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As filed with the Securities and Exchange Commission on June 29, 2020

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-1
REGISTRATION STATEMENT

UNDER
THE SECURITIES ACT OF 1933

Montrose Environmental Group, Inc.

(Exact name of Registrant as specified in its charter)

Delaware	8999	46-4195044
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

1 Park Plaza, Suite 1000
Irvine, CA 92614
(949) 988-3500
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Vijay Manthripragada
President and Chief Executive Officer
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Irvine, CA 92614
(949) 988-3500
(Name, address, including zip code, and telephone number, including area code, of agent for service)

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

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

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

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

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

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

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

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

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee
Common Stock, $0.000004 par value per share	$160,000,000	$20,768

(1) Includes shares of common stock that the underwriters have the option to purchase. See "Underwriting."

(2) Estimated solely for the purpose of calculating the registration fee under Rule 457(o) of the Securities Act of 1933, as amended.

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

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

Subject to completion,
Preliminary Prospectus dated June 29, 2020

PROSPECTUS

Shares

Montrose Environmental Group, Inc.

Common Stock

This is Montrose Environmental Group, Inc.'s initial public offering. We are selling shares of our common stock.

We expect the public offering price will be between $ and $ per share. Currently, no public market exists for the shares. After pricing of the offering, we expect that the shares will trade on the NYSE under the symbol "MEG."

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

Investing in the common stock involves risks that are described in the "Risk Factors" section beginning on page 17 of this prospectus.

	Per Share	Total
Public offering price	$	$
Underwriting discount(1)	$	$
Proceeds, before expenses, to us	$	$

(1) See "Underwriting" for a description of all underwriting compensation payable in connection with this offering.

The underwriters may also exercise their option to purchase up to an additional shares from us, at the public offering price, less the underwriting discount, for 30 days after the date of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The shares will be ready for delivery on or about , 2020.

BofA Securities **William Blair**

BNP PARIBAS **Capital One Securities** **Stifel**

Needham & Company

The date of this prospectus is , 2020.

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Neither we nor any of the underwriters have authorized anyone to provide any information or to make any representations other than those contained in this prospectus or in any free writing prospectuses we have prepared. Neither we nor any of the underwriters take responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date, regardless of the time of delivery of this prospectus or of any sale of our common stock.

GENERAL INFORMATION

Industry and Market Data

The data included in this prospectus and, in particular, in the sections entitled "Prospectus Summary" and "Business," regarding markets and the industry in which we operate, including the size of certain markets and our position and the position of our competitors within these markets, are based on publicly available information, reports of government agencies, published industry sources and the Environmental Industry Study prepared by Environmental Business International, Inc., or EBI, in October 2019, which study we commissioned. Additional sources of industry and market data included in this prospectus are as follows: World Bank and Institute for Health Metrics and Evaluation, The Cost of Air Pollution: Strengthening the Economic Case for Action (2016).

In presenting this information, we have also made certain estimates and assumptions that we believe to be reasonable based on the information referred to above and similar sources, as well as our internal research, calculations and assumptions based on our analysis of such information and our knowledge of, and our experience to date in, our industries and markets. Market share data is subject to change and may be limited by the availability of raw data, the voluntary nature of the data gathering process and other limitations inherent in any statistical survey of market share data. In addition, customer preferences are subject to change. Accordingly, you are cautioned not to place undue reliance on such market share data or any other such estimates. While we believe such information is reliable, neither we nor the underwriters can guarantee the accuracy or completeness of this information, and neither we nor the underwriters have independently verified any third-party information and data from our internal research has not been verified by any independent source. While we believe the estimated market and industry data included in this prospectus are generally reliable, such information, which is derived in part from management's estimates and beliefs, is inherently uncertain and imprecise.

Projections, assumptions, expectations and estimates of our future performance and the future performance of the industries and markets in which we operate are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the sections entitled "Risk Factors" and "Forward-Looking Statements." These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties and by us.

Trademarks

We own or have the rights to use various trademarks, service marks and trade names that we use in connection with the operation of our business. This prospectus may also contain trademarks, service marks and trade names of third parties, which are the property of their respective owners. Our use or display of third parties' trademarks, service marks, trade names or products in this prospectus is not intended to, and does not, imply a relationship with, or endorsement or sponsorship by or of, us. Solely for convenience, the trademarks, service marks and trade names presented in this prospectus may appear without the ®, TM or SM symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensor to these trademarks, service marks and trade names.

PROSPECTUS SUMMARY

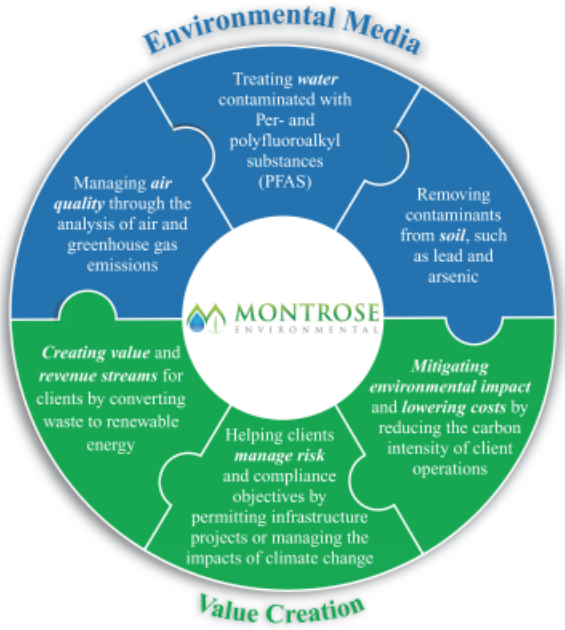
The following is a summary of material information discussed in this prospectus. The summary is not complete and does not contain all of the information that you should consider before investing in our common stock. You should read this entire prospectus carefully, including the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our audited consolidated financial statements and the related notes thereto, each included elsewhere in this prospectus, before making an investment decision to purchase shares of our common stock. Some of the statements in this summary constitute forward-looking statements. See the section entitled "Forward-Looking Statements." References to "we," "our," "us," "Montrose," "Montrose Environmental" and "the Company" refer to Montrose Environmental Group, Inc., together with its consolidated subsidiaries.

Company Overview

The Environment is Our Business.

Since our inception in 2012, our mission has been to help clients and communities meet their environmental goals and needs. Today, we have emerged as one of the fastest growing companies in a highly fragmented and growing $1.25 trillion global environmental industry.

We service complex, recurring and often non-discretionary environmental needs of our diverse clients across our three business segments: Assessment, Permitting and Response; Measurement and Analysis; and Remediation and Reuse. Examples of our services include:



Our industry is highly fragmented with no single market leader. By focusing on environmental solutions, we believe we are uniquely positioned to become a leading platform in the industry. We provide a diverse range of environmental services to our private and public sector clients across the life cycle of their needs — whether they are launching new projects, maintaining operations, decommissioning operations, rehabilitating assets, managing the impacts of climate change or responding to unexpected environmental disruption. Our integrated platform has been a catalyst for our organic growth and we have built on this platform through strategic acquisitions.

Innovation is core to our strategy. The world's environmental challenges continue to grow in number, scope and complexity, and mounting public pressure and regulatory changes continue to drive demand for better information and solutions. We focus on innovation in order to improve the quality of information we can provide to clients (such as identifying variations of Per- and polyfluoroalkyl substances, or PFAS, in water) and provide better solutions to their environmental needs (such as the efficient removal of PFAS from contaminated water). We intend to continue innovating by investing in research, development and technology (directly and through strategic partnerships) to develop better solutions for our clients. We believe these investments—together with our investments in geographic expansion, sales and marketing initiatives, environmental service offerings and strategic acquisitions—will continue to distinguish us in the marketplace.

Our revenue and earnings are highly resilient. We are not dependent upon any single service, product, political approach or regulatory framework. We also serve a diverse set of more than 4,500 clients across a wide variety of end markets and geographies within the private and public sectors. Funding for our services is typically non-discretionary given regulatory drivers and public health concerns. As a result, our business is positioned to be less susceptible to political and economic cycles.

