SHALL AFFECT THE RIGHT OF ANY PARTY TO SERVE PROCESS IN ANY MANNER PERMITTED BY APPLICABLE LAW. EACH PARTY EXPRESSLY ACKNOWLEDGES THAT THE FOREGOING WAIVER IS INTENDED TO BE IRREVOCABLE UNDER THE LAWS OF THE STATE OF DELAWARE AND OF THE UNITED STATES OF AMERICA.

15. Counterparts. This Agreement may be executed in any number of counterparts, any of which may be executed and transmitted by facsimile (or electronic mail in pdf format), and each of which shall be deemed to be an original, but all of which together shall be deemed to be one and the same instrument.



16. Further Representations and Acknowledgements of the Subscribers. Each Subscriber acknowledges having been afforded a reasonable opportunity to consult with the financial or legal advisors of such Subscriber's choosing with respect to such Subscriber's rights and responsibilities under this Agreement, and such Subscriber is advised to so consult.

[*Signature Pages Follow*]



IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, have duly executed this Agreement as of the date and year first written above.

***THE COMPANY:***

CLEAR SECURE, INC.

By: _____
Name:
Title:

[Signature Page to Class D Common Stock Subscription Agreement]

***SUBSCRIBER:***

By: _____
Name:
Title:

[Signature Page to Class D Common Stock Subscription Agreement]

Schedule I

| Name of Subscriber | Shares of Class D Common Stock of the Company issued to such Subscriber |
|---|---|
| [●] | [●] |

**Exhibit 10.8**

**CLEAR SECURE, INC.**
**2021 Omnibus Incentive Plan**

**1. Purpose**. The purpose of the Clear Secure, Inc. 2021 Omnibus Incentive Plan (as amended from time to time, the "***Plan***") is to attract and retain individuals to serve as employees, consultants or directors of Clear Secure, Inc., a Delaware corporation (together with its Subsidiaries, whether existing or thereafter acquired or formed, and any and all successor entities, the "***Company***") and its Affiliates by providing them the opportunity to acquire an equity interest in the Company or other incentive compensation and align their interests with those of the Company's stockholders.

**2. Effective Date; Duration**. The Plan shall be effective on the business day immediately prior to the date the Company's registration statement relating to the initial public offering of its Common Stock becomes effective (the "***Effective Date***"). The expiration date of the Plan, on and after which date no Awards may be granted under the Plan, shall be the 10th anniversary of the Effective Date (the "***Expiration Date***"); provided, however, that such expiration shall not affect Awards then outstanding, and the terms and conditions of the Plan shall continue to apply to such Awards.

**3. Definitions**. The following definitions shall apply throughout the Plan:

(a) "***Affiliate***" means (i) any person or entity that directly or indirectly controls, is controlled by or is under common control with the Company and/or (ii) to the extent provided by the Committee, any person or entity in which the Company has a significant interest. The term "control" (including, with correlative meaning, the terms "controlled by" and "under common control with"), as applied to any person or entity, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person or entity, whether through the ownership of voting or other securities, by contract or otherwise.

(b) "***Award***" means, individually or collectively, any Incentive Stock Option, Nonqualified Stock Option, Stock Appreciation Right, Restricted Stock, Restricted Stock Unit, Other Stock-Based Award or Other Cash-Based Award granted under the Plan.

(c) "***Award Agreement***" means any agreement (whether in written or electronic form) or other instrument or document evidencing any Award granted under the Plan (including, in each case, in electronic form), which may, but need not, be executed or acknowledged by a Participant (as determined by the Committee).

(d) "***Beneficial Ownership***" has the meaning set forth in Rule 13d-3 promulgated under Section 13 of the Exchange Act.

(e) "***Board***" means the Board of Directors of the Company.

(f) "***Cause***" means, with respect to any Participant, unless otherwise defined in an Award Agreement, for any Participant that has an employment agreement or offer letter or similar agreement with the Company that contains a definition of "Cause" (or term or similar meaning), the definition of Cause in such employment agreement or offer letter or similar agreement, and for any other Participant, any of the following: (i) the Participant's engaging in fraudulent, illegal or dishonest conduct in respect of the Company or its Affiliates; (ii) the Participant's conviction of, plea of guilty or no contest to a felony or crime involving moral turpitude; (iii) the Participant's engaging in public conduct that is, or could reasonably be determined to be, detrimental to the Company's reputation; (iv) the Participant's willful misconduct or negligence in the performance of his or her duties that reasonably could be expected to be injurious to the Company's business, operations or reputation; (v) the Participant's violation of any material policy or rule of the Company; or (vi) the Participant's failure to perform his or her duties after notice of such failure by the Company.

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(g) "***Change in Control"*** means, unless the applicable Award Agreement or the Committee provides otherwise, the first to occur of any of the following events:

(i) the acquisition by any Person or related "group" (as such term is used in Section 13(d) and Section 14(d) of the Exchange Act) of Persons, or Persons acting jointly or in concert, of Beneficial Ownership (including control or direction) of 50% or more (on a fully diluted basis) of either (A) the then-outstanding Shares, including Shares issuable upon the exercise of options or warrants, the conversion of convertible stock or debt, and the exercise of any similar right to acquire such Shares or (B) the combined voting power of the then-outstanding voting securities of the Company entitled to vote in the election of Directors (the "***Outstanding Company Voting Securities***"), but excluding any acquisition by the Company or any of its Affiliates, the Permitted Holders or any of their respective Affiliates or by any employee benefit plan sponsored or maintained by the Company or any of its Affiliates;

(ii) a change in the composition of the Board such that members of the Board during any consecutive 24-month period (the "***Incumbent Directors***") cease to constitute a majority of the Board. Any person becoming a Director through election or nomination for election approved by a valid vote of at least a majority of the Incumbent Directors shall be deemed an Incumbent Director; provided, however, that no individual becoming a Director as a result of an actual or threatened election contest, as such terms are used in Rule 14a-12 of Regulation 14A promulgated under the Exchange Act, or as a result of any other actual or threatened solicitation of proxies or consents by or on behalf of any person other than the Board, shall be deemed an Incumbent Director;

(iii) the approval by the stockholders of the Company of a plan of complete dissolution or liquidation of the Company; or

(iv) the consummation of a reorganization, recapitalization, merger, amalgamation, consolidation, statutory share exchange or similar form of corporate transaction involving (x) the Company or (y) any of its Subsidiaries, but in the case of this clause (y) only if Outstanding Company Voting Securities are issued or issuable (a "***Business Combination***"), or sale, transfer or other disposition of all or substantially all of the business or assets of the Company to an entity that is not an Affiliate of the Company (a "***Sale***"), unless immediately following such Business Combination or Sale: (A) more than 50% of the total voting power of the entity resulting from such Business Combination or the entity that acquired all or substantially all of the business or assets of the Company in such Sale (in either case, the "***Surviving Company***"), or the ultimate parent entity that has Beneficial Ownership of sufficient voting power to elect a majority of the board of directors (or analogous governing body) of the Surviving Company (the "***Parent Company***"), is represented by the Outstanding Company Voting Securities that were outstanding immediately prior to such Business Combination or Sale (or, if applicable, is represented by Shares into which the Outstanding Company Voting Securities were converted pursuant to such Business Combination or Sale), and such voting power among the holders thereof is in substantially the same proportion as the voting power of the Outstanding Company Voting Securities among the holders thereof immediately prior to the Business Combination or Sale, (B) no Person (other than any employee benefit plan sponsored or maintained by the Surviving Company or the Parent Company) is or becomes the beneficial owner, directly or indirectly, of 50% or more of the total voting power of the outstanding voting securities eligible to elect members of the board of directors (or the analogous governing body) of the Parent Company (or, if there is no Parent Company, the Surviving Company) and (C) at least a majority of the members of the board of directors (or the analogous governing body) of the Parent Company (or, if there is no Parent Company, the Surviving Company) following the consummation of the Business Combination or Sale were Board members at the time of the Board's approval of the execution of the initial agreement providing for such Business Combination or Sale.

(h) "***Code***" means the U.S. Internal Revenue Code of 1986, as amended, and any successor thereto. References to any section of the Code shall be deemed to include any regulations or other interpretative guidance under such section, and any amendments or successors thereto.

(i) "***Committee***" means the Compensation Committee of the Board or subcommittee thereof or, if no such committee or subcommittee thereof exists, or if the Board otherwise takes action hereunder on behalf of the Committee, the Board.

(j) "***Common Stock***" means the Class A common stock of the Company, par value of $0.00001 per share (and any stock or other securities into which such Class A common stock may be converted or into which it may be exchanged).

(k) "***Company***" has the meaning set forth in Section 1.

(l) "***Deferred Award***" means an Award granted pursuant to Section 13.

(m) "***Director***" means any member of the Company's Board.

(n) "***Disability***" means, unless otherwise provided in an Award Agreement, a determination that a Participant is disabled in accordance with a long-term disability insurance program maintained by the Company or a determination by the U.S. Social Security Administration that the Participant is totally disabled.

(o) "***dollar****" or* "***$***" shall refer to the United States dollars.

(p) "***Effective Date***" has the meaning set forth in Section 2.

(q) "***Eligible Person***" means any (i) individual employed by the Company or an Affiliate, (ii) Director or officer of the Company or an Affiliate, or (iii) consultant or advisor to the Company or an Affiliate who may be offered securities registrable on Form S-8 under the Securities Act.

(r) "***Exchange Act***" means the U.S. Securities Exchange Act of 1934, as amended, and any successor thereto. References to any section of (or rule promulgated under) the Exchange Act shall be deemed to include any rules, regulations or other interpretative guidance under such section or rule, and any amendments or successors thereto.

(s) "***Expiration Date***" has the meaning set forth in Section 2.

(t) "***Fair Market Value***" means, (i) with respect to a Share on a given date and except as otherwise expressly determined by the Committee, (x) if the Shares are listed on a national securities exchange, the closing sales price of a Share reported on such exchange on such date or, if there is no such sale on that date, then on the last preceding date on which such a sale was reported or (y) if the Shares are not listed on any national securities exchange, the amount determined by the Committee in good faith to be the fair market value of a Share or (ii) with respect to any other property on any given date, the amount determined by the Committee in good faith to be the fair market value of such other property as of such date.



(u) "***Incentive Stock Option***" means an Option that is designated by the Committee as an incentive stock option as described in Section 422 of the Code and otherwise meets the requirements set forth in the Plan.

(v) "***Intrinsic Value***" with respect to an Option or SAR means (i) the excess, if any, of the price or implied price per Share in a Change in Control or other event over (ii) the exercise or hurdle price of such Award multiplied by (iii) the number of Shares covered by such Award.

(w) "***Indemnifiable Person***" has the meaning set forth in Section 4(e).

(x) "***Nonqualified Stock Option***" means an Option that is not designated by the Committee as an Incentive Stock Option.

(y) "***NYSE***" means New York Stock Exchange.

(z) "***Option***" means an Award granted under Section 7.

(aa) "***Other Cash-Based Award***" means an Award granted under Section 10 that is denominated and/or payable in cash, including cash awarded as a bonus or upon the attainment of specific performance criteria or as otherwise permitted by the Plan or as contemplated by the Committee.

(bb) "***Other Stock-Based Award***" means an Award granted under Section 10.

(cc) "***Participant***" has the meaning set forth in Section 6.

(dd) "***Permitted Holders***" means, at any time, each of (i) Caryn Seidman-Becker, Kenneth Cornick, their spouse, children (natural or adopted), lineal descendants or the estates, heirs, executors, personal representatives, successors or administrators upon or as a result of the death, incapacity or incompetency of such Person, or any trust established for the benefit of (or any charitable trust or non-profit entity established by) any person mentioned in this clause (i), or any trustee, protector or similar person of such trust or non-profit entity or any Person, directly or indirectly, controlling, controlled by or under common control with any Permitted Holder mentioned in this clause (i), and (ii) each of Alclear Investments, LLC and Alclear Investments II, LLC.

(ee) "***Permitted Transferee***" has the meaning set forth in Section 15(b)(ii).

