UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 25, 2021

OR

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number 001-40683

SNAP ONE HOLDINGS CORP.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

1800 Continental Boulevard, Suite 200

Charlotte, North Carolina

(Address of principal executive offices)

82-1952221

(I.R.S. Employer Identification No.)

28273

(Zip Code)

(704) 927-7620

Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value $.01 per share	**SNPO**	The Nasdaq Global Select Market

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes o No x

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o

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	o	Accelerated filer	o
Non-accelerated filer	☒	Smaller reporting company	o
		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 13(a) of the Exchange Act. o

ndicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes o No x

The registrant had outstanding 75,896,417 shares of common stock as of August 23, 2021.

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Unless otherwise indicated, references to the "Company," "Snap One," "we," "us" and "our" in this report refer to Snap One Holdings Corp. and its consolidated subsidiaries. References to the "Parent" means Crackle Holdings, L.P., the entity that, until the completion of our initial public offering, held all of our outstanding equity.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Statements made in this report that are not statements of historical fact, including statements about our beliefs and expectations, are forward-looking statements, and should be evaluated as such. Forward-looking statements include information concerning possible or assumed future results of operations, including descriptions of our business plan and strategies. These statements often include words such as "anticipate," "expect," "suggest," "plan," "believe," "intend," "project," "forecast," "estimates," "targets," "projections," "should," "could," "would," "may," "might," "will," and other similar expressions. These forward-looking statements are contained throughout this report.

We base these forward-looking statements on our current expectations, plans and assumptions, which we have made in light of our experience in the industry, as well as our perceptions of historical trends, current conditions, expected future developments and other factors we believe are appropriate under the circumstances and at this time. As you read and consider this report, you should understand that these statements are not guarantees of performance or results. The forward-looking statements contained herein are subject to and involve risks, uncertainties and assumptions, and therefore you should not place undue reliance on these forward-looking statements or projections. Although we believe that these forward-looking statements and projections are based on reasonable assumptions at the time they are made, you should be aware that many factors could affect our actual financial results, and therefore actual results might differ materially from those expressed in the forward-looking statements and projections. Factors that might materially affect such forward-looking statements include:

- Risks Related to Our Business and Industry;
- Risks Related to Our Products;
- Risks Related to Our Manufacturing and Supply Chain;
- Risks Related to Our Distribution Channels;
- Risks Related to Laws and Regulations;
- Risks Related to Cybersecurity and Privacy;
- Risks Related to Intellectual Property;
- Risks Related to Our International Operations;
- Risks Related to Our Indebtedness;
- Risks Related to Our Financial Statements;
- Risks Related to Our Common Stock; and
- the other factors discussed under "Risk Factors" in our final Prospectus filed with the SEC on July 29, 2021 pursuant to Rule 424(b) under the Securities Act (hereinafter, the "Prospectus").

The preceding list is not intended to be an exhaustive list of all of our forward-looking statements. The forward-looking statements are based on our beliefs, assumptions and expectations of future performance, taking into account the information currently available to us. These statements are only predictions based upon our current expectations about future events. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time and it is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. Before investing in our common stock, investors should be aware that the occurrence of the events described under the caption "Risk Factors" in our Prospectus and elsewhere in this report could have a material adverse effect on our business, results of operations and future financial performance.

You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance and events and circumstances reflected in the forward-looking statements will be achieved or occur. Except as required by law, we undertake no obligation to update publicly any forward-looking statements for any reason after the date of this report to conform these statements to actual results or to changes in our expectations.

Item 1. Financial Statements

Snap One Holdings Corp. and Subsidiaries

Condensed Consolidated Balance Sheets
(in thousands, except par value)

	As of	
	June 25, 2021	**December 25, 2020**
	(Unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	$ 35,850	$ 77,458
Accounts receivable, net	56,650	49,363
Inventories, net	174,359	157,099
Prepaid expenses and other current assets	15,906	9,650
Total current assets	282,765	293,570
Long-term assets:		
Property and equipment, net	20,649	20,208
Goodwill	580,842	559,735
Other intangible assets, net	611,778	617,616
Other assets	9,815	6,409
Total assets	$ 1,505,849	$ 1,497,538
Liabilities and stockholders' equity		
Current liabilities:		
Current maturities of long-term debt	$ 6,824	$ 21,149
Accounts payable	68,077	68,941
Accrued liabilities	79,465	80,658
Total current liabilities	154,366	170,748
Long-term liabilities:		
Long-term debt, net of current portion	644,645	630,864
Deferred income tax liabilities, net	55,926	55,518
Other liabilities	28,022	22,669
Total liabilities	882,959	879,799
Commitments and contingencies (Note 14)		
Stockholders' equity:		
Common stock, $0.01 par value, 500,000 shares authorized; and 59,217 shares issued and outstanding at June 25, 2021 and December 25, 2020	592	592
Preferred stock, $0.01 par value; 50,000 shares authorized, no shares issued and outstanding	—	—
Additional paid-in capital	671,356	659,093
Accumulated deficit	(50,076)	(43,018)
Accumulated other comprehensive income	736	756
Company’s stockholders’ equity	622,608	617,423
Noncontrolling interest	282	316
Total stockholders’ equity	622,890	617,739
Total liabilities and stockholders’ equity	$ 1,505,849	$ 1,497,538

See accompanying Notes to the Condensed Consolidated Financial Statements.

Snap One Holdings Corp. and Subsidiaries

Condensed Consolidated Statements of Operations
(in thousands, except per share amounts)
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 25, 2021	June 26, 2020	June 25, 2021	June 26, 2020
Net sales	$ 253,305	$ 189,119	$ 473,773	$ 361,730
Costs and expenses:				
Cost of sales, exclusive of depreciation and amortization	152,140	109,243	281,016	209,633
Selling, general and administrative expenses	78,657	60,095	154,014	127,481
Depreciation and amortization	14,198	14,500	27,910	28,983
Total costs and expenses	244,995	183,838	462,940	366,097
Income (loss) from operations	8,310	5,281	10,833	(4,367)
Other expenses (income):				
Interest expense	9,543	11,742	19,078	24,545
Other income	(296)	(2,217)	(509)	(1,334)
Total other expenses	9,247	9,525	18,569	23,211
Loss before income taxes	(937)	(4,244)	(7,736)	(27,578)
Income tax expense (benefit)	119	(1,015)	(644)	(5,331)
Net loss	(1,056)	(3,229)	(7,092)	(22,247)
Net loss attributable to noncontrolling interest	(12)	(16)	(34)	(40)
Net loss attributable to Company	$ (1,044)	$ (3,213)	$ (7,058)	$ (22,207)
Net loss per share, basic and diluted	$ (0.02)	$ (0.05)	$ (0.12)	$ (0.38)
Weighted average shares outstanding, basic and diluted	59,217	58,885	59,217	58,513

See accompanying Notes to the Condensed Consolidated Financial Statements.

Snap One Holdings Corp. and Subsidiaries

Condensed Consolidated Statements of Comprehensive Loss
(in thousands)
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 25, 2021	**June 26, 2020**	**June 25, 2021**	**June 26, 2020**
Net loss	$ (1,056)	$ (3,229)	$ (7,092)	$ (22,247)
Other comprehensive loss, net of tax:				
Foreign currency translation adjustments	32	117	(20)	(317)
Comprehensive loss	(1,024)	(3,112)	(7,112)	(22,564)
Comprehensive loss attributable to noncontrolling interest	(12)	(16)	(34)	(40)
Comprehensive loss attributable to Company	$ (1,012)	$ (3,096)	$ (7,078)	$ (22,524)

See accompanying Notes to the Condensed Consolidated Financial Statements.

Snap One Holdings Corp. and Subsidiaries

Condensed Consolidated Statements of Stockholders' Equity
(in thousands)
(Unaudited)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest	Total Stockholders' Equity
	Shares	Amount					
Balance - December 25, 2020	59,217	$ 592	$ 659,093	$ (43,018)	$ 756	$ 316	$ 617,739
Net loss	—	—	—	(6,014)	—	(22)	(6,036)
Foreign currency translation adjustments	—	—	—	—	(52)	—	(52)
Equity-based compensation	—	—	1,060	—	—	—	1,060
Balance - March 26, 2021	59,217	$ 592	$ 660,153	$ (49,032)	$ 704	$ 294	$ 612,711
Equity Contributions	—	—	10,025	—	—	—	10,025
Net loss	—	—	—	(1,044)	—	(12)	(1,056)
Foreign currency translation adjustments	—	—	—	—	32	—	32
Equity-based compensation	—	—	1,178	—	—	—	1,178
Balance - June 25, 2021	59,217	$ 592	$ 671,356	$ (50,076)	$ 736	$ 282	$ 622,890

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest	Total Stockholders' Equity
	Shares	Amount					
Balance - December 27, 2019	58,140	$ 581	$ 654,420	$ (18,134)	$ (39)	$ 99	$ 636,927
Net loss	—	—	—	(18,994)	—	(24)	(19,018)
Foreign currency translation adjustments	—	—	—	—	(434)	—	(434)
Equity-based compensation	—	—	1,362	—	—	—	1,362
Balance - March 27, 2020	58,140	$ 581	$ 655,782	$ (37,128)	$ (473)	$ 75	$ 618,837
Capital contributions	—	—	243	—	—	—	243
Net loss	—	—	—	(3,213)	—	(16)	(3,229)
Foreign currency translation adjustments	—	—	—	—	117	—	117
Equity-based compensation	—	—	1,185	—	—	—	1,185
Additional share issuance	1,077	11	(11)	—	—	—	—
Balance - June 26, 2020	59,217	$ 592	$ 657,199	$ (40,341)	$ (356)	$ 59	$ 617,153

See accompanying Notes to the Condensed Consolidated Financial Statements.

Snap One Holdings Corp. and Subsidiaries

Condensed Consolidated Statements of Cash Flows
(in thousands)
(Unaudited)

	Six Months Ended	
	June 25, 2021	**June 26, 2020**
Cash flows from operating activities:		
Net loss	$ (7,092)	$ (22,247)
Adjustments to reconcile net loss to net cash from operating activities:		
Depreciation and amortization	27,910	28,983
Amortization of debt issuance costs	3,051	3,050
Unrealized loss on interest rate cap	—	4
Deferred income taxes	408	(5,202)
Gain on sale of business	—	(979)
Loss (gain) on sale and disposal of property and equipment	205	(15)
Equity-based compensation	2,238	2,547
Bad debt expense	180	565
Fair value adjustment to contingent value rights	2,840	(1,000)
Change in operating assets and liabilities:		
Accounts receivable	(6,313)	(7,066)
Inventories	(15,234)	21,226
Prepaid expenses and other assets	(6,481)	3,341
Accounts payable and accrued liabilities	(6,327)	14,900
Net cash (used in) provided by operating activities	(4,615)	38,107
Cash flows from investing activities:		
Acquisition of business, net of cash acquired	(25,821)	—
Purchases of property and equipment	(4,413)	(5,055)
Proceeds from sale of business	—	600
Other	(429)	37
Net cash used in investing activities	(30,663)	(4,418)
Cash flows from financing activities:		
Payments on long-term debt	(3,595)	(3,994)
Proceeds from revolving credit facility	—	52,000
Payment of deferred initial public offering costs	(2,730)	—
Proceeds from capital contributions	—	243
Net cash (used in) provided by financing activities	(6,325)	48,249
Effect of exchange rate changes on cash and cash equivalents	(5)	(288)
Net (decrease) increase in cash and cash equivalents	(41,608)	81,650
Cash and cash equivalents at beginning of the period	77,458	33,177
Cash and cash equivalents at end of the period	$ 35,850	$ 114,827
Supplementary cash flow information:		
Cash payments for interest	$ 16,083	$ 22,877
Cash paid for taxes, net	$ 743	$ 253
Noncash investing and financing activities:		
Noncash equity contribution	$ 10,025	$ —
Capital expenditure in accounts payable	$ 251	$ 630

See accompanying Notes to the Condensed Consolidated Financial Statements.

1. Organization and Description of Business

Snap One Holdings Corp (referred to herein as "Snap One" or the "Company") is incorporated in Delaware with its principal executive offices located in Charlotte, North Carolina and Draper, Utah. The Company provides products, services and software to its network of professional integrators that enable them to deliver smart living experiences for their residential and small business end users. The Company's hardware and software portfolio includes leading proprietary and third-party offerings across connected, infrastructure, and entertainment categories. Additionally, the Company provides technology-enabled workflow solutions to support the integrator throughout the project lifecycle, enhancing their operations and helping them to profitably grow their businesses.

Initial Public Offering — On July 30, 2021, the Company completed its initial public offering (the "IPO") of 13,850 shares of its common stock at an offering price of $18.00 per share, resulting in net proceeds of $233,719 after deducting underwriting discounts and commissions of $15,581. Additionally, offering costs incurred by the Company are expected to total approximately $5,311. On August 18, 2021, the Company closed the underwriters exercise of their over-allotment option to purchase 1,171 additional shares of our common stock from the Company, resulting in additional net proceeds of approximately $19,757 after deducting underwriting discounts and commissions of $1,317. The Company's registration statement on Form S-1 (File No. 333-257624) relating to its IPO was declared effective by the Securities and Exchange Commission (the "SEC") on July 27, 2021. The accompanying condensed consolidated financial statements, including share and per share amounts, do not include the effects of the IPO as it was completed subsequent to June 25, 2021. See Note 17 for further discussion of IPO-related and other subsequent events.

2. Significant Accounting Policies

Basis of Presentation — The accompanying condensed consolidated financial statements are unaudited and have been prepared in conformity with generally accepted accounting principles in the United States of America ("GAAP") for interim financial statements. The condensed consolidated financial statements were prepared on the same basis as the audited consolidated financial statements and, in the opinion of management, reflect all adjustments, consisting of normal recurring adjustments, necessary to present fairly the Company's financial position, results of operations and cash flows for the periods presented. The condensed consolidated financial statements include the accounts of the Company and all subsidiaries required to be consolidated. All intercompany balances and transactions have been eliminated in the condensed consolidated financial statements. The condensed consolidated balance sheet as of December 25, 2020 has been derived from the audited consolidated financial statements of the Company.

The accompanying condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and related notes for the fiscal year ended December 25, 2020 appearing in the Company's final Prospectus filed with the SEC on July 29, 2021 pursuant to Rule 424(b) under the Securities Act of 1933, as amended (hereinafter, the "Prospectus").

The Company's fiscal year is the 52 or 53 week period that ends on the last Friday of December. Fiscal year 2021 is a 53-week period and fiscal year 2020 was a 52-week period. The three months ended June 25, 2021 and June 26, 2020 were 13-week periods, and the six months ended June 25, 2021 and June 26, 2020 were 26-week periods.

Use of Accounting Estimates — The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported and disclosed in the condensed consolidated financial statements and accompanying notes. Accordingly, the actual amounts could differ from those estimates. If actual amounts differ from estimates, revisions are included in the condensed consolidated statements of operations in the period the actual amounts become known.

Recent Accounting Pronouncements Pending Adoption — In February 2016, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") No. 2016-02, *Leases (Topic 842)*, which establishes the principles to report transparent and economically neutral information about the assets and liabilities that arise from leases. This new guidance requires lessees to recognize the lease assets and lease liabilities that arise from leases in the statement of financial position and to disclose qualitative and quantitative information about lease transactions, such as information about variable lease payments and options to renew and terminate leases. Recently, the FASB issued ASU 2020-05, which deferred the effective date to fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Adoption of the new standard is expected to result in the recognition of right-of-use assets and operating lease liabilities related to currently classified operating leases. The Company is still evaluating the materiality of the impact of this standard on its condensed consolidated financial statements and disclosures.

In June 2016, the FASB issued ASU 2016-13, *"Financial Instruments — Credit Losses"*. The ASU sets forth a "current expected credit loss" ("CECL") model which requires the Company to measure all expected credit losses for financial instruments held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. This replaces the existing incurred loss model and is applicable to the measurement of credit losses on financial assets measured at amortized cost and applies to some off-balance sheet credit exposures. This ASU was effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years, with early adoption permitted. In November 2019, the FASB issued ASU 2019-10 which deferred the effective date to fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. The Company is currently evaluating the impact this guidance will have on its condensed consolidated financial statements.

In August 2018, the FASB issued ASU 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"*. The guidance aligns the requirements for capitalizing implementation costs incurred in a cloud computing arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. This standard is effective for annual reporting periods beginning after December 15, 2020, and interim periods within annual periods beginning after December 15, 2021. The Company is currently evaluating the impact this guidance will have on its condensed consolidated financial statements.

Recently Adopted Accounting Pronouncements — In December 2019, the FASB issued ASU 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes.* This update simplifies accounting for income taxes by eliminating some exceptions to the general approach in Accounting Standards Codification ("ASC") 740, Income Taxes, related to intraperiod tax allocation, the methodology for calculating income tax in an interim period and the recognition of deferred tax liabilities for outside basis differences. This update is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020, with early adoption permitted. The amendments in this update should be applied on either a retrospective basis, a modified retrospective basis or prospectively, depending on the provision within the amendment. The Company adopted the standard for the fiscal year beginning December 26, 2020. Adoption of the standard did not have a material impact on the condensed consolidated financial statements.

3. Acquisitions

On May 4, 2021, the Company entered into a Purchase Agreement (the "Purchase Agreement") pursuant to which it acquired all of the issued and outstanding shares of ANLA, LLC. ("Access Networks"), an enterprise-grade networking solutions provider offering networking products, design, configuration, monitoring and support services. The acquisition will enhance the Company's networking solutions for residential and commercial networks. The Company agreed to a purchase price of $36,334, consisting of both cash and equity, plus contingent consideration of up to $2,000 based upon the achievement of specified financial targets. The acquisition closed on May 28, 2021.

The Company recorded tangible and intangible assets acquired and liabilities assumed in the transaction under the acquisition method of accounting, under ASC 805, Business Combinations. The consideration was allocated to the assets acquired and liabilities assumed based on their fair values as of the closing date and are subject to change within the measurement period, which does not exceed twelve months after the closing date. The Company allocated any excess purchase price over the fair value of the net tangible and intangible assets acquired and liabilities assumed to goodwill.

Customer relationships have been valued using the multi-period excess earnings method, a derivative of the income approach. The multi-period excess earnings method estimates the discounted net earnings attributable to the customer relationships that were acquired after considering items, such as possible customer attrition. Estimated useful lives were determined based on the length and trend of projected cash flows. The length of the projected cash flow period was determined based on the expected attrition of the customer relationships, which is based on the Company's historical experience in renewing and extending similar customer relationships and future expectations for renewing and extending similar existing customer relationships. The useful life of the customer relationships intangible assets represents the number of years over which the Company expects the customer relationships to economically contribute to the business.

The trade name has been valued using the relief from royalty method under the income approach to estimate the cost savings that will accrue to the Company, which would otherwise have to pay royalties or license fees on revenue earned through the use of the asset. Estimated useful life was determined based on management's estimate of the period the name will be in use.

(in thousands, except per share amounts)

The Company may be required to pay additional consideration upon the achievement of a revenue based earnout. As of the acquisition date, the fair value of the contingent consideration was $2,000 and recorded in other liabilities in the accompanying condensed consolidated balance sheet.

The acquisition was funded using cash consideration of $26,309, rollover equity of $10,025 and contingent consideration of $2,000.

The preliminary allocation of the purchase price for the acquisition is as follows:

Total purchase consideration	$ 38,334
Cash and cash equivalents	$ 488
Accounts receivable	1,101
Inventory	2,029
Property and equipment	77
Identifiable intangible assets	17,700
Total identifiable assets acquired	21,395
Accounts payable	1,266
Accrued liabilities	1,218
Other liabilities	586
Deferred income tax liabilities	1,098
Total liabilities assumed	4,168
Net identifiable assets acquired	17,227
Goodwill	21,107
Net assets acquired	$ 38,334

For income tax purposes, a carryover basis in goodwill of $14,491 will be deductible in future periods.

The Company recorded intangible assets related to the acquisition based on estimated fair value, which consisted of the following:

	Useful Lives (Years)	Acquired Value
Customer relationships	10	$ 14,400
Trade name	6	3,300
Total intangible assets		$ 17,700

Long-term liabilities assumed consisted primarily of warranty reserves and deferred revenue. The long-term warranty reserves are primarily based on historical failure rates, costs to repair or replace the product, and any necessary shipping costs, which is considered to approximate the fair value of the remaining obligation for the acquisitions. Deferred revenue was recorded at fair value, resulting in a cumulative balance for the acquisition of $883 in accrued liabilities and $586 in other long-term liabilities.

The Company recognized $197 of transaction-related expenses, consisting primarily of advisory, legal, and other professional fees related to the acquisition. These transaction-related expenses were incurred by and for the benefit of the Company, and were included in selling, general, and administrative expenses in the condensed consolidated statements of operations.

Pro forma financial information related to the Access Networks acquisition has not been provided as it is not material to the Company’s consolidated results of operations. The results of operations of the Access Networks acquisition are included in the Company’s consolidated results of operations from the date of acquisition and were not significant for the three months and six months ended June 25, 2021.

(in thousands, except per share amounts)

4. Revenue and Geographic Information

Contract Balances — Amounts invoiced in advance of revenue recognition are recorded as deferred revenue on the condensed consolidated balance sheets. Deferred revenue primarily relates to unspecified software updates and upgrades, hosting, technical support, marketing incentive programs, and subscription services. The following table represents the changes in deferred revenue for the six months ended June 25, 2021 and June 26, 2020:

	Six Months Ended	
	June 25, 2021	June 26, 2020
Deferred revenue – beginning of period	$ 30,466	$ 23,820
Amounts billed, but not recognized	13,271	12,911
Recognition of revenue	(13,592)	(11,008)
Deferred revenue acquired	1,469	—
Deferred revenue – end of period	$ 31,614	$ 25,723

For the six months ended June 25, 2021 and June 26, 2020, the Company recognized revenue related to marketing incentive programs of $1,684 and $2,024, respectively. The expense associated with marketing incentive programs was included in cost of sales, exclusive of depreciation and amortization.

The Company recorded deferred revenue of $19,176 in accrued liabilities and $12,438 in other liabilities as of June 25, 2021. The Company recorded deferred revenue of $18,654 in accrued liabilities and $11,812 in other liabilities as of December 25, 2020.

Disaggregation of Revenue — The following table sets forth revenue from the United States and all international dealers and distributors for the three months and six months ended June 25, 2021 and June 26, 2020:

	Three Months Ended		Six Months Ended	
	June 25, 2021	June 26, 2020	June 25, 2021	June 26, 2020
United States	$ 223,820	$ 169,343	$ 417,898	$ 323,811
International	29,485	19,776	55,875	37,919
Total	$ 253,305	$ 189,119	$ 473,773	$ 361,730

Additionally, the Company's revenue includes amounts recognized over time and at a point in time, and are as follows for the three months and six months ended June 25, 2021 and June 26, 2020:

	Three Months Ended		Six Months Ended	
	June 25, 2021	June 26, 2020	June 25, 2021	June 26, 2020
Products transferred at a point in time	$ 245,776	$ 183,714	$ 460,181	$ 350,722
Services transferred over time	7,529	5,405	13,592	11,008
Total	$ 253,305	$ 189,119	$ 473,773	$ 361,730

As of June 25, 2021, and December 25, 2020, the Company's accounts receivable, net consisted of the following:

	June 25, 2021	December 25, 2020
Accounts receivable	$ 59,021	$ 51,716
Allowance for doubtful accounts	(2,371)	(2,353)
Accounts receivable, net	$ 56,650	$ 49,363

(in thousands, except per share amounts)

5. Inventories, Net

As of June 25, 2021, and December 25, 2020, the Company's inventory consisted of the following:

	June 25, 2021	December 25, 2020
Raw materials	$ 8,953	$ 11,340
Work in process	394	591
Finished goods	177,142	155,618
Reserve for obsolete and slow moving inventory	(12,130)	(10,450)
Total inventories, net	$ 174,359	$ 157,099

6. Goodwill and Other Intangible Assets, Net

Goodwill as of June 25, 2021, and December 25, 2020, was $580,842 and $559,735, respectively. Goodwill increased by $21,107 in 2021 due to the acquisition of Access Networks (see Note 3). There were no changes to goodwill during the year ended December 25, 2020.

As of June 25, 2021, and December 25, 2020, other intangible assets, net, consisted of the following:

		June 25, 2021		
	Estimated Useful Life	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	5 – 25 years	$ 509,162	$ (82,793)	$ 426,369
Technology	5 – 15 years	95,078	(30,313)	64,765
Trade names – definite	2 – 10 years	57,660	(13,580)	44,080
Trade names – indefinite	indefinite	76,564	—	76,564
Total intangible assets		$ 738,464	$ (126,686)	$ 611,778

		December 25, 2020		
	Estimated Useful Life	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	5 – 25 years	$ 494,333	$ (70,060)	$ 424,273
Technology	5 – 15 years	95,078	(22,406)	72,672
Trade names – definite	2 – 10 years	54,360	(10,253)	44,107
Trade names – indefinite	indefinite	76,564	—	76,564
Total intangible assets		$ 720,335	$ (102,719)	$ 617,616

Total amortization expense for intangible assets for the three months ended June 25, 2021 and June 26, 2020, was $12,079 and $11,872, respectively. Total amortization expense for intangible assets for the six months ended June 25, 2021 and June 26, 2020, was $23,967 and $23,747, respectively. The weighted-average useful life remaining for amortizing definite lived intangible assets was approximately 15.5 years as of June 25, 2021.

(in thousands, except per share amounts)

As of June 25, 2021, the estimated amortization expense for intangible assets for the next five fiscal years and thereafter are as follows:

Remainder of 2021	$	24,586
2022		48,321
2023		47,183
2024		40,681
2025		33,065
2026 and thereafter		341,378
Total	$	535,214

7. Debt Agreements

On August 4, 2017, the Company's wholly owned subsidiary, Wirepath LLC (the "Borrower") entered into a credit agreement (as amended from time to time, the "Credit Agreement"), consisting of a senior secured term loan (the "Initial Term Loan") and a senior secured revolving credit facility (the "Revolving Credit Facility"). On February 5, 2018, the Borrower repriced the Credit Agreement to reduce the margin on the Initial Term Loan and Revolving Credit Facility. On October 31, 2018, the Borrower repriced the Initial Term Loan facility to further reduce the margin under the Initial Term Loan, increased the aggregate amount of the Initial Term Loan, and further reduced the margin under the Revolving Credit Facility. On August 1, 2019, the Borrower amended the Credit Agreement to borrow an additional senior secured term loan (the "Incremental Term Loan" and, together with the Initial Term Loan, as amended, the "Term Loans") and increased the commitments under the Revolving Credit Facility. The Company makes fixed equal quarterly installments on the Term Loans in an amount equal to 1.0% per annum of the total aggregate principal thereof immediately after borrowing, with balance due at maturity.

Instrument	Maturity Date	Amount	Interest Rate	Effective rate (as of June 25, 2021)
Credit Agreement (as amended)				
Initial Term Loan	8/4/2024	292,355	LIBOR plus 4.00%	4.20 %
Incremental Term Loan	8/4/2024	390,000	LIBOR plus 4.75%	4.95 %
Revolving Credit Facility	8/4/2022	60,000	LIBOR plus 4.00%	4.20 %
Credit Agreement (at origination)				
Initial Term Loan	8/4/2024	265,000	LIBOR plus 5.25%	
Revolving Credit Facility	8/4/2022	50,000	LIBOR plus 5.25%	

The Company may also be required to make additional payments under the financing agreement equal to a percentage of the Company's annual excess cash flows or net proceeds from any non-ordinary course asset sales or certain debt issuances, if any. The lender has the option to decline the prepayment. As of December 25, 2020, in accordance with these provisions, the Company estimated a mandatory excess cash flow payment offer related to the term loans of $14,325 to the lender. The entire amount of the expected payment was classified within current maturities of long-term debt on the consolidated balance sheet as of December 25, 2020. Subsequent to the issuance of the Company's audited financial statements as of and for the period ended December 25, 2020, the Company elected an option available in the financing agreement to accelerate expected cash outlays in fiscal year 2021 that would eliminate the requirement for an excess cash flow payment for fiscal year 2020. As a result, the estimated excess cash payment was not made and only the contractual payments under the financing agreement are considered current maturities of long-term debt as of June 25, 2021.

As of June 25, 2021 and December 25, 2020, the Company had no borrowings outstanding under the Revolving Credit Facility and $4,894 of outstanding letters of credit. The amount available under the Revolving Credit Facility was $55,106 as of June 25, 2021 and December 25, 2020. The Company borrowed $47,375 under the Revolving Credit Facility during the six months ended June 26, 2020 in order to enhance liquidity as a precautionary measure in response to the COVID-19 pandemic and the borrowings were repaid in full later in the year ending December 25, 2020.

(in thousands, except per share amounts)

As of June 25, 2021, the future scheduled maturities of the above notes payable are as follows:

Remainder of 2021	$ 5,118
2022	6,824
2023	6,824
2024	650,431
Total future maturities of long-term debt	669,197
Unamortized debt issuance costs	(17,728)
Total indebtedness	651,469
Less: Current maturities of long-term debt	6,824
Long-term debt	$ 644,645

Unamortized costs related to the issuance of the Term Loans were $17,728 and $20,595 as of June 25, 2021 and December 25, 2020 and are presented as a direct deduction from the carrying amount of long-term debt. Unamortized costs related to the issuance of the Revolving Credit Facility were $399 and $583 as of June 25, 2021 and December 25, 2020 and are included in other assets in the condensed consolidated balance sheets. The costs related to debt issuances are amortized to interest expense over the life of the related debt. As of June 25, 2021, the future amortization of debt issuance costs is as follows:

Remainder of 2021	$ 3,050
2022	5,951
2023	5,735
2024	3,391
Total	$ 18,127

Debt Covenants and Default Provisions — There have been no changes to the debt covenants or default provisions related to the Company's outstanding debt arrangements or other obligations during the current year. The Company was in compliance with all debt covenants as of June 25, 2021 and December 25, 2020. For additional information on the Company's debt arrangements, debt covenants and default provisions, see Note 8, Debt Agreements, of the consolidated financial statements for the year ended December 25, 2020 in the Prospectus.

8. Fair Value Measurement

Fair Value of Financial Instruments — The fair values and related carrying values of financial instruments that are not required to be remeasured at fair value on the condensed consolidated statements of operations were as follows:

	As of June 25, 2021		As of December 25, 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Assets				
Notes receivable, net	$ 5,309	$ 5,375	$ 5,115	$ 5,494
Liabilities				
Initial Term Loan	$ 285,046	$ 270,081	$ 286,508	$ 267,169
Incremental Term Loan	$ 384,150	$ 382,229	$ 386,100	$ 384,652

The fair value of notes receivable are estimated using a discounted cash flow analysis using interest rates currently offered for loans with similar credit quality which represent Level 2 inputs. The fair value of long-term debt was established using current market rates for similar instruments traded in secondary markets representing Level 2 inputs. The fair value of the Revolving Credit Facility approximates carrying value as the related interest rates approximate the Company's incremental borrowing rate for similar obligations. Additionally, cash and cash equivalents, accounts

(in thousands, except per share amounts)

receivable, net, prepaid expenses, accounts payable, and accrued liabilities are classified as Level 1 and the carrying value of these assets and liabilities approximates the fair value due to the short-term nature of these financial instruments.

Assets and Liabilities that are Measured at Fair Value on a Recurring Basis — The fair value of the interest rate cap is determined using widely accepted valuation techniques based on its maturity and observable market-based inputs, including interest rate curves. This measurement is considered to be a Level 2 measurement. The interest rate cap had no value as of June 25, 2021 and December 25, 2020.

This fair value of the contingent consideration liability related to the Access Networks acquisition was based on unobservable inputs, including management estimates and assumptions about future revenues, and is, therefore, classified as Level 3. The fair value of the contingent consideration was $2,000 as of June 25, 2021.

The Company utilizes the option-pricing method, which was used with the Black-Scholes option-pricing model ("OPM") in order to determine the fair value of the Contingent Value Rights ("CVRs"). Any future increase in the fair value of the CVR obligations, based on an increased likelihood that the underlying milestones will be achieved, and the associated payment or payments will, therefore, become due and payable, will result in a charge to selling, general and administrative expenses in the period in which the increase is determined. Similarly, any future decrease in the fair value of the CVR obligations will result in a reduction in selling, general and administrative expenses. Accordingly, the CVRs are classified as Level 3.

	Fair value at June 25, 2021	Valuation Technique	Unobservable Input	Volatility
Contingent Value Rights	$6,840	OPM	Volatility	37.1%

Changes in the CVRs for the six months ended June 25, 2021 and June 26, 2020 were as follows:

	June 25, 2021	June 26, 2020
CVR fair value – beginning of period	$ 4,000	$ 3,200
Fair value adjustments	$ 2,840	$ (1,000)
CVR fair value – end of period	$ 6,840	$ 2,200

CVR liabilities are classified as other liabilities in the accompanying condensed consolidated balance sheets and changes to the fair value of CVR liabilities are included in selling, general and administrative expenses in the condensed consolidated statements of operations.

There were no transfers into or out of Level 3 investments during the three months and six months ended June 25, 2021 or June 26, 2020.

9. Accrued Liabilities

Accrued liabilities as of June 25, 2021 and December 25, 2020, consisted of the following:

	June 25, 2021	December 25, 2020
Payroll, vacation, and bonus accruals	$ 21,821	$ 29,700
Deferred revenue	19,176	18,654
Warranty reserve	14,996	11,767
Interest payable	7,521	7,576
Sales return allowance	4,192	3,741
Customer rebate program	2,712	2,140
Incurred but not reported	1,198	1,215
Taxes	1,176	752
Other accrued liabilities	6,673	5,113
Total accrued liabilities	$ 79,465	$ 80,658

(in thousands, except per share amounts)

10. Warranties

Changes in the Company's accrued warranty liability for the six months ended June 25, 2021 and June 26, 2020, are as follows:

	June 25, 2021	June 26, 2020
Accrued warranty – beginning of period	$ 16,523	$ 19,989
Warranty claims	(5,810)	(5,546)
Warranty provisions	8,588	3,766
Accrued warranty – end of period	$ 19,301	$ 18,209

As of June 25, 2021, the Company has recorded accrued warranty liabilities of $14,996 in accrued liabilities and $4,305 in other liabilities in the accompanying consolidated balance sheet. As of December 25, 2020, the Company has recorded accrued warranty of $11,767 in accrued liabilities and $4,756 in other liabilities.

11. Retirement Plan

The Company has a legacy 401(k) plan that covers eligible employees as defined by the plan agreement. As of January 1, 2020, the Company matches 100% of employee contributions to the plan, up to 3% of the employees' total compensation, and 50% of employee contributions to the plan, up to 6% of the employees' total compensation. Company contributions to the plan, net of forfeitures, were $919 and $346 for the three months ended June 25, 2021 and June 26, 2020, respectively. Company contributions to the plan, net of forfeitures, were $2,089 and $1,501 for the six months ended June 25, 2021 and June 26, 2020, respectively.

12. Equity Agreements and Incentive Equity Plans

Parent Incentive Plan — In October 2017, Crackle Holdings, L.P. (the "Parent") approved the Class B Unit Incentive Plan, which established the terms and provided for grants of certain incentive units to employees, officers, directors, consultants, and advisors of the Company containing service-based and/or market-based vesting criteria. Class B-1 Incentive Units ("B-1 Units") become vested in installments over a five-year period, subject to the grantee's continued employment or service. Class B-2 Incentive Units ("B-2 Units") have both service-based and market-based vesting conditions, as they are subject to the same service conditions as the B-1 Units, but also require the achievement of a specified return hurdle in order to vest.

The Company estimated a discount for lack of marketability ("DLOM") using a put option model. The DLOM reflects the lower value placed on securities that are not freely transferable, as compared to those that trade frequently in established markets.

The summary of the Company's incentive unit activity as of June 25, 2021 is as follows:

	B-1 Incentive Units		B-2 Incentive Units	
	Number of Units (in 000's)	Weighted-Average Grant-Date Fair Value	Number of Units (in 000's)	Weighted-Average Grant-Date Fair Value
Outstanding units-December 25, 2020	70,739	$ 0.34	19,822	$ 0.06
Units granted	1,200	0.51	—	—
Units forfeited	3,353	0.39	—	—
Outstanding units-June 25, 2021	68,586	$ 0.34	19,822	$ 0.06
Vested units-June 25, 2021	34,916	$ 0.31	—	—
Nonvested units-June 25, 2021	33,670	$ 0.37	19,822	$ 0.06

During the six months ended June 25, 2021, 3,366 B-1 Units vested with a total grant-date fair value of $962. There were no grants during the three months ended June 25, 2021. The Company recognized $1,178 and $1,185 of compensation expense within selling, general and administrative expenses in the accompanying condensed consolidated statements of operations during the three months ended June 25, 2021 and June 26, 2020, respectively. The Company

recognized $2,238 and $2,547 of compensation expense within selling, general and administrative expenses in the accompanying condensed consolidated statements of operations during the six months ended June 25, 2021 and June 26, 2020, respectively.

As of June 25, 2021, there was approximately $11,546 of unrecognized compensation expense related to outstanding incentive units, which is expected to be recognized subsequent to June 25, 2021, over a weighted-average period of approximately four years.

Control4 Equity Awards — In connection with the acquisition of Control4 Corporation in 2019, the Company agreed to a settlement of Control4 equity awards that were outstanding immediately prior to the acquisition date, consisting of stock options ("C4 Stock Options") and restricted stock units ("C4 RSUs" and, together with C4 Stock Options, "C4 Equity Awards"). As of the acquisition date, 2,998 shares of C4 Equity Awards were cancelled and converted into rights to receive cash payments (the "Replacement Awards"). During the three months ended June 25, 2021, Replacement Awards forfeited were 1. As of June 25, 2021, 126 unvested Replacement Award units remain outstanding. There were no vested Replacement Award units outstanding as of June 25, 2021.

The Company recognized $818 and $2,266 of compensation expense relating to the Replacement Awards within selling, general and administrative expenses in the accompanying condensed consolidated statement of operations during the three months ended June 25, 2021 and June 26, 2020, respectively. The Company recognized $2,544 and $5,068 of compensation expense relating to the Replacement Awards within selling, general and administrative expenses in the accompanying condensed consolidated statement of operations during the six months ended June 25, 2021 and June 26, 2020, respectively.

There was approximately $2,572 of unrecognized compensation expense related to the nonvested Replacement Awards, which is expected to be recognized subsequent to June 25, 2021 over a weighted- average period of approximately 1 year. Total unrecognized compensation expense will be adjusted for future forfeitures.

13. Income Taxes

The effective income tax rate for the Company was an expense of 12.7% and a benefit of 8.3% for the three and six months ended June 25, 2021, respectively, as compared to a benefit of 23.9% and 19.3%% for the three and six months ended June 26, 2020, respectively. The change in the effective tax rate for the three and six months ended June 25, 2021, and the difference from the U.S. federal statutory rate of 21% was primarily the result of discrete items recognized related to one-time transaction costs, the adjustment of deferred tax liabilities and the benefit of certain tax credits.

Income tax expense was $119 during the three months ended June 25, 2021, compared to income tax benefit of $1,015 during the three months ended June 26, 2020. Income tax benefit was $644 during the six months ended June 25, 2021, compared to income tax benefit of $5,331 during the six months ended June 26, 2020.

14. Commitments and Contingencies

Legal Proceedings — During the normal course of business, the Company is occasionally involved with various claims and litigation. Reserves are established in connection with such matters when a loss is probable, and the amount of such loss can be reasonably estimated. As of June 25, 2021, and December 25, 2020, no material reserves were recorded. The determination of probability and the estimation of the actual amount of any such loss are inherently unpredictable, and it is therefore possible that the eventual outcome of such claims and litigation could exceed the estimated reserves, if any. However, the Company does not expect the outcome of the matters currently pending will have a material adverse effect on the condensed consolidated financial statements.

Lease Commitments — The Company leases offices, warehouse space, and distribution centers. These leases are classified as operating leases with various expiration dates through 2028. In addition to base rent, the Company is obligated to reimburse certain common area maintenance costs required to operate the facilities. Substantially all the leases include renewal options with varying terms. The Company recognizes rental expense and amortizes tenant improvement allowances on a straight-line basis over the stated lease term, including renewal periods if reasonably assured of being exercised. Total rental expense for the three months ended June 25, 2021 and June 26, 2020, was approximately $2,771 and $2,856, respectively. Total rental expense for the six months ended June 25, 2021 and June 26, 2020, was approximately $5,899 and $5,424, respectively.

(in thousands, except per share amounts)

15. Stockholders' Equity

Holders of voting common stock are entitled to one vote per share and to receive dividends. The Company had noncontrolling interests of $282 and $316 as of June 25, 2021 and December 25, 2020, respectively, related to a joint venture formed prior to 2018.

Changes in noncontrolling interests each period include net income attributable to noncontrolling interests and cash contributions by minority partners to the Company's consolidated subsidiaries. There were no cash contributions by minority partners for the three months and six months ended June 25, 2021 or June 26, 2020, respectively.

In connection with the IPO, the Company increased the authorized number of shares of its common stock to 500,000 and authorized 50,000 shares of preferred stock. There was no preferred stock outstanding as of June 25, 2021 and December 25, 2020. All references to share and per share amounts in the Company's condensed consolidated financial statements have been retrospectively revised to reflect the stock split, the increase in par value and the increase in authorized shares.