Our financial success is driven by both strong organic and acquisition-driven growth. Our organic revenue growth has averaged 17% per year since 2016 when combining our results with those of our recent and substantial acquisition of The Center for Toxicology and Environmental Health, L.L.C., or CTEH, since 2016. If we exclude CTEH's revenues generated from major environmental events resulting in one or more projects contributing more than $4.0 million of revenue in any year, which at times has represented a significant percentage of CTEH's revenue, our combined annual organic growth rate since 2016 is approximately 9%. Montrose alone, without CTEH, has averaged 7% organic revenue growth per year since 2016. Our organic revenue growth demonstrates our growing reputation and ability to capture market share in a large and growing industry. See the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors that Affect Our Business and Our Results—Organic Growth." In addition, our acquisitions of selected environmental services firms have expanded our geographic reach and service offerings.

Our environmental focus and reputation have enabled us to attract and retain some of the most highly sought-after employees in our industry. These employees have contributed to our organic growth, differentiated brand, reputation and culture.

We have experienced strong growth over the past few years. Our revenue increased from $114.8 million in 2016 to $233.9 million in 2019, representing a 27.0% compounded annual growth rate, or CAGR. Over the same period, we had a net loss of $8.9 million and $23.6 million in 2016 and 2019, respectively, and our adjusted EBITDA increased from $7.3 million in 2016 to $31.2 million in 2019, representing a CAGR of 62.1%. See the section entitled "Non-GAAP Financial Information" for a discussion of non-GAAP measures, and a reconciliation thereof to the most directly comparable GAAP measure.

Our approach has allowed us to successfully scale our business, and we believe we are well positioned to continue our trajectory and market leadership as we address the growing environmental needs of our clients and communities.

Our Segments

We provide environmental services to our clients through three business segments – Assessment, Permitting and Response, Measurement and Analysis and Remediation and Reuse.

Assessment, Permitting and Response

Through our Assessment, Permitting and Response segment, we provide scientific advisory and consulting services to support environmental assessments, environmental emergency response and environmental audits and permits for current operations, facility upgrades, new projects, decommissioning projects and development projects. Our technical advisory and consulting offerings include regulatory compliance support and planning, environmental, ecosystem and toxicological assessments and support during responses to environmental disruptions. We help clients navigate regulations at the local, state, provincial and federal levels. In addition to environmental toxicology, our scientists and response teams have helped over 70 clients address COVID-19 related needs and continue to help clients navigate their preparation for and response to COVID-19 infections.

Measurement and Analysis

Through our Measurement and Analysis segment, our highly credentialed teams test and analyze air, water and soil to determine concentrations of contaminants as well as the toxicological impact of contaminants on flora, fauna and human health. Our offerings include source and ambient air testing and monitoring, leak detection and advanced analytical laboratory services such as air, storm water, wastewater and drinking water analysis. We are a market leader in environmental testing and laboratory services based on 2018 annual revenue according to EBI.

Remediation and Reuse

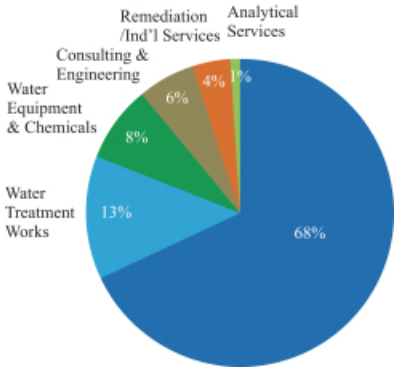
Through our Remediation and Reuse segment, we provide clients with engineering, design, implementation and operations and maintenance services, primarily to treat contaminated water, remove contaminants from soil or create biogas from agricultural waste. We do not own the properties or facilities at which we implement these projects or the underlying liabilities, nor do we own material amounts of the equipment used in projects; instead, we assist our clients in designing solutions, managing projects and mitigating their environmental risks and liabilities.

The Industry

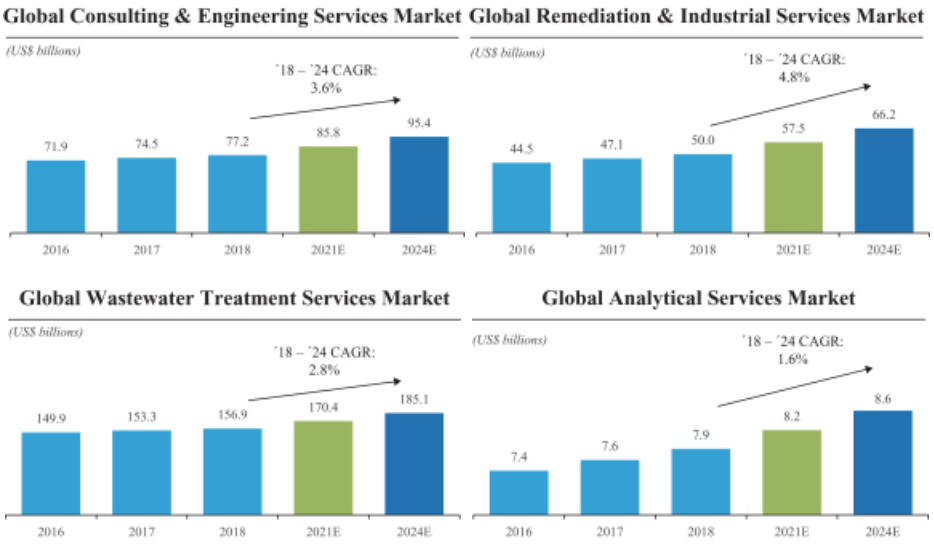
The environmental industry is large, growing, highly fragmented and subject to complex regulatory frameworks. Federal, state, provincial and local environmental regulations dictate compliance requirements that create demand for environmental services. Increasingly, public and stockholder interest in environmental sustainability is also driving prudent management of our shared and finite environmental resources.

Global Environmental Industry is Large and Growing

According to EBI, the global environmental industry is estimated to be approximately $1.25 trillion, with over 60% of such industry being concentrated in North America and Western Europe. The services within the industry which we currently offer represent a global market size of approximately $395 billion, which can be segmented as follows:



According to EBI, our approximately $395 billion addressable global market is expected to grow 3.4% per year from 2018 through 2024. Positive growth is expected across all environmental sectors in the global market with high growth rates in Remediation & Industrial Services and Consulting & Engineering Services, and more moderate growth in Wastewater Treatment Services and Analytical Services. A summary of estimated growth in some of the markets in which we operate (as grouped by EBI) is presented below:



Public Demands, Industrial Activity, Aging Infrastructure, Climate Change and Regulations Each Increase Need for Environmental Services

Heightened public awareness and increasing stockholder demand for environmental sustainability has increased the need and demand for environmental services. Many companies around the world have implemented initiatives on Sustainability and Corporate Social Responsibility, or CSR, and Environmental, Social and Governance, or ESG, making environmental impact a core factor in many business decisions. These initiatives are often focused on managing potential future risks, as opposed to past emphasis on compliance.

Steady increases in industrial activity and infrastructure investment, and the regulations underpinning these activities, are also driving demand for environmental services. In addition, environmental disruptions caused by climate change or aging infrastructure drive demand for environmental services. Infrastructure investments and environmental emergency responses often require substantial assessments, planning and/or permitting services in addition to environmental testing or remediation services. Industrial operations, including oil, gas and chemical production, require testing and monitoring throughout the manufacturing process to ensure continuous regulatory compliance. Testing and monitoring are typically recurring processes throughout the industrial production process.

In addition to current regulations, future regulatory changes may also drive demand for additional or different environmental services. In the United States, Canada and Australia, the federal, state, provincial and local regulations targeting air and water quality management, waste and contaminated soil management or reductions in greenhouse gas emissions, each of which drives portions of our business, have been implemented over many decades, and are subject to change and challenge.