(ff) "***Person***" has the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its Affiliates, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Affiliates, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of Shares of the Company.

(gg) "***Restricted Period***" has the meaning set forth in Section 9(a).

(hh) "***Restricted Stock***" means any Share subject to certain specified restrictions and forfeiture conditions, granted pursuant to Section 9.

(ii) "***Restricted Stock Unit***" means a contractual right granted pursuant to Section 9 that is denominated in Shares. Each Restricted Stock Unit represents an unfunded and unsecured promise to deliver Shares, cash, other securities or other property, or a combination thereof, subject to certain specified restrictions, granted pursuant to Section 9.

(jj) "***Securities Act***" means the U.S. Securities Act of 1933, as amended, and any successor thereto. Reference in the Plan to any section of (or rule promulgated under) the Securities Act shall be deemed to include any rules, regulations or other interpretative guidance under such section or rule, and any amendments or successor provisions to such section, rules, regulations or other interpretive guidance.

(kk) "***Share***" means a share of Common Stock.

(ll) "***Stock Appreciation Right***" or "***SAR***" means an Award granted under Section 8.

(mm) "***Subsidiary***" means (i) any corporation or other entity a majority of whose outstanding voting stock or voting power is beneficially owned directly or indirectly by the Company and (ii) any other entity which the Committee determines should be treated as a "Subsidiary."

(nn) "***Substitute Award***" has the meaning set forth in Section 5(f).

**4. Administration**.

(a) Authority of the Committee. The Committee shall administer the Plan, and shall have the sole and plenary authority to (i) designate Participants, (ii) determine the type, size, and terms and conditions of Awards to be granted and to grant such Awards (including Substitute Awards), (iii) determine the method by which an Award may be settled, exercised, canceled, forfeited, suspended or repurchased by the Company, (iv) determine the circumstances under which the delivery of cash, property or other amounts payable with respect to an Award may be deferred, either automatically or at the Participant's or Committee's election, (v) interpret, administer, reconcile any inconsistency in, correct any defect in and supply any omission in the Plan and any Award granted under the Plan, (vi) establish, amend, suspend, or waive any rules and regulations and appoint such agents as the Committee shall deem appropriate for the proper administration of the Plan, (vii) accelerate or modify the vesting, delivery or exercisability of, or payment for or lapse of restrictions on, or waive any condition in respect of, Awards and (viii) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan or to comply with any applicable law. To the extent determined by the Board and/or required to comply with the provisions of Rule 16b-3 promulgated under the Exchange Act (if applicable and if the Board is not acting as the Committee under the Plan), or any exception or exemption under applicable securities laws or the applicable rules of the NYSE or any other securities exchange or inter-dealer quotation service on which the Shares are listed or quoted, as applicable, it is intended that each member of the Committee shall, at the time such member takes any action with respect to an Award under the Plan, be (1) a "non-employee director" within the meaning of Rule 16b-3 promulgated under the Exchange Act and/or (2) an "independent director" under the rules of the NYSE or any other securities exchange or inter-dealer quotation service on which the Shares are listed or quoted, or a person meeting any similar requirement under any successor rule or regulation; provided that the fact that a Committee member shall fail to qualify under the foregoing shall not invalidate any Award granted or action taken by the Committee that is otherwise validly granted or taken under the Plan.

(b) Delegation. The Committee may delegate all or any portion of its responsibilities and powers to any person(s) selected by it, except for grants of Awards to persons who are members of the Board or are otherwise subject to Section 16 of the Exchange Act. To the extent permitted by applicable law, including under Section 157(c) of the Delaware General Corporation Law, the Committee may delegate to one or more officers of the Company the authority to grant Options, SARs, Restricted Stock Units or other Awards in the form of rights to Shares, except that such delegation shall not be applicable to any Award for a Person then covered by Section 16 of the Exchange Act, and the Committee may delegate to one or more committees of the Board (which may consist of solely one Director) the authority to grant all types of awards, in accordance with applicable law. Any such delegation may be revoked by the Committee at any time.



(c) International Participants. As further set forth in Section 15(g), the Committee shall have the authority to amend the Plan and Awards, and to approval any sub-plans under the Plan, supplements to the Plan or alternative versions of the Plan, to the extent necessary to permit participation in the Plan by Eligible Persons who are located outside of the United States or are subject to laws outside of the United States on terms and conditions comparable to those afforded to Eligible Persons located within the United States; provided, however, that no such action shall be taken without stockholder approval if such approval is required by applicable securities laws or regulations or NYSE listing guidelines.

(d) Decisions Binding. Unless otherwise expressly provided in the Plan, all designations, determinations, interpretations, and other decisions regarding the Plan or any Award or any documents evidencing Awards granted pursuant to the Plan shall be within the sole discretion of the Committee, may be made at any time and shall be final, conclusive and binding upon all persons and entities, including, without limitation, the Company, any Affiliate, any Participant, any holder or beneficiary of any Award and any stockholder of the Company.

(e) Limitation of Liability. No member of the Board or the Committee, nor any employee or agent of the Company (each such person, an "***Indemnifiable Person***"), shall be liable for any action taken or omitted to be taken or any determination made with respect to the Plan or any Award hereunder (unless constituting fraud or a willful criminal act or willful criminal omission). Each Indemnifiable Person shall be indemnified and held harmless by the Company against and from any loss, cost, liability or expense (including attorneys' fees) that may be imposed upon or incurred by such Indemnifiable Person in connection with or resulting from any action, suit or proceeding to which such Indemnifiable Person may be involved as a party, witness or otherwise by reason of any action taken or omitted to be taken or determination made under the Plan or any Award Agreement and against and from any and all amounts paid by such Indemnifiable Person with the Company's approval (not to be unreasonably withheld), in settlement thereof, or paid by such Indemnifiable Person in satisfaction of any judgment in any such action, suit or proceeding against such Indemnifiable Person, and the Company shall advance to such Indemnifiable Person any such expenses promptly upon written request (which request shall include an undertaking by the Indemnifiable Person to repay the amount of such advance if it shall ultimately be determined as provided below that the Indemnifiable Person is not entitled to be indemnified); provided that the Company shall have the right, at its own expense, to assume and defend any such action, suit or proceeding, and once the Company gives notice of its intent to assume the defense, the Company shall have sole control over such defense with counsel of recognized standing of the Company's choice. The foregoing right of indemnification shall not be available to an Indemnifiable Person to the extent that a final judgment or other final adjudication (in either case not subject to further appeal) binding upon such Indemnifiable Person determines that the acts or omissions or determinations of such Indemnifiable Person giving rise to the indemnification claim resulted from such Indemnifiable Person's fraud or willful criminal act or willful criminal omission or that such right of indemnification is otherwise prohibited by law or by the Company's certificate of incorporation or bylaws. The foregoing right of indemnification shall not be exclusive of or otherwise supersede any other rights of indemnification to which such Indemnifiable Persons may be entitled under the Company's certificate of incorporation or by-laws, as a matter of law, individual indemnification agreement or contract, or otherwise, or any other power that the Company may have to indemnify such Indemnifiable Persons or hold them harmless.

(f) Board. The Board may at any time and from time to time grant Awards and administer the Plan with respect to such Awards. In any such case, the Board shall have all the authority granted to the Committee under the Plan.

**5. Grant of Awards; Available Shares for Awards; Limitations**.

(a) Awards. The Committee may grant Awards to one or more Eligible Persons. All Awards granted under the Plan shall vest and, if applicable, become exercisable in such manner and on such date or dates or upon such event or events (including without limitation any service-based or performance-based conditions) as determined by the Committee and as set forth in an Award Agreement.

(b) Available Shares. Subject to Section 11 and subsection (d) below, the maximum number of Shares available for issuance under the Plan as of the Effective Date shall be [●]. Commencing with the first business day of each calendar year beginning in 2022 through 2031, such number of Shares available for issuance under the Plan shall automatically increase each year by the least of (a) [●]% of the aggregate number of shares of all classes of common stock outstanding (that is, assuming conversion of all other classes of common stock into Class A common stock) on the final day of the immediately preceding calendar year, (b) [●] Shares, or (c) such number of Shares determined by the Committee. The maximum number of Shares that may be delivered pursuant to the exercise of Incentive Stock Options granted under the Plan shall not exceed ten times the number set forth in the first sentence above.

(c) Director Compensation Limit. The maximum amount (based on the fair value of Awards on the grant date as determined in accordance with applicable financial accounting rules) of Awards that may be granted in any single fiscal year to any non-employee Director, taken together with any cash fees paid to such non-employee Director during such fiscal year, shall be $[●], increased to $[●] for the fiscal year of a non-employee Director's initial service as a non-employee Director (which limits shall not apply to the compensation for any non-employee Director of the Company who serves in any capacity in addition to that of a non-employee Director for which he or she receives additional compensation).

(d) Share Counting. The number of Shares available hereunder shall be reduced by the number of Shares delivered for each Award granted under the Plan that is valued by reference to a Share; provided that Awards that are valued by reference to Shares but are required to or may be paid in cash pursuant to their terms shall not reduce the Shares available hereunder. If and to the extent that Awards terminate, expire or are cash settled, canceled, forfeited, exchanged or surrendered without having been exercised, vested or settled, the Shares subject to such Awards shall again be available for Awards hereunder. In addition, any (i) Shares tendered by Participants, or withheld by the Company, as full or partial payment to the Company upon the exercise of Stock Options granted under the Plan; (ii) Shares reserved for issuance upon the grant of Stock Appreciation Rights, to the extent that the number of reserved Shares exceeds the number of Shares actually issued upon the exercise of the Stock Appreciation Rights; and (iii) Shares withheld by, or otherwise remitted to, the Company to satisfy a Participant's tax withholding obligations upon the exercise of Options or SARs granted under the Plan, or upon the lapse of restrictions on, or settlement of, an Award, shall again be available hereunder.

(e) Source of Shares. Shares delivered by the Company in settlement of Awards may be authorized and unissued Shares, Shares held in the treasury of the Company, Shares purchased on the open market or by private purchase, or a combination of the foregoing.

(f) Substitute Awards(g). The Committee may grant Awards in assumption of, or in substitution for, outstanding awards previously granted by the Company or any Affiliate or an entity directly or indirectly acquired by the Company or with which the Company combines ("***Substitute Awards***"), and such Substitute Awards shall not be counted against the aggregate number of Shares available for Awards hereunder; provided, that Substitute Awards issued or intended as "incentive stock options" within the meaning of Section 422 of the Code shall be counted against the aggregate number of Incentive Stock Options available under the Plan.



**6. Eligibility**. Participation shall be for Eligible Persons who have been selected by the Committee or its delegate to receive grants under the Plan (each such Eligible Person, a "***Participant***"). Holders of options and other types of awards granted by a company acquired by the Company or with which the Company combines are eligible for grants of Substitute Awards under the Plan to the extent permitted under applicable regulations of any stock exchange on which the Company is listed.

**7. Options**.

(a) Generally. Each Option shall be subject to the conditions set forth in the Plan and in the applicable Award Agreement. All Options granted under the Plan shall be Nonqualified Stock Options unless the Award Agreement expressly states otherwise.

(b) Exercise Price. The exercise price per Share for each Option, which is the purchase price per Share underlying the Option, shall be determined by the Committee at the time of grant and, except in the case of a Substitute Award, such exercise price shall not be less than 100% of the Fair Market Value of a Share on the date of grant of such Option.

(c) Vesting, Exercise and Expiration. The Committee shall determine the manner and timing of vesting, exercise and expiration of Options. The period between the date of grant and the scheduled expiration date of the Option shall not exceed 10 years. The Committee may accelerate the vesting and/or exercisability of any Option, which acceleration shall not affect any other terms and conditions of such Option.