16. Loss Per Share

Basic loss per share represents net loss divided by the weighted-average shares outstanding. Diluted loss per share is the same as basic income or loss per share, as the Company had no potentially dilutive securities during the three months and six months ended June 25, 2021 or June 26, 2020. The following table presents the calculations of basic and diluted loss per share for the three months and six months ended June 25, 2021 and June 26, 2020:

	Three Months Ended		Six Months Ended	
	June 25, 2021	June 26, 2020	June 25, 2021	June 26, 2020
Net loss attributable to Company	(1,044)	(3,213)	(7,058)	(22,207)
Weighted-average shares outstanding-basic and diluted	59,217	58,885	59,217	58,513
Loss per share-basic and diluted	$ (0.02)	$ (0.05)	$ (0.12)	$ (0.38)

17. Subsequent Events

On July 16, 2021, the Company declared a special dividend to its Parent of $13,046 with cash on hand which will be used to pay certain pre-IPO owners for their interests in lieu of their participation in the tax receivable agreement as further discussed below. Approximately $2,754 of the cash payments to pre-IPO owners are subject to vesting requirements and will be held in escrow. The cash payments held in escrow will be expensed over the requisite vesting period. The remaining $10,292 of the cash payments were paid and expensed in conjunction with the closing of the IPO.

On July 16, 2021, the Company adopted the 2021 Equity Incentive Plan in order to provide a means through which to attract, retain and motivate key personnel. Awards available for grant under the 2021 Equity Incentive Plan include non-qualified and incentive stock options, restricted shares of our common stock, other equity based awards tied to the value of our common stock and cash-based awards. In conjunction with the IPO, the Company issued 1,659 restricted shares of common stock to convert all outstanding and unvested incentive units under the 2017 Incentive Plan. These restricted shares are subject to similar vesting terms and conditions that applied to the incentive units under the 2017 Incentive Plan prior to the conversion. Additionally, the Company issued 5,399 stock options to holders of incentive units under the 2017 Incentive Plan. The stock options allow the recipient to purchase common stock of the Company following the IPO at a strike price of $18.00 and have similar vesting terms and conditions that applied to the incentive units under the 2017 Incentive Plan. As a result of issuance of the stock options, the Company expects to record share-based compensation expense in conjunction with the IPO based on the grant-date fair value of the awards.

On July 29, 2021, the Company executed a tax receivable agreement (the "TRA") with certain pre-IPO owners (the "TRA Participants") that provides for payment by the Company to the TRA Participants of 85% of the amount of cash savings, if any, in U.S. federal, state and local income tax that the Company expects to be able to utilize in the future from net operating losses and certain other tax benefits that arose prior to the IPO. The Company will record an estimated liability of approximately $112,681 representing the probable and reasonably estimable amount of its obligation over the term of the TRA with a corresponding charge to additional paid in capital as of July 29, 2021.

In July 2021, the Company further amended its amended and restated certificate of incorporation which, among other things, effected a 150-for-1 stock split of its shares of common stock, increased the par value of its common stock from $0.001 to $0.01 per share, increased the authorized number of shares of its common stock to 500,000 and authorized 50,000 shares of preferred stock. All references to share and per share amounts in the Company's condensed consolidated financial statements have been retrospectively revised to reflect the stock split, the increase in par value and the increase in authorized shares.

On July 30, 2021 the Company completed its IPO. For details of this event, see Note 1.

On August 4, 2021, the Company used a portion of the net proceeds from the IPO to repay a portion of the Incremental Term Loan outstanding under the Credit Agreement totaling $215,874, plus accrued interest of $1,028. The Company will incur a charge of $6,645 related to the write-off of unamortized debt issuance costs.

On August 18, 2021, the Company closed the underwriters exercise of their over-allotment option to purchase 1,171 additional shares of our common stock from the Company, resulting in additional net proceeds of approximately $19,757 after deducting underwriting discounts and commissions of $1,317.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements and the related notes thereto included elsewhere in this quarterly report on Form 10-Q, as well as our final Prospectus filed with the Securities and Exchange Commission (the "SEC") on July 29, 2021 (hereinafter, the "Prospectus"). The statements in this discussion regarding industry outlook, our expectations regarding our future performance, liquidity and capital resources and all other non-historical statements in this discussion are forward-looking statements and are based on the beliefs of our management, as well as assumptions made by, and information currently available to, our management. Actual results could differ materially from those discussed in or implied by forward-looking statements as a result of various factors, including those discussed below and elsewhere in this Form 10-Q and the Prospectus, particularly in "Risk Factors" or in other sections of this Form 10-Q and the Prospectus.

We operate on a 52-week or 53-week fiscal year ending on the last Friday of December each year. Our fiscal year is divided into four quarters of 13 weeks, each beginning on a Saturday and containing one 5-week period followed by two 4-week periods. When a 53-week fiscal year occurs, we report the additional week in the fourth fiscal quarter. References to fiscal year 2020 are to our 52-week fiscal year ended December 25, 2020. The fiscal quarters ended June 25, 2021 and June 26, 2020 were both 13-week periods.

Overview

Snap One powers smart living by enabling professional integrators to deliver seamless experiences in the connected homes and small businesses where people live, work and play. The combination of our end-to-end product ecosystem and our technology-enabled workflow solutions delivers a compelling value proposition to our loyal and growing network of professional do-it-for-me ("DIFM") integrator customers. We provide integrators with a leading, comprehensive suite of connected, infrastructure, entertainment, and software solutions so the entire smart living experience is exceptional for the end consumer. Our product and service offerings encompass all of the elements required by integrators to build integrated smart living systems that are easy to install and simple to manage, serving the needs of both integrators and end consumers. Our differentiated technology and software-enabled workflow tools have been designed to support the integrator throughout the project lifecycle, enhancing their operations and helping them to profitably grow their businesses.

We are vertically integrated with the majority of our Net Sales and Contribution Margin coming from our proprietary-branded, internally developed products that are only available to integrators directly from Snap One. These proprietary products are manufactured on an asset-light basis through our network of contract manufacturing and joint development suppliers located primarily in Asia. In addition, we offer a curated set of leading third-party products to enhance the one-stop shop experience for integrators, driving customer stickiness and sales growth.

Recent Developments

On May 28, 2021, we completed the acquisition of ANLA, LLC. ("Access Networks"), an enterprise-grade networking solutions provider offering networking products, design, configuration, monitoring and support services. We expect that the acquisition will enhance our networking solutions for residential and commercial networks. The Company agreed to a purchase price of $36.3 million, consisting of both cash and equity, plus contingent consideration of up to $2.0 million based upon the achievement of specified financial targets. See Note 3 of the Notes to the Condensed Consolidated Financial Statements for more information regarding the acquisition.

On July 16, 2021, we declared a special dividend to the Parent of $13.0 million. See Note 17 of the Notes to the Condensed Consolidated Financial Statements for more information regarding the special dividend.

On July 30, 2021, we completed our initial public offering (the "IPO") of 13,850,000 shares of our common stock at an offering price of $18.00 per share, resulting in net proceeds of $233.7 million after deducting underwriting discounts and commissions of $15.6 million. On August 18, 2021, the Company closed the underwriters exercise of their over-allotment option to purchase 1,170,812 additional shares of our common stock from the Company, resulting in additional net proceeds of approximately $19.8 million after deducting underwriting discounts and commissions of $1.3 million. See Notes 1 and 17 of the Notes to the Condensed Consolidated Financial Statements for more information regarding the IPO.

In connection with our IPO, we executed a tax receivable agreement (the "TRA") with certain pre-IPO owners. See Note 17 of the Notes to the Condensed Consolidated Financial Statements for more information regarding the TRA.

On August 4, 2021, we used a portion of the net proceeds from the IPO to repay a portion of the Incremental Term Loan outstanding under the Credit Agreement totaling $215.9 million, plus accrued interest of $1.0 million. The Company will incur a charge of $6.6 million related to the write-off of unamortized debt issuance costs.

Key Factors Affecting Our Performance

Our historical financial performance has been primarily driven by the following factors, which we also expect to be the primary drivers of our financial performance in the future.

Grow Wallet Share to Increase Average Spend per Integrator. Increasing wallet share with integrators depends in part on our ability to continue expanding our omni-channel coverage, extending our product suite, bolstering our support services, and creating deeper integration across our products to make it compelling for integrators to use Snap One as their one-stop shop. Average wallet share with our integrators varies across DIFM markets, with particular strength in home technology and demonstrated success in commercial and security.

Add New DIFM Integrator Customers in Home Technology, Security, Commercial and Internationally. We are a market leader in our core domestic home technology market and we believe that our value proposition appeals to integrators in attractive adjacent markets. We are utilizing our proven strategy of acquiring integrators in the home technology market to attract integrators in security and commercial markets, where we are less penetrated but have displayed a track record of growth. We believe that strategic investments in expanding our product portfolio and targeted sales, marketing and new integrator onboarding initiatives will allow us to grow our network of integrators across these markets. We also believe there is a meaningful opportunity to expand our existing market share in non-U.S. markets. We plan to grow in these markets by investing in sales resources, broadening our available product portfolio, and strengthening our direct-to-integrator sales approach.

Continue to Invest in Our Integrated Platform. Our end-to-end product and software ecosystem and technology-enabled workflow solutions create an integrated platform of leading offerings, which we believe drive significant value for our integrators and personalized, immersive experiences for end consumers.

Enhance Our Omni-Channel Strategy. Our business model is built around an e-commerce centric, omni- channel go-to-market strategy. We provide a comprehensive e-commerce portal, which allows integrators to easily research products, design projects, receive training and certifications, order products, and solicit ongoing support. Our e-commerce portal is complemented by a growing network of 27 local branches and seven distribution centers. The local branch presence is an important part of our strategy as it allows us to better serve integrators locally by providing same day product availability when necessary, creating a site for relationship building with our support team and for training and product demonstration sessions. We believe integrators value the relationships and support we can deliver at the local level, and this further increases their loyalty with our business across channels.

Execute Strategic Acquisitions. In addition to our organic growth, we continue to grow our business through strategic acquisitions to better serve existing and new integrators, broaden our product categories, and extend the geographic reach of our omni-channel capabilities. We will continue to pursue disciplined, accretive acquisitions that enhance our products, software and workflow solutions and expand into adjacent markets that allow us to serve our integrator base.

Impact of the COVID-19 Pandemic

The connected home market has fared well throughout the COVID-19 pandemic, as market data indicates that there has been an increase in the percentage of disposable income being spent on home- related goods and services as more of the working population has been staying at home. Furthermore, integration companies were deemed "essential workers" by the United States federal government, allowing a majority of integrators to remain open throughout the COVID-19 pandemic. Throughout the pandemic, we have supported professional integrators with their challenges, including staff considerations and the dynamic of practicing social distancing with their customers, to allow them to continue to provide their customers the infrastructure and connectivity needed to create personalized experiences for individuals and families who are spending more time at home.

Following initial demand declines for our products and services in March and April 2020, sales recovered as professional integrators' services became increasingly important for homeowners working and seeking entertainment from home. Our favorable liquidity position, disciplined supply chain execution and inventory availability drove strong performance. This has resulted in accelerated growth in our business and reinforced our mission-criticality to our integrators. This macroeconomic trend has primarily been favorable to our business results to date, but more recent supply chain challenges, increasing supplier costs, the possible sustained spread or resurgence of the pandemic, and any government response thereto, increase the uncertainty regarding future economic conditions upon which our future business depends.

Key Metrics and Reconciliation of Non-GAAP Financial Data

In addition to the measures presented in our consolidated financial statements, we use the following additional key business metrics to help us monitor the performance of our business, measure our performance, identify trends affecting our business and assist us in making strategic decisions:

Adjusted EBITDA and Adjusted Net Income

We define Adjusted EBITDA as net loss, plus interest expense, net, income tax benefit, depreciation and amortization, further adjusted to exclude equity-based compensation, acquisition- and integration- related costs and certain other non-recurring, non-core, infrequent or unusual charges as described below.

We define Adjusted Net Income as net loss plus amortization further adjusted to exclude equity-based compensation, acquisition- and integration-related costs and certain non-recurring, non-core, infrequent or unusual charges, including the estimated tax impacts of these adjustments.

Adjusted EBITDA and Adjusted Net Income are key measures used by management to understand and evaluate our financial performance, trends and generate future operating plans. Management uses these key measures to make strategic decisions regarding the allocation of capital and analyze investments in initiatives that are focused on cultivating new markets for our products and services. We believe Adjusted EBITDA and Adjusted Net Income are useful measurements for analysts, investors and other interested parties to evaluate companies in our markets as they help identify underlying trends that could otherwise be masked by certain expenses that we do not consider indicative of our ongoing performance.

Adjusted EBITDA and Adjusted Net Income have limitations as analytical tools. These measures are not calculated in accordance with GAAP and should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. In addition, Adjusted EBITDA and Adjusted Net Income may not be comparable to similarly titled metrics of other companies due to differences among the methods of calculation.

The following table presents a reconciliation of net loss to Adjusted EBITDA for the periods presented:

	Three Months Ended		Six Months Ended	
	June 25, 2021	June 26, 2020	June 25, 2021	June 26, 2020
	(in thousands)			
Net loss	$ (1,056)	$ (3,229)	$ (7,092)	$ (22,247)
Interest expense	9,543	11,742	19,078	24,545
Income tax expense (benefit)	119	(1,015)	(644)	(5,331)
Depreciation and amortization	14,198	14,500	27,910	28,983
Other income	(296)	(2,217)	(509)	(1,334)
Equity-based compensation	1,178	1,185	2,238	2,547
Fair value adjustment to contingent value rights[(a)]	1,530	(700)	2,840	(1,000)
Acquisition- and integration-related costs[(b)]	222	899	236	4,377
Initial public offering costs[(c)]	1,210	—	2,921	—
Deferred revenue purchase accounting adjustment[(d)]	141	280	289	650
Deferred acquisition payments[(e)]	1,428	2,933	3,580	6,235

Other[f]	1,095	31	1,807	46
Adjusted EBITDA	$ 29,312	$ 24,409	$ 52,654	$ 37,471

The following table presents a reconciliation of net loss to Adjusted Net Income for the periods presented:

	Three Months Ended		Six Months Ended	
	June 25, 2021	June 26, 2020	June 25, 2021	June 26, 2020
	(in thousands)			
Net loss	$ (1,056)	$ (3,229)	$ (7,092)	$ (22,247)
Amortization	12,079	11,872	23,967	23,747
Foreign currency (gains) loss	(143)	(985)	(191)	157
Gain on sale of business	—	(979)	—	(979)
Equity-based compensation	1,178	1,185	2,238	2,547
Fair value adjustment to contingent value rights[a]	1,530	(700)	2,840	(1,000)
Acquisition and integration related costs[b]	222	899	236	4,377
Initial public offering costs[c]	1,210	—	2,921	—
Deferred revenue purchase accounting adjustment[d]	141	280	289	650
Deferred acquisition payments[e]	1,428	2,933	3,580	6,235
Other[f]	1,067	(46)	1,757	(108)
Income tax effect of adjustments[g]	(3,790)	(3,570)	(7,645)	(8,426)
Adjusted Net Income	$ 13,866	$ 7,660	$ 22,900	$ 4,953

(a) Represents noncash losses recorded from fair value adjustments related to contingent value right liabilities. Contingent value right ("CVR") liabilities represent potential obligations to the prior sellers in conjunction with the acquisition of the Company by investment funds managed by Hellman & Friedman in August 2017 and are based on estimates of expected cash payments to the prior sellers based on specified targets for the return on the original capital investment.

(b) Represents costs directly associated with acquisitions and acquisition-related integration activities. For three months and six months ended June 26, 2020, the costs relate primarily to third-party consultant and information technology integration costs directly related to the Company's acquisition of Control4 Corporation in August 2019. These costs also include certain restructuring costs (e.g., severance) and other third-party transaction advisory fees associated with the acquisitions.

(c) Represents expenses related to professional fees in connection with preparation for our initial public offering.

(d) Represents an adjustment related to the fair value of deferred revenue related to the Control4 acquisition.

(e) Represents expenses incurred related to deferred payments to employees associated with our Control4 acquisition and other historical acquisitions. The deferred payments are cash retention awards for key personnel from the acquired companies and are expected to be paid to employees through 2023. Management does not believe such costs are indicative of our ongoing operations as they are one-time awards specific to acquisitions and are incremental to our typical compensation costs incurred and we do not expect such costs to be reflective of future increases in base compensation expense.

(f) Represents non-recurring expenses primarily related to consulting and restructuring fees which management believes are not representative of our operating performance.

(g) Represents the tax impacts with respect to each adjustment noted above after taking into account the impact of permanent differences using the statutory tax rate related to the applicable federal and foreign jurisdictions and the blended state tax rate.

Contribution Margin

We define Contribution Margin for a particular period as net sales less cost of sales, exclusive of depreciation and amortization, divided by net sales. Management uses this key measure to understand and evaluate our financial performance, trends and generate future operating plans, make strategic decisions regarding the allocation of capital and

analyze investments in initiatives that are focused on cultivating new markets for our products and services. We believe Contribution Margin is a useful measurement for analysts, investors and other interested parties to evaluate companies in our markets as they help identify underlying trends that could otherwise be masked by certain expenses that we do not consider indicative of our ongoing performance.

Contribution Margin has limitations as an analytical tool. This measure is not calculated in accordance with GAAP and should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. In addition, Contribution Margin may not be comparable to similarly titled metrics of other companies due to differences among the methods of calculation.

The following table presents the calculation of Contribution Margin:

	Three Months Ended		Six Months Ended	
	June 25, 2021	June 26, 2020	June 25, 2021	June 26, 2020
	(in thousands)			
Net sales	$ 253,305	$ 189,119	$ 473,773	$ 361,730
Cost of sales, exclusive of depreciation and amortization (a)	152,140	109,243	281,016	209,633
Net sales less cost of sales, exclusive of depreciation and amortization	$ 101,165	$ 79,876	$ 192,757	$ 152,097
Contribution Margin	39.9 %	42.2 %	40.7 %	42.0 %

(a) Cost of sales, exclusive of depreciation and amortization for the three months ended June 25, 2021 and June 26, 2020 excludes depreciation and amortization of $14,198 and $14,500, respectively. Cost of sales, exclusive of depreciation and amortization for the six months ended June 25, 2021 and June 26, 2020 excludes depreciation and amortization of $27,910 and $28,983, respectively.

Free Cash Flow

We define Free Cash Flow as net cash (used in) provided by operating activities less capital expenditures (which consist of purchases of property and equipment as well as purchases of information technology, software development and leasehold improvements). We believe it is useful to exclude capital expenditures from our Free Cash Flow in order to measure the amount of cash we generate because the timing of such capital investments made may not directly correlate to the underlying financial performance of our business operations. Free Cash Flow is not a measure calculated in accordance with GAAP and should not be considered in isolation from, or as a substitute for financial information prepared in accordance with GAAP. In addition, Free Cash Flow may not be comparable to similarly titled metrics of other companies due to differences among methods of calculation. Free Cash Flow provides useful information to investors and others in understanding and evaluating our ability to generate additional cash from our business in the same manner as our management and board of directors. Free Cash Flow may be affected in the near to medium term by the timing of capital investments (such as purchases of information technology and other equipment and leasehold improvements), fluctuations in our growth and the effect of such fluctuations on working capital and changes in our cash conversion cycle due to increases or decreases of vendor payment terms as well as inventory turnover.

The following table presents a reconciliation of net cash (used in) provided by operating activities to Free Cash Flow for the periods presented:

	Six Months Ended	
	June 25, 2021	June 26, 2020
	(in thousands)	
Net cash (used in) provided by operating activities	$ (4,615)	$ 38,107
Purchases of property and equipment	(4,413)	(5,055)
Free Cash Flow	$ (9,028)	$ 33,052

Basis of Presentation and Key Components of Results of Operations

Net Sales

We generate net sales by selling to our integrators hardware products both with and without embedded software, which are then resold to end consumers, typically in the installation of an audio/video, IT, smart-home, or surveillance-related package. We act both as a principal in selling proprietary products, and as an agent in selling certain third-party products through strategic partnerships with outside suppliers. In addition, we generate a small percentage of our revenue through recurring revenue from subscription services associated with product sales including hosting services, technical support, and access to unspecified software updates and upgrades. Revenue is recognized when the integrator obtains control of the product, which occurs upon shipment, in an amount that reflects the consideration expected to be received in exchange for those products net of estimated discounts, rebates, returns, allowances and any taxes collected and remitted to government authorities. Revenue allocated to subscription services is recognized over time as services are provided. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Estimates and Policies — Revenue Recognition" in the Prospectus.

Cost of sales, exclusive of depreciation and amortization

Cost of sales, exclusive of depreciation and amortization includes expenses related to production of proprietary finished goods, including raw materials and inbound freight, purchase costs for third-party products produced by strategic partners and sold by Snap One, rebates, inventory reserve adjustments and employee costs related to assembly services. The components of our cost of sales, exclusive of depreciation and amortization may not be comparable to our peers. The changes in our cost of sales, exclusive of depreciation and amortization generally correspond with the changes in net sales and may be impacted by any significant fluctuations in the components of our cost of sales, exclusive of depreciation and amortization.

Selling, general and administrative expenses

Selling, general and administrative costs include payroll and related costs, occupancy costs, costs related to warehousing, distribution, outbound shipping to integrators, credit card processing fees, warranty, purchasing, advertising, research and development, non-income-based taxes, equity-based compensation, acquisition-related expenses and other corporate overhead costs. We expect that our selling, general and administrative expenses will increase in future periods as we continue to grow, and due to additional legal, accounting, insurance and other expenses that we expect to incur as a result of being a public company, including compliance with the Sarbanes-Oxley Act.

Depreciation and amortization

Depreciation expense is related to investments in property and equipment. Amortization expense consists of amortization of intangible assets originating from our acquisitions. Acquired intangible assets include developed technology, customer relationships, trademarks and trade names. We expect in the future that depreciation and amortization may increase based on acquisition activity, development of our platform and capitalized expenditures.

Interest expense

Interest expense includes interest expense on debt, including the Revolving Credit Facility, the Initial Term Loan, and the Incremental Term Loan (each of which is described in more detail below under "— Liquidity and Capital Resources — Debt Obligations"), as well as the non-cash amortization of deferred financing costs.

Other income

Other income includes interest income, foreign currency remeasurement and transaction gains and losses.

Income tax expense (benefit)

We are subject to U.S. federal, state and local income taxes as well as foreign income taxes based on enacted tax rates in each jurisdiction, as adjusted for allowable credits and deductions. During the ordinary course of business, there are many transactions and calculations for which the ultimate tax determination is uncertain. As a result, we recognize tax liabilities based on estimates of whether additional taxes will be due.

Results of Operations

The following table sets forth our results of operations and results of operations data expressed as a percentage of net sales for the periods presented. The period-to-period comparison of financial results is not necessarily indicative of future results.

	Three Months Ended				Six Months Ended			
	June 25, 2021	% of Net sales	June 26, 2020	% of Net sales	June 25, 2021	% of Net sales	June 26, 2020	% of Net sales
	($ in thousands)							
Net Sales	$ 253,305	100.0 %	$ 189,119	100.0 %	$ 473,773	100.0 %	$ 361,730	100.0 %
Costs and expenses:								
Cost of sales, exclusive of depreciation and amortization. .	152,140	60.1 %	109,243	57.8 %	281,016	59.3 %	209,633	58.0 %
Selling, general and administrative expenses	78,657	31.1 %	60,095	31.8 %	154,014	32.5 %	127,481	35.2 %
Depreciation and amortization	14,198	5.6 %	14,500	7.7 %	27,910	5.9 %	28,983	8.0 %
Total costs and expenses	244,995	96.7 %	183,838	97.2 %	462,940	97.7 %	366,097	101.2 %
Income (loss) from operations	8,310	3.3 %	5,281	2.8 %	10,833	2.3 %	(4,367)	(1.2)%
Other expenses (income):								
Interest expense	9,543	3.8 %	11,742	6.2 %	19,078	4.0 %	24,545	6.8 %
Other (income) expense	(296)	(0.1)%	(2,217)	(1.2)%	(509)	(0.1)%	(1,334)	(0.4)%
Total other expenses	9,247	3.7 %	9,525	5.0 %	18,569	3.9 %	23,211	6.4 %
Loss before income taxes	(937)	(0.4)%	(4,244)	(2.2)%	(7,736)	(1.6)%	(27,578)	(7.6)%
Income tax expense (benefit)	119	— %	(1,015)	(0.5)%	(644)	(0.1)%	(5,331)	(1.5)%
Net loss	(1,056)	(0.4)%	(3,229)	(1.7)%	(7,092)	(1.5)%	(22,247)	(6.1)%
Net loss attributable to noncontrolling interest	(12)	0.0 %	(16)	0.0 %	(34)	0.0 %	(40)	0.0 %
Net loss attributable to Company	$ (1,044)	(0.4)%	$ (3,213)	(1.7)%	$ (7,058)	(1.5)%	$ (22,207)	(6.1)%

Three Months and Six Months Ended June 25, 2021 Compared to the Three Months and Six Months Ended June 26, 2020

Net Sales

	Three Months Ended				Six Months Ended			
	June 25, 2021	June 26, 2020	$ Change	% Change	June 25, 2021	June 26, 2020	$ Change	% Change
	($ in thousands)							
Net Sales	$ 253,305	$ 189,119	$ 64,186	33.9 %	$ 473,773	$ 361,730	$ 112,043	31.0 %

Net sales increased by $64.2 million, or 33.9%, in the three months ended June 25, 2021 compared to the three months ended June 26, 2020. The growth during the quarter was driven by strong overall demand across the business. Both proprietary and third-party product portfolios grew over 29%, with all product categories, geographic regions and markets experiencing growth in the quarter. Additionally, in the prior year quarter net sales were affected by initial declines in demand due to the impact of COVID-19. Net sales in the most recent quarter also benefited from the continued ramp of local branches with the opening of five additional branches between the end of the second quarter of 2020 and end of the second quarter of 2021. Net sales growth was partially offset by supply chain challenges resulting in stock outs late in the second quarter of 2021.

Net sales increased by $112.0 million, or 31.0%, in the six months ended June 25, 2021 compared to the six months ended June 26, 2020. Growth was strong across product categories, geographic regions, and markets as we added new integrators, increased spend per integrator and lapped the demand trough from COVID-19 in the second quarter of the prior year.

Cost of Sales, exclusive of depreciation and amortization

	Three Months Ended				Six Months Ended			
	June 25, 2021	June 26, 2020	$ Change	% Change	June 25, 2021	June 26, 2020	$ Change	% Change
	($ in thousands)							
Cost of sales, exclusive of depreciation and amortization	$ 152,140	$ 109,243	$ 42,897	39.3 %	$ 281,016	$ 209,633	$ 71,383	34.1 %
As a percentage of net sales	60.1 %	57.8 %			59.3 %	58.0 %		

Cost of sales, exclusive of depreciation and amortization, increased $42.9 million, or 39.3%, in the three months ended June 25, 2021 compared to the three months ended June 26, 2020, primarily driven by higher sales volumes. As a percentage of net sales, cost of sales, exclusive of depreciation and amortization, increased to 60.1% in the current period from 57.8% in the prior period. The increase in cost of sales, exclusive of depreciation and amortization, as a percentage of net sales was primarily due to accelerated growth in third-party product sales relative to the sales growth of proprietary product. The increasing mix of third-party product was driven by expansion of product and brand assortment accelerated by the execution of our omni-channel strategy of opening local branches, which typically sell more third-party product relative to proprietary product. Our third-party products also have higher cost of sales, exclusive of depreciation and amortization, as a percentage of net sales relative to our proprietary products. The increase in cost of sales, exclusive of depreciation and amortization, as a percentage of net sales was also partially due to increasing costs from suppliers and higher inbound freight costs given ongoing supply chain pressures. This increase in cost of sales, exclusive of depreciation and amortization, as a percentage of net sales resulted in a lower Contribution Margin of 39.9% for three months ended June 25, 2021 compared to 42.2% for the three months ended June 26, 2020.

Cost of sales, exclusive of depreciation and amortization, increased $71.4 million, or 34.1%, in the six months ended June 25, 2021 compared to the six months ended June 26, 2020, driven by higher sales volumes. As a percentage of net sales, cost of sales, exclusive of depreciation and amortization, increased to 59.3% in the current period from 58.0% in the prior period. The increase in cost of sales, exclusive of depreciation and amortization, as a percentage of net sales was primarily due to growth in third-party product sales mix as we further execute our omni-channel strategy by opening local branches which typically sell more third-party product than proprietary product, as well as increasing costs from suppliers and higher inbound freight costs given ongoing supply chain pressures. This increase in cost of sales, exclusive of depreciation and amortization, as a percentage of net sales resulted in a lower Contribution Margin of 40.7% for the six months ended June 25, 2021, compared to 42.0% for the six months ended June 26, 2020.

Selling, General and Administrative ("SG&A") Expenses

	Three Months Ended				Six Months Ended			
	June 25, 2021	June 26, 2020	$ Change	% Change	June 25, 2021	June 26, 2020	$ Change	% Change
	($ in thousands)							
Selling, general and administrative expenses	$ 78,657	$ 60,095	$ 18,562	30.9 %	$ 154,014	$ 127,481	$ 26,533	20.8 %
As a percentage of net sales	31.1 %	31.8 %			32.5 %	35.2 %		

Selling, general and administrative expenses increased $18.6 million, or 30.9%, in the three months ended June 25, 2021 compared to the three months ended June 26, 2020. The increase in selling, general, administrative expenses was due to increases in variable operating expenses, including outbound shipping, credit card processing fees and warranty, driven by higher sales volumes, the return to normalized spending following the temporary cost reductions taken to mitigate the impact of COVID-19 in 2020, continued investments to support strategic growth initiatives, and costs associated with becoming a public company.

Selling, general and administrative expenses increased $26.5 million, or 20.8%, in the six months ended June 25, 2021 compared to the six months ended June 26, 2020. The increase in selling, general, administrative expenses was due to increases in variable operating expenses, including outbound shipping, credit card processing fees and warranty, driven by higher sales volumes, the return to normalized spending following the temporary cost reductions taken to mitigate the impact of COVID-19 in 2020, continued investments to support strategic growth initiatives, and costs associated with becoming a public company.

Depreciation and Amortization

	Three Months Ended				Six Months Ended			
	June 25, 2021	June 26, 2020	$ Change	% Change	June 25, 2021	June 26, 2020	$ Change	% Change
	($ in thousands)							
Depreciation and amortization	$ 14,198	$ 14,500	$ (302)	(2.1)%	$ 27,910	$ 28,983	$ (1,073)	(3.7)%
As a percentage of net sales	5.6 %	7.7 %			5.9 %	8.0 %		

Depreciation and amortization expenses decreased by $0.3 million, or 2.1%, in the three months ended June 25, 2021 compared to the three months ended June 26, 2020, and by $1.1 million, or 3.7%, in the six months ended June 25, 2021 compared to the six months ended June 26, 2020. Depreciation expense decreased primarily due to certain software assets that became fully depreciated during fiscal year 2020. Amortization expense associated with intangible assets acquired remained flat between periods.

Interest Expense

	Three Months Ended				Six Months Ended			
	June 25, 2021	June 26, 2020	$ Change	% Change	June 25, 2021	June 26, 2020	$ Change	% Change
	($ in thousands)							
Interest Expense	$ 9,543	$ 11,742	$ (2,199)	(18.7)%	$ 19,078	$ 24,545	$ (5,467)	(22.3)%
As a percentage of net sales	3.8 %	6.2 %			4.0 %	6.8 %		

Interest expense decreased by $2.2 million, or 18.7%, in the three months ended June 25, 2021 compared to the three months ended June 26, 2020, and by $5.5 million, or 22.3%, in the six months ended June 25, 2021 compared to the six months ended June 26, 2020. The decrease was primarily driven by lower average borrowing rates on our debt and a lower average outstanding balance on our revolving credit facility in the current period.

Other Income

	Three Months Ended				Six Months Ended			
	June 25, 2021	June 26, 2020	$ Change	% Change	June 25, 2021	June 26, 2020	$ Change	% Change
	($ in thousands)							
Other income	$ (296)	$ (2,217)	$ 1,921	(86.6)%	$ (509)	$ (1,334)	$ 825	(61.8)%
As a percentage of net sales	(0.1)%	(1.2)%			(0.1)%	(0.4)%		

Other income decreased by $1.9 million, or 86.6%, in the three months ended June 25, 2021 compared to the three months ended June 26, 2020, primarily due to a $1.0 million gain on the sale of a business in the prior year, as well as foreign currency gains in the prior year resulting from favorable foreign currency movements in the U.K. and Australia.

Other income decreased by $0.8 million, or 61.8%, in the six months ended June 25, 2021 compared to the six months ended June 26, 2020 due to a $1.0 million gain on the sale of a business in the prior year.

Income Tax Expense (Benefit)

	Three Months Ended				Six Months Ended			
	June 25, 2021	June 26, 2020	$ Change	% Change	June 25, 2021	June 26, 2020	$ Change	% Change
	($ in thousands)							
Income tax expense (benefit)	$ 119	$ (1,015)	$ 1,134	(111.7)%	$ (644)	$ (5,331)	$ 4,687	(87.9)%
As a percentage of net sales	— %	(0.5)%			(0.1)%	(1.5)%		

The Company recognized income tax expense of $0.1 million for the three months ended June 25, 2021 compared to a benefit of $1.0 million for the three months ended June 26, 2020. The effective tax rate for the three months ended June 25, 2021 was an expense of 12.7%, and a benefit of 23.9% for the three months ended June 26, 2020. The change in the effective tax rate in the three months ended June 25, 2021 and the difference from the statutory rate, was primarily the result of discrete items recognized related to one-time transaction costs, the adjustment of deferred tax liabilities and the benefit of certain tax credits.

Income tax benefit decreased by $4.7 million, or 87.9%, in the six months ended June 25, 2021 compared to the six months ended June 26, 2020. The effective tax rate for the six months ended June 25, 2021 was a benefit of 8.33% compared to a benefit of 19.33% for the six months ended June 26, 2020. The change in the effective tax rate for the six months ended June 25, 2021, and the difference from the U.S. federal statutory rate of 21%, was primarily the result of discrete items recognized related to one-time transaction costs, the adjustment of deferred tax liabilities and the benefit of certain tax credits.

Liquidity and Capital Resources

Sources of Liquidity

Our primary sources of liquidity are net cash provided by operating activities and availability under our Credit Agreement. We assess our liquidity in terms of our ability to generate adequate amounts of cash to meet current and future needs. Our expected primary uses on a short-term and long-term basis are for working capital requirements, capital expenditures, geographic or service offering expansion, acquisitions, debt service requirements and other general corporate purposes. Our primary working capital requirements are for the purchase of inventory, payroll, rent, other facility costs, distribution costs and general and administrative costs. Our working capital requirements fluctuate during the year, driven primarily by seasonality and the timing of inventory purchases. Our capital expenditures are primarily related to infrastructure-related investments, including investments related to upgrading and maintaining our information technology systems, ongoing location improvements (joint design and manufacturing tooling), expenditures related to our distributions centers, and new location openings. We expect to fund capital expenditures from net cash provided by operating activities.

We have historically funded our operations and acquisitions primarily through internally generated cash on hand and our Credit Facilities, except for the acquisition of Control4 which was partially funded by a capital contribution from Crackle Holdings, L.P. (the "Parent"). Most recently, we raised an aggregate of $233.7 million, after deducting underwriting discounts and commissions, in our initial public offering ("IPO") which closed on July 30, 2021, and on August 18, 2021, we received an additional $19.8 million, after deducting underwriting discounts and commissions, from the sale of 1,170,812 additional shares of common stock to the underwriters of the IPO pursuant to the underwriters' exercise of their option to purchase additional shares. On August 4, 2021, the Company used a portion of the net proceeds from the IPO to repay a portion of the Incremental Term Loan outstanding under the Credit Agreement totaling $215.9 million, plus accrued interest of $1.0 million. The Company will incur a charge of $6.6 million related to the write-off of unamortized debt issuance costs.

Working Capital, Excluding Deferred Revenue

The following table summarizes our cash, cash equivalents, accounts receivable and working capital, which we define as current assets minus current liabilities excluding deferred revenue, for the periods indicated:

	As of	
	June 25, 2021	December 25, 2020
	(in thousands)	
Cash and cash equivalents	$ 35,850	$ 77,458
Accounts receivable, net	56,650	49,363
Working capital, excluding deferred revenue	147,575	141,476

Our cash and cash equivalents as of June 25, 2021 are available for working capital purposes. We do not enter into investments for trading purposes, and our investment policy is to invest any excess cash in short term, highly liquid investments that reduce the risk of principal loss; therefore, our cash and cash equivalents are held in demand deposit accounts that generate very low returns.

We believe that our existing cash and cash equivalents, together with expected cash flow from operating activities, will be sufficient to fund our operations and capital expenditure requirements for the next 12 months. Beyond the next 12 months, our primary capital requirements primarily consist of required principal and interest payments on long-term debt and lease payments under non-cancelable lease commitments as further described in Notes 8 and 14 to our consolidated financial statements included in our Prospectus. If cash provided by operating activities and borrowings under our Credit Agreement are not sufficient or available to meet our short and long-term capital requirements, then we may consider additional equity or debt financing in the future. There can be no assurance debt or equity financing will be available to us if we need it or, if available, the terms will be satisfactory to us. Our sources of liquidity could be affected by factors described under "Risk Factors" in our Prospectus.

Debt Obligations

On August 4, 2017, our wholly-owned subsidiary, Wirepath LLC (the "Borrower") entered into a Credit Agreement (the "Credit Agreement") with various financial institutions consisting of a Revolving Credit Facility that provided for borrowings of up to $50.0 million, and an Initial Term Loan in the amount of $265.0 million. The Revolving Credit Facility matures on August 4, 2022, and the Initial Term Loan matures on August 4, 2024. We can elect that loans under the Revolving Credit Facility and Initial Term Loan be alternate base rate loans or LIBOR-based loans, each at the published interest rates, plus the applicable margin as further discussed below. We have elected LIBOR-based loans in each instance.

On February 5, 2018, the Credit Agreement was amended to reduce the applicable interest rate margin on the Revolving Credit Facility and Initial Term Loan by 0.75 percentage points each. On October 31, 2018, the Credit Agreement was amended for a second time to increase the Initial Term Loan principal to $292.4 million, with a reduction of 0.50 percentage points to the applicable interest rate margin on the Revolving Credit Facility and Initial Term Loan. On August 1, 2019, the Credit Agreement was amended for a third time to provide an Incremental Term Loan in the amount of $390.0 million and increase commitments under the Revolving Credit Facility to $60.0 million. Borrowings under the Revolving Credit Facility and term loans bear interest at a variable rate, at the Borrower's option, of either (i) a eurodollar rate based on LIBOR for a specific interest period plus an applicable margin, subject to a eurodollar rate floor of 0.00%, or (ii) an alternate base rate plus an applicable margin, subject to a base rate floor of 0.00%. Interest on the Revolving Credit Facility and the term loans is payable quarterly in arrears with respect to alternate base rate loans and payable on the last day of each applicable interest period (or, in the case of an interest period in excess of three months, on three-month intervals of the first day of such interest period) with respect to eurodollar rate loans. The margins for the Revolving Credit Facility range from 3.50% to 4.00% per annum for eurodollar rate loans and 2.50% to 3.00% per annum for alternate base rate loans, depending on the applicable first lien secured leverage ratio. The margins for the Initial Term Loan are fixed at 4.00% per annum for eurodollar rate loans and 3.00% per annum for alternate base rate loans. The margins for the Incremental Term Loan are fixed at 4.75% per annum for eurodollar rate loans and 3.75% per annum for alternate base rate loans. Unused commitments under the Revolving Credit Facility are subject to a commitment fee ranging from 0.25% to 0.50% depending on the applicable first lien secured net leverage ratio.

The LIBOR-based rate for the Revolving Credit Facility and the Initial Term Loan is LIBOR (0.20% and 0.22% as of June 25, 2021 and December 25, 2020, respectively), plus the applicable margin (4.00% as of June 25, 2021 and December 25, 2020), amounting to an effective rate of 4.20% as of June 25, 2021 and 4.22% as of December 25, 2020. The LIBOR-based rate for the Incremental Term Loan is LIBOR (0.20% and 0.22% as of June 25, 2021 and December 25, 2020, respectively), plus the applicable margin (4.75% as of June 25, 2021 and December 25, 2020), amounting to an effective rate of 4.95% as of June 25, 2021 and 4.97% as of December 25, 2020.

On December 31, 2018, we purchased an interest rate cap to guard against unexpected increases in LIBOR to which our debt instruments are tied. Pursuant to the agreements, we have capped LIBOR at 3.55% with respect to the aggregate notional amount of $189.6 million, decreasing by scheduled principal payments on the Initial Term Loan through the expiration of the agreements in December 2021. In the event LIBOR exceeds 3.55%, we will pay interest at the capped rate plus the applicable margin. In the event LIBOR is less than 3.55%, we will pay interest at the prevailing LIBOR rate plus the applicable margin. The asset is recorded at fair value.

The term loans amortize in fixed equal quarterly installments in an amount equal to 1.0% per annum of the total aggregate principal amount thereof immediately after borrowing, with the balance due at maturity. We may voluntarily prepay loans or reduce commitments under the Credit Agreement, in whole or in part, subject to minimum amounts, with prior notice but without premium or penalty (subject to customary exceptions). We may be required, with certain exceptions, to make mandatory payments under the Credit Agreement using a percentage of our annual excess cash flows or net proceeds from any non- ordinary course asset sales or certain debt issuances, if any.