As a result of the COVID-19 pandemic, there is a heightened focus on air quality. The World Bank ranked air pollution as the fourth-highest risk factor in 2013 in terms of attributable deaths and estimated that it costs the global economy approximately $5 trillion per year in welfare losses. We expect the World Health Organization, or the WHO, to update its air quality guidelines in 2020 and current projections forecast air pollution increasing over time. We expect the WHO's guidelines coupled with increasing pollution to catalyze local air quality regulations and therefore, demand for environmental services, particularly air quality services.

Independent of the COVID-19 pandemic, we expect these trends to continue and to spur growth in the environmental services industry.

The Environmental Services Industry is Highly Fragmented and Complex

According to EBI, thousands of firms operate in the markets in which we operate. Several larger firms provide environmental services as a small part of their broader product portfolio. However, much of the industry is served by small firms that provide limited service offerings addressing specific regulations and geographies. It is difficult for firms to expand given the technical expertise, accreditations and licenses necessary to serve a broad array of clients and industries across geographies and service lines. These dynamics create significant barriers to entry in our industry.

As clients increasingly seek effective, customized and streamlined solutions to address their impact on the environment, they will increasingly value environmental solutions providers with scale. Providers able to address the full lifecycle of environmental concerns and needs, particularly for companies and organizations with multi-jurisdictional footprints, and subject to complex regulatory frameworks, will continue to enjoy competitive advantages.

Competitive Strengths

We are a leading global brand focused on environmental services with a resilient and recurring revenue base anchored on long-term client relationships. Our focus on innovation, our ability to acquire and integrate leading companies, our highly accredited businesses and our experienced and credentialed team provide our clients with quality solutions and create significant barriers to entry. Our competitive strengths include:

Resilient and Recurring Revenue Across Political and Economic Cycles

Our revenues are resilient over political cycles primarily because our business is not dependent on any one regulatory framework. We have a diversified geographic footprint, and we often help clients comply with multiple regulatory frameworks. As a result, we are often insulated from major shifts in individual federal, state, provincial and local regulations. While federal governments set certain minimum standards, many state, provincial or local policies are more stringent. In addition, state, provincial and local governments often define how environmental standards will be met or implemented. These different levels of government often serve as counterweights to each other and minimize the risk and impact of sudden shifts in policy.

We believe our diverse portfolio of services and end markets position us to be resilient across economic cycles. For example, clients use our services when launching development projects, while maintaining ongoing operations, when decommissioning operations and when remediating the release of contaminants into air, water or soil. These client activities can occur at different times for different industries, regardless of economic cycles. In addition, many of our service offerings are typically non-discretionary and our projects often create significant economic value for our clients (in the form of reduced liability, cost savings or revenue streams), further incentivizing the continued use of our services. Furthermore, community demands, such as those for PFAS-free water, continue regardless of political or economic cycles. As another example, during the COVID-19 shelter-in-place orders, most of our services were deemed essential and continued to be requested by clients. Though there were some delays in the scheduling of certain services due to travel restrictions or social distancing requirements, the environmental and/or regulatory implications of not completing environmental projects has resulted in a resilient demand for our services. Clients generating over 90% of our revenue in the fiscal year ended December 31, 2017 repeated in the fiscal year ended December 31, 2018. Similarly, clients generating over 90% of our revenue in the fiscal year ended December 31, 2018 repeated in the fiscal year ended December 31, 2019.

As a result of these factors, combining our results with those of CTEH, our combined organic revenue has grown at an annual rate of 9% excluding CTEH revenues generated from major environmental events resulting in one or more projects contributing more than $4.0 million of revenue in any year, or at a rate of 7% per year since 2016 for Montrose alone. See the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Factors that Affect Our Business and Results—Organic Growth.”

Long-term Relationships Across a Large and Diversified Client Base

We currently serve over 4,500 clients. We have long-standing relationships with a number of Fortune 1000 companies and government entities, and our legacy businesses have been operating for as long as a century.

We provide services to our largest clients across multiple projects and/or multiple locations, and the number of services we provide to these clients varies from one project per year to several dozen projects per year. Our revenues are not, however, dependent on any one single client. In fiscal year ended December 31, 2019, our largest client represented approximately 7% of revenue, with these revenues derived from four separate projects. Our top twenty clients represented less than 35% of our revenue in the fiscal year ended December 31, 2019.

We also address a wide variety of end markets within the private and public sectors. We serve clients in nearly 30 end industries and no single industry comprised more than 12% of our revenue for the fiscal year ended December 31, 2019. Over the same period approximately 80% of our revenues were derived from the private sector and 20% from the public sector.

Differentiated Technology, Processes and Applications

Our focus on innovation and on accessing and developing proprietary technologies, processes and applications is a key competitive advantage and differentiator of our brand and services. These innovative tools complement our professionals' years of experience, technical expertise and industry knowledge and bolster the solutions we provide our clients. We have consistently used technology and process advancements across geographies, to accelerate growth and to address our clients' environmental concerns.

Recent examples of our use of innovative solutions include:

- **Advanced Air Quality Monitoring—**we identify sources of emissions in real time, with proprietary sensors and software, and/or at ultratrace levels, to produce data accepted by regulatory bodies.

- **Removal of PFAS from water**—we remove PFAS from water using patented technology and processes with almost no waste generation, with a smaller carbon footprint and at a lower cost than conventional alternatives.

Significant Scale with Global Reach

Clients value our ability to provide coordinated, diversified services across many geographies, including domestic and international geographies that reach beyond our approximately 70 locations. Through our strategic acquisitions and targeted recruiting, we have achieved a scale that combines knowledge of local environments and regulations with global reach, which positions us to win and execute our projects globally. As a result, we expect to continue to capture market share.

Our global footprint supports our ability to gain market share by attracting new clients and by expanding offerings to our existing clients. As clients seek environmental solutions providers able to address the life cycle of their environmental concerns and needs across jurisdictions, we believe our footprint and diversified portfolio of services position us well to attract and retain clients, and expand our relationships with those clients over time.

Our scale has enabled us to leverage our investments in technology, innovation and process resources in a way that we believe will continue to support our industry leadership position.

Proven Ability to Identify, Execute and Integrate Acquisitions

We have acquired and integrated over 50 businesses over the last eight years, and we intend to continue selectively acquiring companies in our industry. Key characteristics of past and expected acquisition targets include quality management teams, complementary services, access to differentiated technologies and extension of our geographic reach.

We believe we add value to the businesses we acquire by introducing a culture focused on teamwork and innovation, and by providing superior operating discipline. The majority of owners and key personnel of our acquired businesses have remained with us, in large part due to our ability to effectively integrate them into our existing team. As a result of our focus on integration, our acquired businesses typically begin contributing to our

organic growth after the first year following acquisition. Post-acquisition performance is driven by revenue synergies and operating leverage through corporate cost allocation over a larger base, as demonstrated by our consistent organic revenue growth and improving margin profile.

We maintain a robust acquisition pipeline primarily driven by word of mouth and existing relationships. As we have to-date, we intend to continue acquiring businesses at disciplined valuation levels. We believe our approach to acquisitions will enable us to continue creating substantial value.

Experienced Management Team Coupled With a Team-Centric Culture

Our leadership and culture define who we are. Our senior leadership team includes industry pioneers who have led a number of industry organizations and are considered among the foremost experts in the environmental services industry. The average tenure of our operational leadership in the environmental industry is 25 years. Our key executives and board members also have extensive experience in growing businesses both organically and through acquisitions.

Our management and employees share a passion for the environment and a compassion for each other. We received the U.S. National Safety Council Award for each of 2017 and 2018 in recognition of our excellence in safety across our business. In addition, our employees' dedication to supporting each other has led to the establishment of The Montrose Community Foundation, a non-profit organization formed and operated by our employees for the benefit of our employees. Through its volunteer board, The Montrose Community Foundation uses employee donations to provide resources to our employees in times of need. Our employees' dedication of personal time and resources solely for the benefit of their colleagues exemplifies our team-oriented culture.

We believe it is our strong management team and our culture that enables us to attract and retain our exceptional talent.