(d) Method of Exercise and Form of Payment. No Shares shall be delivered pursuant to any exercise of an Option until the Participant has paid the exercise price to the Company in full, and an amount equal to any applicable U.S. federal, state and local income and employment taxes and non-U.S. income and employment taxes, social contributions and any other tax-related items required to be withheld. Options may be exercised by delivery of written or electronic notice of exercise to the Company or its designee (including a third-party administrator) in accordance with the terms of the Option and the Award Agreement, accompanied by payment of the exercise price and such applicable taxes. The exercise price and delivery of all applicable required withholding taxes shall be payable (i) in cash or by check or cash equivalent or (ii) by such other method as the Committee may permit, in its sole discretion, including without limitation: (A) in the form of other property (including previously owned Shares; provided that such Shares are not subject to any pledge or other security interest and, except as otherwise determined by the Committee, have been held for at least six months) having a Fair Market Value on the date of exercise equal to the exercise price and all applicable required withholding taxes; (B) if there is a public market for the Shares at such time, by means of a broker-assisted "cashless exercise" pursuant to which the Company or its designee (including third-party administrators) is delivered a copy of irrevocable instructions to a stockbroker to sell the Shares otherwise deliverable upon the exercise of the Option and to deliver promptly to the Company an amount equal to the exercise price and all applicable required withholding taxes against delivery of the Shares to settle the applicable trade; or (C) by means of a "net exercise" procedure effected by withholding the minimum number of Shares otherwise deliverable in respect of an Option having a Fair Market Value on the date of exercise equal to the exercise price and all applicable required withholding taxes.

(e) Compliance with Laws. Notwithstanding the foregoing, in no event shall the Participant be permitted to exercise an Option in a manner that the Committee determines would violate the Sarbanes- Oxley Act of 2002, or any other applicable law or the applicable rules and regulations of the Securities and Exchange Commission or the applicable rules and regulations of any securities exchange or inter-dealer quotation service on which the Shares of the Company are listed or quoted.

(f) Incentive Stock Options. Incentive Stock Options shall be granted only subject to and in compliance with Section 422 of the Code, and only to Eligible Persons who are employees of the Company or of a subsidiary or parent corporation, within the meaning of Section 424 of the Code, of the Company. If for any reason an Option intended to be an Incentive Stock Option (or any portion thereof) shall not qualify as an Incentive Stock Option, then, to the extent of such nonqualification, such Option or portion thereof shall be regarded as a Nonqualified Stock Option properly granted under the Plan.

**8. Stock Appreciation Rights (SARs)**.

(a) Generally. Each SAR shall be subject to the conditions set forth in the Plan and in the applicable Award Agreement.

(b) Exercise Price. The exercise or hurdle price per Share for each SAR shall be determined by the Committee at the time of grant and, except in the case of a Substitute Award, such exercise or hurdle price shall not be less than 100% of the Fair Market Value of a Share on the date of grant of such SAR.

(c) Vesting, Exercise and Expiration. The Committee shall determine the manner and timing of vesting, exercise and expiration of SARs. The period between the date of grant and the scheduled expiration of the SAR shall not exceed 10 years. The Committee may accelerate the vesting and/or exercisability of any SAR, which acceleration shall not affect any other terms and conditions of such SAR.

(d) Method of Exercise and Form of Payment. SARs may be exercised by delivery of written or electronic notice of exercise to the Company or its designee (including a third-party administrator) in accordance with the terms of the SAR and the Award Agreement, specifying the number of SARs to be exercised and the date on which such SARs were awarded. Upon the exercise of a SAR, the Company shall pay to the holder thereof an amount equal to the number of Shares subject to the SAR that are being exercised multiplied by the excess, if any, of the Fair Market Value of one Share on the exercise date over the exercise or hurdle price, less an amount equal to any applicable U.S. federal, state and local income and employment taxes and non-U.S. income and employment taxes, social contributions and any other tax-related items required to be withheld. The Company shall pay such amount in cash, in Shares valued at Fair Market Value as determined on the date of exercise, or any combination thereof, as determined by the Committee. The Committee may provide for automatic exercise of a SAR prior to its expiration.

**9. Restricted Stock and Restricted Stock Units**.

(a) Generally. Each Restricted Stock and Restricted Stock Unit shall be subject to the conditions set forth in the Plan and the applicable Award Agreement. The Committee shall establish restrictions applicable to Restricted Stock and Restricted Stock Units, including the period over which the restrictions shall apply (the "***Restricted Period***"), and the time or times at which Restricted Stock or Restricted Stock Units shall become vested (which, for the avoidance of doubt, may include service- and/or performance-based vesting conditions). The Committee may accelerate the vesting and/or the lapse of any or all of the restrictions on Restricted Stock and Restricted Stock Units, which acceleration shall not affect any other terms and conditions of such Awards. No Share shall be issued at the time an Award of Restricted Stock Units is made, and the Company will not be required to set aside a fund for the payment of any such Award.



(b) Director Retainer Fees. To the extent permitted by the Board and subject to such rules, approvals and conditions as the Committee may impose from time to time, an Eligible Person who is a non-employee Director may elect to receive all or a portion of such Eligible Person's cash director fees and other cash director compensation payable for director services provided to the Company by such Eligible Person in any fiscal year, in whole or in part, in the form of Restricted Stock Units or Shares, which shall not count against the Shares available hereunder.

(c) Stock Certificates; Escrow or Similar Arrangement(d). Upon the grant of Restricted Stock, the Committee shall cause Share(s) to be registered in the name of the Participant, which may be evidenced in any manner the Committee may deem appropriate, including in book-entry form subject to the Company's directions or the issuance of a stock certificate registered in the name of the Participant. In such event, the Committee may provide that such certificates shall be held by the Company or in escrow rather than delivered to the Participant pending vesting and release of restrictions, in which case the Committee may require the Participant to execute and deliver to the Company or its designee (including third-party administrators) (i) an escrow agreement satisfactory to the Committee, if applicable, and (ii) the appropriate stock power (endorsed in blank) with respect to the Restricted Stock.

(e) Voting and Rights as a Stockholder. Subject to the restrictions set forth in the applicable Award Agreement, a Participant generally shall have the rights and privileges of a stockholder with respect to Awards of Restricted Stock, including, without limitation, the right to vote such Shares of Restricted Stock and the right to receive dividends; provided that the Committee may provide that any dividends will be subject to the same Restricted Period as the underlying Restricted Stock. A Restricted Stock Unit shall not convey to the Participant the rights and privileges of a stockholder with respect to the Share subject to the Restricted Stock Unit, such as the right to vote or the right to receive dividends, unless and until a Share is issued to the Participant to settle the Restricted Stock Unit.

(f) Restrictions; Forfeiture. Restricted Stock and Restricted Stock Units awarded to the Participant shall be subject to forfeiture until the expiration of the Restricted Period and the attainment of any other vesting criteria established by the Committee, and shall be subject to the restrictions on transferability set forth in the Award Agreement. Unless otherwise provided by the Committee, in the event of any forfeiture, all rights of the Participant to such Restricted Stock (or as a stockholder with respect thereto) and to such Restricted Stock Units, as applicable, shall terminate without further action or obligation on the part of the Company. The Committee shall have the authority to remove any or all of the restrictions on the Restricted Stock and Restricted Stock Units whenever it may determine that, by reason of changes in applicable laws or other changes in circumstances arising after the date of grant of the Restricted Stock Award or Restricted Stock Unit Award, such action is appropriate.

(g) Delivery of Restricted Stock and Settlement of Restricted Stock Units.

(i) Upon the expiration of the Restricted Period with respect to any Shares of Restricted Stock and the attainment of any other vesting criteria, the restrictions set forth in the applicable Award Agreement shall be of no further force or effect, except as set forth in the Award Agreement. If an escrow arrangement is used, upon such expiration the Company shall deliver to the Participant or such Participant's beneficiary or Permitted Transferee (via book-entry notation or, if applicable, in stock certificate form) the Shares of Restricted Stock with respect to which the Restricted Period has expired (rounded down to the nearest full Share). To the extent provided in an Award Agreement, dividends, if any, that may have been withheld by the Company and attributable to the Restricted Stock shall be distributed to the Participant in cash or in Shares (or a combination of cash and Shares) having a Fair Market Value (on the date of distribution) equal to the amount of such dividends, upon the release of restrictions on the Restricted Stock.



(ii) Unless otherwise provided by the Committee in an Award Agreement, upon the expiration of the Restricted Period and the attainment of any other vesting criteria established by the Committee in the applicable Award Agreement, with respect to any outstanding Restricted Stock Units, the Company shall deliver to the Participant, or such Participant's beneficiary (via book-entry notation or, if applicable, in stock certificate form), one Share (or other securities or other property, as

applicable) for each such outstanding Restricted Stock Unit that has not then been forfeited and with respect to which the Restricted Period has expired and any other such vesting criteria are attained, except to the extent an Award Agreement provides for payment in cash or otherwise and subject to any deferral of delivery specified in the Award Agreement. To the extent provided in an Award Agreement, dividend equivalents, if any, that may have been attributable to the Restricted Stock Units shall be distributed to the Participant in cash or in Shares (or a combination of cash and Shares) having a Fair Market Value (on the date of distribution) equal to the amount of such dividends, upon the release of restrictions on the associated Restricted Stock Units.

(h) Legends on Restricted Stock. Each certificate representing Shares of Restricted Stock awarded under the Plan, if any, shall bear as appropriate a legend referring to the restrictions in addition to any other information the Company deems appropriate until the lapse of all restrictions with respect to such Shares.

**10. Other Stock-Based Awards and Other Cash-Based Awards.** The Committee may issue unrestricted Shares, rights to receive future grants of Awards, or other Awards denominated in Shares (including performance shares or performance units), or Awards that provide for cash payments based in whole or in part on the value or future value of Shares ("***Other Stock-Based Awards***") and Other Cash-Based Awards under the Plan to Eligible Persons, alone or in tandem with other Awards, in such amounts as the Committee shall from time to time determine. Each Other Stock-Based Award shall be evidenced by an Award Agreement, which may include conditions including, without limitation, the payment by the Participant of the Fair Market Value of such Shares on the date of grant. Each Other Cash-Based Award granted under the Plan shall be evidenced in such form as the Committee may determine from time to time.

**11. Changes in Capital Structure and Similar Events.** In the event of (a) any dividend (other than regular cash dividends) or other distribution (whether in the form of cash, Shares, other securities or other property), recapitalization, stock split, reverse stock split, reorganization, merger, amalgamation, consolidation, split-up, split-off, spin-off, combination, repurchase or exchange of Shares or other securities of the Company, issuance of warrants or other rights to acquire Shares or other securities of the Company, or other similar corporate transaction or event (including, without limitation, a Change in Control) that affects the Shares or (b) unusual or nonrecurring events (including, without limitation, a Change in Control) affecting the Company, any Affiliate, or the financial statements of the Company or any Affiliate, or changes in applicable rules, rulings, regulations or other requirements of any governmental body or securities exchange or inter-dealer quotation service, accounting principles or law, such that in any case an adjustment is determined by the Committee to be necessary or appropriate, then the Committee shall (other than with respect to Other Cash-Based Awards), to the extent permitted under Section 409A of the Code, make any such adjustments in such manner as it may deem equitable, including, without limitation, any or all of the following:

(i) adjusting any or all of (A) the number of Shares or other securities of the Company (or number and kind of other securities or other property) that may be delivered in respect of Awards or with respect to which Awards may be granted under the Plan (including, without limitation, adjusting any or all of the limitations under Section 5) and (B) the terms of any outstanding Award, including, without limitation, (1) the number of Shares or other securities of the Company (or number and kind of other securities or other property) subject to outstanding Awards or to which outstanding Awards relate, (2) the exercise price with respect to any Award and/or (3) any applicable performance measures;



(ii) providing for a substitution or assumption of Awards, accelerating the delivery, vesting and/or exercisability of, lapse of restrictions and/or other conditions on, or termination of, Awards or providing for a period of time for Participants to exercise outstanding Awards prior to the occurrence of such event (and any such Award not so exercised shall terminate or become no longer exercisable upon the occurrence of such event); and

(iii) cancelling any one or more outstanding Awards and causing to be paid to the holders thereof, in cash, Shares, other securities or other property, or any combination thereof, the value of such Awards, if any, as determined by the Committee (which, if applicable, may be based upon the price per Share received or to be received by other stockholders of the Company in such event), including, without limitation, in the case of an outstanding Option or SAR, a cash payment in an amount equal to the excess, if any, of the Fair Market Value (as of a date specified by the Committee) of the Shares subject to such Option or SAR over the aggregate exercise price of such Option or SAR, respectively (it being understood that, in such event, any Option or SAR having a per Share exercise price equal to, or in excess of, the Fair Market Value (as of the date specified by the Committee) of a Share subject thereto may be canceled and terminated without any payment or consideration therefor);

provided, however, that the Committee shall make an equitable or proportionate adjustment to outstanding Awards to reflect any "equity restructuring" (within the meaning of the Financial Accounting Standards Codification Topic 718 (or any successor pronouncement thereto)). Any such adjustment hereunder shall be conclusive and binding for all purposes. In anticipation of the occurrence of any event listed in the first sentence of this Section 11, for reasons of administrative convenience, the Committee in its sole discretion may refuse to permit the exercise of any Award or as it otherwise may determine during a period of up to 30 days prior to, and/or up to 30 days after, the anticipated occurrence of any such event.