The Borrower's obligations under the Credit Agreement are guaranteed by its direct parent company, our wholly owned subsidiary Crackle Purchaser LLC (formerly known as Crackle Purchaser Corp.) and each of the Borrower's current and future direct and indirect subsidiaries other than (i) foreign subsidiaries, (ii) unrestricted subsidiaries, (iii) non-wholly owned subsidiaries, (iv) immaterial subsidiaries and (v) certain holding companies of foreign subsidiaries, and are secured by a first lien on substantially all of their assets, including the capital stock of subsidiaries (subject to certain exceptions).

The Credit Agreement contains various customary affirmative and negative covenants. The financial covenants we are measured against are consolidated earnings before interest, taxes, depreciation and amortization, adjusted for allowable add-backs specified in the Credit Agreement ("consolidated EBITDA"), and associated ratios, as defined in the Credit Agreement. We were in compliance with such covenants as of June 25, 2021 and December 25, 2020.

In addition, the Revolving Credit Facility is subject to a first lien secured net leverage ratio of 8.15 to 1:00, tested quarterly if, and only if, the aggregate principal amount from the revolving facility loans, letters of credit (to the extent not cash collateralized or backstopped or, in the aggregate, not in excess of the greater of $5.0 million and the stated face amount of letters of credit outstanding on the initial closing date of the Credit Agreement) and swingline loans outstanding and/or issued, as applicable, exceeds 35.0% of the total amount of the Revolving Credit Facility commitments.

As of June 25, 2021, we had no borrowings under the Revolving Credit Facility, $285.0 million outstanding under the Initial Term Loan and $384.2 million outstanding under the Incremental Term Loan. As of December 25, 2020, the Company had no borrowings under the Revolving Credit Facility, $286.5 million outstanding under the Initial Term Loan and $386.1 million outstanding under the Incremental Term Loan.

Historical Cash Flows

The following table sets forth our cash flows for the six months ended June 25, 2021 and June 26, 2020:

	Six Months Ended	
	June 25, 2021	June 26, 2020
	(in thousands)	
Net cash (used in) provided by operating activities	$ (4,615)	$ 38,107
Net cash used in investing activities	(30,663)	(4,418)
Net cash (used in) provided by financing activities	(6,325)	48,249

Operating Activities

Net cash used in operating activities was $4.6 million in the six months ended June 25, 2021 as compared to net cash provided of $38.1 million in the six months ended June 26, 2020, an increase of $42.7 million. The increase was driven primarily by a net increase in cash used for operating assets and liabilities, including an increase in inventory to protect against supply chain uncertainty. In the prior year, we managed our working capital position in light of the COVID-19 pandemic by increasing focus on collections of accounts receivable, managing inventory levels, and negotiating extended payment terms with vendors, resulting in increased cash flow from operations in fiscal year 2020. These increases were partially offset by a decrease in net losses.

Investing Activities

Net cash used in investing activities was $30.7 million in the six months ended June 25, 2021 as compared to $4.4 million in six months ended June 26, 2020, an increase of $26.3 million. The increase in net cash used in investing activities for the six months ended June 25, 2021 was primarily due to the acquisition of Access Networks in the current period.

Financing Activities

Net cash used in financing activities was $6.3 million for the six months ended June 25, 2021 compared to net cash provided by of $48.2 million in the six months ended June 26, 2020, a decrease of $54.5 million. The decrease was primarily due to proceeds from our revolving credit facility of $52.0 million in the prior year which included cash borrowings taken in order to enhance our liquidity during the COVID-19 outbreak. See Note 7 of the Notes to the Condensed Consolidated Financial Statements for more information. Additionally, in the six months ended June 25, 2021, we had $2.4 million in payments of deferred IPO costs.

Off-Balance Sheet Arrangements

As of June 25, 2021 and December 25, 2020, we had off-balance sheet arrangements totaling $4.9 million related to our outstanding letters of credit as further described in Note 7 of the Notes to the Condensed Consolidated Financial Statements.

Contractual Obligations

As of June 25, 2021, there have been no material changes from the contractual obligations and commitments previously disclosed in our Prospectus.

Critical Accounting Estimates and Policies

See "Management's Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Estimates and Policies" and our consolidated financial statements and related notes disclosed in our Prospectus for accounting policies and related estimates we believe are the most critical to understanding our consolidated financial statements, financial condition and results of operations and which require complex management judgment and assumptions, or involve uncertainties. These critical accounting estimates and policies include revenue recognition; share-based compensation; income taxes; business combinations; inventories, net; goodwill and intangible assets; warranties; and contingent valuation rights. There have been no changes to our critical accounting estimates and policies or their application since the date of the Prospectus.

Recent Accounting Pronouncements

Refer to Note 2 of the Notes to the Condensed Consolidated Financial Statements for information regarding recently issued accounting pronouncements.

Emerging Growth Company Status

We qualify as an "emerging growth company" as defined in the JOBS Act. An emerging growth company may take advantage of reduced reporting requirements that are not otherwise applicable to public companies. These provisions include, but are not limited to:

- being permitted to present only two years of audited financial statements and only two years of related "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Prospectus;
- not being required to comply with the auditor attestation requirements on the effectiveness of our internal controls over financial reporting;
- not being required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements (auditor discussion of critical audit matters);
- reduced disclosure obligations regarding executive compensation arrangements in our periodic reports, proxy statements and registration statements, including in our Prospectus; 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 may use these provisions until the last day of our fiscal year in which the fifth anniversary of the completion of our IPO occurs (which will be our 2026 fiscal year). 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 exceed $1.07 billion, or we issue more than $1.0 billion of nonconvertible debt in any three-year period, we will cease to be an emerging growth company prior to the end of such five-year period.

Under the JOBS Act, emerging growth companies also can delay adopting new or revised accounting standards until such time as those standards would otherwise apply to private companies. We currently intend to take advantage of this exemption.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Our earnings and financial position are exposed to financial market risk, including those resulting from changes in interest rates and market concentration risk.

Interest Rate Risk

We are subject to interest rate risk in connection with our Credit Agreement. As of December 25, 2020, we had $672.6 million outstanding under the term loan portion of the Credit Agreement. The term loans bear interest at variable rates. After taking into account our interest rate caps: (i) an increase of 100 basis points in the variable rates on the amounts outstanding under the Credit Agreement as of December 25, 2020 would have increased annual cash interest in the aggregate by approximately $7.1 million; and (ii) a decrease of 100 basis points in the variable rates would have decreased annual cash interest in the aggregate by approximately $5.8 million. Please refer to "— Liquidity and Capital Resources — Debt Obligations" for information regarding the interest rate cap agreement that we entered into to guard against unexpected increases in LIBOR on a portion of our variable-rate term loans and limit our exposure to interest rate variability.

Foreign Currency Exchange Risk

Substantially all of our net sales and operating expenses are currently denominated in U.S. dollars. An immediate 10% increase or decrease in the relative value of the U.S. dollar as compared to other currencies in the foreign jurisdictions in which we operate would not have a material effect on our operating results.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15(b) under the Securities Exchange Act of 1934, our management, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under such Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms and to provide reasonable assurance that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer.

Previously Reported Material Weakness in Internal Control Over Financial Reporting

As disclosed in the section entitled "Risk Factors" in our Prospectus, we previously identified a material weakness in our internal control over financial reporting. Specifically, we did not design or maintain an effective control environment over certain information technology ("IT") general controls or information systems and applications that are relevant to the preparation of our consolidated financial statements. We have taken and intend to continue to take steps to remediate the material weakness described above through additional measures that include hiring additional personnel with public company experience, and further evolving our accounting and business processes related to internal controls over financial reporting, including a plan for future system enhancements. We will not be able to fully remediate this material weakness until these steps have been completed and have been operating effectively for a sufficient period of time.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) or 15d-15(d) under the Securities Exchange Act of 1934 that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, do not expect that our disclosure controls or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been or would be detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Item 1. Legal Proceedings

From time to time, we are involved in legal proceedings arising in the ordinary course of our business. Management believes that we do not have any pending or threatened litigation which, individually or in the aggregate, would have a material adverse effect on our business, results of operations, financial condition or cash flows.

For additional information, see Note 14 of the Notes to the Condensed Consolidated Financial Statements, which is incorporated herein by reference.

Item 1A. Risk Factors

There have been no material changes to our risk factors that we believe are material to our business, results of operations and financial condition, from the risk factors previously disclosed in our Prospectus which is accessible on the SEC's website at www.sec.gov.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Unregistered Sales of Equity Securities

In connection with the IPO of Snap One Holdings Corp.'s common stock, Snap One Holdings Corp. effected a series of transactions occurring at various times prior to and/or concurrently with the closing of the IPO that resulted in a reorganization of its business (the "Equity Conversion"). In connection with the Equity Conversion, on July 27, 2021, Snap One Holdings Corp. issued 1,658,940 restricted shares of its common stock and on July 28, 2021, Snap One Holdings Corp. issued options to purchase 5,398,617 shares of its common stock at an exercise price of $18.00 per share. The restricted shares and stock options were issued to certain current and former members of management and employees who had, until the Equity Conversion, held partnership interests in Crackle Holdings, L.P., the former sole shareholder of Snap One Holdings Corp., which was dissolved and liquidated in connection with the Equity Conversion. In connection with the IPO, Snap One Holdings Corp. issued 383,354 restricted stock units and options to acquire 200,000 shares of common stock at an exercise price of $18.00 per share to certain employees. No underwriters were involved in the issuance of these restricted shares of common stock, restricted stock units and options to purchase common stock.

None of the foregoing transactions involved any underwriters, underwriting discounts or commissions, or any public offering. The issuance of the above securities was made in reliance on Section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder, or Rule 701 promulgated under Section 3(b) of the Securities Act, as transactions by an issuer not involving any public offering or pursuant to benefit plans and contracts relating to compensation as provided under Rule 701.

Use of Proceeds

On July 30, 2021, we completed our IPO in which we issued and sold 13,850,000 shares of common stock. On August 18, 2021, we sold an additional 1,170,812 shares of common stock to the underwriters pursuant to the underwriters' exercise of their option to purchase additional shares. The shares sold in the IPO were registered under the Securities Act pursuant to our Registration Statement on Form S-1 (File No. 333- 257624) which was declared effective by the U.S. Securities and Exchange Commission on July 27, 2021. Our shares of common stock, including the 1,170,812 additional shares sold to the underwriters pursuant to their exercise of their option to purchase additional shares, were sold at an initial offering price of $18.00 per share, which generated net proceeds of approximately $253.5 million after deducting underwriting discounts and commissions of $16.9 million. We incurred offering expenses of approximately $5.3 million. We used the proceeds (net of underwriting discounts and offering expenses) from the issuance of 13,850,000 shares ($228.4 million) in the IPO to repay a portion of the term loan outstanding under our Credit Agreement totaling $215.9 million, plus accrued interest thereon of approximately $1.0 million. We will use the remaining proceeds, including the proceeds from the sale of the 1,170,812 additional shares sold to the underwriters, for general corporate purposes. No payments were made by us to directors, officers or persons owning ten percent or more of our common stock or to their associates, or to our affiliates, other than payments in the ordinary course of business to officers for salaries and to non-employee directors pursuant to our director compensation policy.

Morgan Stanley & Co. LLC, J.P. Morgan Securities LLC, Jefferies LLC and UBS Securities LLC acted as lead book-running managers and as representatives of the underwriters for the offering.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit Number	Description
2.1	Agreement and Plan of Merger, dated as of June 19, 2017, by and among Crackle Purchaser Corp., Crackle Merger Sub I Corp., Crackle Merger Sub II Corp., General Atlantic (Amplify) Holdco LLC, Amplify Holdings LLC, General Atlantic (Amplify) LLC, GA Escrow, LLC and JWF Rollover, LLC (incorporated by reference to Exhibit 2.1 of the Registrant's Registration Statement on Form S-1, as filed with the SEC on July 2, 2021 (hereinafter the "Registration Statement filed on July 2")).
3.1*	Third Amended and Restated Certificate of Incorporation of Snap One Holdings Corp.
3.2*	Second Amended and Restated Bylaws of Snap One Holdings Corp.
4.1	Form of Stock Certificate for Common Stock (incorporated by reference to Exhibit 4.1 of the Registrant's Registration Statement filed on July 2).
10.1*	Stockholders Agreement, dated as of July 27, 2021 among Snap One Holdings Corp. and the other parties named therein.
10.2	Credit Agreement, dated as of August 4, 2017 by and among Wirepath LLC, as borrower, Crackle Purchaser Corp. as holdings, the lenders and letter of credit issuers from time to time party thereto, UBS AG, Stamford Branch, as the administrative agent, collateral agent and swingline lender, and the other parties thereto (incorporated by reference to Exhibit 10.2 of the Registrant's Registration Statement filed on July 2).
10.3	Amendment Agreement, dated as of November 1, 2017, to the Credit Agreement, by and among Wirepath LLC, as borrower, Crackle Purchaser Corp. as holdings, the lenders and letter of credit issuers from time to time party thereto, UBS AG, Stamford Branch, as the administrative agent, collateral agent and swingline lender, and the other parties thereto (incorporated by reference to Exhibit 10.3 of the Registrant's Registration Statement filed on July 2).
10.4	Incremental Agreement No. 1, dated as of February 5, 2018, to the Credit Agreement, by and among Wirepath LLC, as borrower, Crackle Purchaser LLC (f/k/a Crackle Purchaser Corp.), as holdings, the lenders and letter of credit issuers from time to time party thereto, UBS AG, Stamford Branch, as the administrative agent, collateral agent and swingline lender, and the other parties thereto (incorporated by reference to Exhibit 10.4 of the Registrant's Registration Statement filed on July 2).
10.5	Incremental Agreement No. 2, dated as of October 31, 2018, to the Credit Agreement, by and among Wirepath LLC, as borrower, Crackle Purchaser LLC (f/k/a Crackle Purchaser Corp.), as holdings, the lenders and letter of credit issuers from time to time party thereto, UBS AG, Stamford Branch, as the administrative agent, collateral agent and swingline lender, and the other parties thereto (incorporated by reference to Exhibit 10.5 of the Registrant's Registration Statement filed on July 2).
10.6	Incremental Agreement No. 3, dated as of August 1, 2019, to the Credit Agreement, by and among Wirepath LLC, as borrower, Crackle Purchaser LLC (f/k/a Crackle Purchaser Corp.), as holdings, the lenders and letter of credit issuers from time to time party thereto, UBS AG, Stamford Branch, as the administrative agent, collateral agent and swingline lender, and the other parties thereto (incorporated by reference to Exhibit 10.6 of the Registrant's Registration Statement filed on July 2).
10.7+	Form of Indemnification Agreement between Snap One Holdings Corp. and directors and officers of Snap One Holdings Corp. (incorporated by reference to Exhibit 10.7 of the Registrant's Registration Statement filed on July 2).
10.8+	Snap One Holdings Corp. 2021 Equity Incentive Plan (incorporated by reference to Exhibit 10.8 of the Registrant's Registration Statement filed on July 19).

10.9+	Form of Option Agreement under the Snap One Holdings Corp. 2021 Equity Incentive Plan (incorporated by reference to Exhibit 10.9 of the Registrant's Registration Statement filed on July 2).
10.10+	Form of Restricted Stock Agreement under the Snap One Holdings Corp. 2021 Equity Incentive Plan (Employee) (incorporated by reference to Exhibit 10.10 of the Registrant's Registration Statement filed on July 2).
10.11+	Form of Restricted Stock Agreement under the Snap One Holdings Corp. 2021 Equity Incentive Plan (Director) (incorporated by reference to Exhibit 10.11 of the Registrant's Registration Statement filed on July 2).
10.12+	Snap One Holdings Corp. 2021 Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.12 of the Registrant's Registration Statement filed on July 19).
10.13+	Snap One Holdings Corp. Director Deferral Plan (incorporated by reference to Exhibit 10.13 of the Registrant's Registration Statement filed on July 19).
10.14*	Tax Receivable Agreement dated July 27, 2021 between Snap One Holdings Corp. and the TRA Participants named therein.
10.15	Form of Exchange Agreement among Snap One Holdings Corp. and the other parties named therein (Employee) (incorporated by reference to Exhibit 10.15 of the Registrant's Registration Statement filed on July 19).
10.16	Form of Exchange Agreement among Snap One Holdings Corp. and the other parties named therein (Director) (incorporated by reference to Exhibit 10.16 of the Registrant's Registration Statement filed on July 19).
10.17	Form of Escrow Agreement among Snap One Holdings Corp. and the other parties named therein (incorporated by reference to Exhibit 10.17 of the Registrant's Registration Statement filed on July 19).
10.18+	Amended and Restated Employment Agreement, dated as of August 4, 2017, by and between Wirepath Home Systems, LLC (d/b/a SnapAV) and John Heyman (incorporated by reference to Exhibit 10.18 of the Registrant's Registration Statement filed on July 19).
10.19+	Employment Agreement, dated as of March 22, 2016, by and between Wirepath Home Systems, LLC (d/b/a SnapAV) and Jeffrey Hindman (incorporated by reference to Exhibit 10.19 of the Registrant's Registration Statement filed on July 19).
10.20+	Offer Letter, dated as of August 4, 2017, by and between Wirepath Home Systems, LLC (d/b/a SnapAV) and Jeffrey Hindman (incorporated by reference to Exhibit 10.20 of the Registrant's Registration Statement filed on July 19).
10.21+	Employment Agreement, dated as of October 7, 2014, by and between Wirepath Home Systems, LLC (d/b/a SnapAV) and Michael Carlet (incorporated by reference to Exhibit 10.21 of the Registrant's Registration Statement filed on July 19).

10.22+	Offer Letter, dated as of August 4, 2017, by and between Wirepath Home Systems, LLC (d/b/a SnapAV) and Michael Carlet (incorporated by reference to Exhibit 10.22 of the Registrant's Registration Statement filed on July 19).
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following financial information from Snap One Holdings Corp.'s Quarterly Report on Form 10-Q for the quarter ended June 25, 2021 formatted in Inline XBRL (Extensible Business Reporting Language) includes: (i) the Condensed Consolidated Balance Sheets, (ii) the Condensed Consolidated Statements of Operations, (iii) the Condensed Consolidated Statements of Comprehensive Loss, (iv) the Consolidated Statements of Changes in Stockholders Equity, (v) the Condensed Consolidated Statements of Cash Flows, and (vi) Notes to the Condensed Consolidated Financial Statements.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

+ Indicates a management contract or compensatory plan or arrangement.

* Filed herewith.

** Furnished herewith. The certifications attached as Exhibit 32.1 and 32.2 that accompany this Quarterly Report on Form 10-Q are deemed furnished and not filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of Snap One Holdings Corp. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Quarterly Report on Form 10-Q, irrespective of any general incorporation language contained in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Snap One Holdings Corp.

August 27, 2021 By: /s/ John Heyman
Name: John Heyman
Title: Chief Executive Officer

August 27, 2021 By: /s/ Michael Carlet
Name: Michael Carlet
Title: Chief Financial Officer

State of Delaware
Secretary of State
Division of Corporations
Delivered 08:06 AM 07/30/2021
FILED 08:06 AM 07/30/2021
SR 20212844628 - File Number 6444269

THIRD AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF SNAP ONE HOLDINGS CORP.

* * * * *

The present name of the corporation is Snap One Holdings Corp. (the "Corporation"). The Corporation was incorporated under the name "Crackle Intermediate Corp." by the filing of the Corporation's original Certificate of Incorporation with the Secretary of State of the State of Delaware on June 14, 2017. This Third Amended and Restated Certificate of Incorporation of the Corporation (this "Certificate of Incorporation"), which restates and integrates and also further amends the provisions of the Corporation's Certificate of Incorporation, as amended and restated, was duly adopted in accordance with the provisions of Sections 242 and 245 of the General Corporation Law of the State of Delaware ("DGCL") and by the written consent of its stockholders in accordance with Section 228 of the General Corporation Law of the State of Delaware. The Certificate of Incorporation of the Corporation, as amended and restated, is hereby amended, integrated and restated to read in its entirety as follows:

ARTICLE I
NAME

The name of the corporation is: Snap One Holdings Corp.

ARTICLE II
REGISTERED OFFICE AND AGENT

The address of the registered office of the Corporation in the State of Delaware is 200 Bellevue Parkway, Suite 210, Bellevue Park Corporate Center, Wilmington, New Castle County, Delaware 19809. The name of the registered agent of the Corporation in the State of Delaware at such address is Intertrust Corporate Services Delaware Ltd.

ARTICLE III
PURPOSE

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may now or hereafter be organized under the DGCL.

ARTICLE IV
CAPITAL STOCK

The total number of shares of all classes of capital stock that the Corporation shall have authority to issue is five hundred and fifty million (550,000,000), which shall be divided into two classes as follows:

Five hundred million (500,000,000) shares of common stock, par value $0.01 per share ("Common Stock"); and

Fifty million (50,000,000) shares of preferred stock, par value $0.01 per share ("Preferred Stock").

I. ***Capital Stock.***

A. The board of directors of the Corporation (the "Board of Directors") is hereby expressly authorized, by resolution or resolutions, at any time and from time to time, to provide, out of the unissued shares of Preferred Stock, for one or more series of Preferred Stock and, with respect to each such series, to fix, without further stockholder approval, the number of shares constituting such series and the designation of such series, the powers (including voting powers), preferences and relative, participating, optional and other special rights, and the qualifications, limitations or restrictions thereof, of such series of Preferred Stock. The powers (including voting powers), preferences and relative, participating, optional and other special rights of, and the qualifications, limitations or restrictions thereof, of each series of Preferred Stock, if any, may differ from those of any and all other series at any time outstanding.

B. Each holder of record of Common Stock, as such, shall be entitled to one vote for each share of Common Stock held of record by such holder on all matters on which stockholders are entitled to vote generally, including the election or removal of directors. Except as otherwise required by law, holders of Common Stock shall not be entitled to vote on any amendment to this Certificate of Incorporation (including any certificate of designation relating to any series of Preferred Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to this Certificate of Incorporation (including any certificate of designation relating to any series of Preferred Stock) or pursuant to the DGCL.

C. Except as otherwise required by law, holders of any series of Preferred Stock shall be entitled to only such voting rights, if any, as shall expressly be granted thereto by this Certificate of Incorporation (including any certificate of designation relating to such series of Preferred Stock).

D. 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 capital stock having a preference over or the right to participate with the Common Stock with respect to the payment of dividends and other distributions in cash, property or shares of capital stock of the Corporation, dividends and other distributions may be declared and paid ratably on the Common Stock out of the assets of the Corporation that are legally available for this purpose at such times and in such amounts as the Board of Directors in its discretion shall determine.

E. Upon the dissolution, liquidation or winding up of the Corporation, after payment or provision for payment of the debts and other liabilities of the Corporation and subject to the rights, if any, of the holders of any outstanding series of Preferred Stock or any class or series of capital stock having a preference over or the right to participate with the Common Stock with respect to the distribution of assets of the Corporation upon such dissolution, liquidation or winding up of the Corporation, the holders of Common Stock shall be entitled to receive the

remaining assets of the Corporation available for distribution to its stockholders ratably in proportion to the number of shares held by them.

F. The number of authorized shares of Common Stock or Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority in voting power of the capital stock of the Corporation entitled to vote thereon irrespective of the provisions of Section 242(b)(2) of the DGCL (or any successor provision thereto), and no vote of the holders of any of the Common Stock or the Preferred Stock voting separately as a class shall be required therefor, unless a vote of any such holder is required pursuant to this Certificate of Incorporation (including any certificate of designation relating to any series of Preferred Stock).

ARTICLE V
AMENDMENT OF THE CERTIFICATE OF INCORPORATION AND BYLAWS

A. Notwithstanding anything contained in this Certificate of Incorporation or any provision of law that might otherwise permit a lesser vote of the stockholders, at any time when H&F (as defined in Article VI(B) below) beneficially owns, in the aggregate, less than 40% in voting power of the then outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, then, in addition to any vote required by applicable law or this Certificate of Incorporation (including any certificate of designation relating to any series of Preferred Stock), any amendment, alteration, repeal or rescission, in whole or in part, of the following provisions in this Certificate of Incorporation (or the adoption of any provision inconsistent therewith or herewith) shall require the affirmative vote of the holders of at least 66 2/3% in voting power of all the then outstanding shares of capital stock of the Corporation entitled to vote thereon, voting together as a single class: this Article V, Article VI, Article VII, Article VIII, Article IX and Article X. For the purposes of this Certificate of Incorporation, beneficial ownership of shares shall be determined in accordance with Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

B. The Board of Directors is expressly authorized to make, alter, amend, change, add to, rescind or repeal, in whole or in part, the bylaws of the Corporation (as in effect from time to time, the "Bylaws") without the assent or vote of the stockholders in any manner not inconsistent with the laws of the State of Delaware or this Certificate of Incorporation. Notwithstanding anything contained in this Certificate of Incorporation or any provision of law that might otherwise permit a lesser vote of the stockholders, at any time when H&F beneficially owns, in the aggregate, less than 40% in voting power of the then outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, then, in addition to any vote of the holders of any class or series of capital stock of the Corporation required herein (including any certificate of designation relating to any series of Preferred Stock), by the Bylaws or by applicable law, the affirmative vote of the holders of at least 66 2/3% in voting power of all the then outstanding shares of capital stock of the Corporation entitled to vote thereon, voting together as a single class, shall be required in order for the stockholders of the Corporation to amend, alter, rescind, change, add or repeal, in whole or in part, any provision of the Bylaws or to adopt any provision inconsistent therewith.

ARTICLE VI
BOARD OF DIRECTORS

A. Except as otherwise provided in this Certificate of Incorporation or the DGCL, the business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. Except as otherwise provided for or fixed pursuant to the provisions of Article IV (including any certificate of designation with respect to any series of Preferred Stock) and this Article VI relating to the rights of the holders of any series of Preferred Stock, voting separately as a series or together with one or more such other series, as the case may be, to elect additional directors (any such directors, the "Preferred Directors"), the total number of directors shall be determined from time to time exclusively by resolution adopted by the Board of Directors subject to the requirements of the Stockholders Agreement (as defined below); *provided* that, at any time H&F owns, in the aggregate, at least 40% in voting power of the then outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, the stockholders may also fix the number of directors by resolution adopted by the stockholders. The directors (other than any Preferred Directors) shall be divided into three classes designated Class I, Class II and Class III. Each class shall consist, as nearly as possible, of one-third of the total number of such directors. Class I directors shall initially serve for a term expiring at the first annual meeting of stockholders of the Corporation following the date the Common Stock is first publicly traded (the "IPO Date"), Class II directors shall initially serve for a term expiring at the second annual meeting of stockholders following the IPO Date and Class III directors shall initially serve for a term expiring at the third annual meeting of stockholders following the IPO Date. Commencing with the first annual meeting following the IPO Date, the directors of the class to be elected at each annual meeting shall be elected for a three year term. If the total number of such directors is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of directors in each class as nearly equal as possible, and any such additional director of any class elected to fill a newly created directorship resulting from an increase in such class shall hold office for a term that shall coincide with the remaining term of that class, but in no case shall a decrease in the total number of directors remove or shorten the term of any incumbent director. Any such director shall hold office until the annual meeting at which their term expires and until their successor shall be elected and qualified, or their earlier death, resignation, retirement, disqualification or removal from office. The Board of Directors is authorized to assign members of the Board of Directors already in office to their respective class.

B. Subject to the rights granted to the holders of any one or more series of Preferred Stock then outstanding or the rights granted pursuant to the Stockholders Agreement, dated as of July 27, 2021 by and among the Corporation, certain affiliates of Hellman & Friedman LLC (together with its Affiliates (as defined below), subsidiaries, successors and assigns (other than the Corporation and its subsidiaries), "H&F") and certain other parties named therein (as the same may be amended, supplemented, restated or otherwise modified from time to time, the "Stockholders Agreement"), any newly-created directorship on the Board of Directors that results from an increase in the total number of directors and any vacancy occurring in the Board of Directors (whether by death, resignation, retirement, disqualification, removal or other cause) may be filled by the affirmative vote of a majority of the directors then in office, although less than a quorum, by a sole remaining director or by the stockholders; *provided*, *however*, that, subject to the aforementioned rights granted to holders of one or more series of Preferred Stock or rights generated pursuant to the Stockholders Agreement, at any time when H&F beneficially owns, in

the aggregate, less than 40% in voting power of the then outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, any newly-created directorship on the Board of Directors that results from an increase in the number of directors and any vacancy occurring in the Board of Directors shall be filled only by a majority of the directors then in office, although less than a quorum, or by a sole remaining director (and not by stockholders). In no case shall a decrease in the total number of directors remove or shorten the term of any incumbent director. 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 such director's successor shall be elected and qualified, or until such director's earlier death, resignation, retirement, disqualification or removal.

C. Any or all of the directors (other than any Preferred Directors) may be removed at any time either with or without cause by the affirmative vote of a majority in voting power of all then outstanding shares of capital stock of the Corporation entitled to vote thereon, voting together as a single class; *provided, however*, that at any time when H&F beneficially owns, in the aggregate, less than 40% in voting power of the then outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, any such director or all such directors may be removed only for cause and only by the affirmative vote of the holders of at least 66 2/3% in voting power of all the then outstanding shares of capital stock of the Corporation entitled to vote thereon, voting together as a single class.

D. Elections of directors need not be by written ballot unless the Bylaws shall so provide.

E. During any period when the holders of any series of Preferred Stock, voting separately as a series or together with one or more other such series, have the right to elect additional directors pursuant to the provisions of this Certificate of Incorporation (including any certificate of designation with respect to any series of Preferred Stock) in respect of such series, then upon commencement and for the duration of the period during which such right continues: (i) the then otherwise total authorized number of directors of the Corporation shall automatically be increased by such specified number of directors, and the holders of such series of Preferred Stock shall be entitled to elect the additional directors so provided for or fixed pursuant to said provisions, and (ii) each such additional director shall serve until such director's successor shall have been duly elected and qualified, or until such director's right to hold such office terminates pursuant to said provisions, whichever occurs earlier, subject to such director's earlier death, resignation, retirement, disqualification or removal. Except as otherwise provided by the Board of Directors in the resolution or resolutions establishing such series, whenever the holders of any series of Preferred Stock having such right to elect additional directors are divested of such right pursuant to the provisions of such capital stock, the terms of office of all such additional directors elected by the holders of such capital stock, or elected to fill any vacancies resulting from the death, resignation, disqualification or removal of such additional directors, shall forthwith terminate (in which case each such director thereupon shall cease to be qualified as, and shall cease to be, a director) and the total authorized number of directors of the Corporation shall automatically be reduced accordingly. Any Preferred Director may be removed from office in the manner provided pursuant to the provisions of this Certificate of Incorporation (including any certificate of designation with respect to any series of Preferred Stock) and applicable law.

F. As used in this Article VI only, the term "Affiliate" means a Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, another Person, and the term "Person" means any individual, corporation, general or limited partnership, limited liability company, joint venture, trust, association or any other entity.

ARTICLE VII
LIMITATION OF DIRECTOR LIABILITY

A. To the fullest extent permitted by the DGCL as it now exists or may hereafter be amended, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty owed to the Corporation or its stockholders.

B. Neither the amendment nor repeal of this Article VII, nor the adoption of any provision of this Certificate of Incorporation, nor, to the fullest extent permitted by the DGCL, any modification of law shall eliminate, reduce or otherwise adversely affect any right or protection of a current or former director of the Corporation with respect to acts or omissions occurring prior to the time of such amendment, repeal, adoption or modification.

ARTICLE VIII
CONSENT OF STOCKHOLDERS IN LIEU OF MEETING, ANNUAL AND SPECIAL MEETINGS OF STOCKHOLDERS

A. At any time when H&F beneficially owns, in the aggregate, at least 40% in voting power of the then outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, 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 capital stock 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 and shall be delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the books in which proceedings of meetings of stockholders are recorded. Delivery made to the Corporation's registered office shall be made by hand, or by certified or registered mail, return receipt requested. At any time when H&F beneficially owns, in the aggregate, less than 40% in voting power of the then outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, 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 of stockholders in lieu of a meeting; *provided*, *however*, that any action required or permitted to be taken by the holders of Preferred Stock, voting separately as a series or separately as a class with one or more other such series, may be taken without a meeting, without prior notice and without a vote, to the extent expressly so provided by the applicable certificate of designation relating to such series of Preferred Stock.

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 of Directors or the Chairman of the Board of Directors; *provided*, *however*, that at any time when H&F beneficially owns, in the aggregate, at least 40% in voting power of the then outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, special meetings of the stockholders of the Corporation for any purpose or purposes shall also be called by or at the direction of the Board of Directors or the Chairman of the Board of Directors at the request of H&F.

C. An annual meeting of stockholders for the election of directors to succeed those whose terms expire and for the transaction of such other business as may properly come before the meeting, shall be held at such place, if any, on such date, and at such time as shall be fixed exclusively by resolution of the Board of Directors or a duly authorized committee thereof.

ARTICLE IX
COMPETITION AND CORPORATE OPPORTUNITIES

A. In recognition and anticipation that (i) certain directors, principals, officers, employees and/or other representatives of H&F may serve as directors, officers or agents of the Corporation, (ii) H&F may now engage and may continue to engage in the same or similar activities or related lines of business as those in which the Corporation, directly or indirectly, may engage and/or other business activities that overlap with or compete with those in which the Corporation, directly or indirectly, may engage, and (iii) members of the Board of Directors who are not employees of the Corporation ("Non-Employee Directors") and their respective Affiliates (as defined below) may now engage and may continue to engage in the same or similar activities or related lines of business as those in which the Corporation, directly or indirectly, may engage and/or other business activities that overlap with or compete with those in which the Corporation, directly or indirectly, may engage, the provisions of this Article IX are set forth to regulate and define the conduct of certain affairs of the Corporation with respect to certain classes or categories of business opportunities as they may involve any of H&F, the Non-Employee Directors or their respective Affiliates and the powers, rights, duties and liabilities of the Corporation and its directors, officers and stockholders in connection therewith.

B. None of (i) H&F or (ii) any Non-Employee Director (including any Non-Employee Director who serves as an officer of the Corporation in both such person's director and officer capacities) or such person's Affiliates (the Persons (as defined below) identified in (i) and (ii) above being referred to, collectively, as "Identified Persons" and, individually, as an "Identified Person") shall, to the fullest extent permitted by law, have any duty to refrain from directly or indirectly (1) engaging in the same or similar business activities or lines of business in which the Corporation or any of its Affiliates now engages or proposes to engage or (2) otherwise competing with the Corporation or any of its Affiliates, and, to the fullest extent permitted by law, no Identified Person shall be liable to the Corporation or its stockholders or to any Affiliate of the Corporation for breach of any fiduciary duty solely by reason of the fact that such Identified Person engages in any such activities; for the avoidance of doubt, this item (2) shall not absolve such Identified Person of liability for any misuse or disclosure of the Corporation's confidential information in connection with such activities. To the fullest extent permitted from time to time by the laws of the State of Delaware, the Corporation hereby renounces any interest or expectancy in, or right to be offered an opportunity to participate in, any business opportunity that may be a

corporate opportunity for an Identified Person and the Corporation or any of its Affiliates, except as provided in Section (C) of this Article IX. Subject to said Section (C) of this Article IX, in the event that any Identified Person acquires knowledge of a potential transaction or other business opportunity that may be a corporate opportunity for itself, herself or himself, or any of its or their Affiliates, and the Corporation or any of its Affiliates, such Identified Person shall, to the fullest extent permitted by law, have no duty to communicate or offer such transaction or other business opportunity to the Corporation or any of its Affiliates and, to the fullest extent permitted by law, shall not be liable to the Corporation or its stockholders or to any Affiliate of the Corporation for breach of any fiduciary duty as a stockholder, director or officer of the Corporation solely by reason of the fact that such Identified Person pursues or acquires such corporate opportunity for itself, herself or himself, or offers or directs such corporate opportunity to another Person.

C. The Corporation does not renounce its interest in any corporate opportunity offered to any Non-Employee Director (including any Non-Employee Director who serves as an officer of the Corporation) if such opportunity is expressly offered to such person solely in their capacity as a director or officer of the Corporation, and the provisions of Section (B) of this Article IX shall not apply to any such corporate opportunity.

D. In addition to and notwithstanding the foregoing provisions of this Article IX, a corporate opportunity shall not be deemed to be a potential corporate opportunity for the Corporation if it is a business opportunity that (i) the Corporation is neither financially or legally able, nor contractually permitted to undertake, (ii) from its nature, is not in the line of the Corporation's business or is of no practical advantage to the Corporation or (iii) is one in which the Corporation has no interest or reasonable expectancy.

E. For purposes of this Article IX, (i) "Affiliate" shall mean (a) in respect of H&F, any Person that, directly or indirectly, is controlled by H&F, controls H&F or is under common control with H&F and shall include any principal, member, director, manager, partner, stockholder, officer, employee or other representative of any of the foregoing (other than the Corporation and any entity that is controlled by the Corporation), (b) in respect of a Non-Employee Director, any Person that, directly or indirectly, is controlled by such Non-Employee Director (other than the Corporation and any entity that is controlled by the Corporation) and (c) in respect of the Corporation, any Person that, directly or indirectly, is controlled by the Corporation; and (ii) "Person" shall mean any individual, corporation, general or limited partnership, limited liability company, joint venture, trust, association or any other entity.

F. To the fullest extent permitted by law, any Person purchasing or otherwise acquiring any interest in any shares of capital stock of the Corporation shall be deemed to have notice of and to have consented to the provisions of this Article IX.

ARTICLE X
DGCL SECTION 203 AND BUSINESS COMBINATIONS

A. The Corporation hereby expressly elects not to be governed by Section 203 of the DGCL.

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 (3) years following the time that such stockholder became an interested stockholder, unless:

1. prior to such time, the Board of Directors approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder, or

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 by (i) 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 of Directors and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of the outstanding voting stock of the Corporation that is not owned by the interested stockholder, or

4. the stockholder became an interested stockholder inadvertently and (i) as soon as practicable divested itself of ownership of sufficient shares so that the stockholder ceased to be an interested stockholder and (ii) was not, at any time within the three-year period immediately prior to a business combination between the Corporation and such stockholder, an interested stockholder but for the inadvertent acquisition of ownership.

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

1. "affiliate" means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, another person.

2. "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.

3. "H&F Direct Transferee" means any person that acquires (other than in a registered public offering) directly from H&F or any of its successors or any "group", or any member of any such group, of which such persons are a party under Rule 13d-5 of the Exchange Act beneficial ownership of 15% or more of the then outstanding voting stock of the Corporation.

4. "H&F Indirect Transferee" means any person that acquires (other than in a registered public offering) directly from any H&F Direct Transferee or any other H&F Indirect Transferee beneficial ownership of 15% or more of the then outstanding voting stock of the Corporation.

5. "business combination," when used in reference to the Corporation and any interested stockholder of the Corporation, means:

   (i) any merger or consolidation of the Corporation or any direct or indirect majority-owned subsidiary of the Corporation (a) with the interested stockholder, or (b) 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 Section (B) of this Article X is not applicable to the surviving entity;

   (ii) 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;

   (iii) 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: (a) 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; (b) pursuant to a merger under Section 251(g) of the DGCL; (c) 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; (d) pursuant to an exchange offer by the Corporation to purchase stock made on the same terms to all holders of said stock; or (e) any issuance or transfer of stock by the Corporation; *provided*, *however*, that in no case under items (c)-(e) of this subsection (iii) 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);

(iv) 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

(v) 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)-(iv) above) provided by or through the Corporation or any direct or indirect majority-owned subsidiary.

6. "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 the 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 X, 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.

7. "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 (3) 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) H&F, any H&F Direct Transferee, any H&F Indirect Transferee or any of their respective affiliates or successors 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, 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.

8. "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:

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

   (ii) has (a) 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 (b) 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 (10) or more persons; or

   (iii) 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.

9. "person" means any individual, corporation, partnership, unincorporated association or other entity.

10. "stock" means, with respect to any corporation, capital stock and, with respect to any other entity, any equity interest.

11. "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 in this Article X to a percentage of voting stock shall refer to such percentage of the votes of such voting stock.

ARTICLE XI
MISCELLANEOUS

(A) If any provision or provisions of this Certificate of Incorporation shall be held to be invalid, illegal or unenforceable as applied to any circumstance for any reason whatsoever: (i) the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Certificate of Incorporation (including, without limitation, each portion of any paragraph of this Certificate of Incorporation containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) shall not, to the fullest extent permitted by law, in any way be affected or impaired thereby and (ii) to the fullest extent permitted by law, the provisions of this Certificate of Incorporation (including, without limitation, each such portion of any paragraph of this Certificate of Incorporation containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to permit the Corporation to protect its directors, officers, employees and agents from personal liability in respect of their good faith service to or for the benefit of the Corporation to the fullest extent permitted by law.

(B) Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall, to the fullest extent permitted by law, be 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 or stockholder of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim against the Corporation or any current or former director, officer, employee or stockholder of the Corporation arising pursuant to any provision of the DGCL or this Certificate of Incorporation or the Bylaws (as either may be amended and/or restated from time to time), or (iv) any action asserting a claim governed by the internal affairs doctrine of the law of the State of Delaware. These provisions shall not apply to suits brought to enforce a duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction and the Corporation's stockholders cannot waive compliance with federal securities laws and the rules and regulations thereunder. Unless the

Corporation consents in writing to the selection of an alternative forum, to the fullest extent permitted by law, the federal district courts of the United States of America will be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the federal securities laws of the United States of America. To the fullest extent permitted by law, any person purchasing or otherwise acquiring or holding any interest in shares of capital stock of the Corporation shall be deemed to have notice of and provided consent to the provisions of this Article XI(B).