Growth Strategies

Our goal is to become a global leader in the growing environmental services industry. We expect to continue growing organically by expanding existing client relationships, developing new client relationships and investing in sales and marketing infrastructure. We also expect to continue growing by strategically acquiring companies in our highly fragmented industry. Our proven ability to recruit and retain industry leaders and innovators will further contribute to our growth. We believe these growth strategies position us well to capture market share from competitors and benefit from industry growth.

Continue Organic Growth

- ***Expand existing local relationships into national and international relationships:*** Many of our clients have a broad national and international presence. Historically, these clients have often managed their environmental programs locally by using regional service providers. However, these clients often have a desire to standardize their programs across geographies, which requires their environmental services providers to have the scale, reach and capabilities to match their footprint. Meeting this need is challenging for many in our industry given their regional focus and limited service offerings. Our geographic reach, strong relationships and reputation for quality enable us to address our clients' ever-growing and diverse needs in a way most of our regional competitors cannot. As a result, we have generated many intra-client referrals and won new business with existing clients in geographies historically served by competitors. We intend to continue to expand into new geographies where our existing clients operate.

- ***Sell additional environmental services to existing clients:*** Many of our clients have historically hired us for a specific environmental service such as environmental audits or tests. As we have diversified our service offerings, and as clients have grown accustomed to the quality and consistency that our teams provide, clients have increasingly engaged us to perform additional environmental services. As a result, we have won new business historically served by competitors that are typically single service-line focused. We expect to continue cross-selling additional environmental services to existing clients with multidimensional needs, including where we can replace services provided in-house.

- ***Deploy innovative technologies, processes and applications to address unmet client needs:*** Newly identified contaminants, public health concerns and changes to regulations have created, and are expected to continue to create, unmet environmental service needs for many of our current and prospective clients. Our investments in innovation – both stand-alone and through partnerships – have better equipped us to address these client needs in a manner that differentiates us from our competitors. We have won and expect to continue winning business from both existing and new clients because of the innovative solutions we offer.

- ***Provide sales training and build a targeted sales team to drive growth and acquire new clients:*** We have historically operated with very limited sales resources. Increased demand for our services has primarily been driven by word of mouth. More recently, we have started investing in our dedicated sales capabilities and intend to continue these efforts. We are providing sales training to our technical practitioners, investing in customer relationship management systems and building a targeted sales force to help identify new clients and capture market share from competitors. Sales training and a targeted sales force will also enable us to accelerate growth initiatives with existing clients, including through geographic expansion and cross-selling of additional services.

- ***Build Montrose brand awareness and marketing capabilities:*** We believe we are uniquely positioned to capitalize on the growing demand for environmental services. Even though we have not historically invested in marketing our brand, our business has expanded both geographically and in our service offerings in response to client needs. For example, consumer demand for clean water continues to generate demand for our water treatment technology and service both in the United States and internationally, including in Europe where we anticipate expanding into over the upcoming years. Client demand for renewable energy sources has also resulted in us creating and building out our Waste-to-Energy (biogas) service line. We intend to build brand awareness, expand field marketing efforts and create relevant content to showcase our ability to address environmental needs for clients and communities. We believe our brand development efforts will be very additive to our sales and organic growth initiatives.

- ***Capture environmental service opportunities arising from federal, state or provincial stimulus measures:*** As a result of the COVID-19 pandemic, governments have enacted or are in the process of enacting economic stimulus packages to bolster economic recovery from shelter in place and other similar orders. These stimulus packages may include incentives and guidelines to target improved water treatment and water infrastructure, soil remediation and land development, air quality improvement, and infrastructure development initiatives (which often require environmental assessments). If enacted, these initiatives are expected to directly or indirectly increase demand for our environmental services and would be additive to our organic growth opportunities.

- ***Utilize our expertise in environmental toxicology and emergency response to support COVID-19-related preparation and response plans:*** Through the acquisition of CTEH we have expanded our toxicology and environmental response capabilities. Though these capabilities are typically used

during environmental emergencies that often arise from aging infrastructure or from the impacts of climate change, they are also utilized in response to chemical and biological incidents such as the COVID-19 pandemic. As a result, we have been engaged by more than 70 clients to help them prepare for, respond to and/or address issues resulting from exposure to COVID-19. Though our business strategy is not focused on pandemic response, we believe CTEH's COVID-19 related response opportunities will accelerate our growth for the short term and provide cross-selling opportunities with new and existing clients.

Pursue Strategic Acquisitions

The environmental services industry is highly fragmented and has no single leading brand. Through strategic acquisitions, we can continue to accelerate our growth, brand development and market leadership. Over the last eight years, we have acquired and integrated over 50 businesses that have provided us with talent, complementary services, access to differentiated technologies and geographic reach. Many of our acquisitions were initiated with personal introductions given our favorable reputation in the market. We believe our ability to identify, execute and integrate acquisitions and retain talent has been and remains a key driver of our operational and financial success.

Our pipeline of potential future acquisitions is robust, and we plan to continue pursuing acquisitions to enhance our strategic and competitive positions in existing and new markets.

Recruit and Retain Industry Leaders

Given the highly technical nature of many of our services, our ability to recruit and retain talent enhances our ability to capture market share. We believe our mission and focus on the environment, our emphasis on ownership opportunities for our employees and our team of renowned industry leaders creates a competitive advantage when competing for talent.

Risks Affecting Our Business

Our business is subject to numerous risks and uncertainties, including those highlighted in the section entitled "Risk Factors" immediately following this prospectus summary. These risks include, but are not limited to, the following:

- our limited operating history;
- our history of losses and ability to achieve profitability;
- general global economic, business and other conditions and the cyclical nature of some of our end markets;
- the impact of the COVID-19 pandemic;
- the parts of our business that depend on difficult to predict natural or manmade events;
- the highly competitive nature of our business;
- our ability to execute on our acquisition strategy and successfully integrate and realize benefits of our acquisitions;
- our ability to promote and develop our brands;

- our ability to expand our client base;
- our ability to maintain necessary accreditations and other authorizations;
- significant environmental governmental regulation; and
- our ability to attract and retain qualified managerial and skilled technical personnel.

You should carefully consider all of the information set forth in this prospectus and, in particular, the information in the section entitled "Risk Factors" beginning on page 16 of this prospectus prior to making an investment in our common stock. These risks could, among other things, prevent us from successfully executing our strategies and could have a material adverse effect on our business, financial condition and results of operations.

Principal Executive Offices

We were incorporated in Delaware in November 2013. Our principal executive offices are located at 1 Park Plaza, Suite 1000, Irvine, CA 92614 and our telephone number is (949) 988-3500. Our website address is www.montrose-environmental.com. Information contained on our website or linked therein or otherwise connected thereto does not constitute part of nor is it incorporated by reference into this prospectus or the registration statement of which this prospectus forms a part, and the inclusion of our website address in this prospectus is an inactive textual reference only.

Implications of Being an Emerging Growth Company

As a company with less than $1.07 billion in revenue during our most recently completed fiscal year, we qualify as an "emerging growth company" as defined in Section 2(a) of the Securities Act of 1933, as amended, or the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. As an emerging growth company, we may take advantage of specified reduced disclosure and other requirements that are otherwise applicable generally to public companies that are not emerging growth companies. These provisions include:

- reduced disclosure about our executive compensation arrangements in our periodic reports, proxy statements and registration statements;
- reduced obligations with respect to financial data, including presenting only two years of audited consolidated financial statements and only two years of selected financial data;
- exemption from non-binding stockholder advisory votes on executive compensation or golden parachute arrangements; and
- exemption from the auditor attestation requirement in the assessment of our internal control over financial reporting.

We may take advantage of these exemptions for up to five years or such earlier time that we are no longer an emerging growth company. We will cease to be an emerging growth company upon the earliest of: (i) the end of the fiscal year following the fifth anniversary of this offering; (ii) the last day of the fiscal year during which our annual gross revenues are $1.07 billion or more; (iii) the date on which we have, during the previous three-year period, issued more than $1.0 billion in non-convertible debt securities; or (iv) the end of any fiscal year in which the market value of our common stock held by non-affiliates exceeded $700.0 million as of the end of the second quarter of that fiscal year.