**12. Effect of Termination of Service or a Change in Control on Awards**

(a) Termination. To the extent permitted under Section 409A of the Code, the Committee may provide, by rule or regulation or in any applicable Award Agreement, or may determine in any individual case, the circumstances in which, and to the extent to which, an Award may be exercised, settled, vested, paid or forfeited in the event of the Participant's termination of service prior to the end of a performance period or vesting, exercise or settlement of such Award.

(b) Change in Control. In the event of a Change in Control, notwithstanding any provision of the Plan to the contrary, the Committee may provide for: (i) continuation or assumption of such outstanding Awards under the Plan by the Company (if it is the surviving corporation) or by the surviving corporation or its parent; (ii) substitution by the surviving corporation or its parent of awards with substantially the same terms and value for such outstanding Awards (in the case of an Option or SAR, the Intrinsic Value at grant of such Substitute Award shall equal the Intrinsic Value of the Award); (iii) acceleration of the vesting (including the lapse of any restrictions) or right to exercise such outstanding Awards immediately prior to or as of the date of the Change in Control, and the expiration of such outstanding Awards to the extent not timely exercised by the date of the Change in Control or other date thereafter designated by the Committee; or (iv) cancellation of any outstanding Award and payment to the Participant who holds such Award in an amount equal to the Intrinsic Value of such Award (which may be equal to but not less than zero), which, if in excess of zero, shall be payable following the effective date of such Change in Control. For the avoidance of doubt, in the event of a Change in Control, the Committee may, in its sole discretion, terminate any Option or SAR for which the exercise or hurdle price is equal to or exceeds the per Share value of the consideration to be paid in the Change in Control transaction, without payment of consideration therefor.



**13. Deferred Awards**. The Committee is authorized, subject to limitations under applicable law, to grant to Participants Deferred Awards, which may be a right to receive Shares or cash under the Plan (either independently or as an element of or supplement to any other Award under the Plan), including, as may be required by any applicable law or regulations or determined by the Committee, in lieu of any annual bonus, commission or retainer that may be payable to a Participant under any applicable, bonus, commission or retainer plan or arrangement. The Committee shall determine the terms and conditions of such Deferred Awards, including, without limitation, the method of converting the amount of annual bonus into a Deferred Award, if applicable, and the form, vesting, settlement, forfeiture and cancellation provisions or any other criteria, if any, applicable to such Deferred Awards. Shares underlying a Share-denominated Deferred Award, which is subject to a vesting schedule or other conditions or criteria, including forfeiture or cancellation provisions, set by the Committee shall not be issued until or following the date that those conditions and criteria have been satisfied.

Deferred Awards shall be subject to such restrictions as the Committee may impose (including any limitation on the right to vote a Share underlying a Deferred Award or the right to receive any dividend, dividend equivalent or other right), which restrictions may lapse separately or in combination at such time or times, in such installments or otherwise, as the Committee may deem appropriate. The Committee may determine the form or forms (including cash, Shares, other Awards, other property or any combination thereof) in which payment of the amount owing upon settlement of any Deferred Award may be made.

**14. Amendments and Termination**.

(a) Amendment and Termination of the Plan. The Board may amend, alter, suspend, discontinue or terminate the Plan or any portion thereof at any time; provided that no such amendment, alteration, suspension, discontinuance or termination shall be made without stockholder approval if such approval is necessary to comply with any tax or regulatory requirement applicable to the Plan (including, without limitation, as necessary to comply with any applicable rules or requirements of any securities exchange or inter-dealer quotation service on which the Shares may be listed or quoted, for changes in GAAP to new accounting standards); provided, further, that any such amendment, alteration, suspension, discontinuance or termination that would materially and adversely affect the rights of any Participant or any holder or beneficiary of any Award theretofore granted shall not to that extent be effective without the consent of the affected Participant, holder or beneficiary, unless the Committee determines that such amendment, alteration, suspension, discontinuance or termination is either required or advisable in order for the Company, the Plan or the Award to satisfy any applicable law or regulation.

(b) Amendment of Award Agreements. The Committee may, to the extent not inconsistent with the terms of any applicable Award Agreement or the Plan, 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 (including after the Participant's termination of employment or service with the Company); provided that any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would materially and adversely affect the rights of any Participant with respect to any Award theretofore granted shall not to that extent be effective without the consent of the affected Participant unless the Committee determines that such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination is either required or advisable in order for the Company, the Plan or the Award to satisfy any applicable law or regulation; provided, further, that except as otherwise permitted under Section 11, if (i) the Committee reduces the exercise price of any Option or of any SAR, (ii) the Committee cancels any outstanding Option or SAR and replaces it with a new Option or SAR (with a lower exercise price, as the case may be) or other Award or cash in a manner that would either (A) be reportable on the Company's proxy statement or Form 10-K (if applicable) as Options that have been "repriced" (as such term is used in Item 402 of Regulation S-K promulgated under the Exchange Act) or (B) result in any "repricing" for financial statement reporting purposes (or otherwise cause the Award to fail to qualify for equity accounting treatment), (iii) take any other action that is considered a "repricing" for purposes of the stockholder approval rules of the applicable securities exchange or inter-dealer quotation service on which the Share is listed or quoted and/or (iv) cancel any outstanding Option or SAR that has a per Share exercise price (as applicable) at or above the Fair Market Value of a Share on the date of cancellation, and pay any consideration to the holder thereof, whether in cash, securities or other property, or any combination thereof, then, in the case of the immediately preceding clauses (i) through (iv), any such action shall not be effective without stockholder approval.



**15. General**.

(a) Award Agreements; Other Agreements. Each Award (other than an Other Cash-Based Award) under the Plan shall be evidenced by an Award Agreement, which shall be delivered (whether in written or electronic form) to the Participant and shall specify the terms and conditions of the Award and any rules applicable thereto. In the event of any conflict between the terms of the Plan and any Award Agreement or employment, change-in-control, severance or other agreement in effect with the Participant, the terms of the Plan shall control.

(b) Nontransferability.

(i) Each Award shall be exercisable only by the Participant during the Participant's lifetime or, if permissible under applicable law or the Plan, by the Participant's legal guardian or representative or beneficiary or Permitted Transferee. No Award may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Participant other than by will or by the laws of descent and distribution or as set forth below in clause (ii), and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company or an Affiliate; provided that the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance.

(ii) Notwithstanding the foregoing, the Committee may permit Awards (other than Incentive Stock Options) to be transferred by the Participant, without consideration, subject to such rules as the Committee may adopt, to (A) any person who is a "family member" of the Participant, as such term is used in the instructions to Form S-8 under the Securities Act or any successor form of registration statements promulgated by the Securities and Exchange Commission (collectively, the "Immediate Family Members"); (B) a trust solely for the benefit of the Participant or the Participant's Immediate Family Members; (C) a partnership or limited liability company whose only partners or stockholders are the Participant and the Participant's Immediate Family Members; or (D) any other transferee as may be approved either (1) by the Board or the Committee, or (2) as provided in the applicable Award Agreement; (each transferee described in clause (A), (B), (C) or (D) above is hereinafter referred to as a "***Permitted Transferee***"); provided, that the Participant gives the Committee or its delegate advance written notice describing the terms and conditions of the proposed transfer and the Committee or its delegate notifies the Participant in writing that such a transfer would comply with the requirements of the Plan.

(iii) The terms of any Award transferred in accordance with the immediately preceding subsection shall apply to the Permitted Transferee, and any reference in the Plan, or in any applicable Award Agreement, to the Participant shall be deemed to refer to the Permitted Transferee, except that, unless otherwise provided by the Committee, (A) Permitted Transferees shall not be entitled to transfer any Award, other than by will or the laws of descent and distribution; (B) Permitted Transferees shall not be entitled to exercise any transferred Option unless there shall be in effect a registration statement on an appropriate form covering the Shares to be acquired pursuant to the exercise of such Option if the Committee determines, consistent with any applicable Award Agreement, that such a registration statement is necessary or appropriate; (C) the Committee or the Company shall not be required to provide any notice to a Permitted Transferee, whether or not such notice is or would otherwise have been required to be given to the Participant under the Plan or otherwise; (D) the consequences of the termination of the Participant's employment by, or services to, the Company or an Affiliate under the terms of the Plan and the applicable Award Agreement shall continue to be applied with respect to the transferred Award, including, without limitation, that an Option shall be exercisable by the Permitted Transferee only to the extent, and for the periods, specified in the Plan and the applicable Award Agreement; and (E) any non-competition, non-solicitation, non-disparagement, non-disclosure, or other restrictive covenants contained in any Award Agreement or other agreement between the Participant and the Company or any Affiliate shall continue to apply to the Participant.



(c) Dividends and Dividend Equivalents. The Committee may specify in the applicable Award Agreement that any or all dividends, dividend equivalents or other distributions, as applicable, with respect to Restricted Stock or Restricted Stock Units prior to vesting or settlement, as applicable, be paid either in cash or in additional Shares and 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.

(d) No Fractional Shares. No fractional Shares shall be issued or delivered pursuant to the Plan or an Award, and the Committee shall determine whether cash or other securities shall be paid or transferred in lieu of any fractional Shares, or whether such fractional Shares or any rights thereto shall be cancelled, terminated or otherwise eliminated.

(e) Tax Withholding.

(i) The Participant shall be required to pay to the Company or any Affiliate, and the Company or any Affiliate shall have the right (but not the obligation) and is hereby authorized to withhold, from any cash, Shares, other securities or other property deliverable under any Award or from any compensation or other amounts owing to the Participant, the amount (in cash, Shares, other securities or other property) of any required withholding taxes in respect of an Award, its exercise, or any payment or transfer under an Award or under the Plan and to take such other action that the Committee or the Company deems necessary to satisfy all obligations for the payment of such withholding taxes.

(ii) Without limiting the generality of paragraph (i) above, the Committee may permit the Participant to satisfy, in whole or in part, the foregoing withholding liability by (A) payment in cash; (B) the delivery of Shares (which Shares are not subject to any pledge or other security interest) owned by the Participant having a Fair Market Value on such date equal to such withholding liability, provided that such Shares have been held for more than six months unless otherwise permitted by the Committee in consideration of accounting standards; or (C) having the Company withhold from the number of Shares otherwise issuable or deliverable pursuant to the exercise or settlement of the Award a number of Shares with a Fair Market Value on such date equal to such withholding liability, which shall be determined at the minimum statutory rate in a Participant's applicable jurisdiction, unless otherwise authorized by the Committee up to the maximum statutory rate in a Participant's applicable jurisdiction. In addition, subject to any requirements of applicable law, the Participant may also satisfy the tax withholding obligations by other methods, including selling Shares that would otherwise be available for delivery; provided that the Board or the Committee has specifically approved such payment method in advance.