[*Remainder of page intentionally left blank*]

IN WITNESS WHEREOF, Snap One Holdings Corp. has caused this Third Amended and Restated Certificate of Incorporation to be executed by its duly authorized officer on the day first written above.

SNAP ONE HOLDINGS CORP.

By: _____
Name: JD Ellis
Title: Authorized Officer

SECOND AMENDED AND RESTATED
BYLAWS OF SNAP ONE HOLDINGS CORP.

* * * * *

ARTICLE I

Offices

SECTION 1.01 Registered Office. The registered office and registered agent of Snap One Holdings Corp. (the "Corporation") in the State of Delaware shall be as set forth in the Certificate of Incorporation (as defined below) from time to time. The Corporation may also have offices in such other places in the United States or elsewhere as the board of directors of the Corporation (the "Board of Directors") may, from time to time, determine or as the business of the Corporation may require as determined by any officer of the Corporation.

ARTICLE II

Meetings of Stockholders

SECTION 2.01 Annual Meetings. Annual meetings of stockholders may be held at such place, if any, either within or without the State of Delaware, and at such time and date as the Board of Directors shall determine and state in the notice of meeting. The Board of Directors may, in its sole discretion, determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication, including by webcast, as described in Section 2.11 of these Second Amended and Restated Bylaws (these "Bylaws") in accordance with Section 211(a)(2) of the General Corporation Law of the State of Delaware (the "DGCL"). The Board of Directors may postpone, reschedule or cancel any annual meeting of stockholders previously scheduled by the Board of Directors.

SECTION 2.02 Special Meetings. Special meetings of the stockholders may only be called in the manner provided in the Corporation's amended and restated certificate of incorporation as then in effect (as the same may be amended from time to time, the "Certificate of Incorporation") and may be held at such place, if any, either within or without the State of Delaware, and at such time and date as the Board of Directors or the Chairman of the Board of Directors shall determine and state in the notice of such meeting. The Board of Directors may, in its sole discretion, determine that special meetings of stockholders shall not be held at any place, but may instead be held solely by means of remote communication as described in Section 2.11 of these Bylaws in accordance with Section 211(a)(2) of the DGCL. The Board of Directors may postpone, reschedule or cancel any special meeting of stockholders previously scheduled by the Board of Directors or the Chairman of the Board of Directors; provided, however, that with respect to any special meeting of stockholders previously scheduled by the Board of Directors or the Chairman of the Board of Directors at the request of H&F (as defined in the Certificate of Incorporation), the Board of Directors shall not postpone, reschedule or cancel such special meeting without the prior written consent of H&F.

SECTION 2.03 Notice of Stockholder Business and Nominations.

(A) Annual Meetings of Stockholders.

(1) Nominations of persons for election to the Board of Directors and the proposal of other business to be considered by the stockholders may be made at an annual meeting of stockholders only (a) as provided in the Stockholders Agreement (as defined in the Certificate of Incorporation) (with respect to nominations of persons for election to the Board of Directors only), (b) pursuant to the Corporation's notice of meeting (or any supplement thereto) delivered pursuant to Section 2.04 of Article II of these Bylaws, (c) by or at the direction of the Board of Directors or any authorized committee thereof or (d) by any stockholder of the Corporation who is entitled to vote at the meeting, who, subject to paragraph (C)(4) of this Section 2.03, complied with the notice procedures set forth in paragraphs (A)(2) and (A)(3) of this Section 2.03 and who was a stockholder of record at the time such notice is delivered to the Secretary of the Corporation.

(2) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (d) of paragraph (A)(1) of this Section 2.03, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation, and, in the case of business other than nominations of persons for election to the Board of Directors, such other business must constitute a proper matter for stockholder action. To be timely, a stockholder's notice shall be delivered to the Secretary of the Corporation at the principal executive offices of the Corporation not less than ninety (90) days nor more than one hundred and twenty (120) days prior to the first anniversary of the preceding year's annual meeting (which date shall, for purposes of the Corporation's first annual meeting of stockholders after its shares of Common Stock (as defined in the Certificate of Incorporation) are first publicly traded, be deemed to have occurred on July 28, 2021); provided, however, that in the event that the date of the annual meeting is advanced by more than thirty (30) days, or delayed by more than seventy (70) days, from the anniversary date of the previous year's meeting, or if no annual meeting was held in the preceding year, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the one hundred and twentieth (120th) day prior to such annual meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such annual meeting or the tenth (10th) day following the day on which public announcement of the date of such meeting is first made by the Corporation. Public announcement of an adjournment or postponement of an annual meeting shall not commence a new time period (or extend any time period) for the giving of a stockholder's notice. Notwithstanding anything in this Section 2.03(A)(2) to the contrary, if the number of directors to be elected to the Board of Directors at an annual meeting is increased and there is no public announcement by the Corporation naming all of the nominees for director or specifying the size of the increased Board of Directors at least one hundred (100) calendar days prior to the first anniversary of the prior year's annual meeting of stockholders, then a stockholder's notice required by this Section shall be considered timely, but only with respect to nominees for any new positions created by such increase, if it is received by the Secretary of the Corporation not later than the close of business on the tenth (10th) calendar day following the day on which such public announcement is first made by the Corporation.

(3) A stockholder's notice delivered pursuant to this Section 2.03 shall set forth: (a) as to each person whom the stockholder proposes to nominate for election or re-election as a director, all information relating to such person that is required to be disclosed in solicitations of

proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Section 14(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations promulgated thereunder, including such person's written consent to being named in the Corporation's proxy statement as a nominee of the stockholder and to serving as a director if elected; (b) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and, in the event that such business includes a proposal to amend these Bylaws, the language of the proposed amendment), the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; (c) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address of such stockholder, as they appear on the Corporation's books and records, and of such beneficial owner, (ii) the class or series and number of shares of capital stock of the Corporation that are owned, directly or indirectly, beneficially and of record by such stockholder and such beneficial owner, (iii) a representation that the stockholder is a holder of record of the stock of the Corporation at the time of the giving of the notice, will be entitled to vote at such meeting and will appear in person or by proxy at the meeting to propose such business or nomination, (iv) a representation whether the stockholder or the beneficial owner, if any, will be or is part of a group that will (x) deliver a proxy statement and/or form of proxy to holders of at least the percentage of the voting power of the Corporation's outstanding capital stock required to approve or adopt the proposal or elect the nominee and/or (y) otherwise solicit proxies or votes from stockholders in support of such proposal or nomination, (v) a certification regarding whether such stockholder and beneficial owner, if any, have complied with all applicable federal, state and other legal requirements in connection with the stockholder's and/or beneficial owner's acquisition of shares of capital stock or other securities of the Corporation and/or the stockholder's and/or beneficial owner's acts or omissions as a stockholder of the Corporation and (vi) any other information relating to such stockholder and beneficial owner, if any, required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal and/or for the election of directors in an election contest pursuant to and in accordance with Section 14(a) of the Exchange Act and the rules and regulations promulgated thereunder; (d) a description of any agreement, arrangement or understanding with respect to the nomination or proposal and/or the voting of shares of any class or series of stock of the Corporation between or among the stockholder giving the notice, the beneficial owner, if any, on whose behalf the nomination or proposal is made, any of their respective affiliates or associates and/or any others acting in concert with any of the foregoing (collectively, "proponent persons"); and (e) a description of any agreement, arrangement or understanding (including without limitation any contract to purchase or sell, acquisition or grant of any option, right or warrant to purchase or sell, swap or other instrument) to which any proponent person is a party, the intent or effect of which may be (i) to transfer to or from any proponent person, in whole or in part, any of the economic consequences of ownership of any security of the Corporation, (ii) to increase or decrease the voting power of any proponent person with respect to shares of any class or series of stock of the Corporation and/or (iii) to provide any proponent person, directly or indirectly, with the opportunity to profit or share in any profit derived from, or to otherwise benefit economically from, any increase or decrease in the value of any security of the Corporation. A stockholder providing notice of a proposed nomination for election to the Board of Directors or other business proposed

to be brought before a meeting (whether given pursuant to this paragraph (A)(3) or paragraph (B) of this Section 2.03 of these Bylaws) shall update and supplement such notice from time to time to the extent necessary so that the information provided or required to be provided in such notice shall be true and correct (x) as of the record date for determining the stockholders entitled to notice of the meeting and (y) as of the date that is fifteen (15) days prior to the meeting or any adjournment or postponement thereof, provided that if the record date for determining the stockholders entitled to vote at the meeting is less than fifteen (15) days prior to the meeting or any adjournment or postponement thereof, the information shall be supplemented and updated as of such later date. Any such update and supplement shall be delivered in writing to the Secretary of the Corporation at the principal executive offices of the Corporation not later than five (5) days after the record date for determining the stockholders entitled to notice of the meeting (in the case of any update and supplement required to be made as of the record date for determining the stockholders entitled to notice of the meeting), not later than ten (10) days prior to the date for the meeting or any adjournment or postponement thereof (in the case of any update or supplement required to be made as of fifteen (15) days prior to the meeting or adjournment or postponement thereof) and not later than five (5) days after the record date for determining the stockholders entitled to vote at the meeting, but no later than the day prior to the meeting or any adjournment or postponement thereof (in the case of any update and supplement required to be made as of a date less than fifteen (15) days prior to the date of the meeting or any adjournment or postponement thereof). The Corporation may require any proposed nominee to furnish such other information as it may reasonably require to determine the eligibility of such proposed nominee to serve as a director of the Corporation and to determine the independence of such director under the Exchange Act and rules and regulations thereunder and applicable stock exchange rules.

(B) Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. At any time that the stockholders are not prohibited from filling vacancies or newly created directorships on the Board of Directors, nominations of persons for election to the Board of Directors to fill any vacancy or unfilled newly created directorship may be made at a special meeting of stockholders at which any proposal to fill any vacancy or unfilled newly created directorship is to be presented to the stockholders (1) as provided in the Stockholders Agreement, (2) by or at the direction of the Board of Directors or any committee thereof or (3) by any stockholder of the Corporation who is entitled to vote at the meeting on such matters, who (subject to paragraph (C)(4) of this Section 2.03) complies with the notice procedures set forth in this Section 2.03 and who is a stockholder of record at the time such notice is delivered to the Secretary of the Corporation. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to fill any vacancy or newly created directorship on the Board of Directors, any such stockholder entitled to vote in such election of directors may nominate a person or persons (as the case may be) for election to such position(s) as specified in the Corporation's notice of meeting if the stockholder's notice as required by paragraph (A)(2) of this Section 2.03 shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the one hundred twentieth (120^{th}) day prior to such special meeting and not later than the close of business on the later of the ninetieth (90^{th}) day prior to such special meeting or the tenth (10^{th}) day following the day on which the Corporation first makes a public announcement of the date of the special meeting at which directors are to be elected. In no event shall the public announcement of an adjournment or postponement of a special

meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(C) General. (1) Except as provided in paragraph (C)(4) of this Section 2.03, only such persons who are nominated in accordance with the procedures set forth in this Section 2.03 or the Stockholders Agreement shall be eligible to serve as directors and only such business shall be conducted at an annual or special meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, the chairman of the meeting shall, in addition to making any other determination that may be appropriate for the conduct of the meeting, have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in these Bylaws and, if any proposed nomination or business is not in compliance with these Bylaws, to declare that such defective proposal or nomination shall be disregarded. 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 announced at the meeting by the chairman of the meeting. The Board of Directors may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the chairman of the meeting shall have the right and authority to convene and (for any or no reason) to recess and/or adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders entitled to vote at the meeting, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants and on shareholder approvals. Notwithstanding the foregoing provisions of this Section 2.03, unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual or special meeting of stockholders of the Corporation to present a nomination or business, such nomination shall be disregarded and such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 2.03, to be considered a qualified representative of the stockholder, 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. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, the meeting of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

(2) Whenever used in these Bylaws, "public announcement" shall mean disclosure (a) in a press release released by the Corporation, provided that such press release is released by the Corporation following its customary procedures, is reported by the Dow Jones

News Service, Associated Press or comparable national news service, or is generally available on internet news sites, or (b) in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Sections 13, 14 or 15(d) of the Exchange Act and the rules and regulations promulgated thereunder.

(3) Notwithstanding the foregoing provisions of this Section 2.03, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations promulgated thereunder with respect to the matters set forth in this Section 2.03; provided, however, that, to the fullest extent permitted by law, any references in these Bylaws to the Exchange Act or the rules and regulations promulgated thereunder are not intended to and shall not limit any requirements applicable to nominations or proposals as to any other business to be considered pursuant to these Bylaws (including paragraphs (A)(1)(d) and (B) of this Section 2.03), and compliance with paragraphs (A)(1)(d) and (B) of this Section 2.03 of these Bylaws shall be the exclusive means for a stockholder to make nominations or submit other business. Nothing in these Bylaws shall be deemed to affect any rights of the holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation to elect directors under specified circumstances.

(4) Notwithstanding anything to the contrary contained in this Section 2.03, for as long as the Stockholders Agreement remains in effect with respect to H&F, H&F (to the extent then subject to the Stockholders Agreement) shall not be subject to the notice procedures set forth in paragraphs (A)(2), (A)(3) or (B) of this Section 2.03 with respect to any annual or special meeting of stockholders.

SECTION 2.04 Notice of Meetings. Whenever stockholders are required or permitted to take any action at a meeting, a timely notice in writing or by electronic transmission, in the manner provided in Section 232 of the DGCL, of the meeting, which shall state the place, if any, date and time of the meeting, the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, the record date for determining the stockholders entitled to vote at the meeting, if such date is different from the record date for determining stockholders entitled to notice of the meeting, and, in the case of a special meeting, the purposes for which the meeting is called, shall be mailed to or transmitted electronically by the Secretary of the Corporation to each stockholder of record entitled to vote thereat as of the record date for determining the stockholders entitled to notice of the meeting. Unless otherwise provided by law, the Certificate of Incorporation or these Bylaws, the notice of any meeting shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting as of the record date for determining the stockholders entitled to notice of the meeting.

SECTION 2.05 Quorum. Unless otherwise required by law, the Certificate of Incorporation or the rules of any stock exchange upon which the Corporation's securities are listed, the holders of record of a majority of the voting power of the issued and outstanding shares of capital stock of the Corporation entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of stockholders. Notwithstanding the foregoing, where a separate vote by a class or series or classes or series is required, a majority in voting power of the outstanding shares of such class or series or classes or series, present in person or represented by proxy, shall constitute a quorum entitled to take action

with respect to the vote on that matter. Once a quorum is present to organize a meeting, it shall not be broken by the subsequent withdrawal of any stockholders.

SECTION 2.06 Voting. Except as otherwise provided by or pursuant to the provisions of the Certificate of Incorporation, each stockholder entitled to vote at any meeting of stockholders shall be entitled to one vote for each share of stock held by such stockholder which has voting power upon the matter in question. Each stockholder entitled to vote at a meeting of stockholders or to express consent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy in any manner provided by applicable law, 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 as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by delivering to the Secretary of the Corporation a revocation of the proxy or a new proxy bearing a later date. Unless required by the Certificate of Incorporation or applicable law, or determined by the chairman of the meeting to be advisable, the vote on any question need not be by ballot. On a vote by ballot, each ballot shall be signed by the stockholder voting, or by such stockholder's proxy, if there be such proxy. When a quorum is present or represented at any meeting, the vote of the holders of a majority of the voting power of the shares of stock present in person or represented by proxy and entitled to vote on the subject matter shall decide any question brought before such meeting, unless the question is one upon which, by express provision of applicable law, of the rules or regulations of any stock exchange applicable to the Corporation, of any regulation applicable to the Corporation or its securities, of the Certificate of Incorporation or of these Bylaws, a different vote is required, in which case such express provision shall govern and control the decision of such question. Notwithstanding the foregoing sentence and subject to the Certificate of Incorporation, all elections of directors shall be determined by a plurality of the votes cast in respect of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors.

SECTION 2.07 Chairman of Meetings. The Chairman of the Board of Directors, if one is elected, or, in his or her absence or disability or refusal to act, the Chief Executive Officer of the Corporation (if the Chief Executive Officer is not also the Chairman of the Board of Directors), or in the absence, disability or refusal to act of the Chairman of the Board of Directors and the Chief Executive Officer, a person designated by the Board of Directors shall be the chairman of the meeting and, as such, preside at all meetings of the stockholders.

SECTION 2.08 Secretary of Meetings. The Secretary of the Corporation shall act as Secretary at all meetings of the stockholders. In the absence, disability or refusal to act of the Secretary, the chairman of the meeting shall appoint a person to act as Secretary at such meetings.

SECTION 2.09 Consent of Stockholders in Lieu of Meeting. 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 only to the extent permitted by and in the manner provided in the Certificate of Incorporation and in accordance with applicable law.

SECTION 2.10 Adjournment. At any meeting of stockholders of the Corporation, if less than a quorum be present, the chairman of the meeting or stockholders holding a majority in voting power of the shares of stock of the Corporation present in person or by proxy and entitled to vote thereon, shall have the power to adjourn the meeting from time to time without notice other than announcement at the meeting until a quorum shall attend. Any business may be transacted at the adjourned meeting that might have been transacted at the meeting originally noticed. If the adjournment is for more than thirty (30) days, 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 record date for determination of stockholders entitled to vote is fixed for the adjourned meeting, the Board of Directors shall fix as the record date for determining stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote at the adjourned meeting, and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such adjourned meeting as of the record date so fixed for notice of such adjourned meeting.

SECTION 2.11 Remote Communication. If authorized by the Board of Directors in its sole discretion, and subject to such guidelines and procedures as the Board of Directors may adopt, stockholders and proxy holders 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.

SECTION 2.12 Inspectors of Election. The Corporation may, and shall if required by law, in advance of any meeting of stockholders, appoint one or more inspectors of election, who may be employees of the Corporation, to act at the meeting or any adjournment thereof and to make a written report thereof. The Corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. In the event that no inspector so appointed or designated is able to act at a meeting of stockholders, the chairman of 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 to execute faithfully the duties of

inspector with strict impartiality and according to the best of his or her ability. The inspector or inspectors so appointed or designated shall (i) ascertain the number of shares of capital stock of the Corporation outstanding and the voting power of each such share, (ii) determine the shares of capital stock of the Corporation represented at the meeting and the validity of proxies and ballots, (iii) count all votes and ballots, (iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (v) certify their determination of the number of shares of capital stock of the Corporation represented at the meeting and such inspectors' count of all votes and ballots. Such certification and report shall specify such other information as may be required by law. In determining the validity and counting of proxies and ballots cast at any meeting of stockholders of the Corporation, the inspectors may consider such information as is permitted by applicable law. No person who is a candidate for an office at an election may serve as an inspector at such election.

SECTION 2.13 Delivery to the Corporation. Whenever Section 2.03 of this Article II requires one or more persons (including a record or beneficial owner of stock) other than any party to the Stockholders Agreement to deliver a document or information to the Corporation or any officer, employee or agent thereof (including any notice, request, questionnaire, revocation, representation or other document or agreement), unless the Corporation elects otherwise, such document or information shall be in writing exclusively (and not in an electronic transmission) and shall be delivered exclusively by hand (including, without limitation, overnight courier service) or by certified or registered mail, return receipt requested, and the Corporation shall not be required to accept delivery of any document not in such written form or so delivered.

ARTICLE III

Board of Directors

SECTION 3.01 Powers. Except as otherwise provided by the Certificate of Incorporation or the DGCL, the business and affairs of the Corporation shall be managed by or under the direction of its Board of Directors. The Board of Directors may exercise all such authority and powers of the Corporation and do all such lawful acts and things as are not, by the DGCL or the Certificate of Incorporation, directed or required to be exercised or done by the stockholders.

SECTION 3.02 Number and Term; Chairman. Subject to the Certificate of Incorporation, the number of directors shall be fixed in the manner provided in the Certificate of Incorporation. The term of each director shall be as set forth in the Certificate of Incorporation. Directors need not be stockholders. The Board of Directors shall elect a Chairman of the Board, who shall have the powers and perform such duties as provided in these Bylaws and as the Board of Directors may from time to time prescribe. The Chairman of the Board shall preside at all meetings of the Board of Directors at which he or she is present. If the Chairman of the Board is not present at a meeting of the Board of Directors, the Chief Executive Officer (if the Chief Executive Officer is a director and is not also the Chairman of the Board) shall preside at such meeting, and, if the Chief Executive Officer is not present at such meeting or is not a director, a majority of the directors present at such meeting shall elect one (1) director to preside over such meeting.

SECTION 3.03 Resignations. Any director may resign at any time upon notice given in writing or by electronic transmission to the Board of Directors, the Chairman of the Board of Directors, the Chief Executive Officer, the President or the Secretary of the Corporation. The resignation shall take effect at the time or the happening of any event specified therein, and if no time or event is specified, at the time of its receipt. The acceptance of a resignation shall not be necessary to make it effective unless otherwise expressly provided in the resignation.

SECTION 3.04 Removal. Directors of the Corporation may be removed in the manner provided in the Certificate of Incorporation and applicable law.

SECTION 3.05 Vacancies and Newly Created Directorships. Except as otherwise provided by law and subject to the terms of the Stockholders Agreement, vacancies occurring in any directorship (whether by death, resignation, retirement, disqualification, removal or other cause) and newly created directorships resulting from any increase in the number of directors shall be filled in accordance with the Certificate of Incorporation. 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, retirement, disqualification or removal.

SECTION 3.06 Meetings. Regular meetings of the Board of Directors may be held at such places and times as shall be determined from time to time by the Board of Directors. Special meetings of the Board of Directors may be called by the Chief Executive Officer of the Corporation, the President of the Corporation or the Chairman of the Board of Directors, and shall be called by the Chief Executive Officer, the President or the Secretary of the Corporation if directed by the Board of Directors and shall be at such places and times as they or he or she shall fix. Notice need not be given of regular meetings of the Board of Directors. At least twenty-four (24) hours before each special meeting of the Board of Directors, either written notice, notice by electronic transmission or oral notice (either in person or by telephone) of the time, date and place of the meeting shall be given to each director. Unless otherwise indicated in the notice thereof, any and all business may be transacted at a special meeting.

SECTION 3.07 Quorum, Voting and Adjournment. Except as otherwise provided by law, the Certificate of Incorporation, or these Bylaws, a majority of the total number of directors shall constitute a quorum for the transaction of business. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, the act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. In the absence of a quorum, a majority of the directors present thereat may adjourn such meeting to another time and place. Notice of such adjourned meeting need not be given if the time and place of such adjourned meeting are announced at the meeting so adjourned.

SECTION 3.08 Committees; Committee Rules. The Board of Directors may designate one or more committees, including but not limited to an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. Each such committee shall be comprised of one or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any committee to replace any absent or disqualified member at any meeting of the committee. Any such committee, to the

extent provided in the resolution of the Board of Directors establishing such committee, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority to: (a) approve, adopt, or recommend to the stockholders any action or matter (other than the election or removal of directors) expressly required by the DGCL to be submitted to stockholders for approval or (b) adopt, amend or repeal any Bylaw of the Corporation. Each committee of the Board of Directors may fix its own rules of procedure and shall hold its meetings as provided by such rules, except as may otherwise be provided by a resolution of the Board of Directors designating such committee. Unless otherwise provided in such a resolution, the presence of at least a majority of the members of the committee shall be necessary to constitute a quorum unless the committee shall consist of one or two members, in which event one member shall constitute a quorum; and all matters shall be determined by a majority vote of the members present at a meeting of the committee at which a quorum is present. Unless otherwise provided in such a resolution, in the event that a member and that member's alternate, if alternates are designated by the Board of Directors, of such committee is or are absent or disqualified, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member.

SECTION 3.09 Action Without a Meeting. Unless otherwise restricted by the Certificate of Incorporation, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all members of the Board of Directors or any committee thereof, as the case may be, consent thereto in writing or by electronic transmission. After an action is taken, the consent or consents, or electronic transmission or transmissions, shall be filed in the minutes of proceedings of the Board of Directors in accordance with applicable law. Such filing shall be in paper form if the minutes are maintained in paper form or shall be in electronic form if the minutes are maintained in electronic form.

SECTION 3.10 Remote Meeting. Unless otherwise restricted by the Certificate of Incorporation, members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting by means of conference telephone or other communications equipment in which all persons participating in the meeting can hear each other. Participation in a meeting by means of conference telephone or other communications equipment shall constitute presence in person at such meeting.

SECTION 3.11 Compensation. The Board of Directors shall have the authority to fix the compensation, including fees and reimbursement of expenses, of directors for services to the Corporation in any capacity.

SECTION 3.12 Reliance on Books and Records. A member of the Board of Directors, or a member of any committee designated by the Board of Directors shall, in the performance of such person's duties, be fully protected in relying in good faith upon records of the Corporation and upon such information, opinions, reports or statements presented to the Corporation by any of the Corporation's officers or employees, or committees of the Board of Directors, or by any other person as to matters the member reasonably believes are within such

other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation.

ARTICLE IV

Officers

SECTION 4.01 Number. The officers of the Corporation shall include a Chief Executive Officer and a Secretary, each of whom shall be elected by the Board of Directors and who shall hold office for such terms as shall be determined by the Board of Directors and until their successors are elected and qualify or until their earlier resignation or removal. In addition, the Board of Directors may elect a President, one or more Vice Presidents, including one or more Executive Vice Presidents or Senior Vice Presidents, a Chief Financial Officer, a General Counsel, a Treasurer, one or more Assistant Treasurers, one or more Assistant Secretaries, one or more Assistant General Counsels and any other additional officers as the Board of Directors deems necessary or advisable, who shall hold their respective offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors. Any number of offices may be held by the same person.

SECTION 4.02 Other Officers and Agents. The Board of Directors may appoint such other officers and agents as it deems advisable, who shall hold their office for such terms and shall exercise and perform such powers and duties as shall be determined from time to time by the Board of Directors.

SECTION 4.03 Chief Executive Officer. The Chief Executive Officer shall have general executive charge, management, and control of the business and affairs of the Corporation in the ordinary course of its business, with all such powers as may be reasonably incident to such responsibilities or that are delegated to him or her by the Board of Directors. If the Board of Directors has not elected a Chairman of the Board or in the absence, inability or refusal to act of such elected person to act as the Chairman of the Board, the Chief Executive Officer shall exercise all of the powers and discharge all of the duties of the Chairman of the Board, but only if the Chief Executive Officer is a director of the Corporation. He or she shall have power to sign all stock certificates, contracts and other instruments of the Corporation and shall have general supervision and direction of all of the other officers, employees and agents of the Corporation.

SECTION 4.05 President. The President, if one is elected, shall have such powers and duties in the management of the Corporation as may be prescribed in a resolution by the Board of Directors and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the Board of Directors.

SECTION 4.06 Vice Presidents. Each Vice President, if any are elected, of whom one or more may be designated an Executive Vice President or Senior Vice President, shall have such powers and shall perform such duties as shall be assigned to him by the Chief Executive Officer or the Board of Directors.

SECTION 4.07 Chief Financial Officer. The Chief Financial Officer, if any is elected, shall have custody of the corporate funds, securities, evidences of indebtedness and other valuables of the Corporation and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation. The Chief Financial Officer shall deposit all moneys and other valuables in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors or its designees selected for such purposes. The Chief Financial Officer shall disburse the funds of the Corporation, taking proper vouchers therefor. The Chief Financial Officer shall render to the Chief Executive Officer and the Board of Directors, upon their request, a report of the financial condition of the Corporation.

In addition, the Chief Financial Officer shall have such further powers and perform such other duties incident to the office of Chief Financial Officer as from time to time are assigned to him or her by the Chief Executive Officer or the Board of Directors.

SECTION 4.08 General Counsel. The General Counsel, if one is elected, shall have such powers and duties in the management of the Corporation as may be prescribed in a resolution by the Board of Directors and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the Board of Directors.

SECTION 4.09 Treasurer. The Treasurer, if one is elected, shall have such powers and duties in the management of the Corporation as may be prescribed in a resolution by the Board of Directors and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the Board of Directors.

SECTION 4.10 Secretary. The Secretary shall: (a) cause minutes of all meetings of the stockholders and directors to be recorded and kept properly; (b) cause all notices required by these Bylaws or otherwise to be given properly; (c) see that the minute books, stock books, and other nonfinancial books, records and papers of the Corporation are kept properly; and (d) cause all reports, statements, returns, certificates and other documents to be prepared and filed when and as required.

SECTION 4.11 Assistant Treasurers, Assistant Secretaries and Assistant General Counsels. Each Assistant Treasurer, each Assistant Secretary and each Assistant General Counsel, if any are elected, shall have such powers and duties in the management of the Corporation as may be prescribed in a resolution by the Board of Directors and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the Board of Directors.

SECTION 4.12 Contracts and Other Documents. The Board of Directors, except as otherwise provided in these Bylaws, may authorize any officer or officers, or agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Corporation; such authority may be general or confined to specific instances. Unless so authorized or ratified by the Board of Directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount. Except as provided in Section 2.13 of these Bylaws, any document, including, without limitation, any consent, agreement, certificate or instrument, required by the DGCL, the Certificate of Incorporation or

these Bylaws to be executed by any officer, director, stockholder, employee or agent of the Corporation may be executed using a facsimile or other form of electronic signature to the fullest extent permitted by applicable law. All other contracts, agreements, certificates or instruments to be executed on behalf of the Corporation may be executed using a facsimile or other form of electronic signature to the fullest extent permitted by applicable law.

SECTION 4.13 Ownership of Securities of Another Entity. Unless otherwise directed by the Board of Directors, the Chief Executive Officer, the President, a Vice President, the Chief Financial Officer, the General Counsel, the Treasurer or the Secretary, or such other officer or agent as shall be authorized by the Board of Directors, shall have the power and authority, on behalf of the Corporation, to attend and to vote at any meeting of securityholders of any entity in which the Corporation holds securities or equity interests and may exercise, on behalf of the Corporation, any and all of the rights and powers incident to the ownership of such securities or equity interests at any such meeting, including the authority to execute and deliver proxies and consents on behalf of the Corporation.

SECTION 4.14 Delegation of Duties. In the absence, disability or refusal of any officer to exercise and perform his or her duties, the Board of Directors may delegate to another officer such powers or duties.

SECTION 4.15 Resignation and Removal. Any officer of the Corporation may be removed from office for or without cause at any time by the Board of Directors. Any officer may resign at any time in the same manner prescribed under Section 3.03 of these Bylaws.

SECTION 4.16 Vacancies. The Board of Directors shall have the power to fill vacancies occurring in any office.

ARTICLE V

Stock

SECTION 5.01 Shares With Certificates.

The shares of stock of the Corporation shall be uncertificated and shall not be represented by certificates, except to the extent as may be required by applicable law or as otherwise authorized by the Board of Directors. Notwithstanding the foregoing, shares of stock represented by a certificate and issued and outstanding on [•], 2021 shall remain represented by a certificate until such certificate is surrendered to the Corporation.

If shares of stock of the Corporation shall be certificated, such certificates shall be in such form as is consistent with the Certificate of Incorporation and applicable law. Every holder of stock in the Corporation 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 (it being understood that each of the Chief Executive Officer, the President, any Vice President, the Chief Financial Officer, the General Counsel, any Assistant General Counsel, the Treasurer, any Assistant Treasurer, the Secretary, and any Assistant Secretary of the Corporation shall be an authorized officer for such purpose), certifying the number and class of shares of stock of the Corporation owned by such holder. Any or all of the signatures on the certificate may be a

facsimile. The Board of Directors shall have the power to appoint one or more transfer agents and/or registrars for the transfer or registration of certificates of stock of any class, and may require stock certificates to be countersigned or registered by one or more of such transfer agents and/or registrars. The name of the holder of record of the shares represented thereby, with the number of such shares and the date of issue, shall be entered on the books of the Corporation. With respect to all uncertificated shares, the name of the holder of record of such uncertificated shares represented, with the number of such shares and the date of issue, shall be entered on the books of the Corporation.

SECTION 5.02 Shares Without Certificates. So long as the Board of Directors chooses to issue shares of stock without certificates in accordance with Section 5.01, the Corporation, if required by the DGCL, shall, within a reasonable time after the issue or transfer of shares without certificates, send the stockholder a statement of the information required by the DGCL. The Corporation may adopt a system of issuance, recordation and transfer of its shares of stock by electronic or other means not involving the issuance of certificates, provided that the use of such system by the Corporation is permitted in accordance with applicable law.

SECTION 5.03 Transfer of Shares. Shares of stock of the Corporation shall be transferable upon its books by the holders thereof, in person or by their duly authorized attorneys or legal representatives, upon surrender to the Corporation by delivery thereof (to the extent evidenced by a physical stock certificate) to the person in charge of the stock and transfer books and ledgers. Certificates representing such shares, if any, shall be cancelled and new certificates, if the shares are to be certificated, shall thereupon be issued. Shares of capital stock of the Corporation that are not represented by a certificate shall be transferred in accordance with any procedures adopted by the Corporation or its agent and applicable law. A record shall be made of each transfer. Whenever any transfer of shares shall be made for collateral security, and not absolutely, it shall be so expressed in the entry of the transfer if, when the certificates are presented, both the transferor and transferee request the Corporation to do so. The Corporation shall have power and authority to make such rules and regulations as it may deem necessary or proper concerning the issue, transfer and registration of certificates for shares of stock of the Corporation.

SECTION 5.04 Lost, Stolen, Destroyed or Mutilated Certificates. A new certificate of stock or uncertificated shares may be issued in the place of any certificate previously issued by the Corporation alleged to have been lost, stolen or destroyed, and the Corporation may, in its discretion, require the owner of such lost, stolen or destroyed certificate, or his or her legal representative, to give the Corporation a bond, in such sum as the Corporation may direct, in order to indemnify the Corporation against any claims that may be made against it in connection therewith. A new certificate or uncertificated shares of stock may be issued in the place of any certificate previously issued by the Corporation that has become mutilated upon the surrender by such owner of such mutilated certificate and, if required by the Corporation, the posting of a bond by such owner in an amount sufficient to indemnify the Corporation against any claim that may be made against it in connection therewith.

SECTION 5.05 List of Stockholders Entitled To Vote. The Corporation shall prepare, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting (provided, however, if the record date for determining the stockholders entitled to vote is less than ten (10) days before the date of the meeting, the list

shall reflect the stockholders entitled to vote as of the tenth (10^{th}) day before the meeting date), arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting at least ten (10) days prior to the meeting (a) on a reasonably accessible electronic network; provided that the information required to gain access to such list is provided with the notice of meeting or (b) during ordinary business hours at the principal place of business of the Corporation. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation. If the meeting is to be held at a place, then a list of stockholders entitled to vote at the meeting shall be produced and kept at the time and place of the meeting during the whole time thereof and may be examined by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting. Except as otherwise provided by law, the stock ledger shall be the only evidence as to who are the stockholders entitled to examine the list of stockholders required by this Section 5.05 or to vote in person or by proxy at any meeting of stockholders.

SECTION 5.06 Fixing Date for Determination of Stockholders of Record.

(A) In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall, unless otherwise required by law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If the Board of Directors so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board of Directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or 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. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance herewith at the adjourned meeting.

(B) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall not be more than sixty (60) days prior to such action. If no such record date is fixed, the

record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

(C) Unless otherwise restricted by the Certificate of Incorporation, in order that the Corporation may determine the stockholders entitled to express consent to corporate action without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than ten (10) days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. If no record date for determining stockholders entitled to express consent to corporate action without a meeting is fixed by the Board of Directors, (i) when no prior action of the Board of Directors is required by law, the record date for such purpose shall be the first date on which a signed consent setting forth the action taken or proposed to be taken is delivered to the Corporation in accordance with applicable law, and (ii) if prior action by the Board of Directors is required by law, the record date for such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

SECTION 5.07 Registered Stockholders. Prior to the surrender to the Corporation of the certificate or certificates for a share or shares of stock or notification to the Corporation of the transfer of uncertificated shares with a request to record the transfer of such share or shares, the Corporation may treat the registered owner of such share or shares as the person entitled to receive dividends, to vote, to receive notifications and otherwise to exercise all the rights and powers of an owner of such share or shares. To the fullest extent permitted by law, the Corporation shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof.

ARTICLE VI

Notice and Waiver of Notice

SECTION 6.01 Notice. If mailed, notice to stockholders shall be deemed given when deposited in the mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the Corporation. Other forms of notice shall be deemed given as provided in the DGCL. Without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders may be given by electronic transmission in the manner provided in Section 232 of the DGCL.

SECTION 6.02 Waiver of Notice. A written waiver of any notice, signed by a stockholder or director, or waiver by electronic transmission by such person, whether given before or after the time of the event for which notice is to be given, shall be deemed equivalent to the notice required to be given to such person. Neither the business nor the purpose of any meeting need be specified in such a waiver. Attendance at any meeting (in person or by remote communication) shall constitute waiver of notice except attendance for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE VII

Indemnification

SECTION 7.01 Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she is or was a director or an officer of the Corporation, or while serving as a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee, agent or trustee of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (hereinafter an "indemnitee"), whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee, agent or trustee or in any other capacity while serving as a director, officer, employee, agent or trustee, shall be indemnified and held harmless by the Corporation to the fullest extent permitted by Delaware law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the fullest extent permitted by law), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) actually and reasonably incurred or suffered by such indemnitee in connection therewith; provided, however, that, except as provided in Section 7.03 with respect to proceedings to enforce rights to indemnification or advancement of expenses or with respect to any compulsory counterclaim brought by such indemnitee, the Corporation shall indemnify any such indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if such proceeding (or part thereof) was authorized by the Board of Directors. Any reference to an officer of the Corporation in this Article VII shall be deemed to refer exclusively to the Chairman of the Board of Directors, Chief Executive Officer, President, Chief Financial Officer, General Counsel, Treasurer, and Secretary of the Corporation appointed pursuant to Article IV of these Bylaws, and to any Vice President, Assistant Secretary, Assistant Treasurer, Assistant General Counsel or other officer of the Corporation appointed by the Board of Directors pursuant to Article IV of these Bylaws, including, without limitation, any "executive officer" or "Section 16 officer," and any reference to an officer of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall be deemed to refer exclusively to an officer appointed by the board of directors or equivalent governing body of such other entity pursuant to the certificate of incorporation and bylaws or equivalent organizational documents of such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise. The fact that any person who is or was an employee of the Corporation or an employee of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, but not an officer thereof as described in the preceding sentence, has been given or has used the title of "Vice President" or any other title that could be construed to suggest or imply that such person is or may be such an officer of the Corporation or of such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall not result in such person being constituted as, or being deemed to be, such an officer of the Corporation or of such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise for purposes of this Article VII.

SECTION 7.02 Right to Advancement of Expenses. In addition to the right to indemnification conferred in Section 7.01, an indemnitee shall also have the right to be paid by the Corporation the reasonable expenses (including attorney's fees) incurred by the indemnitee in

appearing at, participating in or defending any such proceeding in advance of its final disposition or in connection with a proceeding brought to establish or enforce a right to indemnification or advancement of expenses under this Article VII (which shall be governed by Section 7.03) (hereinafter an "advancement of expenses"); provided, however, that, if the DGCL requires or in the case of an advance made in a proceeding brought to establish or enforce a right to indemnification or advancement, an advancement of expenses incurred by an indemnitee in his or her capacity as a director or officer of the Corporation (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made solely upon delivery to the Corporation of a signed, written undertaking (hereinafter an "undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter a "final adjudication") that such indemnitee is not entitled to be indemnified or entitled to advancement of expenses under Sections 7.01 and 7.02 or otherwise. Notwithstanding the foregoing, the Corporation shall have no obligation to make any payment provided in this Section 7.02 in the event the Board of Directors determines, in good faith, that the indemnitee seeking advancement of expenses has engaged in fraud or criminal conduct relating to the subject matter of the proceeding in which the indemnitee is seeking advancement of expenses.

SECTION 7.03 Right of Indemnitee to Bring Suit. If a claim under Section 7.01 or 7.02 is not paid in full by the Corporation within (i) 60 days after a written claim for indemnification has been received by the Corporation or (ii) 20 days after a claim for an advancement of expenses has been received by the Corporation, the indemnitee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim or to obtain advancement of expenses, as applicable. To the fullest extent permitted by law, if the indemnitee is successful in whole or in part in any such suit, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the indemnitee shall be entitled to be paid also the expense of prosecuting or defending such suit. In (i) any suit brought by the indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the indemnitee to enforce a right to an advancement of expenses) it shall be a defense that, and (ii) any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final adjudication that, the indemnitee has not met any applicable standard for indemnification set forth in the DGCL. Neither the failure of the Corporation (including by its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of the indemnitee is proper in the circumstances because the indemnitee has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Corporation (including by its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its stockholders) that the indemnitee has not met such applicable standard of conduct, shall create a presumption that the indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the indemnitee, be a defense to such suit. In any suit brought by the indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Article VII or otherwise shall be on the Corporation.

SECTION 7.04 Indemnification Not Exclusive.

(A) The provision of indemnification to or the advancement of expenses and costs to any indemnitee under this Article VII, or the entitlement of any indemnitee to indemnification or advancement of expenses and costs under this Article VII, shall not limit or restrict in any way the power of the Corporation to indemnify or advance expenses and costs to such indemnitee in any other way permitted by law or be deemed exclusive of, or invalidate, any right to which any indemnitee seeking indemnification or advancement of expenses and costs may be entitled under any law, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such indemnitee's capacity as an officer, director, employee or agent of the Corporation and as to action in any other capacity.