We have elected to take advantage of certain reduced disclosure obligations in this prospectus, and we may elect to take advantage of other reduced disclosure obligations in future filings with the Securities and Exchange Commission, or SEC, while we remain an emerging growth company. If we do, the information that we provide stockholders may be different than what you might receive from other public reporting companies in which you may have equity interests.

The JOBS Act permits an emerging growth company such as us to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies. We have chosen to "opt in" to this extended transition period for complying with new or revised accounting standards and, as a result, we will not be subject to the same new or revised accounting standards as other public companies that comply with such new or revised standards on a non-delayed basis.

THE OFFERING

Common stock offered by us	shares (or shares if the underwriters exercise in full their option to purchase additional shares).
Common stock to be outstanding immediately after this offering	shares (or shares if the underwriters exercise in full their option to purchase additional shares).
Use of proceeds	We estimate our proceeds from this offering will be approximately $ million (or approximately $ million if the underwriters exercise in full their option to purchase additional shares), based on the midpoint of the estimated initial public offering price range set forth on the cover page of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us. We intend to use approximately $ million of the net proceeds from this offering in connection with the redemption of all outstanding shares of our Series A-1 preferred stock and the remainder for general corporate purposes, including future investments in innovation and acquisitions in our highly fragmented industry. See the sections entitled "Use of Proceeds" and "Underwriting."
NYSE Trading Symbol	"MEG"

The number of shares of our common stock to be outstanding immediately after this offering as set forth above is based on the number of shares outstanding as of March 31, 2020 and excludes:

- shares of common stock issuable as of March 31, 2020, upon the exercise of options outstanding under the Montrose Environmental Group, Inc. Amended and Restated 2013 Stock Option Plan as amended, or our 2013 Stock Plan, and the Montrose Environmental Group, Inc. Amended and Restated 2017 Stock Incentive Plan, or the 2017 Stock Plan, as of the date of this prospectus, at a weighted average exercise price of approximately $ per share;
- shares of common stock issuable as of March 31, 2020, upon the vesting of outstanding awards of restricted stock and stock-settled restricted stock units;
- shares of common stock subject to awards issued to eligible participants under the 2017 Stock Plan as of March 31, 2020, subject to the consummation of this offering, including shares subject to such awards granted to our named executive officers (based on the midpoint of the estimated initial public offering price range set forth on the cover page of this prospectus);
- shares of common stock reserved as of March 31, 2020, for future issuance under the 2017 Stock Plan;
- shares of common stock issuable upon the exercise of the stock purchase warrant issued in connection with the issuance of our Series A-2 preferred stock with an exercise price of $0.01 per share, or the Series A-2 Warrant, based on the midpoint of the estimated initial public offering price range set forth on the cover page of this prospectus (with the number of shares for which the

Series A-2 Warrant is exercisable subject to increase up to a maximum of 1,351,960 shares depending on the final per share initial public offering price in this offering);

- shares of common stock issuable as of March 31, 2020, upon the exercise of outstanding stock purchase warrants (other than the Series A-2 Warrant) at a weighted average exercise price of approximately $ per share; and

- up to shares of common stock that may be issued as contingent earn-out consideration over the next two years in connection with our acquisition of CTEH, based on the midpoint of the estimated initial public offering price range set forth on the cover page of this prospectus.

Unless otherwise indicated, this prospectus:

- gives effect to a for one stock split, which will occur prior to the effective date of the registration statement;

- assumes the redemption of all outstanding shares of our Series A-1 preferred stock in connection with this offering, including the payment by us, in shares of common stock, of the maximum portion of the per-share redemption price payable in common stock, as permitted under the related certificate of designation;

- gives effect to our amended and restated certificate of incorporation and our amended and restated bylaws, which will become effective prior to the effectiveness of the registration statement of which this prospectus forms a part;

- assumes an initial public offering price of $ per share, the midpoint of the estimated initial public offering price range set forth on the cover page of this prospectus; and

- assumes no exercise of the underwriters' option to purchase up to an additional shares of our common stock.

See the sections entitled "Capitalization," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Description of Capital Stock."

SUMMARY CONSOLIDATED FINANCIAL AND OTHER DATA

The following tables summarize certain summary historical consolidated financial and other data as of and for the periods indicated. Our summary consolidated balance sheet data presented below as of December 31, 2019 and December 31, 2018, and our summary consolidated statements of operations and cash flow data presented below for the period then ended have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The summary consolidated statements of operations and cash flow data presented below for the three months ended March 31, 2020 and 2019, and the consolidated balance sheet data as of March 31, 2020, are derived from our unaudited condensed consolidated financial statements included elsewhere in this prospectus. The unaudited condensed consolidated financial statements were prepared on a basis consistent with our audited consolidated financial statements and, in the opinion of management, include all adjustments of a normal, recurring nature that are necessary for the fair presentation of the financial statements. Except where otherwise noted, our summary consolidated balance sheet data presented below as of December 31, 2017 and December 31, 2016, and our summary consolidated statements of operations and cash flow data presented below for the periods then ended, have been derived from our financial statements not included in this prospectus. Our historical results presented below are not necessarily indicative of the results to be expected for any future period.

The information presented below should be read in conjunction with "Use of Proceeds," "Capitalization," "Unaudited Pro Forma Financial Information," "Selected Historical Consolidated Financial Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Non-GAAP Financial Information," "Related Party Transactions," "Description of Certain Indebtedness" and our audited consolidated financial statements and related notes included elsewhere in this prospectus.

	For the Years Ended December 31,				For the Three Months Ended March 31,	
	2016	2017	2018	2019	2019	2020
	(in thousands except per share and percentage data)					
Consolidated Statement of Operations Data:						
Revenues	$114,780	$137,647	$188,805	$233,854	$ 50,954	$ 61,031
Cost of revenues (exclusive of depreciation and amortization)	74,605	86,324	134,734	163,983	37,095	44,398
Selling, general and administrative expense	34,985	42,539	38,615	50,663	10,447	20,931
Related-party expense	1,162	1,619	2,180	448	159	119
Depreciation and amortization	15,023	18,828	23,915	27,705	6,449	7,560
Loss from operations	(10,995)	(11,663)	(10,639)	(8,945)	(3,196)	(11,977)
Net loss	$ (8,946)	$ (10,549)	$ (16,491)	$ (23,557)	$ (5,242)	$ (41,248)
Weighted average common shares outstanding—basic and diluted	6,373	7,116	7,533	8,789	8,672	8,904
Net loss per shares attributable to common stockholders—basic and diluted	$ (1.40)	$ (3.93)	$ (2.79)	$ (4.91)	$ (1.13)	$ (5.24)
Other financial data (unaudited)						
Operating margin(1)	(9.6)%	(8.5)%	(5.6)%	(3.8)%	(6.3)%	(19.6)%
Adjusted EBITDA(2)	$ 7,329	$ 13,833	$ 19,313	$ 31,242	$ 4,674	$ 5,553
Adjusted EBITDA margin(2)(3)	6.4%	10.0%	10.2%	13.4%	9.2%	9.1%
Consolidated Statement of Cash Flows Data:						
Net cash provided by (used in) operating activities	$ 4,287	$ 7,553	$ (2,845)	$ 17,042	$ 100	$ (8,978)
Net cash used in investing activities	(7,182)	(37,740)	(50,283)	(86,983)	(1,573)	(1,660)
Net cash provided by financing activities	3,621	33,745	50,850	74,452	676	5,238
Change in cash, cash equivalents and restricted cash	$ 726	$ 3,558	$ (2,278)	$ 4,511	$ (797)	$ (5,400)
Consolidated Statement of Financial Position Data:						
Current assets	$ 28,226	$ 38,910	$ 53,999	$ 73,239	$ 55,493	$ 64,561
Non-current assets	105,186	139,652	180,372	258,599	177,728	255,386
Total assets	$133,412	$178,562	$234,371	$331,838	$233,221	$319,947
Current liabilities	$ 27,409	$ 25,866	$ 42,365	$ 73,252	$ 43,281	$ 62,414
Non-current liabilities	58,109	102,078	75,900	156,055	77,842	195,063
Total liabilities	85,518	127,944	118,265	229,307	121,123	257,477
Redeemable Series A-1 preferred stock			109,206	128,822	113,740	134,237
Convertible preferred stock	27,582	45,017				
Total stockholders' equity (deficit)	20,312	5,601	6,900	(26,291)	(1,642)	(71,767)
Total liabilities, Redeemable Series A-1 preferred stock, convertible preferred stock and stockholders' equity (deficit)	$133,412	$178,562	$234,371	$331,838	$233,221	$319,947

(1) Operating margin represents loss from operations as a percentage of revenues.