(f) No Claim to Awards; No Rights to Continued Employment, Directorship or Engagement. No employee, Director of the Company, consultant providing service to the Company or an Affiliate, or other person shall have any claim or right to be granted an Award under the Plan or, having been selected for the grant of an Award, to be selected for a grant of any other Award. There is no obligation for uniformity of treatment of Participants or holders or beneficiaries of Awards. The terms and conditions of Awards and the Committee's determinations and interpretations with respect thereto need not be the same with respect to each Participant and may be made selectively among Participants, whether or not such Participants are similarly situated. Neither the Plan nor any action taken hereunder shall be construed as giving any Participant any right to be retained in the employ or service of the Company or an Affiliate, or to continue in the employ or the service of the Company or an Affiliate, nor shall it be construed as giving any Participant who is a Director any rights to continued service on the Board.

(g) International Participants. With respect to Participants who reside or work outside of the United States or are subject to non-U.S. legal restrictions or regulations, the Committee may amend the terms of the Plan or appendices thereto, or outstanding Awards, with respect to such Participants, in order to conform such terms with or accommodate the requirements of local laws, procedures or practices or to obtain more favorable tax or other treatment for the Participant, the Company or its Affiliates. Without limiting the generality of this subsection, the Committee is specifically authorized to adopt rules, procedures and sub-plans with provisions that limit or modify rights on death, disability, retirement or other terminations of employment, available methods of exercise or settlement of an Award, payment of income, social insurance contributions or payroll taxes, withholding procedures and handling of any stock certificates or other indicia of ownership that vary with local requirements. The Committee may also adopt rules, procedures or sub-plans applicable to particular Affiliates or locations.

(h) Beneficiary Designation. The Participant's beneficiary shall be the Participant's spouse (or domestic partner if such status is recognized by the Company and in such jurisdiction) or, if the Participant is otherwise unmarried at the time of death, the Participant's estate, except to the extent that a different beneficiary is designated in accordance with procedures that may be established by the Committee from time to time for such purpose. Notwithstanding the foregoing, in the absence of a beneficiary validly designated under such Committee-established procedures and/or applicable law who is living (or in existence) at the time of death of a Participant residing or working outside the United States, any required distribution under the Plan shall be made to the executor or administrator of the estate of the Participant, or to such other individual as may be prescribed by applicable law.

(i) Termination of Employment or Service. The Committee, in its sole discretion, shall determine the effect of all matters and questions related to the termination of employment of or service of a Participant. Unless determined otherwise by the Committee or as otherwise provided in an Award Agreement: (i) neither a temporary absence from employment or service due to illness, vacation or leave of absence (including, without limitation, a call to active duty for military service through a Reserve or National Guard unit) nor a transfer from employment or service with the Company to employment or service with an Affiliate (or vice versa) shall be considered a termination of employment or service with the Company or an Affiliate; and (ii) if the Participant's employment with the Company or its Affiliates terminates, but such Participant continues to provide services with such Company or such Affiliate in a non-employee capacity (including as a non-employee Director) (or vice versa), such change in status shall not be considered a termination of employment or service with the Company or an Affiliate for purposes of the Plan.

(j) No Rights as a Stockholder. Except as otherwise specifically provided in the Plan or any Award Agreement, no person shall be entitled to the privileges of ownership in respect of Shares that are subject to Awards hereunder until such Shares have been issued or delivered to that person.



(k) Government and Other Regulations.

(i) Nothing in the Plan shall be deemed to authorize the Committee or Board or any members thereof to take any action contrary to applicable law or regulation, or rules of the NYSE or any other securities exchange or inter-dealer quotation service on which the Shares are listed or quoted.

(ii) The obligation of the Company to settle Awards in Shares or other consideration shall be subject to all applicable laws, rules and regulations, and to such approvals by governmental agencies as may be required. Notwithstanding any terms or conditions of any Award to the contrary, the Company shall be under no obligation to offer to sell or to sell, and shall be prohibited from offering to sell or selling, any Shares pursuant to an Award unless such Shares have been properly registered for sale pursuant to the Securities Act with the Securities and Exchange Commission or unless the Company has received an opinion of counsel, satisfactory to the Company, that such Shares may be offered or sold without such registration pursuant to and in compliance with the terms of an available exemption. The Company shall be under no obligation to register for sale under the Securities Act any of the Shares to be offered or sold under the Plan. The Committee shall have the authority to provide that all Shares or other securities of the Company or any Affiliate delivered under the Plan shall be subject to such stop-transfer orders and other restrictions as the Committee may deem advisable under the Plan, the applicable Award Agreement, U.S. federal securities laws, or the rules, regulations and other requirements of the U.S. Securities and Exchange Commission, any securities exchange or inter-dealer quotation service upon which such Shares or other securities of the Company are then listed or quoted and any other applicable federal, state, local or non-U.S. laws, rules, regulations and other requirements, and, without limiting the generality of Section 9, the Committee may cause a legend or legends to be put on any such certificates of Shares or other securities of the Company or any Affiliate delivered under the Plan to make appropriate reference to such restrictions or may cause such Shares or other securities of the Company or any Affiliate delivered under the Plan in book-

entry form to be held subject to the Company's instructions or subject to appropriate stop-transfer orders. Notwithstanding any provision in the Plan to the contrary, the Committee reserves the right to add any additional terms or provisions to any Award granted under the Plan that it in its sole discretion deems necessary or advisable in order that such Award complies with the legal requirements of any governmental entity to whose jurisdiction the Award is subject.

(l) Payments to Persons Other Than Participants. If the Committee shall find that any person to whom any amount is payable under the Plan is unable to care for such person's affairs because of illness or accident, or is a minor, or has died, then any payment due to such person or such person's estate (unless a prior claim therefor has been made by a duly appointed legal representative or a beneficiary designation form has been filed with the Company) may, if the Committee so directs the Company, be paid to such person's spouse, child or relative, or an institution maintaining or having custody of such person, or any other person deemed by the Committee to be a proper recipient on behalf of such person otherwise entitled to payment. Any such payment shall be a complete discharge of the liability of the Committee and the Company therefor.

(m) Nonexclusivity of the Plan. Neither the adoption of the Plan by the Board nor the submission of the Plan to the stockholders of the Company for approval shall be construed as creating any limitations on the power of the Board to adopt such other incentive arrangements as it may deem desirable, including, without limitation, the granting of stock options or awards otherwise than under the Plan, and such arrangements may be either applicable generally or only in specific cases.



(n) No Trust or Fund Created. Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate, on the one hand, and the Participant or other person or entity, on the other hand. No provision of the Plan or any Award shall require the Company, for the purpose of satisfying any obligations under the Plan, to purchase assets or place any assets in a trust or other entity to which contributions are made or to otherwise segregate any assets, nor shall the Company maintain separate bank accounts, books, records or other evidence of the existence of a segregated or separately maintained or administered fund for such purposes. Participants shall have no rights under the Plan other than as unsecured general creditors of the Company.

(o) Reliance on Reports. Each member of the Committee and each member of the Board (and each such member's respective designees) shall be fully justified in acting or failing to act, as the case may be, and shall not be liable for having so acted or failed to act in good faith, in reliance upon any report made by the independent, registered public accounting firm of the Company and its Affiliates and/or any other information furnished in connection with the Plan by any agent of the Company or the Committee or the Board, other than such member or designee.

(p) Relationship to Other Benefits. No payment under the Plan shall be taken into account in determining any benefits under any pension, retirement, profit sharing, group insurance or other benefit plan of the Company except as otherwise specifically provided in such other plan.

(q) Governing Law. The Plan shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to principles of conflicts of laws thereof, or principles of conflicts of laws of any other jurisdiction that could cause the application of the laws of any jurisdiction other than the State of Delaware.

(r) Severability. If any provision of the Plan or any Award or Award Agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or as to any person or entity or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or, if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award, such provision shall be construed or deemed stricken as to such jurisdiction, person or entity or Award, and the remainder of the Plan and any such Award shall remain in full force and effect.

(s) Obligations Binding on Successors. The obligations of the Company under the Plan shall be binding upon any successor corporation or organization resulting from the merger, consolidation or other reorganization of the Company, or upon any successor corporation or organization succeeding to all or substantially all of the assets and business of the Company.

(t) Section 409A of the Code.

(i) It is intended that the Plan comply with Section 409A of the Code, and all provisions of the Plan shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A of the Code. Each Participant is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or in respect of such Participant in connection with the Plan or any other plan maintained by the Company, including any taxes and penalties under Section 409A of the Code, and neither the Company nor any Affiliate shall have any obligation to indemnify or otherwise hold such Participant or any beneficiary harmless from any or all of such taxes or penalties. With respect to any Award that is considered "deferred compensation" subject to Section 409A of the Code, references in the Plan to "termination of employment" (and substantially similar phrases) shall mean "separation from service" within the meaning of Section 409A of the Code. For purposes of Section 409A of the Code, each of the payments that may be made in respect of any Award granted under the Plan is designated as a separate payment.



(ii) Notwithstanding anything in the Plan to the contrary, if the Participant is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, no payments or deliveries in respect of any Awards that are "deferred compensation" subject to Section 409A of the Code shall be made to such Participant prior to the date that is six months after the date of such Participant's "separation from service" within the meaning of Section 409A of the Code or, if earlier, the Participant's date of death. All such delayed payments or deliveries will be paid or delivered (without interest) in a single lump sum on the earliest date permitted under Section 409A of the Code that is also a business day.

(iii) In the event that the timing of payments in respect of any Award that would otherwise be considered "deferred compensation" subject to Section 409A of the Code would be accelerated upon the occurrence of (A) a Change in Control, no such acceleration shall be permitted unless the event giving rise to the Change in Control satisfies the definition of a change in the ownership or effective control of a corporation, or a change in the ownership of a substantial portion of the assets of a corporation pursuant to Section 409A of the Code and any Treasury Regulations promulgated thereunder, or (B) a Disability, no such acceleration shall be permitted unless the Disability also satisfies the definition of "disability" pursuant to Section 409A of the Code and any Treasury Regulations promulgated thereunder.

(u) Clawback/Forfeiture. The Committee shall have full authority to implement any policies and procedures necessary to comply with Section 10D of the Exchange Act and any rules promulgated thereunder and any other regulatory regimes. Notwithstanding anything to the contrary contained herein, the Committee may, to the extent permitted by applicable law and stock exchange rules or by any applicable Company policy or arrangement, and shall, to the extent required, cancel or require reimbursement of any Awards granted to the Participant or any Shares issued or cash received upon vesting, exercise or settlement of any such Awards or sale of Shares underlying such Awards. By accepting an Award, the Participant agrees that the Participant is subject to any clawback policies of the Company in effect from time to time.

(v) No Representations or Covenants with Respect to Tax Qualification. Although the Company may endeavor to (i) qualify an Award for favorable U.S. or non-U.S. tax treatment or (ii) avoid adverse tax treatment, the Company makes no representation to that effect and expressly disavows any covenant to maintain favorable or avoid unfavorable tax treatment. The Company shall be unconstrained in its corporate activities without regard to the potential negative tax impact on holders of Awards under the

Plan.

(w) No Interference. The existence of the Plan, any Award Agreement and the Awards granted hereunder shall not affect or restrict in any way the right or power of the Company, the Board, the Committee or the stockholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, any merger or consolidation of the Company, any issue of stock or of options, warrants, or rights to purchase stock or of bonds, debentures, or preferred or prior preference stocks whose rights are superior to or affect the Shares or the rights thereof or that are convertible into or exchangeable for Shares, or the dissolution or liquidation of the Company or any Affiliate, or any sale or transfer of all or any part of their assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

(x) Expenses; Titles and Headings. The expenses of administering the Plan shall be borne by the Company and its Affiliates. The titles and headings of the sections in the Plan are for convenience of reference only, and, in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control.



(y) Whistleblower Acknowledgments. Notwithstanding anything to the contrary herein, nothing in this Plan or any Award Agreement will (i) prohibit a Participant from making reports of possible violations of federal law or regulation to any governmental agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Exchange Act or Section 806 of the Sarbanes-Oxley Act of 2002, or of any other whistleblower protection provisions of federal law or regulation, or (ii) require prior approval by the Company or any of its Affiliates of any reporting described in clause (i).