(B) Given that certain jointly indemnifiable claims (as defined below) may arise due to the service of the indemnitee as a director and/or officer of the Corporation and as a director, officer, employee or agent of one or more of the indemnitee-related entities (as defined below), the Corporation shall be fully and primarily responsible for the payment to the indemnitee in respect of indemnification or advancement of expenses in connection with any such jointly indemnifiable claims, pursuant to and in accordance with the terms of this Article VII, irrespective of any right of recovery the indemnitee may have from the indemnitee-related entities. Under no circumstance shall the Corporation be entitled to any right of subrogation or contribution by the indemnitee-related entities and no right of advancement or recovery the indemnitee may have from the indemnitee-related entities shall reduce or otherwise alter the rights of the indemnitee or the obligations of the Corporation hereunder. In the event that any of the indemnitee-related entities shall make any payment to the indemnitee in respect of indemnification or advancement of expenses with respect to any jointly indemnifiable claim, the indemnitee-related entity making such payment shall be subrogated to the extent of such payment to all of the rights of recovery of the indemnitee against the Corporation, and the indemnitee 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. Each of the indemnitee-related entities shall be third-party beneficiaries with respect to this Section 7.04(B) of Article VII, entitled to enforce this Section 7.04(B) of Article VII.

For purposes of this Section 7.04(B) of Article VII, the following terms shall have the following meanings:

(1) The term "indemnitee-related entities" means any corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise (other than the Corporation or any other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise for which the indemnitee has agreed, on behalf of the Corporation or at the Corporation's request, to serve as a director, officer, employee or agent and which service is covered by the indemnity described herein) from whom an indemnitee may be entitled to indemnification or advancement of expenses with respect to which, in whole or in part, the Corporation may also have an indemnification or advancement obligation (other than as a result of obligations under an insurance policy).

(2) The term "jointly indemnifiable claims" shall be broadly construed and shall include, without limitation, any action, suit or proceeding for which the indemnitee shall be entitled to indemnification or advancement of expenses from both the indemnitee-related entities and the Corporation pursuant to Delaware law, any agreement or certificate of incorporation, bylaws, partnership agreement, operating agreement, certificate of formation, certificate of limited partnership or comparable organizational documents of the Corporation or the indemnitee-related entities, as applicable.

SECTION 7.05 Nature of Rights. The rights conferred upon indemnitees in this Article VII shall be contract rights and such rights shall continue as to an indemnitee who has ceased to be a director or officer and shall inure to the benefit of the indemnitee's heirs, executors and administrators. Any amendment, alteration or repeal of this Article VII that adversely affects any right of an indemnitee or its successors shall be prospective only and shall not limit, eliminate, or impair any such right with respect to any proceeding involving any occurrence or alleged occurrence of any action or omission to act that took place prior to such amendment or repeal.

SECTION 7.06 Insurance. The Corporation may purchase and maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the DGCL.

SECTION 7.07 Indemnification of Employees and Agents of the Corporation. The Corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Corporation to the fullest extent of the provisions of this Article VII with respect to the indemnification and advancement of expenses of directors and officers of the Corporation.

SECTION 7.08 Assumption of Defense. Promptly after receipt by an indemnitee of notice of any intention or threat to commence an action, suit or proceeding or notice of the commencement of any action, suit or proceeding, the indemnitee will, if a claim in respect thereof is to be made against the Corporation, promptly notify the Corporation in writing of the same. With respect to any action, suit or proceeding of which the Corporation is so notified, the Corporation shall, subject to the last two sentences of this Section 7.08, be entitled to assume the defense of such action, suit or proceeding, with counsel reasonably acceptable to the indemnitee, upon the delivery to the indemnitee of written notice of its election to do so. After delivery of such notice, approval of such counsel by the indemnitee and the retention of such counsel by the Corporation, the Corporation will not be liable to the indemnitee under these Bylaws for any subsequently incurred fees of separate counsel engaged by the indemnitee with respect to the same action, suit or proceeding unless the employment of separate counsel by the indemnitee has been previously authorized in writing by the Corporation, which authorization will not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, if the indemnitee, based on the advice of his or her counsel, shall have reasonably concluded (with written notice being given to the Corporation setting forth the basis for such conclusion) that, in the conduct of any such defense, there is an actual or potential conflict of interest or position (other than such potential conflicts that are objectively immaterial or remote) between the Corporation and the indemnitee with respect to a significant issue, then the Corporation will not be entitled, without the written consent of the

indemnitee, to assume such defense. In addition, the Corporation will not be entitled, without the written consent of the indemnitee, to assume the defense of any claim brought by or in the right of the Corporation.

ARTICLE VIII

Miscellaneous

SECTION 8.01 Electronic Transmission. For purposes of these Bylaws, "electronic transmission" means any form of communication, not directly involving the physical transmission of paper, including the use of, or participation in, one or more electronic networks or databases (including one or more distributed electronic networks or databases), that creates a record that may be retained, retrieved, and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

SECTION 8.02 Corporate Seal. The Board of Directors may provide a suitable seal, containing the name of the Corporation, which seal shall be in the charge of the Secretary. If and when so directed by the Board of Directors or a committee thereof, duplicates of the seal may be kept and used by the Chief Financial Officer, Treasurer, or by an Assistant Secretary or Assistant Treasurer.

SECTION 8.03 Fiscal Year. The fiscal year of the Corporation shall be fixed, and shall be subject to change, by the Board of Directors. Unless otherwise fixed by the Board of Directors, the fiscal year of the Corporation shall begin on the Saturday immediately following the last Friday in December and end on the last Friday of the succeeding December.

SECTION 8.04 Section Headings. Section headings in these Bylaws are for convenience of reference only and shall not be given any substantive effect in limiting or otherwise construing any provision herein.

SECTION 8.05 Inconsistent Provisions. In the event that any provision of these Bylaws is or becomes inconsistent with any provision of the Certificate of Incorporation, the DGCL or any other applicable law, such provision of these Bylaws shall not be given any effect to the extent of such inconsistency but shall otherwise be given full force and effect.

ARTICLE IX

Amendments

SECTION 9.01 Amendments. The Board of Directors is authorized to make, repeal, alter, amend and rescind, in whole or in part, these Bylaws without the assent or vote of the stockholders in any manner not inconsistent with the laws of the State of Delaware or the Certificate of Incorporation. Notwithstanding any other provisions of these Bylaws or any provision of law which might otherwise permit a lesser vote of the stockholders, at any time when H&F beneficially owns, in the aggregate, less than 40% of the then outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, in addition to any vote of the holders of any class or series of capital stock of the Corporation required by the

Certificate of Incorporation (including any certificate of designation relating to any series of Preferred Stock (as defined in the Certificate of Incorporation)), these Bylaws or applicable law, the affirmative vote of the holders of at least 66 2/3% in voting power of all the then-outstanding shares of stock of the Corporation entitled to vote thereon, voting together as a single class, shall be required in order for the stockholders of the Corporation to alter, amend, repeal or rescind, in whole or in part, any provision of these Bylaws (including, without limitation, this Section 9.01) or to adopt any provision inconsistent herewith.

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SNAP ONE HOLDINGS CORP.

STOCKHOLDERS AGREEMENT

Dated as of July 27, 2021

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SNAP ONE HOLDINGS CORP.

STOCKHOLDERS AGREEMENT

This STOCKHOLDERS AGREEMENT (as amended, restated, supplemented or otherwise modified from time to time in accordance with its terms, this "Agreement") is dated as of July 27, 2021, and is entered into by and among:

(i) the Company (as defined below);

(ii) (a) Hellman & Friedman Capital Partners VIII, L.P., a Cayman Islands exempted limited partnership ("HFCP VIII"), (b) Hellman & Friedman Capital Partners VIII (Parallel), L.P., a Cayman Islands exempted limited partnership ("VIII Parallel"), (c) HFCP VIII (Parallel-A), L.P., a Delaware limited partnership ("Parallel-A"), (d) Hellman & Friedman Executives VIII, L.P., a Cayman Islands exempted limited partnership ("Executives VIII"), (e) H&F Associates VIII, L.P., a Cayman Islands exempted limited partnership ("Associates VIII") and (f) H&F Copper Holdings VIII, L.P., a Delaware limited Partnership ("Copper VIII" and together with HFCP VIII, VIII Parallel, Parallel-A, Executives VIII and Associates VIII, the "Initial H&F Stockholders");

(iii) the Employee Stockholders (as defined below) that have executed and delivered a signature page to this Agreement or a Joinder Agreement (as defined below); and

(iv) any other Person (as defined below) who becomes a party hereto pursuant to Article VII.

WHEREAS, in accordance with the terms of the Unitholders Agreement (as defined below) and the Partnership Agreement (as defined below), shares of Common Stock (as defined below) will be distributed to the holders of outstanding interests in the Partnership (as defined below) and the Partnership will subsequently be dissolved;

WHEREAS, the Company intends to consummate an Initial Public Offering (as defined below) of shares of Common Stock and enter into the Underwriting Agreement (as defined below) in connection therewith; and

WHEREAS, in connection with such events, the parties hereto desire to provide for certain governance rights and other matters upon the effectiveness of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties hereto mutually agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. As used in this Agreement, the following terms shall have the meanings set forth below:

"Adverse Disclosure" means public disclosure of material non-public information which, in the Board's good faith judgment, after consultation with outside counsel to the Company, (i) would be required to be made in any report or Registration Statement filed with the SEC by the Company so that such report or Registration Statement would not be materially misleading; (ii) would not be required to be

made at such time but for the filing, effectiveness or continued use of such report or Registration Statement; and (iii) the Company has a *bona fide* business purpose for not disclosing publicly.

"Affiliate" means, with respect to any Person, any other Person that controls, is controlled by, or is under common control with such Person. The term "control," as used in this definition, means the power to direct or cause the direction of the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise. "Controlled" and "controlling" have meanings correlative to the foregoing. Notwithstanding the foregoing, (i) the Company, its Subsidiaries and its other controlled Affiliates shall not be considered Affiliates of any Stockholder or any of such Stockholder's Affiliates (other than the Company, its Subsidiaries and its other controlled Affiliates) (and vice versa), and (ii) none of the H&F Stockholders shall be considered Affiliates of any portfolio company in which the H&F Stockholders or any of their investment fund Affiliates have made a debt or equity investment (and vice versa).

"Applicable Employee" means (i) with respect to any Employee Stockholder that is a Service Provider, such Service Provider and (ii) with respect to any Employee Stockholder that is not a Service Provider, the Service Provider with respect to whom such Employee Stockholder is (or is permitted to be) a Permitted Assignee.

"Beneficial ownership" and "beneficially own" and similar terms have the meaning set forth in Rule 13d-3 under the Exchange Act; provided, however, that (i) no Stockholder shall be deemed to beneficially own any Securities held by any other Stockholder solely by virtue of the provisions of this Agreement (other than this definition) and (ii) with respect to any Securities held by a Stockholder that are exercisable for, convertible into or exchangeable for Shares upon delivery of consideration to the Company or any of its Subsidiaries, such Shares shall not be deemed to be beneficially owned by such Stockholder unless, until and to the extent such Securities have been exercised, converted or exchanged and such consideration has been delivered by such Stockholder to the Company or such Subsidiary.

"Board" means the Board of Directors of the Company.

"Business Day" means any day, other than a Saturday, Sunday or one on which banks are authorized by law to be closed in New York City, New York.

"Common Stock" means the Company's common stock, par value $0.01 per share.

"Company" means Snap One Holdings Corp., a Delaware corporation (including any successors or assigns thereof).

"Consent of Spouse" means a consent of spouse substantially in the form of Exhibit B attached hereto or otherwise acceptable to the Company or the Board.

"Controlled Entity" means any other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise controlled by the Company.

"Covered Person" means (i) each Director, officer or liquidating trustee, in each case in his, her or its capacity as such, (ii) any Person of which a Director is an officer, director, shareholder, partner, member, employee, representative or agent, or (iii) any Affiliate, officer, director, manager, trustee, shareholder, partner, member, beneficiary, representative or agent of any of the foregoing, whether or not such Person continues to have the applicable status referred to in such clauses.

"Director" means an individual elected or appointed to, or otherwise serves on, the Board.

"Employee Stockholder" means (i) each Stockholder that is a Service Provider for so long as he or she holds Securities, (ii) any other individual who (a) holds Securities, (b) has become a party to this Agreement pursuant to Article IX and (c) is a Service Provider at the time he or she becomes a party to this Agreement and (iii) any Permitted Assignee of any of the Stockholders identified in the immediately foregoing clauses (i) and (ii) that beneficially owns and holds of record, Securities.

"Employee Stockholders Approval" means the affirmative approval or consent of the Employee Stockholders holding a majority of the outstanding Shares held by all Employee Stockholders.

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, and the rules and regulations promulgated pursuant thereto.

"FINRA" means the Financial Industry Regulatory Authority.

"H&F Stockholders" means the Initial H&F Stockholders that hold Securities and any of their Affiliates or successors that hold Securities and have become parties to this Agreement pursuant to Article IX.

"Initial Public Offering" means the consummation of the initial underwritten public offering of Shares (or any other Securities) that is registered under the Securities Act.

"Joinder Agreement" means a joinder substantially in the form of Exhibit A attached hereto or otherwise acceptable to the Company, the Board and the H&F Stockholders.

"Necessary Action" means, with respect to a specified result, all actions (to the extent such actions are permitted by applicable law) necessary to cause such specified result, including (i) voting or providing a written consent or proxy with respect to a Stockholder's Shares (or any other voting Securities, if any) whether at any annual or special meeting, by written consent or otherwise, (ii) causing the adoption of stockholders' resolutions and amendments to the certificate of incorporation, bylaws or equivalent governing document, (iii) causing members of the Board (to the extent such members were nominated or designated by the Person obligated to undertake the Necessary Action, and subject to any fiduciary duties that such members may have as directors) to act in a certain manner or causing them to be removed in the event they do not act in such a manner, (iv) executing agreements and instruments necessary to achieve such specified result and (v) making, or causing to be made, with governmental, administrative or regulatory authorities, all filings, registrations or similar actions that are required to achieve such specified result.

"Non-H&F Stockholders" means each of the Stockholders other than the H&F Stockholders.

"Partnership" means Crackle Holdings, L.P., a Delaware limited partnership.

"Partnership Agreement" means the Amended and Restated Limited Partnership Agreement of the Partnership, dated as of August 4, 2017, as amended, restated, supplemented or otherwise modified from time to time in accordance with its terms.

"Permitted Assignee" means:

(i) with respect to an Employee Stockholder, (x) the Applicable Employee with respect to such Employee Stockholder and/or (y) a transferee by testamentary or intestate disposition or any trust, limited partnership or other legal entity the beneficiary of which is one or more members of the immediate family of the Applicable Employee with respect to such Employee Stockholder (consisting of his or her spouse, ex-spouse, children, step-children, children-in-law, parents, step-parents or parents-in-law, including adoptive relationships, or their respective lineal descendants) and which is controlled by such Applicable Employee (an entity shall be deemed to be controlled by an Applicable Employee if such Applicable Employee has the power to direct the disposition and voting of the Securities transferred to such trust or other legal entity); provided, however, that, during the period that any such trust or other legal entity holds any right, title or interest in any Securities, no Person other than such Applicable Employee or one or more of such Applicable Employee's immediate family members may be or may become beneficiaries, stockholders, limited or general partners or members thereof;

(ii) in the case of any H&F Stockholder, any of its respective (x) Affiliates or (y) partners, members or other investors of any H&F Stockholder that become parties to this Agreement in connection with a distribution prior to or following an Initial Public Offering; and

(iii) with respect to any other Stockholder, an Affiliate of such Stockholder so long as such Affiliate is either (x) wholly owned by such Stockholder or (y) directly or indirectly wholly owns such Stockholder.

"Person" means an individual, any general partnership, limited partnership, limited liability company, corporation, trust, business trust, joint stock company, joint venture, unincorporated association, cooperative or association or any other legal entity or organization of whatever nature, and shall include any successor (by merger or otherwise) of such entity.

"Registration Expenses" means any and all expenses incident to the performance by the Company of its obligations under Article V or of a Registration or other Transfer, including (i) all SEC or stock exchange registration and filing fees (including, if applicable, the fees and expenses of any "qualified independent underwriter," as such term is defined in Rule 5121 of FINRA (or any successor provision), and of its counsel), (ii) all fees and expenses of complying with securities or "blue sky" laws (including fees and disbursements of counsel for the underwriters in connection with "blue sky" qualifications of the Registrable Securities), (iii) all printing, messenger and delivery expenses, (iv) all fees and expenses incurred in connection with the listing of the Registrable Securities on any securities exchange and all rating agency fees, (v) the fees and disbursements of counsel for the Company and of its independent public accountants, including the expenses of any special audits and/or comfort letters required by or incident to such performance and compliance, (vi) any fees and disbursements of underwriters customarily paid by the issuers or sellers of securities, including liability insurance if the Company so desires or if the underwriters so require, and the reasonable fees and expenses of any special experts retained in connection with the requested registration, but excluding underwriting discounts and commissions and transfer taxes, if any, (vii) the fees and out-of-pocket expenses of not more than one law firm (as selected by the H&F Stockholders and/or the holders of a majority of the Registrable Securities included in the applicable registration or other Transfer) incurred by all the Holders in connection with the applicable registration or other Transfer, (viii) the costs and expenses of the Company relating to analyst and investor presentations or any "road show" undertaken in connection with the registration and/or marketing of the Registrable Securities (including the reasonable out-of-pocket expenses of the Holders) and (ix) any other fees and disbursements customarily paid by the issuers of securities.

"SEC" means the U.S. Securities and Exchange Commission or any successor agency.

"SEC Restricted Securities" means all Securities other than (i) Securities, the offer and sale of which have been registered under a registration statement pursuant to the Securities Act and sold thereunder, (ii) Securities, with respect to which a sale or other disposition has been made in reliance on and in accordance with Rule 144 (or any successor provision) under the Securities Act, or (iii) Securities, with respect to which the holder thereof shall have delivered to the Company (a) an opinion of counsel in form and substance reasonably satisfactory to the Company, delivered by counsel reasonably satisfactory to the Company, (b) a "no action" letter from the SEC, or (c) such other evidence as may be reasonably satisfactory to the Company, in each case to the effect that subsequent transfers of such Securities may be effected without registration under the Securities Act.

"Securities" means, as of the relevant time of determination (without any double counting), Shares and any other equity securities (and any securities convertible into or exercisable or exchangeable for Shares or other equity securities) of the Company or any of its Subsidiaries.

"Securities Act" means the Securities Act of 1933, as amended from time to time, and the rules and regulations promulgated pursuant thereto.

"Service Provider" means any officer, employee, director, consultant and/or other individual service provider of the Company or its Subsidiaries.

"Share Equivalents" means, as of the relevant time of determination (without any double counting), (i) Shares and (ii) Shares issuable upon exercise, conversion or exchange of any Security that is currently exercisable for, convertible into or exchangeable for, as of any such date of determination, Shares without payment to the Company of any additional consideration.

"Shares" means, as of the relevant time of determination (without any double counting), any shares of Common Stock and any other equity securities of the Company received in respect of such Common Stock in connection with any combination, recapitalization, merger, consolidation or other reorganization or by way of stock split, combination or reclassification, stock dividend or other distribution.

"Specified Stockholders" means each of the Stockholders set forth on Exhibit C attached hereto and their respective Permitted Assignees that hold Securities from time to time.

"Stockholders" means each of the Persons specified in the preamble that hold Securities and each additional Person who becomes a party to this Agreement pursuant to Article IX hereof as a holder of Securities.

"Subsidiary" means, with respect to any Person, any entity of which (i) a majority of the total voting power of shares of stock or equivalent ownership interests entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers, trustees or other members of the applicable governing body 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, or (ii) if no such governing body exists at such entity, a majority of the total voting power of shares of stock or equivalent ownership interests of the entity is at the time owned or controlled, directly or indirectly, by that Person or one or more Subsidiaries of that Person or a combination thereof. For purposes hereof, a Person or Persons shall be deemed to have a majority ownership interest in a limited liability company, partnership, association or other business entity if such Person or Persons shall be allocated a majority of limited liability company, partnership, association or other business entity gains or losses or shall be or control the managing member or general partner of such limited liability company, partnership, association or other business entity.

"Underwriting Agreement" means an underwriting agreement among the Company, Morgan Stanley & Co. LLC, J.P. Morgan Securities LLC and the other investment banks party thereto with respect to an underwritten initial Public Offering.

"Unitholders Agreement" means the Unitholders Agreement, dated as of August 4, 2017, by and among the Partnership, Crackle Holdings GP, LLC as general partner and the other Persons from time to time parties thereto, as may be amended, supplemented, restated or modified from time to time in accordance with its terms.

Section 1.2. Definitions Cross References.

Automatic Shelf Registration Statement	Section 5.1(a)
Claims	Section 8.1(a)
Confidential Information	Section 3.2
Demand Delay	Section 5.3(a)(ii)
Demand Period	Section 5.3(c)
Demand Registration	Section 5.3(a)
Eligible Take-Down Holders	Section 5.1(b)
H&F Initiating Holders	Section 5.1(c)
H&F Nominees	Section 3.1(b)(i)
Holder	Section 5.1(d)
Indemnification Sources	Section 8.1(b)
Indemnified Party	Section 5.7(c)
Indemnifying Party	Section 5.7(c)
Indemnitee	Section 8.1(a)
Indemnitee-Related Entities	Section 8.1(b)
Jointly Indemnifiable Claims	Section 8.1(b)
Majority Shelf Holders	Section 5.2(b)
Marketed	Section 5.1(e)
Marketed Underwritten Shelf Take-Down	Section 5.2(d)(ii)
Prospectus	Section 5.1(f)
Registrable Securities	Section 5.1(h)
Registration Statement	Section 5.1(g)
Representatives	Section 3.2
Restricted Shelf Take-Down	Section 5.2(d)(iii)(A)
Restricted Shelf Take-Down Notice	Section 5.2(d)(iii)(A)
Restricted Take-Down Selling Holders	Section 5.2(d)(iii)(A)
Shelf Holder	Section 5.2(a)
Shelf Registration Notice	Section 5.2(a)
Shelf Registration Statement	Section 5.1(i)
Shelf Suspension	Section 5.2(c)
Shelf Take-Down Initiating Holder	Section 5.2(d)(i)
Take-Down Participation Notice	Section 5.2(d)(iii)(B)
Take-Down Tagging Holders	Section 5.2(d)(iii)(A)
Third Party Holder	Section 5.1(k)
Third Party Shelf Holder	Section 5.2(a)
Transfer	Section 4.1(a)
Transfer Restriction Period	Section 4.3(a)
Underwritten Shelf Take-Down	Section 5.2(d)(i)(A)
Underwritten Shelf Take-Down Notice	Section 5.2(d)(i)(A)
Well-Known Seasoned Issuer	Section 5.1(l)

Section 1.3. General Interpretive Principles. The name assigned to this Agreement and the section captions used herein are for convenience of reference only and shall not be construed to affect the meaning, construction or effect hereof. Unless otherwise specified, the terms "hereof," "herein" and similar terms refer to this Agreement as a whole, and references herein to Articles or Sections refer to Articles or Sections of this Agreement. For purposes of this Agreement, the words, "include," "includes" and "including," when used herein, shall not be limiting and shall be deemed in each case to be followed by the words "without limitation." The terms "dollars" and "$" shall mean United States dollars. The use of "Affiliates" and "Subsidiaries" shall be deemed to be followed by the words "as such entities exist as of the relevant date of determination." Any reference to "days" shall mean calendar days unless such reference is to a "Business Day". The parties hereto have participated jointly in the negotiation and drafting of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the parties and no presumption or burden of proof will arise favoring or disfavoring any party because of the authorship of any provision of this Agreement.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.1. Representations and Warranties of the Parties. Each of the parties hereto hereby represents and warrants to each of the other parties, as of the date hereof (and in respect of Persons who become a party to this Agreement after the date hereof, such party hereby represents and warrants to each of the other parties on the date of its, his or her execution of this Agreement or a Joinder Agreement) as follows:

(a) Such party, to the extent applicable, is duly organized or incorporated, validly existing and in good standing under the laws of the jurisdiction of its organization or incorporation and has all requisite power and authority to conduct its business as it is now being conducted and is proposed to be conducted.

(b) Such party has the full power, authority and legal right to execute, deliver and perform this Agreement. The execution, delivery and performance of this Agreement have been duly authorized by all necessary action, corporate or otherwise, of such party. This Agreement has been duly executed and delivered by such party and constitutes its, his or her legal, valid and binding obligation, enforceable against it, him or her in accordance with its terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally.

(c) The execution and delivery by such party of this Agreement and the performance by such party of its, his or her obligations hereunder by such party does not and will not violate (i) in the case of parties who are not individuals, any provision of its by-laws, charter, articles of association, partnership agreement or other similar document, (ii) any provision of any material agreement to which it, he or she is a party or by which it, he or she is bound or (iii) any law, rule, regulation, judgment, order or decree to which it, he or she is subject.

(d) No consent, waiver, approval, authorization, exemption, registration, license or declaration is required to be made or obtained by such party in connection with the execution, delivery or enforceability of this Agreement or the consummation of any of the transactions contemplated herein.

(e) Such party is not currently in violation of any law, rule, regulation, judgment, order or decree, which violation could reasonably be expected at any time to have a material adverse

effect upon such party's ability to enter into this Agreement or to perform its, his or her obligations hereunder.

(f) There is no pending legal action, suit or proceeding that would materially and adversely affect the ability of such party to enter into this Agreement or to perform its, his or her obligations hereunder.

(g) To the extent such party is an Employee Stockholder or a natural person, if such Person is resident in a community property state, such Person's spouse, if any, has duly executed, or solely if consented to in advance by the Company, will duly execute, a Consent of Spouse, and such Consent of Spouse was delivered as of the date of this Agreement, or, if later, the date such Person became a party. Such Consent of Spouse was or will be duly authorized, executed and delivered by such spouse and effectively binds such spouse to the terms set forth therein.

ARTICLE III

GOVERNANCE

Section 3.1. Board of Directors.

(a) Board Size. The size of the Board shall be determined in the manner set forth from time to time in the Company's certificate of incorporation or bylaws. As of the date of this Agreement, the initial size of the Board is eight Directors.

(b) Board Representation.

(i) Unless otherwise agreed in writing by the H&F Stockholders, to the extent permitted by applicable law and the rules of the principal stock exchange or inter-dealer quotation system on which the Shares are then traded or listed, the H&F Stockholders shall have the right to nominate a number of individuals for election to the Board equal to the product of the following (such individuals, the "H&F Nominees"): (x) the percentage of the outstanding Share Equivalents beneficially owned by the H&F Stockholders, taken together, *multiplied* by (y) the number of Directors then on the Board, rounded up to the nearest whole number; provided, that the H&F Stockholders shall have the right to nominate at least one H&F Nominee for so long as the H&F Stockholders beneficially own, in the aggregate, at least two and one half percent (2.5%) of the then outstanding Share Equivalents of the Company, except that such right set forth in this proviso shall not apply with respect to any such election if the Board is divided into multiple classes of Directors, an H&F Nominee has previously been elected to the Board and the term of such H&F Nominee is not expiring concurrently with such election.

(ii) For so long as the H&F Stockholders have the right to nominate an H&F Nominee for election pursuant to Section 3.1(b), in connection with each election of Directors, the Company shall nominate each such H&F Nominee for election as a Director as part of the slate that is included in the proxy statement (or consent solicitation or similar document) of the Company relating to the election of Directors, and shall provide the highest level of support for the election of each H&F Nominee as it provides to any other individual standing for election as a Director of the Company as part of the Company's slate of Directors.

(iii) In the event that an H&F Nominee shall cease to serve as a Director for any reason (other than the failure of the stockholders of the Company to elect such individual as a Director), the H&F Stockholders shall have the right to nominate another H&F Nominee to fill

the vacancy resulting therefrom. For the avoidance of doubt, it is understood that the failure of the stockholders of the Company to elect any H&F Nominee shall not affect the right of the Persons entitled to designate such H&F Nominee pursuant to Section 3.1(b)(i) to designate an H&F Nominee for election pursuant to Section 3.1(b)(i) in connection with any future election of Directors of the Company.

(iv) Each Non-H&F Stockholder hereby agrees with the Company to take all Necessary Action to effect the appointment of each H&F Nominee nominated in accordance herewith.

(v) Upon the classification of the Board into three (3) classes, the initial H&F Nominees shall be Erik Ragatz, Jacob Best, and Annmarie Neal. Upon the classification of the Board into three (3) classes, the initial Class I Directors shall consist of Erik Ragatz, John Heyman, and Martin Plaehn, the initial Class II Directors shall consist of Kenneth Wagers III, Adalio Sanchez, and Annmarie Neal, and the initial Class III Directors shall consist of Jacob Best and Amy Steel Vanden-Eykel.

Section 3.2. Sharing of Information. To the extent permitted by antitrust, competition or any other applicable Law, each of the Company and the H&F Stockholders agrees and acknowledges that the Directors affiliated with or nominated by the H&F may share confidential, non-public information about the Company and its subsidiaries ("Confidential Information") with the H&F Stockholders and their Affiliates and their respective employees, auditors, investors, partners, members, creditors, advisors, counsel and other representatives (collectively, "Representatives"). Each of the H&F Stockholders recognizes that it, or its Representatives, has acquired or will acquire Confidential Information the use or disclosure of which could cause the Company substantial loss and damages that could not be readily calculated and for which no remedy at law would be adequate. Accordingly, each of the H&F Stockholders covenants and agrees with the Company that it will not (and will cause its respective controlled affiliates and will instruct its Representatives not to) at any time, except with the prior written consent of the Company, directly or indirectly, disclose any Confidential Information known to it to any third party (other than the H&F Stockholders and their Representatives), unless (a) such information becomes known to the public through no breach of this Section 3.2 by such party, (b) disclosure is required by applicable law, regulation, legal or judicial process or requested by a regulatory, self-regulatory or governmental entity or authority or bank examiner; provided, that (other than in the case of any required filing following the date of this Agreement with the SEC or in connection with any audit or examination as described below) the H&F Stockholders or such Representatives promptly notify the Company of such requirement or request and takes commercially reasonable steps, at the sole cost and expense of the Company, to minimize the extent of any such required disclosure, (c) such information was available or becomes available to the H&F Stockholders or such Representatives before, on or after the date of this Agreement, without restriction, from a source (other than the Company) without any breach of duty to the Company or (d) such information was independently developed by such H&F Stockholders or such Representatives without the use of the Confidential Information. Notwithstanding the foregoing, nothing in this Agreement shall prohibit any of the H&F Stockholders or their Representatives from disclosing Confidential Information (x) to any actual or prospective investor, limited partner, member or shareholder or private equity or other investment fund of an H&F Stockholder or any of its Affiliates, provided, that such Person shall be bound by or subject to an obligation of confidentiality with respect to such Confidential Information, (y) if such disclosure is made to a governmental or regulatory entity or authority with jurisdiction over such party in connection with any audit or examination that is not specifically directed at the Company or the Confidential Information, provided, that such party shall request that confidential treatment be accorded to any information so disclosed or (z) if such disclosure is reasonably required or advisable in connection with a tax audit involving such Party or its affiliates. No Confidential Information shall be deemed to be provided to any

Person, including any affiliate or representative of the H&F Stockholders, unless such Confidential Information is actually provided to such Person.

ARTICLE IV

TRANSFER RESTRICTIONS

Section 4.1. General Restrictions on Transfers.

(a) Each Stockholder hereby agrees with the Company that such Stockholder shall not, directly or indirectly, sell, exchange, assign, pledge, hypothecate, gift or otherwise transfer, dispose of or encumber (all of which acts shall be deemed included in the term "Transfer" as used in this Agreement) any Securities or any legal, economic or beneficial interest in any Securities (in each case, whether held in its own right or by its representative and whether voluntary or involuntary or by operation of law) unless (i) to the extent such Transfer constitutes a Transfer of Securities, such Transfer of Securities is made on the books of the Company (or its transfer agent) and is not in violation of the provisions of this Article IV and (ii) the transferee of such Securities (if other than (A) the Company or any of its Subsidiaries, (B) a transferee in a sale of Securities made under Rule 144 under the Securities Act after an Initial Public Offering, (C) a transferee of Securities pursuant to an offer and sale registered under the Securities Act or pursuant to clause (vi) of Section 4.3(a) or (D) a partner, member or other investor of any Stockholder that is a private equity fund that makes a distribution prior to or following an Initial Public Offering) agrees to become a party to this Agreement pursuant to Article VII hereof and executes such further documents as may be necessary, in the reasonable judgment of the Company, to make him, her or it a party hereto, including, to the extent such transferee is a resident in a community property state (including California), a Consent of Spouse, duly authorized, executed and delivered by such transferee's spouse, if any. For the avoidance of doubt, it is understood and agreed that solely with respect to the H&F Stockholders, a bona fide direct or indirect Transfer of partnership interests in any private equity fund affiliated with, or managed by, Hellman & Friedman LLC, or its Affiliates, as the case may be, or any Person that holds a direct or indirect interest in such private equity fund, to another partner or to a third party, shall not constitute a Transfer for purposes of this Agreement.

(b) Any purported Transfer of Securities or any interest in any Securities other than in accordance with this Agreement by any Stockholder shall be null and void *ab initio*, and the Company shall refuse to recognize any such Transfer for any purpose and shall not reflect in its records any change in record ownership of Securities pursuant to any such Transfer.

(c) Each Stockholder acknowledges that the SEC Restricted Securities have not been registered under the Securities Act and may not be transferred except pursuant to an effective registration statement under the Securities Act or pursuant to an exemption from registration under the Securities Act. Each Stockholder agrees that it, he or she will not Transfer any SEC Restricted Securities at any time if such action would constitute a violation of any securities laws of any applicable jurisdiction or a breach of the conditions to any exemption from registration of SEC Restricted Securities under any such laws or a breach of any undertaking or agreement of such Stockholder entered into pursuant to such laws or in connection with obtaining an exemption thereunder. Each Stockholder agrees that any SEC Restricted Securities to be held by it, him or her that are represented by certificates shall bear the restrictive legend set forth in Section 6.3.

(d) No Non-H&F Stockholder shall grant any proxy or enter into or agree to be bound by any voting trust with respect to any Securities or enter into any agreements or arrangements of either kind with any person with respect to any Securities inconsistent with the provisions of this

Agreement, including agreements or arrangements with respect to the acquisition, disposition or voting (if applicable) of any Securities, nor shall any Non-H&F Stockholder act, for any reason, as a member of a group or in concert with any other Persons in connection with the acquisition, disposition or voting (if applicable) of any Securities in any manner which is inconsistent with the provisions of this Agreement.

Section 4.2. Permitted Transfers.

(a) (i) Each Stockholder (other than an Employee Stockholder) may Transfer any or all of the Securities held by it to any of its Permitted Assignees without complying with the provisions of this Article IV, other than Section 4.1; provided, however, that, with respect to a Transfer to a Permitted Assignee, (x) such Permitted Assignee shall have agreed with the Company, in a written instrument reasonably satisfactory to the Company, that it will immediately convey record and beneficial ownership of all Securities and all rights and obligations hereunder to such Stockholder or another Permitted Assignee of such Stockholder prior to such time as it would cease to be a Permitted Assignee of such Stockholder and (y) as a condition to such Transfer, such Permitted Assignee shall become a party to this Agreement as provided in Section 4.1(a) and (ii) any Stockholder that is a private equity fund may, subject to compliance with Section 5.13 distribute any or all of the Securities held by it to its partners, members or other investors without complying with the provisions of this Article IV, other than Section 4.1.

(b) Each Stockholder that is an Employee Stockholder may Transfer any or all of the Securities held by him, her or it to a Permitted Assignee of such Employee Stockholder without complying with the provisions of this Article IV other than Section 4.1; provided, that (i) such Permitted Assignee shall have agreed with the Company, in a written instrument reasonably satisfactory to the Company, that he, she or it will immediately convey record and beneficial ownership of all Securities and all rights and obligations hereunder to such transferring Employee Stockholder or another Permitted Assignee of such transferring Employee Stockholder if he, she or it ceases to be a Permitted Assignee of such Employee Stockholder and (ii) as a condition to such Transfer, such Permitted Assignee shall become a party to this Agreement as provided in Section 4.1.

Section 4.3. Transfer Restriction Period.

(a) During the period beginning on the date hereof and ending on (and, for the avoidance of doubt, not including) (x) in the case of the Specified Stockholders, the twelve-(12) month anniversary of an Initial Public Offering, and (y) in the case of all Stockholders other than the Specified Stockholders and the H&F Stockholders, one hundred eighty (180) days after the effective date of a Registration Statement of the Company filed in connection with an Initial Public Offering (such period, the "Transfer Restriction Period"), each Stockholder (other than the H&F Stockholders) hereby agrees with the Company that such Stockholder shall not Transfer any Securities to any Person, except, subject to compliance with Section 4.1, Transfers:

(i) to the Company or any of its Affiliates or to any H&F Stockholder or any of its Affiliates;

(ii) to a Permitted Assignee or as otherwise contemplated pursuant to and in compliance with Section 4.2 (Permitted Transfers);

(iii) pursuant to and in compliance with Article V (Registration Rights);

(iv) pursuant to the Underwriting Agreement;

(v) by the Stockholders set forth on Exhibit D of a number of Shares in connection with the Initial Public Offering not to exceed the number of Shares set forth opposite such Stockholder's name on Exhibit D;

(vi) by Employee Stockholders of Shares purchased or acquired by such Employee Stockholders (A) pursuant to the Company's directed share program in connection with its Initial Public Offering or (B) following the consummation of the Initial Public Offering, (I) pursuant to the Company's 2021 Employee Stock Purchase Plan or (II) in an "open market" transaction; and/or

(vii) with the prior written consent of the Company.

(b) If and to the extent any H&F Stockholder requests in connection with an actual or potential Transfer of Securities by such H&F Stockholder, the Company shall, and shall cause its Subsidiaries to, make members of the Company's and its Subsidiaries' management available to meet with prospective transferees, provide for the reasonable inspection of the Company's and its Subsidiaries' facilities and reasonable access to the Company's and its Subsidiaries financial information and other books and records by prospective transferees and otherwise cooperate in any prospective transferee's due diligence review of the Company and its Subsidiaries, including facilitating the cooperation of the Company's counsel and independent public accountants with any such due diligence review, all pursuant to such potential transferee having entered into a customary confidentiality agreement regarding all confidential information received in connection with such due diligence review.

ARTICLE V

REGISTRATION RIGHTS

The Company hereby grants to each of the Holders (as defined below) the registration rights set forth in this Article V, with respect to the Registrable Securities (as defined below) owned by such Holders.

Section 5.1. Certain Definitions. As used in this Article V:

(a) "Automatic Shelf Registration Statement" shall have the meaning set forth in Rule 405 (or any successor provision) of the Securities Act.

(b) "Eligible Take-Down Holders" means any and all of the H&F Initiating Holders.

(c) "H&F Initiating Holders" means one or more H&F Stockholders or any assignee to whom an H&F Stockholder has transferred rights pursuant to Section 5.9.

(d) "Holder" (collectively, "Holders") means any Stockholder (and any transferee pursuant to Section 5.9) holding Registrable Securities, securities exercisable or convertible into Registrable Securities or securities exercisable for securities convertible into Registrable Securities.

(e) "Marketed" means the use or involvement of a customary "road show" (including an "electronic road show") or other substantial marketing effort by underwriters over a period of at least 48 hours.

(f) "Prospectus" means the prospectus included in any Registration Statement, all amendments and supplements to such prospectus, including post-effective amendments, and all other material incorporated by reference in such prospectus.

(g) "register", "registered" and "registration" means a registration effected pursuant to a registration statement filed with the SEC (the "Registration Statement") in compliance with the Securities Act, and the declaration or ordering by the SEC of the effectiveness of such Registration Statement.

(h) "Registrable Securities" means (i) Shares held (whether now held or hereafter acquired) by a Stockholder or any transferee to the extent permitted by Section 5.9 or, without duplication, by any holder of Securities of the Company that holds registration or similar rights pursuant to an agreement between such holder of Securities and the Company and (ii) any Shares issued as (or, as of any such date of determination, then currently issuable upon the conversion or exercise of any warrant, right or other security that is issued as) a dividend or other distribution with respect to, or in exchange or in replacement of, such Shares contemplated by the immediately foregoing clause (i); provided, however, that Shares shall cease to be treated as Registrable Securities if (a) a Registration Statement covering such securities has been declared effective by the SEC and such security has been disposed of pursuant to such effective Registration Statement, (b) a Registration Statement on Form S-8 (or any successor form) covering such Shares is effective and the Transfer of such Share is no longer subject to the restrictions on Transfer set forth in Section 4.3, (c) such Shares are sold pursuant to Rule 144 or 145 promulgated under the Securities Act (or another exemption from the registration requirements of the Securities Act), (d) such Shares cease to be outstanding or (e) the Holder thereof, together with his, her or its Permitted Assignees, beneficially owns (excluding any securities covered by the foregoing clause (b)) less than one percent (1%) of the Shares that are outstanding at such time and such Holder is able to dispose of all of its Registrable Securities in any ninety (90) day period pursuant to Rule 144 or 145 (or any similar or analogous rule) promulgated under the Securities Act and the Transfer of such Share is no longer subject to the restrictions on Transfer set forth in Section 4.3. For the avoidance of doubt, it is understood that, with respect to any Registrable Securities for which a Holder holds Securities which are subject to one or more vesting criteria or conditions, such vesting criteria or conditions must be satisfied for such Registrable Securities to be sold pursuant to this Article V. For the avoidance of doubt, it is understood that, with respect to any Registrable Securities for which a Holder holds Securities exercisable for, convertible into or exchangeable for Registrable Securities, to the extent that such Registrable Securities are to be sold pursuant to this Article V, such Holder must exercise the relevant Security or exercise, convert or exchange such relevant Security and transfer the relevant underlying securities that are Registrable Securities (in each case, net of any amounts required to be withheld by the Company in connection with such exercise).