(2) Non-GAAP measure. See the section entitled "Non-GAAP Financial Information" for a discussion of non-GAAP measures and a reconciliation thereof to the most directly comparable GAAP measure.

(3) Represents Adjusted EBITDA as a percentage of revenues.

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information in this prospectus, including the financial statements and the related notes appearing elsewhere in this prospectus, before making an investment decision. If any of the following risks actually occurs, our business, financial condition and results of operations could be materially and adversely affected and the trading price of our common stock could decline, causing you to lose all or part of your investment in our common stock.

Additionally, the COVID-19 pandemic may amplify many of the risks discussed below to which we are subject and, given the unpredictable, unprecedented and fluid nature of the pandemic, it may materially and adversely affect us in ways that are not anticipated by or known to us or that we do not consider to present significant risk. Therefore, we are unable to estimate the extent to which the pandemic and its related impacts will adversely affect our business, financial condition and results of operations as well as our stock price following completion of this offering.

Risks Related to Our Business and Industry

Our limited operating history may make it difficult to evaluate our business, which may be unsuccessful.

We have a limited operating history since our inception in 2012. As such, there is limited information on which to base an evaluation of our business and prospects. Our operations are subject to all of the risks inherent in the establishment of a recently formed business. Our success may be limited by expenses, difficulties, complications, problems and delays, including the need for additional financing, uncertainty surrounding our research and development efforts, challenges with the successful commercialization of our services, market and client acceptance of our services, unexpected issues with federal or state regulatory authorities, competition from larger organizations, uncertain intellectual property protection, fluctuations in expenses and dependence on corporate partners and collaborators. Any failure to successfully address these and other risks and uncertainties commonly associated with early stage companies could seriously harm our business and prospects, and we may not succeed given the technological, marketing, strategic and competitive challenges we will face in the sectors in which we operate or may choose to operate in the future. Any evaluation of our business and our prospects must be considered in light of these factors and the other risks and uncertainties frequently encountered by companies in our stage of development. No assurance can be given that we will successfully navigate these issues or implement any of our plans for future growth in a timely or effective manner, including our acquisition strategy, which would negatively impact our business, financial condition and results of operations.

We have a history of losses and may not be able to achieve or sustain profitability in the future.

While we have been able to generate revenues, we may not be able to increase the amount of revenues we generate, and we might incur net losses for some time as we continue to grow. We experienced net losses in each year since inception, including net losses of $23.6 million and $16.5 million for the fiscal years ended December 31, 2019 and December 31, 2018, respectively, and we may incur net losses in the future. As of December 31, 2019, we had an accumulated deficit of $64.4 million. It is difficult for us to predict our future results of operations, and we expect our operating expenses to increase significantly over the next several years as we continue to hire additional personnel, expand our operations and infrastructure, integrate completed acquisitions, make and integrate future acquisitions and invest in research and development. In addition to the expected costs to grow our business, we also expect to incur significant additional legal, accounting and other expenses as a newly public company. If we fail to increase our revenue to offset the increases in our operating expenses, we may not achieve or sustain profitability in the future.

General global economic, business and other conditions and our vulnerability to the cyclical nature of the sectors and industries in which our clients operate, may adversely affect our business.

We compete in various end markets and geographic regions domestically and around the world. We provide environmental services to clients operating in a number of sectors and industries, including the financial, oil & gas, utilities, construction, automotive, real-estate, midstream energy, manufacturing, commodities, petrochemical, tobacco, food and beverage, telecommunications and engineering industries, as well as local, state, provincial and federal government entities. These sectors and industries and the resulting demand for our services have been, and we expect will continue to be, cyclical and subject to significant fluctuations due to a variety of factors beyond our control, including economic conditions, regulatory requirements, appropriation levels and changes in client capital spending, particularly during periods of economic or political uncertainty. Important factors for our business and the businesses of our clients include macroeconomic conditions, the overall strength of, and our clients' confidence in, the economy, industrial and governmental capital spending, governmental fiscal and trading policies, environmental and regulatory policies the strength of the residential and commercial real estate markets, unemployment rates, consumer spending, availability of financing, interest rates, tax rates and changes in tax laws, political conditions, energy and commodity prices and programs such as renewable fuel standard programs and low-carbon fuel standard programs.

While we attempt to minimize our exposure to economic or market fluctuations by serving a balanced mix of end markets and geographic regions, any of the above factors, individually or in the aggregate, or a significant or sustained downturn in a specific end market or geographic region, can impact our business and that of our clients. These factors may make it difficult for our clients and us to accurately forecast and plan future business activities; neither we nor our clients can predict the timing, strength or duration of any economic downturn or subsequent recovery. Furthermore, if a significant portion of our clients or projects are concentrated in a specific geographic area or industry, our business may be disproportionately affected by negative trends or economic downturns in those specific geographic areas or industries. These factors may also cause our clients to reduce their capital expenditures, alter the mix of services purchased, seek more favorable price and other contract terms and otherwise slow their spending on our services. In addition, due to these conditions, many of our competitors may be more inclined to take greater or unusual risks or accept terms and conditions in contracts that we might not deem acceptable. These conditions and factors may reduce the demand for our services and solutions, and more generally may adversely affect our business, financial condition and results of operations.

The COVID-19 pandemic has adversely affected our business and may continue to do so.

On March 11, 2020, the World Health Organization designated the global outbreak of a new strain of coronavirus, COVID-19, a pandemic. The global and domestic response to the COVID-19 pandemic by both governments and businesses has been unprecedented and continues to rapidly evolve. Responsive measures have included mandates from federal, state, provincial and/or local authorities that restrict movement and travel, such as quarantines and shelter-in-place requirements, and restrict or require closure of some or all commercial and business activity. These measures, though currently temporary in nature and in some cases being lessened or lifted entirely in many geographies, may become more severe and may continue indefinitely depending on the evolution of the outbreak.

Our business has been adversely, and may be materially adversely affected, by the COVID-19 pandemic and the global response. We provide important services to the public's health, safety, and welfare through a range of services, including air and water quality testing, water treatment, soil remediation, renewable energy generation, environmental response, and COVID-19 response support and therefore most of our business requiring on-site or in-office or laboratory work has been classified as "essential" in most jurisdictions in which we operate. As such, most of our business has remained open and operational thus far. However, there is no guarantee that this classification will not change in the future or that we will not voluntarily limit or cease operations in one or more markets if we believe doing so is necessary or otherwise in our best interests, including for the health and safety of our employees. We have experienced some postponements and cancellations of

projects in our Measurement and Analysis segment as a result of the COVID-19 pandemic. These delays and cancellations are expected to adversely affect our results of operations, particularly in the second quarter of, and, if pandemic conditions persist, further into, 2020. The closure of client sites, limitations on our ability to travel to client sites and other disruptions to our operations and the availability of the resources we need to provide our services could also adversely impact our ability to provide our services. If any of the third parties with whom we work, including our customers and suppliers, are adversely affected by the pandemic, we could similarly be negatively impacted, even if the pandemic is not directly impacting our operations.