(z) Lock-Up Agreements. The Committee may require a Participant receiving Shares pursuant to the Plan, as a condition precedent to receipt of such Shares, to enter into a shareholder agreement or "lock-up" agreement in such form as the Committee shall determine is necessary or desirable to further the Company's interests.

(aa) Restrictive Covenants. The Committee may impose restrictions on any Award with respect to non-competition, non-solicitation, confidentiality and other restrictive covenants as it deems necessary or appropriate in its sole discretion.

**Exhibit 10.9**

**CLEAR SECURE, INC.**
**2021 OMNIBUS INCENTIVE PLAN**
**NOTICE OF GRANT OF NONQUALIFIED STOCK OPTIONS**

The undersigned Participant has been granted stock options ("Options") to purchase Common Stock of the Company, subject to the terms and conditions of this Notice, the attached Nonqualified Stock Option Award Agreement and the 2021 Omnibus Incentive Plan (as amended from time to time, the "Plan"), as follows:

| | |
|---|---|
| **Participant:** | [__] |
| **Number of Shares Underlying Options:** | [__] |
| **Date of Grant:** | [__] |
| **Exercise Price Per Share:** | $[__] |
| **Expiration Date:** | [_____], subject to earlier termination as set forth in the Agreement. |
| **Vesting Schedule:** | Except as otherwise provided in the Nonqualified Stock Option Award Agreement attached hereto as Annex I, the Options shall vest as follows: [_____] (each such date, a "Vesting Date"), subject to the Participant's continued employment with, service as a director of, or engagement to provide services to the Company or any of its Affiliates ("Continued Service") through the applicable Vesting Date. Any fractional portion of the Options resulting from the application of the Vesting Schedule shall be aggregated and the portion of the Options resulting from such aggregation shall vest on the final Vesting Date. |

By accepting (whether in writing, electronically or otherwise) the Options, you acknowledge and agree that the Options are granted under and governed by the additional terms and conditions of the Plan and the Nonqualified Stock Option Award Agreement attached hereto as Annex I, each of which is hereby made a part of this document.

**PARTICIPANT**

_____

**CLEAR SECURE, INC.**

By: _____
Title: _____

**ANNEX I**

**CLEAR SECURE, INC**
**2021 OMNIBUS INCENTIVE PLAN**
**NONQUALIFIED STOCK OPTION**
**AWARD AGREEMENT**

Pursuant to the Notice of Grant of Nonqualified Stock Options ("Notice") and this Nonqualified Stock Option Award Agreement together with the Notice, this "Award Agreement"), Clear Secure, Inc. (together with its Subsidiaries, whether existing or thereafter acquired or formed, and any and all successor entities, the "Company") has granted the Participant options to acquire shares of Common Stock ("Options") under the Clear Secure, Inc. 2021 Omnibus Incentive Plan (as amended from time to time, the "Plan") with respect to the number of Shares indicated in the Notice. The Options are granted to the Participant effective as of the Date of Grant set forth in the Notice. Capitalized terms not explicitly defined in this Award Agreement or in the Notice but defined in the Plan shall have the same definitions as in the Plan.

**1. Terms of Option.**

(a) Grant. The Options are not intended to qualify as Incentive Stock Options and so are Nonqualified Stock Options. The Options shall vest and become exercisable in accordance with Section 2. The exercise price per Share is set forth in the Notice.

(b) Incorporation by Reference. The provisions of the Plan are incorporated herein by reference. Except as otherwise expressly set forth herein, this Agreement shall be construed in accordance with the provisions of the Plan and any interpretations, amendments, rules and regulations promulgated by the Committee from time to time pursuant to the Plan. The Committee shall have final authority to interpret and construe the Plan and this Agreement and to make any and all determinations under them, and its decision shall be binding and conclusive upon the Participant and the Participant's beneficiary in respect of any questions arising under the Plan or this Award Agreement. The Participant acknowledges that the Participant has received a copy of the Plan and has had an opportunity to review the Plan and agrees to be bound by all the terms and provisions of the Plan and this Award Agreement.

**2. Vesting and Exercisability.** Except as may otherwise be provided herein, the Options shall vest and become exercisable according to the schedule set forth under Vesting Schedule in the Notice. The Options shall become exercisable to the extent vested.

**3. Termination of Employment or Services; Change in Control.**

(a) If the Participant's Continued Service terminates for any reason, the unvested portion of the Options shall be canceled immediately and the Participant shall immediately forfeit without any consideration any rights to the Shares subject to such unvested portion, subject to clause (b) below.

(b) In the event of a Change in Control, if (i) the Options are not assumed, continued or substituted as provided in Section 12(b) of the Plan, or (ii) if the Participant incurs an involuntary termination without Cause (as determined by the Board, in its sole discretion, taking into consideration its powers under the Plan and any offers of employment by an acquirer (or its affiliates) in connection with such Change in Control) [or resigns with Good Reason, in each case,] within [three months before or]

12 months after the Change in Control, 100% of the Options then held by Participant (or the applicable assumed or substituted Award) shall become fully vested and exercisable.

(c) [For purposes of this Award Agreement, "Good Reason" shall mean, for any Participant that has an employment agreement or offer letter or similar agreement with the Company or its Affiliates that contains a definition of "Good Reason" (or term of similar meaning), the definition of "Good Reason" in such employment agreement or offer letter or similar agreement, and for any other Participant: (i) a reduction in the Participant's base salary; (ii) a material reduction in the Participant's annual bonus opportunity; or (iii) a geographical relocation of the Participant's primary work location to be any place outside a 50-mile radius from the Participant's primary work location as of the Change in Control. The Participant's employment with the Company shall have been considered terminated with Good Reason if the Participant provides the Company with written notice (within ninety (90) days following the initial occurrence of the situation establishing the basis for Good Reason) setting forth the facts and circumstances resulting in Good Reason and allows the Company thirty (30) days to cure the situation. If the Company fails to cure and the Participant terminates his or her employment within thirty (30) days following the cure period, such termination shall be considered with Good Reason.]

**4. Expiration.**

(a) In no event shall all or any portion of the Options be exercisable after the Expiration Date set forth in the Notice (such maximum period following the Date of Grant, the "Option Period").

(b) If, prior to the end of the Option Period, the Participant's Continued Service is terminated without Cause or by the Participant for any reason, then the Options shall expire on the earlier of the last day of the Option Period and the date that is 90 days after the date of such termination, but shall be exercisable only to the extent that the Options were exercisable at the time of such termination.

(c) If (i) the Participant's Continued Service is terminated prior to the end of the Option Period on account of the Participant's Disability, (ii) the Participant dies while still in Continued Service, or (iii) the Participant dies following a termination described in subsection (b) above but prior to the expiration of an Option, the Options shall expire on the earlier of the last day of the Option Period and the date that is one year after the date of death or termination on account of Disability of the Participant, as applicable, but shall be exercisable by the Participant or Participant's beneficiary, as applicable, only to the extent that the Options were exercisable at the time of such termination.

(d) If the Participant's Continued Service ceases due to a termination for Cause, the Options (whether vested or unvested) shall expire immediately upon such termination.

**5. Method of Exercise and Form of Payment.** No Shares shall be delivered pursuant to any exercise of the Options until the Participant has paid in full to the Company the exercise price and an amount equal to any U.S. federal, state, local and non-U.S. income and employment taxes required to be withheld. The Options may be exercised by delivery of written or electronic notice of exercise to the Company or its designee (including a third-party administrator) in accordance with the terms hereof. The exercise price and all applicable required withholding taxes shall be payable (i) in cash, check, cash equivalent; or (ii) by such other method as the Committee may permit, including without limitation: (A) in the form of other property (including previously owned Shares; provided that such Shares are not subject to any pledge or other security interest and, except as otherwise determined by the Committee, have been held for at least six months) having a Fair Market Value on the date of exercise equal to the exercise price and all applicable required withholding taxes, (B) if there is a public market for the shares of Common Stock at such time, by means of a broker-assisted "cashless exercise" pursuant to which the Company or its designee (including third-party administrators) is delivered a copy of irrevocable instructions to a stockbroker to sell the shares of Common Stock otherwise deliverable upon the exercise of the Options and to deliver promptly to the Company an amount equal to the exercise price and all applicable required withholding taxes against delivery of the shares of Common Stock to settle the applicable trade, or (C) by means of a "net exercise" procedure effected by withholding the minimum number of shares of Common Stock otherwise deliverable in respect of Options having a Fair Market Value on the date of exercise equal to the exercise price and all applicable required withholding taxes.



**6. No Rights as a Stockholder.** The Participant shall not be deemed for any purpose (including without limitation any right to vote or receive dividends or any other stockholder rights) be the owner of any shares of Common Stock hereunder unless, until and to the extent that (i) the applicable of the Options shall have been exercised pursuant to its terms, (ii) the Company shall have issued and delivered to the Participant the Shares and (iii) the Participant's name shall have been entered as a stockholder of record with respect to such Shares on the books of the Company. The Company shall cause the actions described in clauses (ii) and (iii) of the preceding sentence to occur promptly following settlement as contemplated by this Award Agreement, subject to compliance with applicable laws.

**7. Compliance with Legal Requirements.**

(a) Generally. The granting and exercising of the Option, and any other obligations of the Company under this Award Agreement, shall be subject to all applicable U.S. federal, state and local laws, rules and regulations, all applicable non-U.S. laws, rules and regulations and to such approvals by any regulatory or governmental agency as may be required. The Participant agrees to take all steps that the Committee or the Company determines are reasonably necessary to comply with all applicable provisions of U.S. federal and state securities law and non-U.S. securities law in exercising the Participant's rights under this Award Agreement.

(b) Tax Withholding. Any exercise of the Options shall be subject to the Participant's satisfying any applicable U.S. federal, state and local tax withholding obligations and non-U.S. tax withholding obligations. The Company shall have the right and is hereby authorized to withhold from any amounts payable to the Participant in connection with the Options or otherwise the amount of any required withholding taxes in respect of the Option, its exercise or any payment or transfer of the Options or under the Plan and to take any such other action as the Committee or the Company deem necessary to satisfy all obligations for the payment of such withholding taxes, including the right to use a broker-assisted "cashless exercise" as described in Section 5(ii)(B) hereof. The Company may permit the Participant, and may require the Participant, to satisfy, in whole or in part, the tax obligations by withholding shares of Common Stock that would otherwise be received upon exercise of the Options with a Fair Market Value equal to such withholding liability, subject to the terms of the Plan.

**8. Clawback**. To the extent required by applicable law or the rules and regulations of the NYSE or any other securities exchange or inter-dealer quotation system on which the Shares are listed or quoted, or if so required pursuant to a written policy adopted by the Company, the Options shall be subject (including on a retroactive basis) to clawback, forfeiture or similar requirements (and such requirements shall be deemed incorporated by reference into this Award Agreement). The Participant hereby acknowledges and agrees that the Options shall be subject to any clawback policies approved by the Committee from time to time, the Committee retains the right at all times to decrease or terminate all awards and payments under the Plan, and any and all amounts payable under the Plan, or paid under the Plan, shall be subject to clawback, forfeiture and reduction to the extent determined necessary to comply with applicable law and/or policies of the Company.

**9. Miscellaneous.**

(a) Transferability. The Options may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered (a "Transfer") by the Participant other than by will or by the laws of descent and distribution, pursuant to a qualified domestic relations order or as otherwise permitted under Section 15(b) of the Plan. Any attempted Transfer of the Options contrary to the provisions hereof, and the levy of any execution, attachment or similar process upon the Option, shall be null and void and without effect.

(b) Waiver. Any right of the Company contained in this Award Agreement may be waived in writing by the Committee. No waiver of any right hereunder by any party shall operate as a waiver of any other right, or as a waiver of the same right with respect to any subsequent occasion for its exercise, or as a waiver of any right to damages. No waiver by any party of any breach of this Award Agreement shall be held to constitute a waiver of any other breach or a waiver of the continuation of the same breach.