(i) "Shelf Registration Statement" means a Registration Statement of the Company filed with the SEC on Form S-3 or on Form S-1 for an offering to be made on a continuous basis pursuant to Rule 415 under the Securities Act (or any similar rule that may be adopted by the SEC) covering the Registrable Securities, as applicable.

(j) "Shelf Take-Down" means any offering or sale of Registrable Securities initiated by an H&F Initiating Holder pursuant to a Shelf Registration Statement.

(k) "Third Party Holder" means any holder (other than a Holder) of Shares who exercises contractual rights to participate in a registered offering of Shares.

(l) "Well-Known Seasoned Issuer" shall have the meaning set forth in Rule 405 (or any successor provision) of the Securities Act.

Section 5.2. Shelf Registration.

(a) Filing. Upon the first Business Day of the thirteenth calendar month following an Initial Public Offering or upon an earlier demand by the H&F Initiating Holders, subject to the Company's rights under Section 5.2(c) and the limitations set forth in Section 5.2(d), the Company shall (i) promptly (but in any event no later than ten (10) days prior to the date such Shelf Registration Statement is declared effective) give written notice (a "Shelf Registration Notice") of the proposed registration to all Holders and (ii) use its reasonable best efforts to file as soon as reasonably practicable after such date with the SEC or as soon as possible following receipt of such demand from the H&F Initiating Holders and to cause to become effective under the Securities Act a Shelf Registration Statement (which Shelf Registration Statement shall be designated by the Company as an Automatic Shelf Registration Statement if the Company is a Well-Known Seasoned Issuer at the time of filing such Shelf Registration Statement with the SEC) as will permit or facilitate the sale and distribution of all Registrable Securities held by any of the H&F Stockholders (or, if the H&F Stockholders determine to not include all of their Registrable Securities therein, such lesser amount as such Holder shall request to the Company in writing), together with (x) all or such portion of the Registrable Securities of any Holder or Holders as are specified in a written request received by the Company within five (5) days after such Shelf Registration Notice is given (each such Holder, and each H&F Stockholder, a "Shelf Holder") (such amount not in any event to exceed the total Registrable Securities held by such Shelf Holder as of the date of such written notice) and (y) all or such portion of the Securities of any Third Party Holder that the Company determines may register securities in such registration (each such Third Party Holder, a "Third Party Shelf Holder"); provided, however, that, if the Company is permitted by applicable law, rule or regulation to add selling securityholders to a Shelf Registration Statement without filing a post-effective amendment, a Holder may request the inclusion of such Holder's Registrable Securities (such amount not in any event to exceed the total Registrable Securities held by such Shelf Holder) in such Shelf Registration Statement at any time or from time to time, and the Company shall add such Registrable Securities to the Shelf Registration Statement as promptly as reasonably practicable, and such Holder shall be deemed a Shelf Holder. If, on the date of any demand by the H&F Initiating Holders for the Company to file a Shelf Registration Statement, the Company does not qualify to file a Shelf Registration Statement, then the provisions of Section 5.3 shall apply instead of this Section 5.2. In no event shall the Company be required to file, and maintain effectiveness pursuant to Section 5.2(b) of, more than one Shelf Registration Statement at any one time pursuant to this Section 5.2.

(b) Continued Effectiveness. Except as otherwise agreed by the H&F Initiating Holders, the Company shall use its reasonable best efforts to keep such Shelf Registration Statement filed pursuant to this Section 5.2 continuously effective under the Securities Act (including by filing and having declared effective an additional Shelf Registration Statement if the then effective Shelf Registration Statement is not permitted to be used pursuant to Rule 415(a)(5) under the Securities Act) in order to permit the Prospectus forming a part thereof to be usable by the Shelf Holders until the earlier of (i) the date as of which all Registrable Securities registered by such Shelf Registration Statement have been sold and (ii) such shorter period as the Shelf Holders of a majority of the Registrable Securities registered on such Shelf Registration Statement, which majority must include the H&F Stockholders to the extent they are Shelf Holders owning Registrable Securities registered on such Shelf Registration Statement (the "Majority Shelf Holders") may determine.

(c) Suspension of Filing or Registration. If the Company shall furnish to the Majority Shelf Holders, a certificate signed by the Chief Executive Officer or equivalent senior executive of the Company, stating that the filing, effectiveness or continued use of the Shelf Registration Statement would require the Company to make an Adverse Disclosure, then the Company shall have a period of not more than sixty (60) days or such longer period as the Majority Shelf Holders

shall consent to in writing, within which to delay the filing or effectiveness (but not the preparation) of such Shelf Registration Statement or, in the case of a Shelf Registration Statement that has been declared effective, to suspend the use by Shelf Holders of such Shelf Registration Statement (in each case, a "Shelf Suspension"); provided, however, that, unless consented to in writing by the Majority Shelf Holders, the Company shall not be permitted to exercise in any twelve (12) month period (i) more than two (2) Shelf Suspensions pursuant to this Section 5.2(c) and Demand Delays pursuant to Section 5.3(a)(ii) in the aggregate or (ii) aggregate Shelf Suspensions pursuant to this Section 5.2(c) and Demand Delays pursuant to Section 5.3(a)(ii) of more than ninety (90) days. Each Shelf Holder shall keep confidential the fact that a Shelf Suspension is in effect, the certificate referred to above and its contents for the permitted duration of the Shelf Suspension or until otherwise notified by the Company, except (A) for disclosure to such Shelf Holder's employees, agents and professional advisers who need to know such information and are obligated to keep it confidential, (B) for disclosures to the extent required in order to comply with reporting obligations to its limited partners who have agreed to keep such information confidential and (C) as required by law. In the case of a Shelf Suspension that occurs after the effectiveness of the Shelf Registration Statement, the Shelf Holders agree to suspend use of the applicable Prospectus for the permitted duration of such Shelf Suspension in connection with any sale or purchase of, or offer to sell or purchase, Registrable Securities, upon receipt of the certificate referred to above. The Company shall notify the Shelf Holders as soon as reasonably practicable upon the termination of any Shelf Suspension, and (1) in the case of a Shelf Registration Statement that has not been declared effective, shall promptly thereafter file the Shelf Registration Statement and use its reasonable best efforts to have such Shelf Registration Statement declared effective under the Securities Act and (2) in the case of an effective Shelf Registration Statement, shall amend or supplement the Prospectus, if necessary, so it does not contain any material misstatement or omission prior to the expiration of the Shelf Suspension and furnish to the Shelf Holders such numbers of copies of the Prospectus as so amended or supplemented as the Shelf Holders may reasonably request. The Company agrees, if necessary, to supplement or make amendments to the Shelf Registration Statement if required by the registration form used by the Company for the Shelf Registration Statement or by the instructions applicable to such registration form or by the Securities Act or the rules or regulations promulgated thereunder or as may reasonably be requested by the Majority Shelf Holders.

(d) Shelf Take-Downs.

(i) Generally. Subject to the terms and provisions of this Article IV, a Shelf Take-Down proposed to be initiated by an H&F Initiating Holder (the "Shelf Take-Down Initiating Holder") may or may not be underwritten and/or Marketed, in each case, as shall be specified in the written demand delivered by the Shelf Take-Down Initiating Holder to the Company pursuant to the provisions of this Section 5.2(d). For the avoidance of doubt, only an H&F Initiating Holder may initiate a Shelf Take-Down.

(A) Underwritten Shelf Take Downs. A Shelf Take-Down Initiating Holder (and not any other Shelf Holder) may elect in a written demand delivered to the Company (an "Underwritten Shelf Take-Down Notice") for any Shelf Take-Down that it has initiated (including any Restricted Shelf Take-Down) to be in the form of an underwritten offering (an "Underwritten Shelf Take-Down"), and the Company shall, if so requested, file and effect an amendment or supplement of the Shelf Registration Statement for such purpose as soon as practicable; provided, that any such Underwritten Shelf Take-Down must comply with the minimum size requirements of a Demand Registration set forth in Section 5.3(a). The applicable Shelf Take-Down Initiating Holder shall have the right to select the underwriter or underwriters to administer such Underwritten Shelf Take-Down; provided, that such underwriter or underwriters shall be reasonably acceptable to the Company.

(B) With respect to any Underwritten Shelf Take-Down (including any Marketed Underwritten Shelf Take-Down), in the event that a Shelf Holder otherwise would be entitled to participate in such Underwritten Shelf Take-Down pursuant to Section 5.2(d)(iii), the right of such Shelf Holder to participate in such Underwritten Shelf Take-Down shall be conditioned upon such Shelf Holder's participation in such underwriting and the inclusion of such Shelf Holder's Registrable Securities in the underwriting to the extent provided herein. The Company shall, together with all Shelf Holders and Third Party Shelf Holders of Registrable Securities of the Company proposing to distribute their securities through such Underwritten Shelf Take-Down, enter into an underwriting agreement in customary form with the underwriter or underwriters selected in accordance with Section 5.2(d)(i)(A). Notwithstanding any other provision of this Section 5.2, if the underwriter shall advise the Company that marketing factors (including an adverse effect on the per security offering price) require a limitation of the number of Registrable Securities to be underwritten in an Underwritten Shelf Take-Down, then the Company shall so advise all Shelf Holders and Third Party Shelf Holders of Registrable Securities that have requested to participate in such Underwritten Shelf Take-Down, and the number of Registrable Securities that may be included in such Underwritten Shelf Take-Down shall be allocated *pro rata* among such Shelf Holders and Third Party Shelf Holders thereof in proportion, as nearly as practicable, to the respective amounts of Registrable Securities held by such Shelf Holders and Third Party Shelf Holders at the time of such Underwritten Shelf Take-Down; provided, that any Registrable Securities thereby allocated to a Shelf Holder or Third Party Shelf Holder that exceeds such Shelf Holder's or Third Party Shelf Holder's request shall be reallocated among the remaining Shelf Holders and Third Party Shelf Holders in like manner. No Registrable Securities excluded from an Underwritten Shelf Take-Down by reason of the underwriter's marketing limitation shall be included in such underwritten offering.

(ii) Marketed Underwritten Shelf Take-Downs. The Shelf Take-Down Initiating Holder submitting an Underwritten Shelf Take-Down Notice shall indicate in such notice that it delivers to the Company pursuant to Section 5.2(d)(i) whether it intends for such Underwritten Shelf Take-Down to be Marketed (a "Marketed Underwritten Shelf Take-Down"); provided, that any such Marketed Underwritten Shelf Take-Down shall be deemed to be, for purposes of Section 5.3(a), a Demand Registration and must comply with the minimum size requirements set forth therein. 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 promptly (but in any event no later than ten (10) days prior to the expected date of such Marketed Underwritten Shelf Take-Down) give written notice of such Marketed Underwritten Shelf Take-Down to all other Shelf Holders of Registrable Securities under such Shelf Registration Statement and any such Shelf Holders requesting inclusion in such Marketed Underwritten Shelf Take-Down must respond in writing within five (5) days after the receipt of such notice. Each such Shelf Holder that timely delivers any such request shall be permitted to sell in such Marketed Underwritten Shelf Take-Down subject to the terms and conditions of this Section 5.2(d).

(iii) Non-Marketed Underwritten Shelf Take-Downs.

(A) With respect to each Underwritten Shelf Take-Down initiated by a Shelf Take-Down Initiating Holder that is not a Marketed Underwritten Shelf Take-Down (a "Restricted Shelf Take-Down"), the Shelf Take-Down Initiating Holder initiating such Restricted Shelf Take-Down shall provide written notice (a "Restricted

Shelf Take-Down Notice") of such Restricted Shelf Take-Down to the Company as far in advance of the completion of such Restricted Shelf Take-Down as shall be reasonably practicable in light of the circumstances applicable to such Restricted Shelf Take-Down and the Company shall promptly distribute such Restricted Shelf Take-Down Notice to all other Eligible Take-Down Holders, which Restricted Shelf Take-Down Notice shall set forth (I) the total number of Registrable Securities expected to be offered and sold in such Restricted Shelf Take-Down, (II) the expected plan of distribution of such Restricted Shelf Take-Down, (III) an invitation to each Eligible Take-Down Holder to elect (Eligible Take-Down Holders who make such an election being "Take-Down Tagging Holders" and, together with the Shelf Take-Down Initiating Holders and all other Persons (other than any Affiliates of the Shelf Take-Down Initiating Holders) who otherwise are transferring, or have exercised a contractual or other right to transfer, Registrable Securities in connection with such Restricted Shelf Take-Down, the "Restricted Take-Down Selling Holders") to include in the Restricted Shelf Take-Down Registrable Securities held by such Take-Down Tagging Holder (but subject to Section 5.2(d)(i)(B)) and (IV) the action or actions required (including the timing thereof) in connection with such Restricted Shelf Take-Down with respect to each Eligible Take-Down Holder that elects to exercise such right (including the delivery of one or more stock certificates representing Registrable Securities of such Eligible Take-Down Holder to be sold in such Restricted Shelf Take-Down).

(B) Upon delivery of a Restricted Shelf Take-Down Notice, each Eligible Take-Down Holder may elect to sell Registrable Securities in such Restricted Shelf Take-Down, at the same price per Registrable Security and pursuant to the same terms and conditions with respect to payment for the Registrable Securities as agreed to by the Shelf Take-Down Initiating Holders, by sending an irrevocable written notice (a "Take-Down Participation Notice") to the Shelf Take-Down Initiating Holders and the Company within the time period specified in such Restricted Shelf Take-Down Notice, indicating its, his or her election to sell up to the number of Registrable Securities in the Restricted Shelf Take-Down specified by such Eligible Take-Down Holder in such Take-Down Participation Notice (but, in all cases, subject to Section 5.2(d)(i)(B)). Following the time period specified in such Restricted Shelf Take-Down Notice, each Take- Down Tagging Holder that has delivered a Take-Down Participation Notice shall be permitted to sell in such Restricted Shelf Take-Down on the terms and conditions set forth in the Restricted Shelf Take-Down Notice, concurrently with the Shelf Take-Down Initiating Holders and the other Restricted Take-Down Selling Holders, the number of Registrable Securities calculated pursuant to Section 5.2(d)(i)(B). For the avoidance of doubt, it is understood that in order to be entitled to exercise its, his or her right to sell Registrable Securities in a Restricted Shelf Take-Down pursuant to this Section 5.2(d)(iii), each Take-Down Tagging Holder must agree to make the same representations, warranties, covenants, indemnities and agreements, if any, as the Shelf Take-Down Initiating Holders agree to make in connection with the Restricted Shelf Take-Down, with such additions or changes as are required of such Take-Down Tagging Holder by the underwriters. All costs and expenses incurred by the Shelf Take-Down Initiating Holders in connection with such Restricted Shelf Take-Down shall be borne on a *pro rata* basis in accordance with the number of Registrable Securities being sold by each of the Restricted Take-Down Selling Holders.

(C) Notwithstanding the delivery of any Restricted Shelf Take-Down Notice, all determinations as to whether to complete any Restricted Shelf Take-Down and as to the timing, manner, price and other terms and conditions of any Restricted Shelf

Take-Down shall be at the sole discretion of the Shelf Take-Down Initiating Holders. Each of the applicable Shelf Holders agrees to reasonably cooperate with each of the other applicable Shelf Holders to establish notice, delivery and documentation procedures and measures to facilitate such other applicable Shelf Holder's participation in future potential Restricted Shelf Take-Downs pursuant to this Section 5.2(d)(iii).

(D) Notwithstanding anything herein to the contrary, except as otherwise agreed by the applicable Shelf Take-Down Initiating Holder that delivered a Restricted Shelf Take-Down Notice to the Company pursuant to Section 5.2(d)(iii)(A), no Shelf Holders other than the Eligible Take-Down Holders will have the right to participate in any Restricted Shelf Take-Down.

Section 5.3. Demand Registration.

(a) Holders' Demand for Registration. If the Company shall receive from the H&F Initiating Holders at any time a written demand that the Company effect any registration (a "Demand Registration") of Registrable Securities held by such Holders having a reasonably anticipated net aggregate offering price (after deduction of underwriter commissions and offering expenses) of at least the lesser of (x) $25,000,000 and (y) the value of all remaining Registrable Securities held by the H&F Initiating Holders, the Company will:

(i) promptly (but in any event within ten (10) days prior to the date such registration becomes effective under the Securities Act) give written notice of the proposed registration to all other Holders; and

(ii) use its reasonable best efforts to effect such registration as soon as practicable as will permit or facilitate the sale and distribution of all or such portion of such H&F Initiating Holders' Registrable Securities as are specified in such demand, together with all or such portion of the Registrable Securities of any other Holders joining in such demand as are specified in a written demand received by the Company within five (5) days after such written notice is given; provided, that the Company shall not be obligated to file any Registration Statement or other disclosure document pursuant to this Section 5.3 (but shall be obligated to continue to prepare such Registration Statement or other disclosure document) if the Company shall furnish to such Holders a certificate signed by the Chief Executive Officer or equivalent senior executive of the Company, stating that the filing or effectiveness of such Registration Statement would require the Company to make an Adverse Disclosure, in which case the Company shall have an additional period (each, a "Demand Delay") of not more than sixty (60) days (or such longer period as may be agreed upon by the H&F Initiating Holders) within which to file such Registration Statement; provided, however, that the Company shall not exercise, in any twelve (12) month period, (x) more than two (2) Demand Delays pursuant to this Section 5.3(a)(ii) and Shelf Suspensions pursuant to Section 5.2(c) in the aggregate or (y) aggregate Demand Delays pursuant to this Section 5.3(a)(ii) and Shelf Suspensions pursuant to Section 5.2(c) of more than ninety (90) days. Each Holder shall keep confidential the fact that a Demand Delay is in effect, the certificate referred to above and its contents for the permitted duration of the Demand Delay or until otherwise notified by the Company, except (A) for disclosure to such Holder's employees, agents and professional advisers who need to know such information and are obligated to keep it confidential, (B) for disclosures to the extent required in order to comply with reporting obligations to its limited partners who have agreed to keep such information confidential and (C) as required by law.

(b) Underwriting. If the H&F Initiating Holders intend to distribute the Registrable Securities covered by their demand by means of an underwritten offering, they shall so advise the Company as part of their demand made pursuant to this Section 5.3, and the Company shall include such information in the written notice referred to in Section 5.3(a)(i). In such event, the right of any Holder to registration pursuant to this Section 5.3 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 herein. The Company shall, together with all holders of Registrable Securities of the Company proposing to distribute their securities through such underwriting, enter into an underwriting agreement in customary form with the underwriter or underwriters selected by a majority-in-interest of the H&F Initiating Holders and reasonably satisfactory to the Company. Notwithstanding any other provision of this Section 5.3, if the underwriter shall advise the Company that marketing factors (including an adverse effect on the per security offering price) require a limitation of the number of Registrable Securities to be underwritten, then the Company shall so advise all Holders of Registrable Securities that have requested to participate in such offering, and the number of Registrable Securities that may be included in the registration and underwriting shall be allocated *pro rata* among such Holders and other holders of Registrable Securities exercising a contractual or other right to dispose of Registrable Securities in such underwriting thereof in proportion, as nearly as practicable, to the respective amounts of Registrable Securities held by such persons at the time of filing the Registration Statement; provided, that any Registrable Securities thereby allocated to any such person that exceed such person's request shall be reallocated among the remaining requesting Holders and other requesting holders of Registrable Securities in like manner; and provided, further, that the number of Registrable Securities to be included in such underwriting shall not be reduced unless all other Securities are first entirely excluded from the underwriting. No Registrable Securities excluded from the underwriting by reason of the underwriter's marketing limitation shall be included in such registration. If the underwriter has not limited the number of Registrable Securities to be underwritten, the Company may include securities for its own account (or for the account of any other Persons) in such registration if the underwriter so agrees and if the number of Registrable Securities would not thereby be limited.

(c) Effective Registration. The Company shall be deemed to have effected a Demand Registration if the Registration Statement pursuant to such registration is declared effective by the SEC and remains effective for not less than one hundred eighty (180) days (or such shorter period as will terminate when all Registrable Securities covered by such Registration Statement have been sold or withdrawn), or, if such Registration Statement relates to an underwritten offering, such longer period as, in the opinion of counsel for the underwriters, a prospectus is required by law to be delivered in connection with sales of Registrable Securities by an underwriter or dealer (the applicable period, the "Demand Period"). No Demand Registration shall be deemed to have been effected if (i) during the Demand Period such registration is interfered with by any stop order, injunction or other order or requirement of the SEC or other governmental agency or court or (ii) the conditions specified in the underwriting agreement, if any, entered into in connection with such registration are not satisfied other than by reason of a wrongful act, misrepresentation or breach of such applicable underwriting agreement by a participating Holder.

Section 5.4. Piggyback Registration.

(a) If at any time or from time to time the Company shall determine to register any of its equity securities, either for its own account or for the account of security holders (other than (1) in a registration relating solely to employee benefit plans, (2) a Registration Statement on Form S-4 or S-8 (or such other similar successor forms then in effect under the Securities Act), (3) a registration pursuant to which the Company is offering to exchange its own securities for other securities, (4) a Registration Statement relating solely to dividend reinvestment or similar plans, (5) a Shelf Registration Statement pursuant to which only the initial purchasers and subsequent transferees of debt securities or

preferred stock of the Company or any Subsidiary that are convertible into or exchangeable for Securities and that are initially issued pursuant to Rule 144A and/or Regulation S (or any successor provision) of the Securities Act may resell such notes or preferred stock and sell the Securities into which such notes or preferred stock may be converted or exchanged or (6) a registration pursuant to Section 5.2 or Section 5.3 hereof) the Company will:

(i) promptly (but in no event less than ten (10) days before the effective date of the relevant Registration Statement) give to each Holder written notice thereof; and

(ii) include in such registration (and any related qualification under state securities laws or other compliance), and in any underwriting involved therein, all the Registrable Securities specified in a written request or requests made within five (5) days after receipt of such written notice from the Company by any Holder or Holders, except as set forth in Section 5.3(b) below.

Notwithstanding anything herein to the contrary, this Section 5.4 shall not apply (i) prior to the one-year anniversary of an Initial Public Offering in respect of any Holder, unless (x) one or more of the H&F Stockholders elect to participate in such registration or (y) the H&F Stockholders, in their sole discretion, elect by written notice to the Company for this Section 5.4 to apply to the Registrable Securities of any one or more other Holders specified in such notice and/or (ii) to any Shelf Take-Down irrespective of whether such Shelf Take-Down is an Underwritten Shelf Take-Down or not an Underwritten Shelf Take-Down.

(b) Underwriting. If the registration of which the Company gives notice is for a registered public offering involving an underwriting, the Company shall so advise the Holders as a part of the written notice given pursuant to Section 5.4(a)(i). In such event the right of any Holder to registration pursuant to this Section 5.4 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 herein. All Holders proposing to dispose of their Registrable Securities through such underwriting, together with the Company and the other parties distributing their securities through such underwriting, shall enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting by the Company. Notwithstanding any other provision of this Section 5.4, if the underwriters shall advise the Company that marketing factors (including, without limitation, an adverse effect on the per security offering price) require a limitation of the number of Registrable Securities to be underwritten, then the Company may limit the number of Registrable Securities to be included in the registration and underwriting, subject to the terms of this Section 5.4. The Company shall so advise all Holders of Registrable Securities that have requested to participate in such offering, and the number of Registrable Securities that may be included in the registration and underwriting shall be allocated in the following manner: first, to the Company and second, to the Holders and other holders of Registrable Securities exercising a contractual or other right to dispose of Registrable Securities in such underwriting on a *pro rata* basis based on the total number of Registrable Securities held by such persons; provided, that any Registrable Securities thereby allocated to any such person that exceed such person's request shall be reallocated among the remaining requesting Holders and other requesting holders of Registrable Securities in like manner. No such reduction shall (i) reduce the Securities being offered by the Company for its own account to be included in the registration and underwriting, or (ii) reduce the amount of securities of the selling Holders included in the registration below twenty-five percent (25%) of the total amount of Securities included in such registration, unless such offering does not include Securities of any other selling security holders, in which event any or all of the Registrable Securities of the Holders may be excluded in accordance with the immediately preceding sentence. No securities excluded from the underwriting by reason of the underwriter's marketing limitation shall be included in such registration. For the avoidance of doubt, nothing in this

Section 5.4(b) is intended to diminish the number of securities to be included by the Company in the underwriting.

(c) Right to Terminate Registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 5.4 prior to the effectiveness of such registration whether or not any Holder has elected to include securities in such registration.

Section 5.5. Expenses of Registration. All Registration Expenses incurred in connection with all registrations effected pursuant to Section 5.2, Section 5.3 or Section 5.4 or in connection with any other Transfer by the H&F Stockholders shall be borne or reimbursed by the Company; provided, however, that the Company shall not be required to pay stock transfer taxes, underwriters' discounts or selling commissions relating to Registrable Securities.

Section 5.6. Obligations of the Company. Whenever required under this Article V to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

(a) prepare and file with the SEC a Registration Statement with respect to such Registrable Securities and use its reasonable best efforts to cause such Registration Statement to become effective, and keep such Registration Statement effective for (i) the lesser of one hundred eighty (180) days or until the Holder or Holders have completed the distribution relating thereto or (ii) for such longer period as may be prescribed herein;

(b) prepare and file with the SEC such amendments and supplements to such Registration Statement and the prospectus used in connection with such Registration Statement as may be necessary to keep such Registration Statement effective and to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such Registration Statement in accordance with the intended methods of disposition by sellers thereof set forth in such Registration Statement;

(c) permit any Holder that (in the good faith reasonable judgment of such Holder) might be deemed to be a controlling person of the Company to participate in good faith in the preparation of such Registration Statement and to cooperate in good faith to include therein material, furnished to the Company in writing, that in the reasonable judgment of such Holder and its counsel should be included;

(d) furnish to the Holders such numbers of copies of the Registration Statement and the related Prospectus, including all exhibits thereto and documents incorporated by reference therein and a preliminary prospectus, in conformity with the requirements of the Securities Act, and such other documents as they may reasonably request in order to facilitate the disposition of Registrable Securities owned by them;

(e) in the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing underwriter(s) of such offering. Each Holder participating in such underwriting shall also enter into and perform its obligations under such an agreement;

(f) notify each Holder of Registrable Securities covered by such Registration Statement as soon as reasonably possible after notice thereof is received by the Company of any written comments by the SEC or any request by the SEC or any other federal or state governmental authority

for amendments or supplements to such Registration Statement or such prospectus or for additional information;

(g) notify each Holder of Registrable Securities covered by such Registration Statement, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of the happening of any event as a result of which the prospectus included in such Registration Statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing;

(h) notify each Holder of Registrable Securities covered by such Registration Statement as soon as reasonably practicable after notice thereof is received by the Company of the issuance by the SEC of any stop order suspending the effectiveness of such Registration Statement or any order by the SEC or any other regulatory authority preventing or suspending the use of any preliminary or final prospectus or the initiation or threatening of any proceedings for such purposes, or 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 threatening of any proceeding for such purpose;

(i) use its reasonable best efforts to prevent the issuance of any stop order suspending the effectiveness of any Registration Statement or of any order preventing or suspending the use of any preliminary or final prospectus and, if any such order is issued, to obtain the withdrawal of any such order as soon as practicable;

(j) make available for inspection by each Holder including Registrable Securities in such registration, any underwriter participating in any distribution pursuant to such registration, and any attorney, accountant or other agent retained by such Holder or underwriter, all financial and other records, pertinent corporate documents and properties of the Company, as such parties may reasonably request, and cause the Company's officers, directors and employees to supply all information reasonably requested by any such Holder, underwriter, attorney, accountant or agent in connection with such Registration Statement;

(k) use its reasonable best efforts to register or qualify, and cooperate with the Holders of Registrable Securities covered by such Registration Statement, the underwriters, if any, and their respective counsel, in connection with the registration or qualification of such Registrable Securities for offer and sale under the "Blue Sky" or securities laws of each state and other jurisdiction of the United States as any such Holder or underwriters, if any, or their respective counsel reasonably request in writing, and do any and all other things reasonably necessary or advisable to keep such registration or qualification in effect for such period as required by Section 5.2(b) and Section 5.2(c), as applicable; provided, that the Company shall not be required to qualify generally to do business in any jurisdiction where it is not then so qualified or take any action which would subject it to taxation service of process in any such jurisdiction where it is not then so subject;

(l) obtain for delivery to the Holders of Registrable Securities covered by such Registration Statement and to the underwriters, if any, an opinion or opinions from counsel for the Company, dated the effective date of the Registration Statement or, in the event of an underwritten offering, the date of the closing under the underwriting agreement, in customary form, scope and substance, which opinions shall be reasonably satisfactory to such holders or underwriters, as the case may be, and their respective counsel;

(m) in the case of an underwritten offering, obtain for delivery to the Company and the underwriters, with copies to the Holders of Registrable Securities included in such registration, a

cold comfort letter from the Company's independent certified public accountants in customary form and covering such matters of the type customarily covered by cold comfort letters as the managing underwriter or underwriters reasonably request, dated the date of execution of the underwriting agreement and brought down to the closing under the underwriting agreement;

(n) use its reasonable best efforts to list the Registrable Securities that are covered by such Registration Statement with any securities exchange or automated quotation system on which the Securities are then listed;

(o) provide and cause to be maintained a transfer agent and registrar for all Registrable Securities covered by the applicable Registration Statement from and after a date not later than the effective date of such Registration Statement;

(p) cooperate with Holders including Registrable Securities in such registration and the managing underwriters, if any, to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold, such certificates to be in such denominations and registered in such names as such Holders or the managing underwriters may request at least two (2) Business Days prior to any sale of Registrable Securities;

(q) use its reasonable best efforts to comply with all applicable securities laws and make available to its Holders, as soon as reasonably practicable, an earnings statement satisfying the provisions of section 11(a) of the Securities Act and the rules and regulations promulgated thereunder; and

(r) in the case of an underwritten offering, cause the senior executive officers of the Company to participate in the customary "road show" presentations that may be reasonably requested by the underwriters and otherwise to facilitate, cooperate with and participate in each proposed offering contemplated herein and customary selling efforts related thereto.

Section 5.7. Indemnification.

(a) The Company will, and does hereby undertake to, indemnify and hold harmless each Holder of Registrable Securities and each of such Holder's officers, directors, trustees, employees, partners, managers, members, equityholders, beneficiaries, affiliates and agents and each Person, if any, who controls such Holder, within the meaning of either section 15 of the Securities Act or section 20 of the Exchange Act, with respect to any registration, qualification, compliance or sale effected pursuant to this Article IV, and each underwriter, if any, and each Person who controls any underwriter, of the Registrable Securities held by or issuable to such Holder, against all claims, losses, damages and liabilities (or actions in respect thereto) to which they may become subject under the Securities Act, the Exchange Act, or other federal or state law arising out of or based on (i) any untrue statement (or alleged untrue statement) of a material fact contained in any prospectus, offering circular, free writing prospectus or other similar document (including any related Registration Statement, notification, or the like) incident to any such registration, qualification, compliance or sale effected pursuant to this Article IV, or based on any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances in which they were made, (ii) any violation or alleged violation by the Company of any federal, state or common law rule or regulation applicable to the Company in connection with any such registration, qualification, compliance or sale, or (iii) any failure to register or qualify Registrable Securities in any state where the Company or its agents have affirmatively undertaken or agreed in writing (including pursuant to Section 5.6(k)) that the Company (the undertaking of any underwriter being attributed to the Company) will undertake such registration or qualification on behalf of the Holders of such Registrable

Securities (provided, that in such instance the Company shall not be so liable if it has undertaken its reasonable best efforts to so register or qualify such Registrable Securities) and will reimburse, as incurred, each such Holder, each such underwriter and each such director, officer, trustee, employee, partner, manager, member, equityholder, beneficiary, affiliate, agent and controlling person, for any legal and any other expenses reasonably incurred in connection with investigating or defending any such claim, loss, damage, liability or action; provided, that the Company will not be liable in any such case to the extent that any such claim, loss, damage, liability or expense arises out of or is based on any untrue statement or omission made in reliance and in conformity with written information furnished to the Company by such Holder or underwriter expressly for use therein.

(b) Each Holder (if Registrable Securities held by or issuable to such Holder are included in such registration, qualification, compliance or sale pursuant to this Article IV) does hereby undertake to indemnify and hold harmless, severally and not jointly, the Company, each of its officers, directors, employees, equityholders, affiliates and agents and each Person, if any, who controls the Company within the meaning of either section 15 of the Securities Act or section 20 of the Exchange Act, each underwriter, if any, and each Person who controls any underwriter, of the Company's securities covered by such a Registration Statement, and each other Holder, each of such other Holder's officers, directors, employees, partners, equityholders, affiliates and agents and each Person, if any, who controls such Holder within the meaning of either section 15 of the Securities Act or section 20 of the Exchange Act, against all claims, losses, damages and liabilities (or actions in respect thereof) arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any such Registration Statement, prospectus, offering circular, free writing prospectus or other document, or any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances in which they were made, and will reimburse, as incurred, the Company, each such underwriter, each such other Holder, and each such officer, director, trustee, employee, partner, equityholder, beneficiary, affiliate, agent and controlling person of the foregoing, for any legal or any other expenses reasonably incurred in connection with investigating or defending any such claim, loss, damage, liability or action, in each case to the extent, but only to the extent, that such untrue statement (or alleged untrue statement) or omission (or alleged omission) was made in such Registration Statement, prospectus, offering circular, free writing prospectus or other document, in reliance upon and in conformity with written information furnished to the Company by such Holder expressly for use therein; provided, however, that the aggregate liability of each Holder hereunder shall be limited to the gross proceeds after underwriting discounts and commissions received by such Holder upon the sale of the Registrable Securities giving rise to such indemnification obligation. It is understood and agreed that the indemnification obligations of each Holder pursuant to any underwriting agreement entered into in connection with any Registration Statement shall be limited to the obligations contained in this Section 5.7(b).

(c) Each party entitled to indemnification under this Section 5.7 (the "Indemnified Party") shall give notice to the party required to provide such indemnification (the "Indemnifying Party") of any claim as to which indemnification may be sought promptly after such Indemnified Party has actual knowledge thereof, and shall permit the Indemnifying Party to assume the defense of any such claim or any litigation resulting therefrom; provided, that counsel for the Indemnifying Party, who shall conduct the defense of such claim or litigation, shall be subject to approval by the Indemnified Party (whose approval shall not be unreasonably withheld) and the Indemnified Party may participate in such defense at the Indemnifying Party's expense if representation of such Indemnified Party would be inappropriate due to actual or potential differing interests between such Indemnified Party and any other party represented by such counsel in such proceeding; and provided, further, that the failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations under this Section 5.7, except to the extent that such failure to give notice materially

prejudices the Indemnifying Party in the defense of any such claim or any such litigation. An Indemnifying Party, in the defense of any such claim or litigation, may, without the consent of each Indemnified Party, consent to entry of any judgment or enter into any settlement that (i) includes as a term thereof the giving by the claimant or plaintiff therein to such Indemnified Party of an unconditional release from all liability with respect to such claim or litigation and (ii) does not include any recovery (including any statement as to or an admission of fault, culpability or a failure to act by or on behalf of such Indemnified Party) other than monetary damages, and provided, that any sums payable in connection with such settlement are paid in full by the Indemnifying Party.

(d) In order to provide for just and equitable contribution in case indemnification is prohibited or limited by law, the Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such losses, claims, damages or liabilities in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and Indemnified Party in connection with the actions which resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative fault of such Indemnifying Party and Indemnified Party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of material fact or omission or alleged omission to state a material fact, has been made by, or relates to information supplied by, such Indemnifying Party or Indemnified Party, and such party's relative intent, knowledge, access to information and opportunity to correct or prevent such actions; provided, however, that, in any case, (i) no Holder will be required to contribute any amount in excess of the gross proceeds after underwriting discounts and commissions received by such Holder upon the sale of the Registrable Securities giving rise to such contribution obligation and (ii) no Person guilty of fraudulent misrepresentation (within the meaning of section 11(f) of the Securities Act) will be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

(e) The indemnities provided in this Section 5.7 shall survive the transfer of any Registrable Securities by such Holder.

Section 5.8. Information by Holder. The Holder or Holders of Registrable Securities included in any registration shall furnish to the Company such information regarding such Holder or Holders and the distribution proposed by such Holder or Holders as the Company may reasonably request in writing and as shall be required in connection with any registration, qualification or compliance referred to in this Article V.

Section 5.9. Transfer of Registration Rights. The rights contained in Section 5.2, Section 5.3 and Section 5.4 hereof to cause the Company to register the Registrable Securities may be assigned or otherwise conveyed by a Holder pursuant to a Transfer permitted under Article IV.

Section 5.10. Delay of Registration. No Holder shall have any right to obtain, and hereby waives any right to seek, an injunction restraining or otherwise delaying any such registration as the result of any controversy that might arise with respect to the interpretation or implementation of this Article V.

Section 5.11. Limitations on Subsequent Registration Rights. From and after the date of this Agreement, the Company shall not, without the prior written consent of the H&F Stockholders, enter into any agreement with any holder or prospective holder of any securities of the Company that would allow such holder or prospective holder to (i) require the Company to effect a registration or (ii) include any securities in any registration filed under Section 5.2, Section 5.3 and/or Section 5.4, unless, in each case, under the terms of such agreement, such holder or prospective holder may include such

securities in any such registration only to the extent that the inclusion of such securities will not diminish the amount of Registrable Securities that are included in such registration.

Section 5.12. Rule 144 Reporting. With a view to making available to the Holders the benefits of certain rules and regulations of the SEC that may permit the sale of the Registrable Securities to the public without registration, the Company agrees to use its reasonable best efforts to:

(a) make and keep current public information available, within the meaning of Rule 144 (or any similar or analogous rule) promulgated under the Securities Act, at all times after it has become subject to the reporting requirements of the Exchange Act;

(b) file with the SEC, in a timely manner, all reports and other documents required of the Company under the Securities Act and Exchange Act (after it has become subject to such reporting requirements); and

(c) so long as a Holder owns any Registrable Securities, furnish to such Holder forthwith upon request a written statement by the Company as to its compliance with the reporting requirements of Rule 144 under the Securities Act (at any time commencing ninety (90) days after the effective date of the first registration filed by the Company for an offering of its securities to the general public), the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements); a copy of the most recent annual or quarterly report of the Company; and such other reports and documents as a Holder may reasonably request in availing itself of any rule or regulation of the SEC allowing it to sell any such securities without registration.

Section 5.13. "Market Stand Off" Agreement. Notwithstanding anything herein to the contrary, the Company and each Holder hereby agrees, and the Company agrees to cause its directors and executive officers to agree that, during the period beginning ten (10) days before the effective date of a Registration Statement of the Company filed in connection with an Initial Public Offering, and ending not more than one hundred eighty (180) days thereafter, with respect to any underwritten offering following an Initial Public Offering (including any Underwritten Shelf Take-Down), (x) from and after the effective date of a Registration Statement of the Company filed under the Securities Act in connection with such underwritten offering or (y) in the case of an Underwritten Shelf Take-Down off of a Registration Statement filed not in connection with such underwritten offering, during the period from and after the date of the filing of, or after the date of effectiveness of, a preliminary prospectus or prospectus supplement relating to such offering (or if there is no such filing, from and after the first contemporaneous press release announcing commencement of such Underwritten Shelf Take-Down), and ending on such date thereafter as the H&F Initiating Holder that has initiated such underwritten offering (in the case of clause (x)) or such Underwritten Shelf Take-Down (in the case of clause (y)) may agree to with the underwriter or underwriters of such underwritten offering (which period shall in no event exceed ninety (90) days), it and its Affiliates shall not, to the extent requested by the Company and/or any underwriter, sell, pledge, hypothecate, transfer, make any short sale of, loan, grant any option or right to purchase of, or otherwise transfer or dispose of (other than to donees who agree to be similarly bound) any Securities held by it at any time during such period, except Securities included in such registration. The Company and each applicable Holder shall, and the Company agrees to cause its directors and executive officers to, deliver to the underwriter or underwriters of any offering to which this Section 5.13 is applicable a customary agreement reflecting its agreement set forth in this Section 5.13.

Section 5.14. Termination of Registration Rights. The rights of any particular Holder to cause the Company to register securities under Section 5.2, Section 5.3 or Section 5.4 shall terminate as to such Holder on the date that such Holder, together with its Affiliates and Permitted Assignees, beneficially owns (excluding any securities covered by clause (b) of the proviso set forth in the definition

of "Registrable Securities") less than one percent (1%) of the Securities that are outstanding at such time and such Holder is able to dispose of all of its Registrable Securities in any 90 day period pursuant to Rule 144 or 145 (or any similar or analogous rule) promulgated under the Securities Act.