The COVID-19 pandemic has adversely affected many industries as well as the economies and financial markets of many countries, causing a significant deceleration of economic activity. This slowdown has reduced production, decreased demand for a broad variety of goods and services, diminished trade levels and led to widespread corporate downsizing, causing a sharp increase in unemployment. We have also seen significant disruption of and extreme volatility in the global capital markets, which could increase the cost of, or entirely restrict access to, capital. The impact of this outbreak on the United States and world economies is uncertain and, unless the pandemic is contained, these adverse impacts could worsen, impacting all segments of the global economy, and could result in a significant recession or worse, any of which could impact our business.

Considerable uncertainty still surrounds the COVID-19 virus as well as the extent and effectiveness of any potential treatments or vaccines in addition to responses taken on a local, national and global level. The pandemic may become more widespread and that could accelerate or magnify one or more of the risks described above or elsewhere in this prospectus. While we expect the pandemic and related events will have a negative effect on our business, the full extent and scope of the impact on our business and industry as well as on national, regional and global markets and economies is highly uncertain and cannot be predicted. Accordingly, our ability to conduct our business in the manner and on the timelines previously done or presently planned could be adversely affected. Any of the foregoing risks, or other direct or indirect effects of the COVID-19 pandemic that are not currently foreseeable, could materially and adversely affect our business, financial condition and results of operations.

Parts of our business may depend on certain natural or manmade events which are impossible to predict, and our revenue and customer concentration resulting from these businesses may fluctuate significantly based on the frequency and scale of these events.

Certain of our businesses depend on specific environmental circumstances, including both naturally occurring and manmade events. Our Assessment, Permitting and Response segment, in particular, which includes the operations of CTEH, our most recent acquisition, engages in response activities following an environmental incident or a natural disaster. There is no way for us to predict the occurrence of these events, nor the significance, duration or outcome of the events. As a result, this segment may experience revenues one year that are not indicative of future results due to the occurrence of an incident that was neither typical nor predictable. The volatile nature of our environmental emergency response business, and its dependency on factors beyond our control, makes it difficult to predict its potential profitability or success. Any extended period without these types of events or other downturn in activity for these business lines may negatively impact our business, financial condition and results of operations.

In addition, as a result of the nature of these services, our Assessment, Permitting and Response segment may at times experience higher customer concentration levels based on the severity, duration and outcome of environmental emergencies (e.g. those caused by natural disasters and industrial accidents) for which we provide response services. For example, for the fiscal year ended December 31, 2019, 54% of CTEH's revenues were attributable to just two customers, each of whom engaged CTEH in connection with significant environmental accidents. We cannot predict from period to period whether we will experience risks associated with high customer concentration, including the inability of such customers to pay for our services, and such concentration could have a material adverse effect on our business, financial condition and results of operations.

We engage in a highly competitive business and any failure to effectively compete could have a material adverse effect on us.

The assessment, permitting and response, measurement and analysis and remediation and reuse industries are highly fragmented and competitive. Our primary competitors in these industries include companies that specialize in one or more services similar to those offered by us on a local or regional basis. We also compete with global, national, regional and local firms specializing in testing, environmental engineering and consulting services, remediation services and other services we provide. Some of our primary competitors include, in our Assessment, Permitting and Response segment, the environmental divisions of Exponent, Trinity Consultants and other small businesses, in our Measurement and Analysis segment, the environmental divisions of SGS, Bureau Veritas and Eurofins, Pace Analytical and environmental divisions of large testing companies and other small businesses, and in our Remediation and Reuse segment, the environmental divisions or remediation segments of NV5, Tetratech, AECOM, other large engineering companies and other small businesses. It is also possible that our clients may establish in-house capabilities to perform certain services that we currently provide.

We operate in markets that are characterized by client demand that is often broad in scope but localized in delivery. We compete with companies that may be better positioned to capitalize on highly localized relationships and knowledge that are difficult for us to replicate. Our potential clients may prefer local providers, whether because of existing relationships or local legal restrictions or incentives that favor local businesses. Smaller regional companies may also have lower cost structures with fewer fixed costs. As a result, efforts to expand, whether organically or through acquisition, or support our service network may not improve our ability to penetrate new local markets or expand our footprint in existing markets. New entrants to our key markets could cause us to lose clients and otherwise harm our competitive position.

Competition in our industry is based on many factors, but we believe the principal points of competition in our markets are the quality, range, pricing, technology and availability of services. Maintaining and improving our competitive position will require successful management of these factors, including continued investment by us in research and development, sales, marketing, technology, customer service and support, personnel and our professional networks. Our future growth rate depends upon our ability to compete successfully, which is impacted by a number of factors, including our ability to identify emerging technological trends in our target end markets, develop and maintain a wide range of competitive and appropriately priced services and solutions, defend our market share against competitors, including new and non-traditional competitors, expand into new markets and attract, develop and retain individuals with the requisite technical expertise and understanding of clients' needs to develop and sell new services.

We may not be successful in maintaining or growing our competitive position for a number of reasons. Some of our competitors may have access to greater financial or other resources than we do, which may afford them greater power, efficiency, financial flexibility, geographical reach or capital resources for growth. In addition, some of our competitors are vertically integrated and can leverage this structure to their advantage. We may fail to identify optimal service or geographic markets, focus our attention in suboptimal service or geographic markets or fail to execute an appropriate business model in certain service or geographic markets. Our competitors may develop new services or technologies that are superior to ours, develop more efficient or effective methods of providing services or adapt more quickly, efficiently or effectively than we do to new technologies. Our competitors may be positioned to provide better service or influence client requirements, or more quickly respond to changing client requirements, and thereby establish stronger relationships with clients. Our competitors may offer their services at lower prices because, among other things, they possess the ability to provide similar services more efficiently, as part of a bundle with other services or generally at a lower cost. These pricing pressures could cause us to lower the price for any one or more of our services to at or below our costs, requiring us to sacrifice margins or incur losses. Alternatively, we may choose to forgo entering certain markets or exit others, which would limit our growth and competitive reach.

Any failure by us to compete or to generally maintain and improve our competitive position could have a material adverse effect on our business, financial condition and results of operations.

The success of our business depends, in part, on our ability to execute on our acquisition strategy.

A significant portion of our historical growth has occurred through acquisitions, and we anticipate continued growth through acquisitions in the future. Our growth strategy is primarily dependent on acquiring and integrating the operations of companies in the environmental services industry. In each of fiscal year 2018 and 2019, we acquired seven companies, including Emerging Compounds Treatment Technologies, Inc., or ECT2, and thus far in 2020, we have acquired one company, CTEH, our largest acquisition to date. We are presently evaluating, and we expect to continue to evaluate on an ongoing basis, a variety of possible acquisition transactions. We cannot predict the timing of any contemplated transactions, and there can be no assurances that we will identify suitable acquisition opportunities or, if we do identify such opportunities, that any transaction can be consummated on terms acceptable to us. We also compete for acquisitions with other potential acquirers, some of which may have greater financial or operational resources than we do. A significant change in our business or the economy, an unexpected decrease in our cash flows or any restrictions imposed by our debt may limit our ability to obtain the necessary capital for acquisitions or otherwise impede our ability to complete an acquisition. Certain proposed acquisitions or dispositions may also trigger a review by the U.S. Department of Justice, or DOJ, and the U.S. Federal Trade Commission, or FTC, under their respective regulatory authority, focusing on the effects on competition, including the size or structure of the relevant markets and the pro-competitive benefits of the transaction. Any delay, prohibition or modification required by regulatory authorities could adversely affect the terms of a proposed acquisition or could require us to modify or abandon an otherwise attractive acquisition opportunity. The failure to identify suitable transaction partners and to consummate transactions on acceptable terms could have a material adverse effect on our business, financial condition and results of operations.

Our acquisition strategy exposes us to significant risks and additional costs.