(c) Section 409A. The Options are not intended to be subject to Section 409A of the Code. Notwithstanding the foregoing or any provision of the Plan or this Award Agreement, if any provision of the Plan or this Award Agreement contravenes Section 409A of the Code or could cause the Participant to incur any tax, interest or penalties under Section 409A of the Code, the Committee may, in its sole discretion and without the Participant's consent, modify such provision to (i) comply with, or avoid being subject to, Section 409A of the Code, or to avoid the incurrence of taxes, interest and penalties under Section 409A of the Code, and/or (ii) maintain, to the maximum extent practicable, the original intent and economic benefit to the Participant of the applicable provision without materially increasing the cost to the Company or contravening the provisions of Section 409A of the Code. This Section 9(c) does not create an obligation on the part of the Company to modify the Plan or this Award Agreement and does not guarantee that the Options or the Shares will not be subject to interest and penalties under Section 409A.

(d) General Assets. This Award Agreement creates only a contractual obligation on the part of the Company as to amounts payable and may not be construed as creating a trust. Neither the Plan nor any underlying Award, in and of itself, has any assets. The Participant will have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the Options, and rights no greater than the right to receive the Shares as a general unsecured creditor with respect to the Options, as and when exercise pursuant to the terms of this Agreement.

(e) Notices. Any notices provided for in this Award Agreement or the Plan shall be in writing and shall be deemed sufficiently given if either hand delivered or if sent by fax, pdf/email or overnight courier, or by postage-paid first-class mail. Notices sent by mail shall be deemed received three business days after mailing but in no event later than the date of actual receipt. Notices shall be directed, if to the Participant, at the Participant's address indicated by the Company's records, or if to the Company, to the attention of the General Counsel at the Company's principal executive office.

(f) Severability. The invalidity or unenforceability of any provision of this Award Agreement shall not affect the validity or enforceability of any other provision of this Award Agreement, and each other provision of this Award Agreement shall be severable and enforceable to the extent permitted by law.

(g) No Rights to Employment, Directorship or Service. Nothing contained in this Award Agreement shall be construed as giving the Participant any right to be retained, in any position, as an employee, consultant or director of the Company or any of its Affiliates or shall interfere with or restrict in any way the rights of the Company or any of its Affiliates, which are hereby expressly reserved, to remove, terminate or discharge the Participant at any time for any reason whatsoever.



(h) Fractional Shares. The Company shall be under no obligation to issue a fraction of a share of Common Stock resulting from any exercise of the Options or an adjustment of the Options pursuant to Section 11 of the Plan or otherwise.

(i) Beneficiary. The Participant may file with the Committee a written designation of a beneficiary on such form as may be prescribed by the Committee and may, from time to time, amend or revoke such designation.

(j) Successors. The terms of this Award Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns, and of the Participant and the beneficiaries, executors, administrators, heirs and successors of the Participant.

(k) Entire Agreement. This Award Agreement and the Plan contain the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein and supersede all prior communications, representations and negotiations in respect thereto. No change, modification or waiver of any provision of this Award Agreement shall be valid unless the same be in writing and signed by the parties hereto, except for any changes permitted without consent under Sections 11, 12 or 14 of the Plan.

(l) Governing Law. This Award Agreement shall be construed and interpreted in accordance with the laws of the State of Delaware, without regard to principles of conflicts of laws thereof, or principles of conflicts of laws of any other jurisdiction that could cause the application of the laws of any jurisdiction other than the State of Delaware.

(m) Dispute Resolution; Consent to Jurisdiction. All disputes between or among any Persons arising out of or in any way connected with the Plan, this Award Agreement or the Options shall be solely and finally settled by the Committee, acting in good faith, the determination of which shall be final. Any matters not covered by the preceding sentence shall be solely and finally settled in accordance with the Plan, and the Participant and the Company consent to the personal jurisdiction of the United States federal and state courts sitting in Wilmington, Delaware, as the exclusive jurisdiction with respect to matters arising out of or related to the enforcement of the Committee's determinations and resolution of matters, if any, related to the Plan or this Award Agreement not required to be resolved by the Committee. Each such Person hereby irrevocably consents to the service of process of any of the aforementioned courts in any such suit, action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to the last known address of such Person, such service to become effective ten days after such mailing.

(n) 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 Award Agreement or the transactions contemplated (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 Award Agreement by, among other things, the mutual waivers and certifications in this section.



(o) International Participants. To the extent the Participant resides or works outside of the United States or is subject to non-U.S. legal restrictions or

regulations, the Committee may amend the terms of this Award Agreement in order to conform the terms hereunder or accommodate the requirements of local laws, procedures or practices or to obtain more favorable tax or other treatment for the Participant, the Company or its Affiliates. Without limiting the generality of this Section, the Committee is specifically authorized to adopt rules and procedures with provisions that limit or modify rights on death, disability, retirement or other terminations of employment, available methods of exercise of the Options granted hereunder, payment of income, social insurance contributions or payroll taxes, withholding procedures and handling of any stock certificates or other indicia of ownership that vary with local requirements. The Committee may also adopt rules or procedures applicable to particular Subsidiaries, Affiliates or locations.

(p) Headings. The headings of the Sections hereof are provided for convenience only and are not to serve as a basis for interpretation or construction, and shall not constitute a part, of this Award Agreement.

(q) Counterparts. The Notice may be executed in one or more counterparts (including via facsimile and electronic image scan (pdf)), each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument, or may be accepted by any electronic means.

(r) Electronic Signature and Delivery. The Participant consents to the electronic delivery of prospectuses, annual reports and other information required to be delivered by U.S. Securities and Exchange Commission rules (which consent may be revoked in writing by the Participant at any time upon three business days' notice to the Company, in which case subsequent prospectuses, annual reports and other information will be delivered in hard copy to the Participant).

(s) Electronic Participation in Plan. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an online or electronic system established and maintained by the Company or a third party designated by the Company.

**EXHIBIT 10.10**

**CLEAR SECURE, INC.**
**2021 OMNIBUS INCENTIVE PLAN**
**NOTICE OF RSU GRANT**

The undersigned Participant has been granted [time-vesting and/or performance-vesting] restricted stock units ("RSUs") with respect to Common Stock of the Company, subject to the terms and conditions of this Notice of RSU Grant, the attached RSU Award Agreement and the 2021 Omnibus Incentive Plan (as amended from time to time, the "Plan"), as follows:

**Participant**: [__]

**Number of Shares Underlying RSUs**: [__]

**Date of Grant**: [__]

**Vesting Schedule:** Except as otherwise provided in the RSU Award Agreement attached hereto as Annex I, the RSUs shall vest as follows: [_____]
(each such date, a "Vesting Date"), subject to the Participant's continued employment with, service as a director of, or engagement to provide services to the Company or any of its Affiliates ("Continued Service") through the applicable Vesting Date. Any fractional RSU resulting from the application of the Vesting Schedule shall be aggregated and the RSU resulting from such aggregation shall vest on the final Vesting Date.

By accepting (whether in writing, electronically or otherwise) the RSUs, you acknowledge and agree that the RSUs are granted under and governed by the additional terms and conditions of the Plan and the RSU Award Agreement set forth on Annex I, each of which is hereby made a part of this document.

**PARTICIPANT**

**CLEAR SECURE, INC.**

By: _____

Title: _____

**ANNEX I**

**CLEAR SECURE, INC.**
**2021 OMNIBUS INCENTIVE PLAN**
**RSU AWARD AGREEMENT**

Pursuant to the Notice of RSU Grant ("Notice") and this RSU Award Agreement (together with the Notice, this "Award Agreement"), Clear Secure, Inc. (together with its Subsidiaries, whether existing or thereafter acquired or formed, and any and all successor entities, the "Company") has granted the Participant restricted stock units (the "RSUs") under the Clear Secure, Inc. 2021 Omnibus Incentive Plan (as amended from time to time, the "Plan") with respect to the number of Shares indicated in the Notice. Each RSU represents the right to receive one Share. The RSUs are granted to the Participant effective as of the Date of Grant set forth in the Notice. Capitalized terms not explicitly defined in this Award Agreement or in the Notice but defined in the Plan shall have the same definitions as in the Plan.

1. **Vesting Schedule; Settlement**.

(a) Vesting Schedule. Subject to the provisions contained herein, the RSUs shall vest as provided in the Notice.

(b) Settlement. Subject to the provisions of this Award Agreement, upon the vesting of any of the RSUs, the Company shall deliver to the Participant (or the Participant's beneficiary, in the event of the Participant's death prior to settlement, or Permitted Transferee, as applicable), as soon as reasonably practicable after the Vesting Date (or, if applicable, an earlier vesting date under Section 3 or Section 4(a)), one Share for each RSU, provided that such delivery of Shares shall be made no later than the 30th day after the Vesting Date (or, if applicable, an earlier vesting date under Section 3 or Section 4(a)). Upon such delivery, such Share shall be fully assignable, saleable and transferable by the Participant, provided that any such assignment, sale, transfer or other alienation with respect to such Shares shall be in accordance with applicable securities laws.

2. **Dividend Equivalents**. Unless otherwise provided by the Committee, the Participant shall not be eligible to receive dividend equivalents with respect to the RSUs unless and until the Participant becomes the record owner of the Shares underlying the RSUs; to the extent the Committee provides for the accrual of dividend equivalents with respect to unvested RSUs, such accrued dividend equivalents be subject to the same vesting conditions as the underlying RSUs.

3. **Termination of Service**. In the event that the Participant's Continued Service terminates for any reason (and other than as provided in Section 4(a)(ii) below), all unvested RSUs shall be canceled immediately and the Participant shall not be entitled to receive any payments with respect thereto, except as otherwise determined by the Committee.

4. **Change in Control**.

(a) In the event of a Change in Control, if (i) the RSUs are not assumed, continued or substituted as provided in Section 12(b) of the Plan, or (ii) if the Participant incurs an involuntary termination without Cause (as determined by the Board, in its sole discretion, taking into consideration its powers under the Plan and any offers of employment by an acquirer (or its affiliates) in connection with such Change in Control) [or resigns with Good Reason (as defined on Annex II hereto), in each case,] within [three months before or] 12 months after the Change in Control,] 100% of the RSUs then held by Participant (or the applicable assumed or substituted Award) shall become fully vested.

(b) [For purposes of this Award Agreement, "Good Reason" shall mean, for any Participant that has an employment agreement or offer letter or similar agreement with the Company or its Affiliates that contains a definition of "Good Reason" (or term of similar meaning), the definition of "Good Reason" in such employment agreement or offer letter or similar agreement, and for any other Participant: (i) a reduction in the Participant's base salary; (ii) a material reduction in the Participant's annual bonus opportunity; or (iii) a geographical relocation of the Participant's primary work location to be any place outside a 50-mile radius from the Participant's primary work location as of the Change in Control. The Participant's employment with the Company shall have been considered terminated with Good Reason if the Participant provides the Company with written notice (within ninety (90) days following the initial occurrence of the situation establishing the basis for Good Reason) setting forth the facts and circumstances resulting in Good Reason and allows the Company thirty (30) days to cure the situation. If the Company fails to cure and the Participant terminates his or her employment within thirty (30) days following the cure period, such termination shall be considered with Good Reason.]

5. **No Rights as a Stockholder**. The Participant shall have no voting rights or other stockholder rights with respect to the RSUs unless and until the Participant becomes the record owner of the Shares underlying the RSUs.

6. **Tax Withholding**. The Participant shall be solely responsible for any applicable taxes (including, without limitation, income and excise taxes) and penalties, and any interest that accrues thereon, that the Participant incurs in connection with the receipt, vesting or settlement of any RSU granted hereunder. The Company shall be authorized to withhold from the Award the amount (in cash or Shares, or any combination thereof) of applicable withholding taxes due in respect of the Award, its settlement or any payment or transfer under the Award and to take such other action (including providing for elective payment of such amounts in cash or other property by the Participant) as may be necessary in the opinion of the Company to satisfy all obligations for the payment of such taxes, in accordance with Section 15(e) of the Plan.