Section 5.15. Other Obligations. In connection with a Transfer of Registrable Securities exempt from Section 5 of the Securities Act or through any broker-dealer transactions described in the plan of distribution set forth within a prospectus related to the Shelf Registration Statement of which such prospectus forms a part, the Company shall, subject to applicable Law, as interpreted by the Company with the advice of counsel, and the receipt of any customary documentation required from the applicable Stockholders in connection therewith, (a) promptly instruct its transfer agent to remove any restrictive legends applicable to the Registrable Securities being Transferred and (b) cause its legal counsel to deliver the necessary legal opinions, if any, to the transfer agent in connection with the instruction under clause (a). In addition, the Company shall cooperate reasonably with, and take such customary actions as may reasonably be requested by the Stockholders, in connection with the aforementioned Transfers.

ARTICLE VI

ADDITIONAL AGREEMENTS OF THE PARTIES

Section 6.1. Further Assurances. From time to time, at the reasonable request of the Company or the H&F Stockholders and without further consideration, each party hereto shall execute and deliver such additional documents and take all such further action as may be necessary or appropriate to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated by this Agreement.

Section 6.2. Other Businesses; Waiver of Certain Duties.

(a) The parties expressly acknowledge and agree that to the fullest extent permitted by applicable law, each of the H&F Stockholders (including (x) their respective Affiliates, (y) any portfolio company in which they or any of their respective Affiliates have made an investment and (z) any of their respective limited partners, non-managing members or other similar direct or indirect investors) and the directors of the Company or any of its Subsidiaries appointed by any of the H&F Stockholders:

(i) have the right to, and shall have no duty (fiduciary, contractual or otherwise) not to, directly or indirectly engage in and possess interests in other business ventures of every type and description, including those engaged in the same or similar business activities or lines of business as the Company or any of its Subsidiaries or deemed to be competing with the Company or any of its Subsidiaries, on its own account, or in partnership with, or as an employee, officer, director or shareholder of any other Person, with no obligation to offer to the Company or any of its Subsidiaries or any Stockholder of the Company or any of its Subsidiaries the right to participate therein;

(ii) may invest in, or provide services to, any Person that directly or indirectly competes with the Company or any of its Subsidiaries; and

(iii) shall have no duty (fiduciary, contractual or otherwise) to communicate or present any knowledge of a potential transaction or matter that may be a corporate or other business opportunity for the Company or any of its Subsidiaries to the Company or any of its Subsidiaries or any Stockholder of the Company or any of its Subsidiaries, and, notwithstanding

any provision of this Agreement to the contrary, shall not be liable to the Company or any of its Subsidiaries or any Stockholder of the Company or any of its Subsidiaries (or their respective Affiliates) for breach of any duty (fiduciary, contractual or otherwise) by reason of the fact that such Person, directly or indirectly, pursues or acquires such opportunity for itself, directs such opportunity to another Person or does not present such opportunity to the Company or any of its Subsidiaries or any Stockholder of the Company or any of its Subsidiaries (or their respective Affiliates).

For the avoidance of doubt, the parties acknowledge that this paragraph is intended to disclaim and renounce, to the fullest extent permitted by applicable law, any right of the Company or any of its Subsidiaries with respect to the matters set forth herein, and this paragraph shall be construed to effect such disclaimer and renunciation to the fullest extent permitted by law.

(b) The provisions of this Section 6.2, to the extent that they restrict the duties and liabilities of any of the H&F Stockholders or any director of the Company appointed by any of the H&F Stockholders otherwise existing at law or in equity, are agreed by the parties hereto to replace such other duties and liabilities of the H&F Stockholders or any such director of the Company appointed by any of the H&F Stockholders to the fullest extent permitted by applicable law.

Section 6.3. Legends on Securities.

(a) Each certificate (or book entry share) evidencing Securities owned by a Stockholder and which are subject to the terms of this Agreement shall bear (or be subject to in the case of book entry shares) a legend substantially in the following form:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER STATE SECURITIES LAWS. THESE SECURITIES MAY NOT BE RESOLD OR TRANSFERRED UNLESS REGISTERED OR EXEMPT FROM REGISTRATION UNDER SUCH ACT AND APPLICABLE STATE SECURITIES LAWS.

IN ADDITION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THE TERMS OF A STOCKHOLDERS AGREEMENT, DATED AS OF JULY 27, 2021 (AS MAY BE AMENDED, RESTATED, MODIFIED OR SUPPLEMENTED FROM TIME TO TIME), AND MAY NOT BE VOTED, SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF EXCEPT IN ACCORDANCE WITH SUCH AGREEMENT.

In the event that any such Securities shall cease to be SEC Restricted Securities and such Securities shall continue to be represented by certificates (or be in book entry form), the Company shall, upon the written request of the holder thereof, issue to such holder a new certificate (or book entry share) representing such Securities without the first paragraph of the legend required by this Section 6.3. In the event that any Securities so represented by certificates (or in book entry form) shall cease to be subject to the restrictions on transfer set forth in this Agreement and such Securities shall continue to be represented by certificates (or be in book entry form), the Company shall, upon the request of the holder thereof, issue to such holder a new certificate (or book entry share) representing such Securities without the second paragraph of the legend required by this Section 6.3.

(b) To the extent any SEC Restricted Securities hereafter issued, whether upon transfer or original issue, are to be represented by certificates (or in book entry form), all such SEC Restricted Securities shall be endorsed with a like legend.

Section 6.4. Reimbursement.

(a) The Company, will, and will cause its Subsidiaries to, pay directly or reimburse, or cause to be paid directly or reimbursed, the H&F Stockholders and each of their respective Affiliates the actual and reasonable out-of-pocket costs and expenses incurred by the H&F Stockholders and their respective Affiliates in connection with their investment in the Company, including (i) fees and actual and reasonable out-of-pocket disbursements of any independent professionals and organizations, including independent accountants, outside legal counsel or consultants retained by such H&F Stockholders or any of their Affiliates, (ii) reasonable costs of any outside services or independent contractors such as financial printers, couriers, business publications, on-line financial services or similar services, retained or used by such H&F Stockholders or any of their respective Affiliates, (iii) any actual and reasonable out-of-pocket costs and expenses incurred by the H&F Stockholders and their Affiliates in connection with the provision of any personnel or services to the Company or its Subsidiaries, and (iv) transportation, word processing expenses or any similar expense not associated with their or their Affiliates' ordinary operations.

(b) For the avoidance of doubt, no Stockholder or its Affiliates will receive any monitoring, transaction or similar fee from the Company or any of its Subsidiaries.

(c) All payments or reimbursement for such expenses will be made by wire transfer in same-day funds to the bank account designated by such H&F Stockholders or its relevant Affiliate promptly upon or as soon as practicable following request for reimbursement.

(d) Directors shall be reimbursed by the Company or a Subsidiary of the Company for all actual and reasonable out-of-pocket costs and expenses incurred by them in connection with their service on the Board (including accommodation and travel costs (which in the case of air travel shall be limited to travel by commercial airlines; provided, that if a director of the Board elects to travel by private aircraft for a particular trip, the amount reimbursed shall not exceed the amount of a first-class flight for an equivalent trip)). In the case of a director who is also an employee of the Company or any Subsidiary, the foregoing expense reimbursement shall not include any costs and expenses incurred by such director with respect to entering into an employment, equity, award, grant or other arrangements with the Company or any Subsidiary, except as otherwise agreed to in writing between the Company (and approved in advance by the Board) and any such director. In the case of any director who is a partner or employee of any Affiliate of the H&F Stockholders, such reimbursement may be paid to any of the H&F Stockholders or their Affiliate.

ARTICLE VII

ADDITIONAL PARTIES

Section 7.1. Additional Parties. Additional parties may be added to and be bound by and receive the benefits and be subject to the obligations provided by this Agreement upon the signing and delivery of a counterpart of this Agreement or a Joinder Agreement (and, if applicable a Consent of Spouse) to the Company and the acceptance thereof by such additional parties and, to the extent permitted by Section 7.1, amendments may be effected to this Agreement reflecting such rights and obligations, consistent with the terms of this Agreement, of such Stockholder as the Company and such Stockholder may agree. In the case of execution of a counterpart of this Agreement as opposed to a joinder hereto, promptly after signing and delivering such a counterpart of this Agreement, the Company will deliver a conformed copy thereof to all of the parties.

ARTICLE VIII

INDEMNIFICATION

Section 8.1. Indemnification.

(a) To the fullest extent permitted by law, the Company shall, and shall cause its Controlled Entities to, indemnify and hold harmless each Covered Person and each former Covered Person from and against any and all losses, claims, demands, liabilities, expenses, judgments, fines, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative (collectively, "Claims"), by reason of the fact that he or she, his or her testator or intestate is or was a director or officer of the Company, any of its Controlled Entities or any of their respective predecessors or serves or served at any other enterprise as a director, officer, partner, shareholder, member or manager at the request of the Company, any of its Controlled Entities or any of their respective processors (an "Indemnitee") and, upon request of such Indemnitee, the Company shall, and shall cause its Controlled Entities to, advance expenses to such Indemnitee in connection with any such Claim (subject to such Indemnitee providing an undertaking to repay such advances if it is ultimately determined that such individual is not entitled to indemnification); provided, that the foregoing indemnification shall not apply to (i) any Claim with respect to which a court of competent jurisdiction has determined that such Indemnitee has engaged in fraud, willful misconduct, bad faith or gross negligence, (ii) any Claim initiated by such Indemnitee unless such Claim (or part thereof) (A) was brought to enforce such Indemnitee's rights to indemnification hereunder or (B) was authorized or consented to by the Board or (iii) any Claims from any transaction from which such Indemnitee derived an improper personal benefit.

(b) The Company acknowledges and agrees that the Company shall, and to the extent applicable shall cause its Controlled Entities to, be fully and primarily responsible for the payment to the Indemnitee in respect of indemnified liabilities in connection with any Jointly Indemnifiable Claims (as defined below), pursuant to and in accordance with (as applicable) the terms of (i) in the case of the Company and any Controlled Entities that are Delaware corporations, the Delaware General Corporation Law, as amended; in the case of any Controlled Entities that are Delaware limited partnerships, the Delaware Revised Uniform Limited Partnership Act, as amended; in the case of any Controlled Entities that are Delaware limited liability companies, the Delaware Limited Liability Company Act, as amended, (ii) this Agreement and the certificate of incorporation and bylaws of the Company, (iii) any director indemnification agreement, (iv) any other agreement between the Company or any of its Controlled Entities and the Indemnitee pursuant to which the Indemnitee is indemnified, (v) the laws of the jurisdiction of incorporation or organization of the Company or any Controlled Entity and/or (vi) 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 Controlled Entity ((i) through (vi) collectively, the "Indemnification Sources"), irrespective of any right of recovery the Indemnitee may have from 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 an Indemnitee may be entitled to indemnification with respect to which, in whole or in part, the Company or any Controlled Entity may also have an indemnification obligation (collectively, 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 Indemnitee may have from the Indemnitee-Related Entities shall reduce or otherwise alter the rights of the Indemnitee 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

Indemnitee in respect of indemnification with respect to any Jointly Indemnifiable Claim, (x) 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, (y) to the extent not previously and fully reimbursed by the Company and/or any Controlled Entity pursuant to clause (x), 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 Indemnitee against the Company and/or any Controlled Entity, as applicable, and (z) Indemnitee 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 Indemnitees agree that each of the Indemnitee-Related Entities shall be third-party beneficiaries with respect to this Section 8.1(b), entitled to enforce this Section 8.1(b) 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 8.1(b) as though each such Controlled Entity was a party to this Agreement. For purposes of this Section 8.1(b), the term "Jointly Indemnifiable Claims" shall be broadly construed and shall include, without limitation, any indemnified liabilities for which the Indemnitee shall be entitled to indemnification from both (1) the Company and/or any Controlled Entity pursuant to the Indemnification Sources, on the one hand, and (2) any Indemnitee-Related Entity pursuant to any other agreement between any Indemnitee-Related Entity and the Indemnitee pursuant to which the Indemnitee is indemnified, the laws of the jurisdiction of incorporation or organization of any Indemnitee-Related Entity and/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.

(c) Neither any amendment nor repeal of this Section 8.1, nor the adoption of any provision of this Agreement inconsistent with this Section 8.1, shall eliminate or reduce the effect of this Section 8.1 in respect of any matter occurring, or any action or proceeding accruing or arising or that, but for this Section 8.1, would accrue or arise, prior to such amendment, repeal or adoption of an inconsistent provision.

(d) The rights of any Indemnitee to indemnification pursuant to this Section 8.1 will be in addition to any other rights any such Person may have under any other Section of this Agreement or any other agreement or instrument to which such Indemnitee is or becomes a party or is or otherwise becomes a beneficiary or under law or regulation or under the certificate of limited partnership, limited partnership agreement, certificate of incorporation or bylaws (or equivalent governing documents) of the Company or any of its Subsidiaries.

Section 8.2. Insurance. The Company shall maintain in effect at all times directors' and officers' liability insurance reasonably satisfactory to the Board.

ARTICLE IX

MISCELLANEOUS

Section 9.1. Entire Agreement; Third Party Beneficiaries. This Agreement (including any exhibits hereto) and the other documents and agreements referred to herein and therein (including any agreement pursuant to which any Security was granted or issued) constitute the entire understanding and agreement among the parties hereto as to restrictions on the transferability of Securities and the other matters covered herein and therein and supersedes and replaces any prior understanding, agreement or statement of intent, in each case, written or oral, of any and every nature with respect thereto. In the event

of any inconsistency between this Agreement and any document executed or delivered to effect the purposes of this Agreement, this Agreement shall govern as among the parties hereto. Except for Section 8.1 and Article VII (which will also be for the benefit of the applicable Persons set forth therein that are not parties to this Agreement, and any such Person will have the rights provided for therein), this Agreement does not create any rights, claims or benefits inuring to any Person that is not a party hereto, and it does not create or establish any third party beneficiary hereto.

Section 9.2. Specific Performance. Subject to Section 5.10, the parties hereto agree that the obligations imposed on them in this Agreement are special, unique and of an extraordinary character, and that, in the event of breach by any party, damages would not be an adequate remedy and each of the other parties shall be entitled to specific performance and injunctive and other equitable relief in addition to any other remedy to which it may be entitled, at law or in equity. The parties hereto further agree to waive any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief.

Section 9.3. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware applicable to contracts entered into and performed entirely within such State.

Section 9.4. Submission to Jurisdiction.

(a) Each of the parties hereto hereby irrevocably acknowledges and consents that any legal action or proceeding brought with respect to any of the obligations arising under or relating to this Agreement may be brought in the courts of the State of Delaware or in the United States District Court for the District of Delaware and each of the parties hereto hereby irrevocably submits to and accepts with regard to any such action or proceeding, for itself and in respect of its property, generally and unconditionally, the exclusive jurisdiction of the aforesaid courts. Each party hereby further irrevocably waives any claim that any such courts lack jurisdiction over such party, and agrees not to plead or claim, in any legal action or proceeding with respect to this Agreement or the transactions contemplated hereby brought in any of the aforesaid courts, that any such court lacks jurisdiction over such party. Each party irrevocably consents to the service of process in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to such party, at its address for notices as provided in Section 9.12 of this Agreement, such service to become effective ten (10) days after such mailing. Each party hereby irrevocably waives any objection to such service of process and further irrevocably waives and agrees not to plead or claim in any action or proceeding commenced hereunder or under any other documents contemplated hereby that service of process was in any way invalid or ineffective. Subject to Section 9.4(b), the foregoing shall not limit the rights of any party to serve process in any other manner permitted by applicable law. The foregoing consents to jurisdiction shall not constitute general consents to service of process in the State of Delaware for any purpose except as provided above and shall not be deemed to confer rights on any Person other than the respective parties to this Agreement.

(b) Each of the parties hereto hereby waives any right it may have under the laws of any jurisdiction to commence by publication any legal action or proceeding with respect to this Agreement. To the fullest extent permitted by applicable law, each of the parties hereto hereby irrevocably waives the objection which it may now or hereafter have to the laying of the venue of any suit, action or proceeding arising out of or relating to this Agreement in any of the courts referred to in Section 9.4(a) and hereby further irrevocably waives and agrees not to plead or claim that any such court is not a convenient forum for any such suit, action or proceeding.

(c) The parties hereto agree that any judgment obtained by any party hereto or its successors or assigns in any action, suit or proceeding referred to above may, in the discretion of such party (or its successors or assigns), be enforced in any jurisdiction, to the extent permitted by applicable law.

Section 9.5. Obligations. All obligations hereunder shall be satisfied in full without set-off, defense or counterclaim.

Section 9.6. Consents, Approvals and Actions. If any consent, approval or action of the H&F Stockholders is required at any time pursuant to this Agreement, such consent, approval or action shall be deemed given if the holders of a majority of the outstanding Shares held by the H&F Stockholders at such time provide such consent, approval or action in writing at such time.

Section 9.7. Amendments.

(a) This Agreement may be amended, restated, modified or waived, in whole or in part, at any time pursuant to an agreement in writing executed by the Company and the H&F Stockholders; provided, that, subject to Section 9.7(b) below:

(i) any amendment, restatement, modification or waiver of this Agreement shall also require the Employee Stockholders Approval if such amendment or modification would materially and adversely affect the Employee Stockholders without similarly and proportionately adversely affecting all Stockholders similarly situated; provided, that the Employee Stockholders Approval shall not be required to amend or modify any of the following sections unless such amendment or modification would adversely affect the Employee Stockholders: Section 4.2(b) or Section 4.3 (Restrictions on Transfer), Article V (Registration Rights) or this Section 9.7 (Amendments) (in each case including the definitions used therein);

(ii) no such amendment, restatement, modification or waiver requiring the Employee Stockholders Approval pursuant to clause (i) shall be effective as to a particular Employee Stockholder if such amendment or modification would materially and adversely affect such Employee Stockholder without similarly and proportionately adversely affecting all Employee Stockholders similarly situated, unless such Employee Stockholder has voted in favor thereof;

(iii) in the event the H&F Stockholders no longer hold any Shares, this Agreement may be amended, restated, modified or waived with the written consent of (A) the Company and (B) the Stockholders holding a majority of the Shares held by the Stockholders; and

(iv) notwithstanding anything herein to the contrary, including this Section 9.7(a), any amendment, restatement, modification or waiver that has the effect of adversely affecting the rights of the H&F Stockholders under Section 3.1 (Board of Directors), Article V (Registration Rights), Section 6.2 (Other Businesses; Waiver of Certain Duties), Section 6.4 (Reimbursement), Article VIII (Indemnification), Section 9.6 (Consents, Approvals and Actions), Section 9.11 (Termination; Effect of Termination), Section 9.14 (Aggregation of Securities), Section 9.15 (No Third Party Liabilities), Section 9.16 (Independent Nature of Stockholders' Obligations and Rights), Section 9.19 (Logo) or this Section 9.7 (Amendments) shall, in each case, require the prior written consent of the H&F Stockholders.

(b) Notwithstanding anything to the contrary in Section 9.7(a), in addition to other amendments or modifications authorized herein, amendments or modifications may be made to this Agreement from time to time by the Company and the H&F Stockholders without the consent of any other Stockholder or group of Stockholders, (i) to correct typographical or ministerial errors, (ii) to add or delete any provision of this Agreement required to be added or deleted in order to comply with, or avoid a violation of, applicable law, (iii) in connection with the admission of any Person as an additional Stockholder, to provide such Persons with (w) the right to nominate one or more directors to the Board, (x) consent or other protective rights with respect to potential actions by the Company and/or its Subsidiaries (and the grant of such rights to the H&F Stockholders) and (y) the *pro rata* right to participate in (or be subject to or receive) the rights set forth in Article V and/or Section 9.7 of this Agreement; (iv) to fix for any new class or series of Securities such voting powers, distinctive designations, preferences and relative, participating, optional or other special rights and such qualifications, limitations or restrictions thereof, as shall be stated and expressed in such amendment; and (v) to cure any ambiguity or correct or supplement any provision of this Agreement that may be incomplete or inconsistent with any other provision contained in this Agreement; provided, that such amendment does not materially and adversely affect any Stockholder without similarly and proportionately adversely affecting all Stockholders similarly situated, unless such Stockholder has voted in favor thereof.

Section 9.8. Assignment of Rights by the H&F Stockholders. Notwithstanding anything in this Agreement to the contrary, the H&F Stockholders shall have the right to assign any or all of their rights under this Agreement to any Person or Persons to whom an H&F Stockholder or transfers Securities in compliance with Article IV.

Section 9.9. Subsequent Acquisition of Securities. Any Securities acquired subsequent to the date hereof by a Stockholder shall be subject to the terms and conditions of this Agreement and such securities shall be considered to be "Shares", "Securities" and/or "Share Equivalents," as applicable, as such terms are used herein for purposes of this Agreement.

Section 9.10. Binding Effect. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the parties' successors and permitted assigns.

Section 9.11. Termination; Effect of Termination. Subject to the last sentence of this Section 9.11, the rights and obligations of a Stockholder shall automatically terminate without any further action upon from and after such time as such Stockholder no longer owns Securities. This Agreement shall terminate automatically upon the earliest to occur of (i) such time that the H&F Stockholders collectively no longer own any Securities, (ii) the written consent of the H&F Stockholders and the holders of a majority of the issued and outstanding Securities held by the Non-H&F Stockholders and (iii) the dissolution or liquidation of the Company. This Article IX, Section 5.7, Section 6.2, Section 6.4 (until all applicable fees, costs and/or expenses have been paid or reimbursed by the Company) and Article VIII shall survive any termination of this Agreement, and any termination of rights and obligations of a Stockholder, in each case pursuant to this Section 9.11.

Section 9.12. Notices.

(a) Any and all notices, consents, designations, offers, acceptances or other communications required, or contemplated under, or otherwise provided for, herein shall be given in writing unless otherwise specified herein, by personal delivery or email, or overnight delivery service, which shall be addressed, in the case of the Company to the address set forth below, and, in the case of any Stockholder, (x) to such Stockholder's address appearing on the signature page of such Stockholder

to this Agreement or appearing in the Joinder Agreement entered into by such Stockholder, (y) to such party's address appearing in the books of the Company and/or (z) such other address as may be designated by such party in writing to the Company.

If to the Company, to:

Snap One Holdings Corp.
1800 Continental Blvd, Suite 300
Charlotte, NC 28273
Attention: JD Ellis, Chief Legal Officer
Email: Legal@SnapOne.com

with a copy (which shall not constitute actual or constructive notice) to:

Simpson Thacher & Bartlett LLP
2475 Hanover Street
Palo Alto, California 94304
Attn: William B. Brentani
Atif I. Azher
Email: wbrentani@stblaw.com
aazher@stblaw.com

(b) Any demand, notice or other communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof (with confirmation of receipt), and, if given by email, subject to receipt of non-automated confirmation of receipt, on the day of transmittal thereof if given during the normal business hours of the recipient, and on the Business Day during which such normal business hours next occur if not given during such hours on any day, and one (1) Business Day after sending if by overnight delivery service.

(c) Each party shall have the right to change its address set forth in the books and records maintained by the Company by delivering notice complying with the foregoing provisions of this Section 9.12 to the Company.

Section 9.13. Severability. If any portion of this Agreement shall be declared void or unenforceable by any court or administrative body of competent jurisdiction, such portion shall be deemed severable from the remainder of this Agreement, which shall continue in all respects valid and enforceable.

Section 9.14. Aggregation of Securities. All Securities beneficially owned by the H&F Stockholders shall be aggregated together for purposes of determining the rights or obligations of any member of the H&F Stockholders or the application of any restrictions to any member of H&F Stockholders under this Agreement in each instance in which such right, obligation or restriction is determined by any ownership threshold.

Section 9.15. No Third Party Liabilities. This Agreement may only be enforced against the named parties hereto. All claims or causes of action (whether in contract or tort) that may be based upon, arise out of or relate to any of this Agreement, or the negotiation, execution or performance of this Agreement (including any representation or warranty made in or in connection with this Agreement or as an inducement to enter into this Agreement), may be made only against the entities that are expressly identified as parties hereto, as applicable; and no past, present or future director, officer, employee, incorporator, member, partner, stockholder, Affiliate, portfolio company in which any such

party or any of its investment fund Affiliates have made a debt or equity investment (and vice versa), agent, attorney or representative of any party hereto (including any Person negotiating or executing this Agreement on behalf of a party hereto), unless a party to this Agreement, shall have any liability or obligation with respect to this Agreement or with respect any claim or cause of action (whether in contract or tort) that may arise out of or relate to this Agreement, or the negotiation, execution or performance of this Agreement (including a representation or warranty made in or in connection with this Agreement or as an inducement to enter into this Agreement).

Section 9.16. Independent Nature of Stockholders' Obligations and Rights. Each Stockholder and the Company agrees that the arrangements contemplated by this Agreement are not intended to constitute the formation of a "group" (as defined in section 13(d)(3) of the Exchange Act). Each Stockholder agrees that, for purposes of determining beneficial ownership of such Stockholder, it shall disclaim any beneficial ownership by virtue of this Agreement of the Shares owned by the other Stockholders (other than, in the case of the H&F Stockholders, as amongst the Stockholders within such defined group), and the Company agrees to recognize any such disclaimer in its Exchange Act and Securities Act reports. The obligations of each Stockholder under this Agreement are several and not joint with the obligations of any other Stockholder, and no Stockholder shall be responsible in any way for the performance of the obligations of any other Stockholder under this Agreement. Nothing contained herein, and no action taken by any Stockholder pursuant hereto, shall be deemed to constitute the Stockholders as, and the Company acknowledges that the Stockholders do not so constitute, a partnership, an association, a joint venture or any other kind of group or entity, or create a presumption that the Stockholders are in any way acting in concert or as a group or entity with respect to such obligations or the transactions contemplated by this Agreement and the Company acknowledges that the Stockholders are not acting in concert or as a group, and the Company shall not assert any such claim, in each case, with respect to such obligations or the transactions contemplated by this Agreement. The decision of each Stockholder to enter into this Agreement has been made by such Stockholder independently of any other Stockholder. Each Stockholder acknowledges that no other Stockholder has acted as agent for such Stockholder in connection with such Stockholder making its investment in the Company and that no other Stockholder will be acting as agent of such Stockholder in connection with monitoring such Stockholder's investment in the Shares or enforcing its rights under this Agreement. The Company and each Stockholder confirms that each Stockholder has had the opportunity to independently participate with the Company and its subsidiaries in the negotiation of the transaction contemplated hereby with the advice of its own counsel and advisors. Each Stockholder shall be entitled to independently protect and enforce its rights, including, without limitation, the rights arising out of this Agreement, and it shall not be necessary for any other Stockholder to be joined as an additional party in any proceeding for such purpose. The use of a single agreement to effectuate the rights and obligations contemplated hereby was solely in the control of the Company, not the action or decision of any Stockholder, and was done solely for the convenience of the Company and its subsidiaries and not because the Company was required to do so by any Stockholder. It is expressly understood and agreed that each provision contained in this Agreement is between the Company and a Stockholder, solely, and not between the Company and the Stockholders collectively and not between and among the Stockholders.

Section 9.17. Effectiveness. This Agreement shall become effective on the day immediately preceding the date on which a registration statement on Form 8-A, or any successor form thereto, with respect to the Common Stock first becomes effective under the Exchange Act. This Agreement shall automatically terminate if the Underwriting Agreement is terminated prior to the completion of the Initial Public Offering referenced therein for any reason or the Initial Public Offering contemplated by the Underwriting Agreement is not consummated on or before the tenth (10^{th}) Business Day following the date of this Agreement.

Section 9.18. Counterparts; Electronic Delivery. This Agreement and any other notices and other documents delivered pursuant to this Agreement may be executed and delivered in one or more counterparts and by fax, email or other electronic transmission, each of which shall be deemed an original and all of which shall be considered one and the same agreement. No party hereto shall raise the use of a fax machine or email to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a fax machine or email as a defense to the formation or enforceability of a contract and each party to this Agreement forever waives any such defense. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Agreement or any document to be signed in connection with this Agreement 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, and the parties hereto consent to conduct the transactions contemplated hereunder by electronic means.

Section 9.19. Logo. The Company hereby irrevocably consents to the use of its and its Subsidiaries' trademarks (including logos, as well as trade names) by each of the H&F Stockholders in relation to its investment business, including in reports to investors and potential investors, on its website or other online fora or media, and/or in offering memoranda and other marketing materials for its related investment funds or Affiliates.

Section 9.20. Waiver of Jury Trial. TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW THAT CANNOT BE WAIVED, EACH PARTY HEREBY IRREVOCABLY WAIVES, AND COVENANTS THAT IT WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE), ANY RIGHT TO TRIAL BY JURY IN ANY FORUM IN RESPECT OF ANY ISSUE, CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING IN WHOLE OR IN PART UNDER, RELATED TO, BASED ON OR IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY OR THE SUBJECT MATTER HEREOF, WHETHER NOW EXISTING OR HEREAFTER ARISING AND WHETHER SOUNDING IN TORT OR CONTRACT OR OTHERWISE. ANY PARTY HERETO MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION 9.20 WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF EACH SUCH PARTY TO THE WAIVER OF ITS RIGHT TO TRIAL BY JURY.

Section 9.21. Reinstatement of Terms of Unitholders Agreement. The parties hereto hereby agree that in the event this Agreement becomes effective but is subsequently terminated pursuant to Section 9.17, the parties shall execute a stockholders agreement with terms that are substantially equivalent (to the extent practicable) to, *mutatis mutandis*, the terms of the Unitholders Agreement.

[*Remainder of page intentionally left blank*]

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement or caused this Agreement to be signed by its officer thereunto duly authorized as of the date first written above.

COMPANY:

SNAP ONE HOLDINGS CORP.

DocuSigned by:
By: JD Ellis
7EBFE481358E4E0...
Name: JD Ellis
Title: Chief Legal Officer

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement or caused this Agreement to be signed by its officer thereunto duly authorized as of the date first written above.

INITIAL H&F STOCKHOLDERS:

HELLMAN & FRIEDMAN CAPITAL PARTNERS VIII, L.P.

By: HELLMAN & FRIEDMAN INVESTORS VIII, L.P., its general partner

By: H&F CORPORATE INVESTORS VIII, LTD., its general partner

DocuSigned by:
By: Erik Ragatz
80EA7F482D8944D...
Name: Erik Ragatz
Title: Vice President

HELLMAN & FRIEDMAN CAPITAL PARTNERS VIII (PARALLEL), L.P.

By: HELLMAN & FRIEDMAN INVESTORS VIII, L.P., its general partner

By: H&F CORPORATE INVESTORS VIII, LTD., its general partner

DocuSigned by:
By: Erik Ragatz
80EA7F482D8944D...
Name: Erik Ragatz
Title: Vice President

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement or caused this Agreement to be signed by its officer thereunto duly authorized as of the date first written above.

[ADDITIONAL SIGNATURES TO COME]

By: [Employee Stockholder]
Name:
Title:

_____

_____

_____
Address

_____
Email

Exhibit A

JOINDER AGREEMENT

The undersigned is executing and delivering this omnibus joinder agreement (this "Joinder Agreement") pursuant to the Stockholders Agreement of Snap One Holdings Corp., a Delaware corporation, dated as of _____, 2021 (as may be amended, supplemented, restated or modified from time to time in accordance with its terms, the "Stockholders Agreement"). Capitalized terms used but not defined in this Joinder Agreement shall have the respective meanings ascribed to them in the Stockholders Agreement.

By executing and delivering this Joinder Agreement, the undersigned hereby adopts and approves the Stockholders Agreement and agrees, effective commencing on the date on which the undersigned first becomes the owner of any Shares, to become a party to, to be bound by, to comply with, and that his, her or its Shares are subject to the Stockholders Agreement in the same manner as if the undersigned were an original signatory to such agreement as a Stockholder.

The undersigned expressly acknowledges and agrees that the undersigned shall not be entitled to any rights pursuant to the Stockholders Agreement unless the undersigned shall have executed and delivered this Joinder Agreement.

Accordingly, the undersigned has executed and delivered this Joinder Agreement as of the __ day of _____, 202_.

[Employee Stockholder]

_____
Signature

_____
Print Name

_____

_____

_____
Address

_____
Email

Exhibit B

CONSENT OF SPOUSE

I, _____, the undersigned spouse of _____, hereby acknowledge that I am aware that the Stockholders Agreement of Snap One Holdings Corp., a Delaware corporation, dated as of July 27, 2021 (as may be amended, supplemented, restated or modified from time to time in accordance with its terms, the "Stockholders Agreement"), imposes certain transfer obligations and restrictions on my spouses' Shares (as defined in the Stockholders Agreement). I agree that my spouse's interest in the Shares are subject to the Stockholders Agreement and any interest I may have in such Shares shall also be irrevocably bound by such Stockholders Agreement and, further, that my community property interest in such Stockholders Agreement, if any, shall be similarly bound by such Stockholders Agreement.

I am aware that the legal, financial and other matters contained in the Stockholders Agreement are complex and I am encouraged to seek advice with respect thereto from independent legal and/or financial counsel. I have either sought such advice or determined after carefully reviewing the Stockholders Agreement that I hereby waive such right.

Acknowledged and agreed this ___ day of _____, 202_

_____
Insert Signature of Spouse Above

Provide Address of Spouse Below:

_____

_____

Telephone:_____

Email: _____

Exhibit C

SPECIFIED STOCKHOLDERS

David Moore
Galen Paul Hess Jr.
Jeff Dungan
Jeff Hindman
John Heyman
Joshua Ellis
Michael Carlet
Ryan Marsh
Kathleen Creech

Exhibit D

SPECIFIED MANAGEMENT STOCKHOLDERS

Management Stockholder	No. of Shares
John Heyman	46,820
Michael Carlet	21,085
Jeffrey Hindman	21,085
Galen Paul Hess	14,989

PRIVILEGED AND CONFIDENTIAL

TAX RECEIVABLE AGREEMENT

among

SNAP ONE HOLDINGS CORP.

and

THE PERSONS NAMED HEREIN

Dated as of July 27, 2021

TABLE OF CONTENTS

TAX RECEIVABLE AGREEMENT

This TAX RECEIVABLE AGREEMENT (this "Agreement"), is dated as of July 27, 2021, and is among Snap One Holdings Corp., a Delaware corporation (including any successor corporation, the "Corporate Taxpayer"), Crackle Holdings, L.P., a Delaware limited partnership (the "Initial TRA Party"), and each of the other persons from time to time that become a party hereto (each, excluding the Corporate Taxpayer, a "TRA Party" and together the "TRA Parties").

RECITALS

WHEREAS, the income, gain, loss, expense and other Tax (as defined below) items of the Corporate Taxpayer may be affected by the Tax Benefits (as defined below);

WHEREAS, in connection with an initial public offering of the Corporate Taxpayer, the parties to this Agreement desire to make certain arrangements with respect to the Tax Benefits and their effect on the Tax liability of Corporate Taxpayer;

WHEREAS, following the execution of this Agreement, but prior to the IPO (as defined below), the Initial TRA Party will liquidate in accordance with the terms of its limited partnership agreement and will distribute its rights under this Agreement to certain of its partners (the "Initial TRA Party Distribution"), whereupon each such partner will become a TRA Party as an assignee;

WHEREAS, following the Initial TRA Party Distribution, the Corporate Taxpayer intends to consummate the IPO.

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 1.1. Definitions. As used in this Agreement, the terms set forth in this Article I shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined).

"Actual Tax Liability" means, with respect to any Taxable Year, the sum of (i) the actual liability for U.S. federal income Taxes of the Corporate Taxpayer as reported on the Corporate Taxpayer Return and (ii) the product of the U.S. federal taxable income of the Corporate Taxpayer determined in connection with clause (i) of this sentence and five percent (5%).

"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.

"Agreed Rate" means a per annum rate of LIBOR plus 100 basis points.

"Agreement" is defined in the Preamble to this Agreement.

"Amended Schedule" is defined in Section 2.2(b) of this Agreement.

"Applicable Percentage" means, in respect of any TRA Party, the percentage set forth opposite such TRA Party's name on Schedule I hereto, as the same may be updated from time to time in accordance with Section 7.6(a). Immediately following the Initial TRA Party Distribution, Schedule I shall be updated such that the Applicable Percentage of each TRA Party will be a fraction expressed as a percentage equal to (x) the amount of Common Stock directly held by such TRA Party immediately after the Initial TRA Party Distribution divided by (y) the sum of the amount of Common Stock directly held by all TRA Parties immediately after the Initial TRA Party Distribution.

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. The terms "Beneficially Own" and "Beneficial Ownership" shall have correlative meanings.

"Board" means the Board of Directors of the Corporate Taxpayer.

"Business Day" means Monday through Friday of each week, except that a legal holiday recognized as such by the government of the United States of America or the State of New York shall not be regarded as a Business Day.

"Change of Control" means the occurrence of any of the following events:

(i) any Person or any group of Persons acting together that would constitute a "group" for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended, or any successor provisions thereto (excluding (a) 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 of the Corporate Taxpayer or (b) an H&F Party, any "group" for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended (or any successor provisions thereto) that includes an H&F Party or Permitted Transferees or any Person more than 50% of the combined voting power of then outstanding voting securities of which are owned by an H&F Party or Permitted Transferees or any such "group") is or becomes 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; or

(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 stockholders was approved or recommended by a vote of at least two-thirds (2/3) 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); or

(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 consolidation 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 stockholders 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, lease 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 stockholders 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, directly or indirectly, all or substantially all of the assets of the Corporate Taxpayer immediately following such transaction or series of transactions. For purposes of this definition, "Permitted Transferee" means with respect to any

H&F Party, a transferee to whom such Permitted Investor has assigned an interest in this Agreement in accordance with Section 7.6.

"Code" means the United States Internal Revenue Code of 1986, as amended.

"Common Stock" means the common stock, $0.01 par value per share, of the Corporate Taxpayer.

"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" is defined in the Preamble to this Agreement; provided that the term "Corporate Taxpayer" shall include any company that is a member of any consolidated tax return of which Snap One Holdings Corp. is the common parent, where appropriate.

"Corporate Taxpayer Return" means the U.S. federal income Tax Return of the Corporate Taxpayer filed with respect to Taxes of any Taxable Year.

"Cumulative 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. The Realized Tax Benefit for each Taxable Year shall be determined based on the most recent Tax Benefit Schedules or Amended Schedules, if any, in existence at the time of such determination; provided, that, for the avoidance of doubt, the computation of the Cumulative Realized Tax Benefit shall be adjusted to reflect any applicable Determination with respect to any Realized Tax Benefits.

"Default Rate" means a per annum rate of 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 or 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.

"Dispute" is defined in Section 7.8(a) of this Agreement.

"Early Termination Date" means the date of an Early Termination Notice for purposes of determining the Early Termination Payment.

"Early Termination Effective Date" means the date on which an Early Termination Schedule becomes binding pursuant to Section 4.2.

"Early Termination Notice" is defined in Section 4.2 of this Agreement.

"Early Termination Payment" is defined in Section 4.3(b) of this Agreement.

"Early Termination Rate" means the lesser of (i) 6.5% per annum, compounded annually, and (ii) LIBOR plus 200 basis points.

"Early Termination Schedule" is defined in Section 4.2 of this Agreement.

"Escrow Agreement" means the Escrow Agreement, dated as of July 27, 2021, by and among the Corporate Taxpayer, the TRA Party Representative and Wilmington Trust, National Association, as escrow agent.

"Exchange Agreement" means each of the Exchange Acknowledgement and Agreements, dated as of July 27, 2021, by and among the Corporate Taxpayer, the Initial TRA Party, Crackle Holdings GP LLC and the respective management unitholders identified on the signature page attached thereto.

"Expert" is defined in Section 7.9 of this Agreement.

"Forfeited Escrow Funds" means Escrow Funds in respect of any Additional Payments (each as defined in the Escrow Agreement) that are forfeited in accordance with the applicable Exchange Agreement and the Escrow Agreement.

"Future TRAs" is defined in Section 5.1 of this Agreement.

"H&F Party" means any TRA Party that is an Affiliate of Hellman & Friedman Capital Partners VIII, L.P., Hellman & Friedman LLC or any of their respective Affiliates, investment funds or successors. For the avoidance of doubt, the Initial TRA Party is an H&F Party.

"Hypothetical Tax Liability" means, with respect to any Taxable Year, the sum of (i) the liability for U.S. federal income Taxes of the Corporate Taxpayer using the same methods, elections, conventions and similar practices used on the relevant Corporate Taxpayer Return and (ii) the product of the U.S. federal taxable income of the Corporate Taxpayer determined in connection with clause (i) of this sentence and five percent (5%), but calculated without taking into account the use of Tax Benefits, if any. For the avoidance of doubt, Hypothetical Tax Liability shall be determined without taking into account the carryover or carryback of any Tax item (or portions thereof) that is attributable to the Tax Benefits.

"Imputed Interest" means any interest imputed under Section 1272, 1274 or 483 or other provision of the Code and any similar provision of state or local Tax law, as applicable, with respect to the Corporate Taxpayer's payment obligations under this Agreement.

"Initial TRA Party Distribution" is defined in the Preamble to this Agreement

"Interest Amount" is defined in Section 3.1(b) of this Agreement.

"IPO" means the initial public offering of Common Stock by the Corporate Taxpayer.

"IPO Date" means the closing date of the IPO.