7. **Clawback**. To the extent required by applicable law or the rules and regulations of the NYSE or any other securities exchange or inter-dealer quotation system on which the Shares are listed or quoted, or if so required pursuant to a written policy adopted by the Company, the RSUs shall be subject (including on a retroactive basis) to clawback, forfeiture or similar requirements (and such requirements shall be deemed incorporated by reference into this Award Agreement). The Participant hereby acknowledges and agrees that the RSUs shall be subject to any clawback policies approved by the Committee from time to time, the Committee retains the right at all times to decrease or terminate all awards and payments under the Plan, and any and all amounts payable under the Plan, or paid under the Plan, shall be subject to clawback, forfeiture and reduction to the extent determined necessary to comply with applicable law and/or policies of the Company.



8. **Miscellaneous.**

(a) Compliance with Legal Requirements. The granting of the RSU, and any other obligations of the Company under this Award Agreement, shall be subject to all applicable U.S. federal, state and local laws, rules and regulations, all applicable non-U.S. laws, rules and regulations and to such approvals by any regulatory or governmental agency as may be required. The Participant agrees to take all steps that the Committee or the Company determines are reasonably necessary to comply with all applicable provisions of U.S. federal and state securities law and non-U.S. securities law in exercising the Participant's rights under this Award Agreement.

(b) Transferability. The RSUs shall be subject to Section 15(b) of the Plan.

(c) Waiver. No amendment or modification of any provision of this Award Agreement shall be effective unless signed in writing by or on behalf of the Company and the Participant, except that the Company may amend or modify this Award Agreement without the Participant's consent in accordance with the provisions of the Plan or as otherwise set forth in this Award Agreement. No waiver of any breach or condition of this Award Agreement shall be deemed to be a waiver of any other or subsequent breach or condition whether of like or different nature. Any amendment or modification of or to any provision of this Award Agreement, or any waiver of any provision of this Award Agreement, shall be effective only in the specific instance and for the specific purpose for which made or given.

(d) Section 409A. This Award Agreement is intended to be exempt from Section 409A of the Code and the regulations thereunder pursuant to the "short-term deferral" exceptions thereunder. To the extent applicable, this Award Agreement is intended to comply with the requirements of Section 409A of the Code and the regulations thereunder, and the provisions of this Award Agreement shall be interpreted in a manner that satisfies the requirements of Section 409A of the Code, and this Award Agreement shall be operated accordingly. If any provision of this Award Agreement or any term or condition of the RSUs would otherwise conflict with this intent, the provision, term or condition shall be interpreted and deemed amended so as to avoid this conflict. Notwithstanding anything else in this Award Agreement, if the Committee considers the Participant to be a "specified employee" under Section 409A of the Code at the time of the Participant's "separation from service" (as defined in Section 409A of the Code), and the amount hereunder is "deferred compensation" subject to Section 409A of the Code any distribution that otherwise would be made to such Participant with respect to RSUs as a result of such separation from service shall not be made until the date that is six months after such separation from service, except to the extent that earlier distribution would not result in the Participant's incurring interest or additional tax under Section 409A of the Code. If the Award includes a "series of installment payments" (within the meaning of Section 1.409A-2(b)(2)(iii) of the Treasury Regulations), the Participant's right to the series of installment payments shall be treated as a right to a series of separate payments and not as a right to a single payment. Notwithstanding the foregoing, the tax treatment of the benefits provided under this Award Agreement is not warranted or guaranteed, and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Participant on account of non-compliance with Section 409A of the Code.

(e) General Assets. This Award Agreement creates only a contractual obligation on the part of the Company as to amounts payable and may not be construed as creating a trust. Neither the Plan nor any underlying Award, in and of itself, has any assets. The Participant will have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the RSUs, and rights no greater than the right to receive cash or the Shares as a general unsecured creditor with respect to the RSUs, as and when settled pursuant to the terms of this Agreement.



(f) Notices. Any notices provided for in this Award Agreement or the Plan shall be in writing and shall be deemed sufficiently given if either hand delivered or if sent by fax, pdf/email or overnight courier, or by postage-paid first-class mail. Notices sent by mail shall be deemed received three business days after mailing but in no event later than the date of actual receipt. Notices shall be directed, if to the Participant, at the Participant's address indicated by the Company's records, or if to the Company, to the attention of the General Counsel at the Company's principal executive office.

(g) Severability. The invalidity or unenforceability of any provision of this Award Agreement shall not affect the validity or enforceability of any other provision of this Award Agreement, and each other provision of this Award Agreement shall be severable and enforceable to the extent permitted by law.

(h) No Rights to Employment, Directorship or Service. Nothing contained in this Award Agreement shall be construed as giving the Participant any right to be retained, in any position, as an employee, consultant or director of the Company or any of its Affiliates or shall interfere with or restrict in any way the rights of the Company or any of its Affiliates, which are hereby expressly reserved, to remove, terminate or discharge the Participant at any time for any reason whatsoever.

(i) Fractional Shares. The Company shall be under no obligation to issue a fraction of a share of Common Stock resulting from any settlement of the RSUs or an adjustment of the RSUs pursuant to Section 11 of the Plan or otherwise.

(j) Beneficiary. The Participant may file with the Committee a written designation of a beneficiary on such form as may be prescribed by the Committee and

may, from time to time, amend or revoke such designation.

(k) Successors. The terms of this Award Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns, and of the Participant and the beneficiaries, executors, administrators, heirs and successors of the Participant.

(l) Entire Agreement. The Participant has received a copy of the Plan and is familiar with the terms and provisions thereof (and has had an opportunity to consult counsel regarding the RSU terms). The grant of the RSUs constitutes additional consideration to the Participant for the Participant's continued and future compliance with any restrictive covenants in favor of the Company under the Participant's employment agreement or other agreement by which the Participant is otherwise bound. The Participant hereby agrees to accept as binding, conclusive and final all decisions and interpretations of the Committee regarding any questions relating to the RSU. In the event of a conflict between the terms and provisions of the Plan and the terms and provisions of this Award Agreement, the Plan terms and provisions shall prevail. This Award Agreement, including the Plan, constitutes the entire agreement between the Participant and the Company on the subject matter hereof and supersedes all proposals, written or oral, and all other communications between the parties relating to such subject matter.



(m) Governing Law. This Award Agreement shall be construed and interpreted in accordance with the laws of the State of Delaware, without regard to principles of conflicts of laws thereof, or principles of conflicts of laws of any other jurisdiction that could cause the application of the laws of any jurisdiction other than the State of Delaware.

(n) Dispute Resolution; Consent to Jurisdiction. All disputes between or among any Persons arising out of or in any way connected with the Plan, this Award Agreement or the RSUs shall be solely and finally settled by the Committee, acting in good faith, the determination of which shall be final. Any matters not covered by the preceding sentence shall be solely and finally settled in accordance with the Plan, and the Participant and the Company consent to the personal jurisdiction of the United States federal and state courts sitting in Wilmington, Delaware, as the exclusive jurisdiction with respect to matters arising out of or related to the enforcement of the Committee's determinations and resolution of matters, if any, related to the Plan or this Award Agreement not required to be resolved by the Committee. Each such Person hereby irrevocably consents to the service of process of any of the aforementioned courts in any such suit, action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to the last known address of such Person, such service to become effective ten days after such mailing.

(o) 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 Award Agreement or the transactions contemplated (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 Award Agreement by, among other things, the mutual waivers and certifications in this section.

(p) International Participants. To the extent the Participant resides or works outside of the United States or is subject to non-U.S. legal restrictions or regulations, the Committee may amend the terms of this Award Agreement in order to conform the terms hereunder or accommodate the requirements of local laws, procedures or practices or to obtain more favorable tax or other treatment for the Participant, the Company or its Affiliates. Without limiting the generality of this Section, the Committee is specifically authorized to adopt rules and procedures with provisions that limit or modify rights on death, disability, retirement or other terminations of employment, available methods of settlement of the RSUs granted hereunder, payment of income, social insurance contributions or payroll taxes, withholding procedures and handling of any stock certificates or other indicia of ownership that vary with local requirements. The Committee may also adopt rules or procedures applicable to particular Subsidiaries, Affiliates or locations.

(q) Headings. The headings of the Sections hereof are provided for convenience only and are not to serve as a basis for interpretation or construction, and shall not constitute a part, of this Award Agreement.



(r) Counterparts. The Notice may be executed in one or more counterparts (including via facsimile and electronic image scan (pdf)), each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument, or may be accepted by any electronic means.

(s) Electronic Signature and Delivery. The Participant consents to the electronic delivery of prospectuses, annual reports and other information required to be delivered by U.S. Securities and Exchange Commission rules (which consent may be revoked in writing by the Participant at any time upon three business days' notice to the Company, in which case subsequent prospectuses, annual reports and other information shall be delivered in hard copy to the Participant).

(t) Electronic Participation in Plan. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

**Exhibit 10.11**

**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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SCHEDULES:



EXHIBITS:

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 toArticle 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 inSection 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:

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 toSection 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 10.12**

**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.

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<br>65 East 55th Street, 17th Floor<br>New York, NY 10022<br>EIN:27-1733425<br>DUNS:962409483<br>Location of Entity: NYC (Headquarters) | Name & Address:<br>Transportation Security Administration<br>701 S 12th Street<br>Arlington, VA 20598<br>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.

| | |
|---|---|
| Participant's Signature — Date: 1/6/20 | Contracting Officer's Signature — Date: 01-09-2020 |
| Ken Gorick President<br>TYPED NAME AND TITLE | Contracting Officer<br>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 |
| Chai Clear LTD | Israel |

**Exhibit 23.1**

**Consent of Independent Registered Public Accounting Firm**

We consent to the reference to our firm under the caption "Experts" and to the use of our report dated April 15, 2021, with respect to the consolidated financial statements of Alclear Holdings, LLC included in the Registration Statement (Form S-1) and related Prospectus of Clear Secure, Inc. for the registration of shares of Class A common stock.

/s/ Ernst & Young LLP

New York, New York

June 7, 2021

**Exhibit 23.2**

**Consent of Independent Registered Public Accounting Firm**

We consent to the reference to our firm under the caption "Experts" and to the use of our report dated April 15, 2021, in the Registration Statement (Form S-1) and related Prospectus of Clear Secure, Inc. for the registration of shares of Class A common stock.

/s/ Ernst & Young LLP

New York, New York

June 7, 2021

**Exhibit 99.1**

**CONSENT OF DIRECTOR NOMINEE**

Pursuant to Rule 438 of Regulation C promulgated under the Securities Act of 1933, as amended (the "Securities Act"), in connection with the Registration Statement on Form S-1 (the "Registration Statement") of Clear Secure, Inc., the undersigned hereby consents to being named and described as a person who will become a director of Clear Secure, Inc. in the Registration Statement and any amendment or supplement to any prospectus included in such Registration Statement, any amendment to such Registration Statement or any subsequent Registration Statement filed pursuant to Rule 462(b) under the Securities Act and to the filing or attachment of this consent with such Registration Statement and any amendment or supplement thereto.

IN WITNESS WHEREOF, the undersigned has executed this consent as of June 3, 2021.

By:

/s/ Tomago Collins

Name: Tomago Collins

**Exhibit 99.2**

**CONSENT OF DIRECTOR NOMINEE**

Pursuant to Rule 438 of Regulation C promulgated under the Securities Act of 1933, as amended (the "Securities Act"), in connection with the Registration Statement on Form S-1 (the "Registration Statement") of Clear Secure, Inc., the undersigned hereby consents to being named and described as a person who will become a director of Clear Secure, Inc. in the Registration Statement and any amendment or supplement to any prospectus included in such Registration Statement, any amendment to such Registration Statement or any subsequent Registration Statement filed pursuant to Rule 462(b) under the Securities Act and to the filing or attachment of this consent with such Registration Statement and any amendment or supplement thereto.

IN WITNESS WHEREOF, the undersigned has executed this consent as of June 4, 2021.

By:

/s/ Kathryn A. Hollister

Name: Kathryn A. Hollister