"IPO Date Amortization" means the amortization deductions with respect to "amortizable section 197 intangibles" as defined in Section 197(c) and (d) of the Code, and the reduction of taxable income and gain attributable to existing tax basis in any such assets, that is held by the Corporate Taxpayer or any of its Subsidiaries (including for this purpose any Person that will be a Subsidiary of the Corporate Taxpayer immediately prior to the IPO Date) immediately prior to the IPO Date. Notwithstanding the foregoing, the term "IPO Date Amortization" shall not include any Tax attribute that is used to offset Taxes of the Corporate Taxpayer, if such offset Taxes are attributable to taxable periods (or portions thereof) ending immediately prior to the IPO Date.

"IRS" means the United States Internal Revenue Service.

"LIBOR" means during any period, the rate which appears on the Bloomberg Page BBAM1 (or on such other substitute Bloomberg page that displays rates at which U.S. dollar deposits are offered by leading banks in the London interbank deposit market or such other commercially available source providing quotations of such rates as may be designated by the Corporate Taxpayer from time to time), or the rate which is quoted by another source selected by the Corporate Taxpayer as an authorized information vendor for the purpose of displaying rates at which U.S. dollar deposits are offered by leading banks in the London interbank deposit market (an "Alternate Source"), at approximately 11:00 a.m., London time, two (2) Business Days prior to the first day of such period as the London interbank offered rate for U.S. dollars having a borrowing date and a maturity comparable to such period (or if there shall at any time, for any reason, no longer exist a Bloomberg Page BBAM1 (or any substitute page) or any LIBOR Alternate Source, a comparable replacement rate determined by the Corporate Taxpayer and the TRA Party Representative at such time, which determination shall be conclusive absent manifest error); provided, that at no time shall LIBOR be less than 0%. If the Corporate Taxpayer has made the determination (such determination to be conclusive absent manifest error) that (i) LIBOR is no longer a widely recognized benchmark rate for newly originated loans in the U.S. loan market in U.S. dollars or (ii) the applicable supervisor or administrator (if any) of LIBOR has made a public statement identifying a specific date after which LIBOR shall no longer be used for determining interest rates for loans in the U.S. loan market in U.S. dollars, then the Corporate Taxpayer and the TRA Party Representative shall (as determined by the Corporate Taxpayer and the TRA Party Representative to be consistent with market practice generally), establish a replacement interest rate (the "Replacement Rate"), in which case, the Replacement Rate shall, subject to the next two sentences, replace LIBOR for all purposes under this Agreement. In connection with the establishment and application of the Replacement Rate, this Agreement shall be amended solely with the consent of the Corporate Taxpayer and the TRA Party Representative, as may be necessary or appropriate, in the reasonable judgment of the Corporate Taxpayer and the TRA Party Representative, to effect the provisions of this section. The Replacement Rate shall be applied in a manner consistent with market practice; provided, that in each case, to the extent such market practice is not administratively feasible for the Corporate Taxpayer, such Replacement Rate shall be applied as otherwise reasonably determined by the Corporate Taxpayer and the TRA Party Representative.

"Material Objection Notice" is defined in Section 4.2 of this Agreement.

"Net Tax Benefit" is defined in Section 3.1(b) of this Agreement.

"NOLs" means, without duplication, the United States federal net operating losses, capital losses, research and development credits, excess Section 163(j) limitation carryforwards and any United States federal tax attributes subject to carryforward under Section 381 of the Code of the Corporate Taxpayer or its Subsidiaries relating to taxable periods ending on or before the IPO Date.

"Objection Notice" is defined in Section 2.2(a) of this Agreement.

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

"Realized Tax Benefit" means, for a Taxable Year, the excess, if any, of the Hypothetical Tax Liability over the Actual Tax Liability of the Corporate Taxpayer. If all or a portion of the Actual Tax Liability 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.

"Reconciliation Dispute" is defined in Section 7.9 of this Agreement.

"Reconciliation Procedures" is defined in Section 2.2(a) of this Agreement.

"Schedule" means any of: (i) a Tax Benefit Schedule or (ii) the Early Termination Schedule.

"Senior Obligations" is defined in Section 5.1 of this Agreement.

"Subsidiaries" means, with respect to any Person, as of any date of determination, any other Person as to which such Person, owns, directly or indirectly, or otherwise controls more than 50% of the voting power or other similar interests or the sole general partner interest or managing member or similar interest of such Person.

"TRA Party" is defined in the Preamble to this Agreement.

"TRA Party Representative" means H&F Copper Holdings VIII, L.P., a Delaware Limited Partnership.

"Tax Benefits" means the NOLs, IPO Date Amortization and any tax deductions attributable to (i) payments made under this Agreement or (ii) Imputed Interest.

"Tax Benefit Payment" is defined in Section 3.1(b) of this Agreement.

"Tax Benefit Schedule" is defined in Section 2.2(a) of this Agreement.

"Tax Return" means any return, declaration, report or similar statement required to be filed with respect to Taxes (including any attached schedules), including, without limitation, 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 United States 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" means 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 in each Taxable Year ending on or after such Early Termination Date, (1) the Corporate Taxpayer will have taxable income sufficient to fully utilize any Tax Benefit (subject to the assumptions in clause (2) below) during the Taxable Year (including, for the avoidance of doubt, tax deductions attributable to future payments made under this Agreement, or Imputed Interest attributable to such future payments, that would be paid in accordance with the Valuation Assumptions) in which such deductions would become available, (2) any NOLs or loss carryovers generated by deductions arising from any Tax Benefit that are available as of the date of such Early Termination Date will be used by the Corporate Taxpayer on a pro rata basis from the date of such Early Termination Date through the earlier of (x) the scheduled expiration date under applicable Tax law of such NOLs or loss carryovers or (y) the fifth (5th) anniversary of the Early Termination Date, (3) the utilization of the Tax Benefits for such Taxable Year or future Taxable Years, as applicable, will be determined based on the Tax laws in effect on the Early Termination Date and (4) the United States 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.

ARTICLE II

DETERMINATION OF CERTAIN REALIZED TAX BENEFIT

Section 2.1. Tax Benefit Schedule.

(a) Tax Benefit Schedule. Within ninety (90) calendar days after the filing of the United States federal income tax return of the Corporate Taxpayer for any Taxable Year in which there is a Realized Tax Benefit, the Corporate Taxpayer shall provide to the TRA Party Representative a schedule showing, in reasonable detail, the calculation of the Tax Benefit Payments to be made to each TRA Party for such Taxable Year (a "Tax Benefit Schedule").

Each Tax Benefit Schedule will become final as provided in Section 2.2(a) and may be amended as provided in Section 2.2(b) (subject to the procedures set forth in Section 2.2(b)).

(b) Applicable Principles. Subject to Section 3.3(a), the Realized Tax Benefit for each Taxable Year is intended to measure the decrease in the actual liability for U.S. federal income Taxes, and to approximate the decrease in the actual liability for U.S. state and local income Taxes, of the Corporate Taxpayer for such Taxable Year attributable to the Tax Benefits, determined using a "with and without" methodology. Carryovers or carrybacks of any Tax item attributable to the Tax Benefits shall be considered to be subject to the rules of the Code and the Treasury Regulations, 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 Tax Benefits and another portion that is not, such portions shall be considered to be used in accordance with the "with and without" methodology.

Section 2.2. Procedures, Amendments.

(a) Procedure. Every time the Corporate Taxpayer delivers to the TRA Party Representative an applicable Schedule under this Agreement, including any Amended Schedule delivered pursuant to Section 2.2(b), the Corporate Taxpayer shall also (x) deliver to the TRA Party Representative supporting schedules and work papers, as determined by the Corporate Taxpayer or as reasonably requested by the TRA Party Representative, providing reasonable detail regarding data and calculations that were relevant for purposes of preparing the Schedule and (y) allow the TRA Party Representative reasonable access at no cost to the appropriate representatives at the Corporate Taxpayer, as determined by the Corporate Taxpayer or as reasonably requested by the TRA Party Representative, in connection with a review of such Schedule. Without limiting the generality of the preceding sentence, the Corporate Taxpayer shall ensure that any Tax Benefit Schedule that is delivered to the TRA Party Representative, along with any supporting schedules and work papers, provides a reasonably detailed presentation of the calculation of the Actual Tax Liability of the Corporate Taxpayer and the Hypothetical Tax Liability, and identifies any material assumptions or operating procedures or principles that were used for purposes of such calculations. An applicable Schedule or amendment thereto shall become final and binding on all parties thirty (30) calendar days from the date on which the TRA Party Representative is treated as having received the applicable Schedule or amendment thereto under Section 7.1 unless the TRA Party Representative (i) within thirty (30) calendar days from such date 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 Corporate Taxpayer and the TRA Party Representative, for any reason, are unable to successfully resolve the issues raised in the Objection Notice within thirty (30) calendar days after receipt by the Corporate Taxpayer of an Objection Notice, the Corporate Taxpayer and the TRA Party Representative shall employ the reconciliation procedures as described in Section 7.9 of this Agreement (the "Reconciliation Procedures"). The TRA Party Representative will fairly represent the interests of each of the TRA Parties and shall use reasonable efforts to timely raise and pursue, in accordance with this Section 2.2(a), any reasonable objection to a Schedule or amendment thereto timely communicated in writing to the TRA Party Representative by a TRA Party.

(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 TRA Party Representative, (iii) to comply with the Expert's determination under the Reconciliation Procedures, (iv) to reflect a change in the Realized Tax Benefit for such Taxable Year attributable to a carryback or carryforward of a loss or other tax item to such Taxable Year, or (v) to reflect a change in the Realized Tax Benefit for such Taxable Year attributable to an amended Tax Return filed for such Taxable Year (any such Schedule, an "Amended Schedule"). The Corporate Taxpayer shall provide an Amended Schedule to each TRA Party within ninety (90) calendar days of the occurrence of an event referenced in clauses (i) through (v) of the preceding sentence.

ARTICLE III

TAX BENEFIT PAYMENTS

Section 3.1. Payments.

(a) Payments. Within five (5) Business Days after a Tax Benefit Schedule delivered to the TRA Party Representative becomes final in accordance with Section 2.1(a), the Corporate Taxpayer shall pay to each TRA Party for such Taxable Year the Tax Benefit Payment in respect of such TRA Party determined pursuant to Section 3.1(b). Each such Tax Benefit Payment shall be made by wire transfer of immediately available funds to the bank account previously designated by such TRA Party to the Corporate Taxpayer or as otherwise agreed by the Corporate Taxpayer and such TRA Party or, in the absence of such designation or agreement, by check mailed to the last mailing address provided by such TRA Party to the Corporate Taxpayer. For the avoidance of doubt, no Tax Benefit Payment shall be made in respect of estimated Tax payments, including, without limitation, federal estimated income Tax payments.

(b) A "Tax Benefit Payment" in respect of a TRA Party for a Taxable Year means an amount, not less than zero, equal to the sum of such TRA Party's Applicable Percentage of the Net Tax Benefit and the Interest Amount with respect thereto. 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 in the applicable transaction, unless otherwise required by law. The "Net Tax Benefit" for a Taxable Year shall be an amount equal to the excess, if any, of 85% of the Cumulative Realized Tax Benefit as of the end of such Taxable Year, over the total amount of payments previously made under Section 3.1(a) (excluding payments attributable to Interest Amounts); provided, for the avoidance of doubt, that no such recipient shall be required to return any portion of any previously made Tax Benefit Payment. The "Interest Amount" shall equal the interest on the Net Tax Benefit 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 under Section 3.1(a).

Section 3.2. 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.

Section 3.3. Pro Rata Payments.

(a) Notwithstanding anything in Section 3.1 to the contrary, to the extent that the aggregate Tax benefit of the Corporate Taxpayer with respect to the Tax Benefits is limited in a particular Taxable Year because the Corporate Taxpayer does not have sufficient taxable income, the Net Tax Benefit for the Corporate Taxpayer shall be allocated among all parties eligible for a Tax Benefit Payment under this Agreement in proportion to the amounts of Net Tax Benefit that would have been allocated to each party if the Corporate Taxpayer had sufficient taxable income so that there were no such limitation.

(b) If for any reason the Corporate Taxpayer does not fully satisfy its payment obligations to make all Tax Benefit Payments due under this Agreement in respect of a particular Taxable Year, then the Corporate Taxpayer and the TRA Parties agree that (i) Tax Benefit Payments for such Taxable Year shall be allocated to all parties eligible to receive Tax Benefit Payments under this Agreement in such Taxable Year in proportion to the amounts of Tax Benefit Payments, respectively, that would have been made to each TRA Party if the Corporate Taxpayer had sufficient cash available to make such Tax Benefit Payments and (ii) prior to making any Tax Benefit Payments in respect of any Taxable Year, all Tax Benefit Payments to all TRA Parties in respect of all prior Taxable Years shall be made in full; provided, however, that any payments that were previously held by the Corporate Taxpayer on behalf of a TRA Party and have now become due and payable pursuant to Section 3.4 shall be made prior to any other Tax Benefit Payments.

Section 3.4. Forfeited Escrow Funds Payments. Within five (5) Business Days of the end of the quarter following the forfeiture of any Forfeited Escrow Funds pursuant to the applicable Exchange Agreement and the Escrow Agreement, such funds shall be promptly distributed by the Escrow Agent (as defined in the Escrow Agreement) to the TRA Parties pro rata (based on their respective Applicable Percentages). Such payments shall be made pursuant to the terms and conditions set forth in the Escrow Agreement. The Corporate Taxpayer and the TRA Party Representative agree to take such action as is necessary under the Escrow Agreement or any other agreement to effectuate the foregoing.

ARTICLE IV

TERMINATION

Section 4.1. Early Termination of Agreement; Breach of Agreement.

(a) The Corporate Taxpayer may terminate this Agreement at any time with respect to all amounts payable to the TRA Parties by paying to each TRA Party the Early Termination Payment in respect of such TRA Party; provided, however, that this Agreement shall only terminate upon the receipt of the Early Termination Payment by all of the TRA Parties, and provided, further, that the Corporate Taxpayer may withdraw any notice to execute its termination rights under this Section 4.1(a) prior to the time at which any Early Termination

Payment has been paid. Upon payment of the Early Termination Payment in respect of each TRA Party by the Corporate Taxpayer, the Corporate Taxpayer shall have no further payment obligations under this Agreement, other than for any (i) Tax Benefit Payment due and payable and that remains unpaid as of the date the Early Termination Notice is delivered and (ii) 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 this clause (ii) is included in the Early Termination Payment).

(b) In the event that (1) 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 or (2) (A) the Corporate Taxpayer shall commence any case, proceeding or other action (i) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts or (ii) seeking an appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or it shall make a general assignment for the benefit of creditors or (B) there shall be commenced against the Corporate Taxpayer any case, proceeding or other action of the nature referred to in clause (A) above that remains undismissed or undischarged for a period of sixty (60) calendar days, all obligations hereunder shall be automatically accelerated and shall be immediately due and payable, and such obligations shall be calculated as if an Early Termination Notice had been delivered on the date of such event and shall include, but not be limited to, (x) the Early Termination Payments calculated as if an Early Termination Notice had been delivered on such date, (y) any Tax Benefit Payment due and payable and that remains unpaid as of such date and (z) any Tax Benefit Payment due for the Taxable Year ending with or including such date; provided that procedures similar to the procedures of Section 4.2 and 4.3 shall apply with respect to the determination of the amount payable by the Corporate Taxpayer pursuant to this sentence mutatis mutandis. Notwithstanding the foregoing, (other than as set forth in subsection (2) above), in the event that the Corporate Taxpayer breaches this Agreement, each TRA Party shall be entitled to elect to receive the amounts set forth in clauses (x), (y) and (z) 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 (3) 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 a material obligation of this Agreement if the Corporate Taxpayer fails to make any Tax Benefit Payment when due to the extent that the Corporate Taxpayer has insufficient funds to make such payment; provided that the interest provisions of Section 5.2 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 any Senior Obligations, in which case Section 5.2 shall apply, but the Default Rate shall be replaced by the Agreed Rate).

(c) In the event of a Change of Control, then all obligations hereunder shall be automatically accelerated and shall be immediately due and payable, and such obligations shall be calculated as if an Early Termination Notice had been delivered on the date of such Change of Control and utilizing the Valuation Assumptions by substituting in each case the terms "the closing date of a Change of Control" in each place where the phrase "Early Termination Date" appears. Such obligations shall include, but not be limited to, (1) the Early Termination Payments calculated as if an Early Termination Notice had been delivered on such date, (2) any Tax Benefit Payment due and payable and that remains unpaid as of such date and (3) any Tax Benefit Payment due for the Taxable Year ending with or including such date; provided that procedures similar to the procedures of Section 4.2 and 4.3 shall apply with respect to a Change of Control, mutatis mutandis.

Section 4.2. Early Termination Notice. If the Corporate Taxpayer chooses to exercise its right of early termination under Section 4.1(a) above, the Corporate Taxpayer shall deliver to the TRA Party Representative notice of such intention to exercise such right ("Early Termination Notice") and a schedule ("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 each TRA Party. The Early Termination Schedule shall become final and binding on all parties thirty (30) calendar days from the first date on which the TRA Party Representative is treated as having received such Schedule or amendment thereto under Section 7.1 unless the TRA Party Representative (i) within thirty (30) calendar days after such date 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. If the Corporate Taxpayer and the TRA Party Representative, for any reason, are unable to successfully resolve the issues raised in such notice within thirty (30) calendar days after receipt by the Corporate Taxpayer of the Material Objection Notice, the Corporate Taxpayer and the TRA Party Representative shall employ the Reconciliation Procedures in which case such Schedule becomes binding ten (10) days after the conclusion of the Reconciliation Procedures. The TRA Party Representative will fairly represent the interests of each TRA Party and shall timely raise and pursue, in accordance with this Section 4.2, any reasonable objection to an Early Termination Schedule or amendment thereto timely communicated in writing to the TRA Party Representative by a TRA Party.

Section 4.3. Payment upon Early Termination.

(a) Within five (5) Business Days after an Early Termination Effective Date, the Corporate Taxpayer shall pay to each TRA Party an amount equal to the Early Termination Payment in respect of such TRA Party. Such payment shall be made by wire transfer of immediately available funds to a bank account or accounts designated by such TRA Party or as otherwise agreed by the Corporate Taxpayer and such TRA Party or, in the absence of such designation or agreement, by check mailed to the last mailing address provided by such TRA Party to the Corporate Taxpayer.

(b) The "Early Termination Payment" in respect of a TRA Party shall equal such TRA Party's Applicable Percentage of the present value, discounted at the Early

Termination Rate as of the applicable Early Termination Effective Date, of the Tax Benefit Payments that would be required to be paid by the Corporate Taxpayer to such TRA Party beginning from the Early Termination Date and assuming that the Valuation Assumptions in respect of such TRA Party are applied and that each Tax Benefit Payment for the relevant Taxable Year would be due and payable on the due date (without extensions) under applicable law as of the Early Termination Effective Date for filing the Corporate Taxpayer Return.

Section 4.4. Termination. This Agreement shall be considered terminated on the date on which all Tax Benefit Payments have been made under this Agreement.

Section 4.5. Effectiveness. This Agreement shall be effective as of the IPO Date.

ARTICLE V

SUBORDINATION AND LATE PAYMENTS

Section 5.1. 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 the TRA Parties 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 in right of payment 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 5.1 and the terms of agreements governing Senior Obligations, such payment obligation nevertheless shall accrue for the benefit of the TRA Parties 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. Notwithstanding any other provision of this Agreement to the contrary, to the extent that the Corporate Taxpayer or any of its Affiliates enters into future Tax receivable or other similar agreements ("Future TRAs"), the Corporate Taxpayer shall ensure that the terms of any such Future TRA shall provide that the Tax Benefits subject to this Agreement are considered senior in priority to any Tax benefits subject to any such Future TRA for purposes of calculating the amount and timing of payments under any such Future TRA.

Section 5.2. 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 TRA Parties when due under the terms of this Agreement, whether as a result of Section 5.1 or otherwise, 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 first due and payable until, but not including, the date of actual payment.

ARTICLE VI

NO DISPUTES; CONSISTENCY; COOPERATION

Section 6.1. Participation in the Corporate Taxpayer's Tax Matters. Except as otherwise provided herein, the Corporate Taxpayer shall have full responsibility for, and sole discretion over, all Tax matters concerning the Corporate Taxpayer, including without limitation 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 TRA Party Representative of, and keep the TRA Party Representative reasonably informed with respect to, the portion of any audit of the Corporate Taxpayer by a Taxing Authority the outcome of which is reasonably expected to materially affect the rights and obligations of any TRA Party under this Agreement, and shall provide to the TRA Party Representative reasonable opportunity to provide information and other input to the Corporate Taxpayer and its advisors concerning the conduct of any such portion of such audit.

Section 6.2. Consistency. The Corporate Taxpayer and the TRA Parties 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, without limitation, each Tax Benefit Payment) in a manner consistent with that contemplated by this Agreement or 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. The Corporate Taxpayer shall (and shall cause its Subsidiaries to) use reasonable efforts (for the avoidance of doubt, taking into account the interests and entitlements of all of the TRA Parties under this Agreement) to defend the Tax treatment contemplated by this Agreement and any Schedule in any audit, contest or similar proceeding with any Taxing Authority.

Section 6.3. Cooperation. The TRA Party Representative, on behalf of each TRA Party, agrees to (a) furnish to the Corporate Taxpayer in a timely manner such information, documents and other materials as the Corporate Taxpayer 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 Corporate Taxpayer and its representatives to provide explanations of documents and materials and such other information as the Corporate Taxpayer or its representatives 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 TRA Party Representative for any reasonable and documented out-of-pocket costs and expenses incurred pursuant to this Section. Upon the request of the TRA Party Representative, the Corporate Taxpayer shall cooperate in taking any action reasonably requested by the TRA Party Representative in connection with any TRA Party's tax or financial reporting and/or the consummation of any assignment or transfer of any TRA Party's rights and/or obligations under this Agreement, including without limitation, providing any information or executing any documentation.

ARTICLE VII

MISCELLANEOUS

Section 7.1. Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be deemed duly given and received (a) on the date of delivery if delivered personally, or by facsimile or email with confirmation of transmission by the transmitting equipment or (b) on the first Business Day following the date of dispatch if delivered by a recognized next-day courier service. All notices hereunder shall be delivered 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:

Snap One Holdings Corp.
1800 Continental Blvd, Suite 300
Charlotte, North Carolina 28273
Attention: Mike Carlet
Julie Lackey
E-mail: mike.carlet@snapav.com
julie.lackey@SnapOne.com

with a copy (which shall not constitute actual or constructive notice) to:

Simpson Thacher & Bartlett LLP
2475 Hanover Street
Palo Alto, California 94304
Attention: William B. Brentani
Atif Azher
E-mail: wbrentani@stblaw.com
aazher@stblaw.com

If to the TRA Party Representative, to:

H&F Copper Holdings VIII, L.P.
c/o Hellman & Friedman LLC
415 Mission Street, Suite 5700
San Francisco, California 94105
Attention: Arrie R. Park
E-mail: apark@HF.com

with a copy (which shall not constitute actual or constructive notice) to:

Simpson Thacher & Bartlett LLP
2475 Hanover Street
Palo Alto, California 94304

Attention: William B. Brentani
Atif Azher
E-mail: wbrentani@stblaw.com
aazher@stblaw.com

Any party may change its address, fax number or email by giving the other party written notice of its new address, fax number or email in the manner set forth above. Notice to any TRA Party shall be delivered to the last mailing address provided by such TRA Party to the Corporate Taxpayer.

Section 7.2. Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties, it being understood that all parties need not sign the same counterpart. Delivery of an executed signature page to this Agreement by facsimile transmission shall be as effective as delivery of a manually signed counterpart of this Agreement.

Section 7.3. Entire Agreement; Third Party Beneficiaries. This Agreement constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof. This Agreement shall be binding upon and inure solely to the benefit of each party hereto and their respective successors and permitted assigns and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 7.4. Governing Law. This Agreement shall be governed by, and construed in accordance with, the law of the State of Delaware.

Section 7.5. Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any law or public policy, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect 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 determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto 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 greatest extent possible.

Section 7.6. Successors; Assignment; Amendments; Waivers.

(a) Each TRA Party may assign any of its rights under this Agreement to any Person so long as such transferee has executed and delivered, or, in connection with such transfer, executes and delivers, a joinder to this Agreement, substantially similar in form and substance to Exhibit A hereto, agreeing to become a TRA Party for all purposes of this Agreement, except as otherwise provided in such joinder; provided, that, if any H&F Party (an "Assigning H&F Party") proposes to transfer and/or assign any of its rights under this

Agreement to any Person (other than another H&F Party or Permitted Assignee thereof), then (i) such Assigning H&F Party shall have the right to require each TRA Party (other than the H&F Parties) to transfer and/or assign to such Person an equivalent proportion of such TRA Party's rights under this Agreement on the same economic terms and conditions as such Assigning H&F Party, following reasonable advance notice delivered by such Assigning H&F Party to each such TRA Party containing the material terms and conditions (to the extent reasonably determinable) with respect to such transfer and/or assignment and (ii) in the event that such H&F Assigning Party does not exercise its rights pursuant to the foregoing clause (i), such H&F Assigning Party shall provide each TRA Party (other than the H&F Parties) with the right to transfer or assign to such Person an equivalent proportion of such TRA Party's rights under this Agreement on the same economic terms and conditions as the Assigning Party, exercisable by such TRA Party within five (5) Business Days following reasonable advance notice delivered by such Assigning H&F Party to each such TRA Party containing the material terms and conditions (to the extent reasonably determinable) with respect to such transfer and/or assignment, in each case of the foregoing clauses (i) and (ii), (x) with such transfer and/or assignment being effectuated pursuant to such procedures and documentation as the TRA Party Representative shall reasonably determine and (y) each TRA Party shall cooperate with the TRA Party Representative and the applicable Assigning H&F Party in connection therewith (including taking or causing to be taken all such actions as the TRA Party Representative or such H&F Assigning Party deems to be reasonably necessary or appropriate in order to consummate expeditiously such transfer and/or assignment). In connection with any such assignment, the Corporate Taxpayer shall update Schedule I to reflect the Applicable Percentage of the assignor and assignee.

(b) No provision of this Agreement may be amended unless such amendment is approved in writing by each of the Corporate Taxpayer and by the TRA Parties who would be entitled to receive at least two-thirds of the total amount of the Early Termination Payments payable to all TRA Parties hereunder if the Corporate Taxpayer had exercised its right of early termination, including the TRA Party Representative; provided, that no such amendment shall be effective if such amendment will have a disproportionate effect on the payments one or more TRA Parties receive under this Agreement unless such amendment is consented in writing by such TRA Parties disproportionately affected who would be entitled to receive at least two-thirds of the total amount of the Early Termination Payments payable to all TRA Parties disproportionately affected hereunder if the Corporate Taxpayer had exercised its right of early termination. 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. For clarity, updates to Schedule I contemplated by Section 7.6(a) shall not be considered an amendment for purposes of this Section 7.6(b).

(c) All of the terms and provisions of this Agreement shall be binding upon, shall inure to the benefit of and shall be enforceable by the parties hereto and their respective successors, assigns, heirs, executors, administrators and legal representatives. 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.

Section 7.7. Titles and Subtitles. The titles of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

Section 7.8. Resolution of Disputes.

(a) Any and all disputes which are not governed by Section 7.9 and 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 thirty (30) calendar 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 TRA Party (i) expressly consents to the application of paragraph (c) of this Section 7.8 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 as agent of such TRA Party 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 the TRA Party of any such service of process, shall be deemed in every respect effective service of process upon the TRA Party in any such action or proceeding.

(c) (i) EACH PARTY HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF COURTS LOCATED IN THE STATE OF DELAWARE FOR THE PURPOSE OF ANY JUDICIAL PROCEEDING BROUGHT IN ACCORDANCE WITH THE PROVISIONS OF THIS SECTION 7.8, 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; and

(ii) 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 7.8 and such parties agree not to plead or claim the same.

Section 7.9. Reconciliation. In the event that the Corporate Taxpayer and the TRA Party Representative are unable to resolve a disagreement with respect to the matters governed by Sections 2.2 and 4.2 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 TRA Party Representative agree otherwise, the Expert shall not, and the firm that employs the Expert shall not, have any material relationship with the Corporate Taxpayer or the TRA Party Representative or other actual or potential conflict of interest. If the Corporate Taxpayer and the TRA Party Representative 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 Early Termination Schedule or an amendment thereto within thirty (30) calendar days and shall resolve any matter relating to a Tax Benefit Schedule or an amendment thereto within fifteen (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 TRA Party Representative shall bear their own costs and expenses of such proceeding, unless (i) the Expert adopts the TRA Party Representative's position, in which case the Corporate Taxpayer shall reimburse the TRA Party Representative for any reasonable out-of-pocket costs and expenses in such proceeding, or (ii) the Expert adopts the Corporate Taxpayer's position, in which case the TRA Party 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 7.9 shall be decided by the Expert. The Expert shall finally determine any Reconciliation Dispute and the determinations of the Expert pursuant to this Section 7.9 shall be binding on the Corporate Taxpayer and each of the TRA Parties 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 Person in respect of whom such withholding was made.

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.

(b) If any entity that is obligated to make a Tax Benefit Payment or Early Termination Payment hereunder transfers one or more assets to a corporation (or a Person classified as a corporation for United States federal income tax purposes) with which such entity does not file a consolidated tax return pursuant to Section 1501 of the Code or any corresponding provisions of state, local or foreign law (including as a result of any series of transactions or acts), such entity, for purposes of calculating the amount of any Tax Benefit Payment or Early Termination Payment (e.g., calculating the gross income of the entity and determining the Realized Tax Benefit of such entity) 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 such entity shall be equal to the gross fair market value of the transferred 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 share of each of the assets and liabilities of that partnership. If any member of a group described in Section 7.11(a) that is obligated to make a Tax Benefit Payment or Early Termination Payment hereunder deconsolidates from the group (or the Corporate Taxpayer deconsolidated from the group), then the Corporate Taxpayer shall cause such member (or the parent of the consolidated group in a case where the Corporate Taxpayer deconsolidates from the group) to assume the obligation to make Tax Benefit Payments in a manner consistent with the terms of this Agreement as the member actually realizes such Tax Benefits. If a member of a group described in Section 7.11(a) assumes an obligation to make Tax Benefit Payments hereunder, then the initial obligor is relieved of the obligation assumed.

Section 7.12. Confidentiality.

(a) Each TRA Party and each of their assignees acknowledge and agree that the information of the Corporate Taxpayer is confidential and, except in the course of performing any duties as necessary for the Corporate Taxpayer and its Affiliates, as required by law or legal process or to enforce the terms of this Agreement, such person shall keep and retain in the strictest confidence and not disclose to any Person any confidential matters, acquired pursuant to this Agreement, of the Corporate Taxpayer and its Affiliates and successors learned by the TRA Party heretofore or hereafter. This Section 7.12 shall not apply to (i) any information that has been made publicly available by the Corporate Taxpayer or any of its Affiliates, becomes public knowledge (except as a result of an act of any TRA Party in violation of this Agreement) or is generally known to the business community, (ii) the disclosure of information to the extent necessary for the TRA Parties to prepare and file their Tax Returns, to respond to any inquiries regarding the same from any Taxing Authority or to prosecute or defend any action, proceeding or audit by any Taxing Authority with respect to such returns and (iii) any information a TRA Party discloses to a potential transferee pursuant to Section 7.6 under the terms of a

confidentiality agreement to the extent that that such potential transferee agrees to be bound by customary confidentiality provisions with respect to any confidential information of the Corporate Taxpayer. Notwithstanding anything to the contrary herein, (A) neither the TRA Party Representative nor the Corporate Taxpayer shall be required to disclose to any TRA Party any information that it reasonably deems to be confidential pursuant to the terms hereof unless such TRA Party has executed an agreement pursuant to which such TRA Party agrees to be bound by the terms of this Section 7.12 and (B) each TRA Party and each of its assignees (and each employee, representative or other agent of the TRA Party or its assignees, as applicable) may disclose to any and all Persons, without limitation of any kind, the tax treatment and tax structure of the Corporate Taxpayer and its Affiliates, and any of their transactions, and all materials of any kind (including opinions or other tax analyses) that are provided to the TRA Party relating to such tax treatment and tax structure.

(b) If any of the TRA Party Representative or any TRA Party or an assignee commits a breach, or threatens to commit a breach, of any of the provisions of this Section 7.12, the Corporate Taxpayer shall have the right and remedy to have the provisions of this Section 7.12 specifically enforced by injunctive relief or otherwise by any court of competent jurisdiction without the need to post any bond or other security, it being acknowledged and agreed that any such breach or threatened breach shall cause irreparable injury to the Corporate Taxpayer or any of its Subsidiaries or the TRA Parties and the accounts and funds managed by the Corporate Taxpayer and that money damages alone shall not provide an adequate remedy to such Persons. Such rights and remedies shall be in addition to, and not in lieu of, any other rights and remedies available at law or in equity.

Section 7.13. TRA Party Representative.

(a) Appointment. By executing this Agreement, each of the TRA Parties shall be deemed to have irrevocably constituted the TRA Party 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 TRA Parties 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 TRA Party 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 TRA Party Representative is expressly authorized to take pursuant to the other provisions of this Agreement; (vii) negotiating and compromising, on behalf of such TRA Parties, 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 TRA Parties, 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 TRA Parties in connection with this Agreement or any other agreement contemplated hereby and paying any fees related thereto.

(b) Expenses. If at any time the TRA Party Representative shall incur out of pocket expenses in connection with the exercise of its duties hereunder, upon written notice to the Corporate Taxpayer from the TRA Party Representative of documented costs and expenses (including fees and disbursements of counsel and accountants) incurred by the TRA Party Representative in connection with the performance of its rights or obligations under this Agreement and the taking of any and all actions in connection therewith, the Corporate Taxpayer shall reduce any future payments (if any) due to the TRA Parties hereunder pro rata (based on their respective Applicable Percentages) by the amount of such expenses which it shall instead remit directly to the TRA Party Representative. In connection with the performance of its rights and obligations under this Agreement and the taking of any and all actions in connection therewith, the TRA Party Representative shall not be required to expend any of its own funds (though, for the avoidance of doubt but without limiting the provisions of this Section 7.13(b), it may do so at any time and from time to time in its sole discretion).

(c) Limitation on Liability. The TRA Party Representative shall not be liable to any TRA Party for any act of the TRA Party Representative arising out of or in connection with the acceptance or administration of its duties under this Agreement, except to the extent any liability, loss, damage, penalty, fine, cost or expense is actually incurred by such TRA Party as a proximate result of the gross negligence, bad faith or willful misconduct of the TRA Party Representative (it being understood that any act done or omitted pursuant to the advice of legal counsel shall be conclusive evidence of good faith and reasonable judgment). The TRA Party Representative shall not be liable for, and shall be indemnified by the TRA Parties (on a several but not joint basis) for, any liability, loss, damage, penalty or fine incurred by the TRA Party Representative (and any cost or expense incurred by the TRA Party Representative in connection therewith and herewith and not previously reimbursed pursuant to subsection (b) above) 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 subsection (b) above, except to the extent that any such liability, loss, damage, penalty, fine, cost or expense is the proximate result of the gross negligence, bad faith or willful misconduct of the TRA Party Representative (it being understood that any act done or omitted pursuant to the advice of legal counsel shall be conclusive evidence of good faith and reasonable judgment).

(d) Actions of the TRA Party Representative. A decision, act, consent or instruction of the TRA Party Representative shall constitute a decision of all TRA Parties and shall be final, binding and conclusive upon each TRA Party, and the Corporate Taxpayer may rely upon any decision, act, consent or instruction of the TRA Party Representative as being the decision, act, consent or instruction of each TRA Party. The Corporate Taxpayer is hereby relieved from any liability to any person for any acts done by the Corporate Taxpayer in accordance with any such decision, act, consent or instruction of the TRA Party Representative.

[The remainder of this page is intentionally blank]

IN WITNESS WHEREOF, each of the undersigned parties has duly executed this Agreement as of the date first written above.

Corporate Taxpayer:

Snap One Holdings Corp.

DocuSigned by:
By: JD Ellis
7FBFE481358E4E0...
Name: JD Ellis
Title: Chief Legal Officer

TRA Party Representative:

H&F COPPER HOLDINGS VIII, L.P.

By: H&F COPPER HOLDINGS VIII GP, LLC, its general partner

By: HELLMAN & FRIEDMAN CAPITAL PARTNERS VIII, L.P., its managing member

By: HELLMAN & FRIEDMAN INVESTORS VIII, L.P., its general partner

By: H&F CORPORATE INVESTORS VIII, LTD., its general partner

By:_____
Name: Erik Ragatz
Title: Vice President

IN WITNESS WHEREOF, each of the undersigned parties has duly executed this Agreement as of the date first written above.

Corporate Taxpayer:

Snap One Holdings Corp.

By: _____
Name: JD Ellis
Title: Chief Legal Officer

TRA Party Representative:

H&F COPPER HOLDINGS VIII, L.P.

By: H&F COPPER HOLDINGS VIII GP, LLC, its general partner

By: HELLMAN & FRIEDMAN CAPITAL PARTNERS VIII, L.P., its managing member

By: HELLMAN & FRIEDMAN INVESTORS VIII, L.P., its general partner

By: H&F CORPORATE INVESTORS VIII, LTD., its general partner

By: DocuSigned by: Erik Ragatz 80EA7F482D8944D _____
Name: Erik Ragatz
Title: Vice President

IN WITNESS WHEREOF, each of the undersigned parties has duly executed this Agreement as of the date first written above.

Initial TRA Party:

CRACKLE HOLDINGS, L.P.

By: Crackle Holdings GP, LLC, its general partner

By: Hellman & Friedman Investors VIII, L.P., its managing member

By: Hellman & Friedman Investors VIII, L.P., its general partner

By: H&F Corporate Investors VIII, Ltd., its general partner

By: DocuSigned by: Erik Ragatz 80EA7F482D8944D...

Name: Erik Ragatz
Title: Authorized Officer

Schedule I

TRA Party	Applicable Percentage
Hellman & Friedman Capital Partners VIII, L.P.	43.040%
Hellman & Friedman Capital Partners VIII (Parallel), L.P.	19.317%
HFCP VIII (Parallel-A), L.P.	3.651%
H&F Executives VIII, L.P.	1.096%
H&F Associates VIII, L.P.	0.225%
H&F Copper Holdings VIII, L.P.	32.671%
	100%

Exhibit A
Form of Joinder

This JOINDER (this "Joinder") to the Tax Receivable Agreement (as defined below), is by and among Snap One Holdings Corp. a Delaware corporation (including any successor corporation, the "Corporate Taxpayer"), _____ ("Transferor") and _____ ("Transferee").

WHEREAS, on _____, Transferee shall acquire _____ percent of the Transferor's right to receive payments that may become due and payable under the Tax Receivable Agreement (as defined below) (the "Acquired Interests") from Transferor (the "Acquisition"); and

WHEREAS, Transferor, in connection with the Acquisition, has required Transferee to execute and deliver this Joinder pursuant to Section 7.6(a) of the Tax Receivable Agreement, dated as of July 27, 2021, between the Corporate Taxpayer and the TRA Parties (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 1.1 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 1.2 Acquisition. For good and valuable consideration, the sufficiency of which is hereby acknowledged by the Transferor and the Transferee, the Transferor hereby transfers and assigns absolutely to the Transferee all of the Acquired Interests.

Section 1.3 Joinder. Transferee hereby acknowledges and agrees (i) that it has received and read the Tax Receivable Agreement, (ii) that the Transferee is acquiring the Acquired Interests in accordance with and subject to the terms and conditions of the Tax Receivable Agreement and (iii) to become a "TRA Party" (as defined in the Tax Receivable Agreement) for all purposes of the Tax Receivable Agreement.

Section 1.4 Notice. Any notice, request, consent, claim, demand, approval, waiver or other communication hereunder to Transferee shall be delivered or sent to Transferee at the address set forth on the signature page hereto in accordance with Section 7.1 of the Tax Receivable Agreement.

Section 1.5 Governing Law. This Joinder shall be governed by and construed in accordance with the law of the State of Delaware.

IN WITNESS WHEREOF, this Joinder has been duly executed and delivered by Transferee as of the date first above written.

Snap One Holdings Corp.

By: _____
Name:
Title:

[TRANSFEROR]

By: _____
Name:
Title:

[TRANSFEREE]

By: _____
Name:
Title:

Address for notices:

Exhibit 31.1

CERTIFICATIONS

I, John Heyman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Snap One Holdings Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) paragraph omitted in accordance with Securities Exchange Act Rule 13a-14(a);

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 27, 2021

/s/ John Heyman

John Heyman
Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, Michael Carlet, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Snap One Holdings Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) paragraph omitted in accordance with Securities Exchange Act Rule 13a-14(a);

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 27, 2021

/s/ Michael Carlet

Michael Carlet
Chief Financial Officer

Exhibit 32.1

SECTION 906 CERTIFICATION

CERTIFICATION PURSUANT TO SECTION 1350 OF CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE

In connection with the Quarterly Report on Form 10-Q of Snap One Holdings Corp. (the "Company") for the quarter ended June 25, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John Heyman, certify, pursuant to 18 U.S.C. § 1350 as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and
(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 27, 2021

/s/ John Heyman

John Heyman
Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

SECTION 906 CERTIFICATION

CERTIFICATION PURSUANT TO SECTION 1350 OF CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE

In connection with the Quarterly Report on Form 10-Q of Snap One Holdings Corp. (the "Company") for the quarter ended June 25, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael Carlet, certify, pursuant to 18 U.S.C. § 1350 as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and
(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 27, 2021

/s/ Michael Carlet

Michael Carlet
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.