Acquisitions involve risks that the businesses acquired will not perform as expected and that judgments concerning the value, strengths and weaknesses of acquired businesses will prove wrong. We may not accurately assess the value, strengths, weaknesses or potential profitability of an acquisition target, and our acquisition strategy for a particular business may prove to be unsuccessful or expose us to additional risks. For example, because we will soon be implementing a new enterprise resource planning, or ERP, system, we have determined to delay integration of our recent CTEH acquisition, which could lead to duplicative and increased costs and inefficiencies or other problems, including issues with our controls and other accounting systems. We may become liable for certain unforeseen pre-acquisition liabilities of an acquired business, including, among others, tax liabilities, environmental liabilities, contingent liabilities and liabilities for employment practices, and these liabilities could be significant. In addition, an acquisition could result in the impairment of client relationships and other acquired assets such as goodwill. We may also incur costs and experience inefficiencies to the extent an acquisition expands the industries, products, markets or geographies in which we operate due to our limited exposure to and experience in a given industry, market or region. Acquisitions may require that we incur additional debt to finance the transaction, which could be substantial and limit our operating flexibility or, alternatively, acquisitions may require that we issue stock as consideration, which could dilute share ownership. Acquisitions can also involve post-transaction disputes regarding a number of matters, including a purchase price or working capital adjustment, earn-out or other contingent payments, environmental liabilities or other obligations. Our recent growth and our acquisition strategy have placed, and will continue to place, significant demands on our management's time, which may divert their attention from our day-to-day business operations, and may lead to significant due diligence and other expenses regardless of whether we pursue or consummate any acquisition. We may also not be able to manage our growth through acquisitions due to the number and the diversity of the businesses we have acquired or for other reasons. If any of these risks were to occur, our business, financial condition and results of operations may be adversely affected.

Any inability to successfully integrate our recent or future acquisitions, or realize their anticipated benefits, could have a material adverse effect on us.

Acquisitions have required, and in the future will require, that we integrate into our existing operations separate companies that historically operated independently or as part of another, larger organization, and had different systems, processes and cultures. Acquisitions may require integration of finance and administrative organizations and involve exposure to different legal and regulatory regimes in jurisdictions in which we have not previously operated.

We may not be able to successfully integrate any business we have acquired or may acquire, or may not be able to do so in a timely, efficient or cost-effective manner. Our inability to effectively complete the integration of new businesses on schedule and in an orderly manner could increase costs and lower profits. Risks involved with the successful integration of an acquired business include, but are not limited to:

- diverting the attention of our management and that of the acquired business;
- merging or linking different accounting and financial reporting systems and systems of internal controls and, in some instances, implementing new controls and procedures;
- merging computer, technology and other information networks and systems, including enterprise resource planning systems;
- assimilating personnel, human resources and other administrative departments and potentially contrasting corporate cultures;
- integrating our governmental contracting work with similar services provided by acquired companies;
- incurring or guaranteeing additional indebtedness;
- disrupting relationships with or losses of key clients and suppliers of our business or the acquired business;
- interfering with, or loss of momentum in, our ongoing business or that of the acquired company;
- failure to retain our key personnel or that of the acquired company; and
- delays or cost-overruns in the integration process.

Our inability to manage our growth through acquisitions, including the integration process, and to realize the anticipated benefits of an acquisition could have a material adverse effect on our business, financial condition and results of operations.

We may not be successful in promoting and further developing our brands, which could adversely affect our business.

We have a limited operating history as a company and, as a result, the Montrose Environmental brand is not fully established, although many of the brands we use, including those acquired through our acquisition activity, have a longer and more well-established history. Our industry is highly fragmented and we believe that our future success depends in part on our ability to maintain and further strengthen the Montrose Environmental brand across the diverse range of environmental services that we provide. Strengthening our brand will require significant time, expense and the attention of management, and any success will depend largely on our marketing

efforts and ability to provide our clients with high-quality services. If a client is not satisfied with our services, including those of our technical employees, it may be more damaging to our brand and business as compared to that of larger, more established companies. Additionally, to the extent our clients draw regulatory or media scrutiny regarding their environmental impact or other areas where we may provide services to them, we may as a consequence also draw scrutiny. If we fail to successfully maintain and continue to grow the Montrose Environmental brand and our other brands through promotion and other efforts, incur excessive unanticipated expenses in attempting to promote and maintain our brands, or lose clients as a result, our business, financial condition and results of operations may be adversely affected.

We may work on high profile projects, and any negative publicity or perceived failures of those projects, or litigation resulting from such projects, could damage our reputation and harm our operating results.

We may be engaged on high profile projects that garner public attention and scrutiny, particularly with respect to the emergency response division of the CTEH business. This division of the CTEH business conducts environmental sampling, among other services, in emergency situations and natural disasters, many of which are widely covered by the press and in the public eye, such as implementing a disinfection plan and overseeing the implementation of the plan for a contaminated international cruise ship in the early stages of the COVID-19 outbreak, the Intercontinental Terminals Co, or ITC, fires in 2019 and Hurricane Harvey in 2017. Any mishandling of these situations, even if not our own, could lead to negative publicity. The negative publicity may be attributed to our business and services at no fault of our own other than our association with the project. Our involvement with these high profile projects exposes us to the risk of reputational damage which may have a material adverse effect on our business, financial condition and results of operations. In addition, such high profile projects often lead to an enhanced risk of litigation, and we may be brought into such litigation regardless of our role in the project. Any such litigation proceedings are inherently costly and uncertain, and could have a material adverse effect on our business, financial condition and results of operations.

We may not be successful in expanding our client base or the services we provide to existing clients, which could adversely affect our business.

Our success and the planned growth and expansion of our business depends on our ability to expand into new markets and further penetrate existing markets. Our ability to expand is to a large extent contingent on our services and solutions achieving greater and broader acceptance, resulting in a larger client base, a broader array of prospective clients and expanded services provided to existing clients. However, demand for our services is uncertain, and there can be no assurance that clients will purchase our offerings, or that we will be able to continually expand our client base within existing geographies or into new geographies, whether we expand organically or through acquisition. Expanding our client base is also subject to external factors, many of which are beyond our control, including the overall demand for the services we offer, the actions of our competitors and the finite number of prospective clients in a given market. We cannot provide any assurances regarding our immediate or long-term growth rates in any geographic market or segment, or if we will grow at all. If we are unable to effectively market or expand our offerings to new clients or cross-market our services to existing clients, we may be unable to grow our business or implement our business strategy. Any of the above could materially impair our ability to increase sales and revenue and have a material adverse effect on our business, financial condition and results of operations.

We may not be able to maintain or expand our accreditation and other authorizations, which may adversely affect our ability to provide our services.

A significant part of our business is subject to obtaining and maintaining accreditations, approvals, licensing permits, delegated authority, official recognition and general authorizations at the federal, state, provincial and local level, including in some instances accreditations and licenses for individual professionals. A major risk inherent in our operations is the need to obtain and renew these authorizations. Our operations are also subject to inspection and regulation by various governmental agencies, including the Occupational Safety and

Health Administration and equivalent state, provincial and local agencies, as well as their counterparts in the various foreign jurisdictions in which we operate. These authorizations are issued by public authorities or professional organizations following application processes, reviews and investigations which are often long and complex, at times resulting in delays in our ability to bid on and execute certain projects. These authorization requirements can also be costly or difficult to meet, and often vary from jurisdiction to jurisdiction, meaning our capacity to obtain such authorizations could affect our ability to provide services in certain regions, states, provinces or localities. Certain authorizations are granted for limited periods of time and are subject to periodic renewal, requiring us to go through similar processes on multiple occasions, which necessitates that we utilize additional financial and operational resources. Authorizations or the requirements to obtain an authorization may also change without notice and we may not be able to comply with the revised or new requirements to maintain one or more of these authorizations.

Although we closely monitor the quality of services performed under our various authorizations, as well as the need to obtain any new authorizations and the renewal and maintenance of our existing portfolio of authorizations, any failure to meet the applicable requirements, whether actual or perceived, could cause us to lose, either temporarily or permanently, one or more of our authorizations. A public authority or professional organization that has granted us one or more authorizations may also decide unilaterally to withdraw such authorizations. Further, we may not be able to obtain or renew the required authorizations for businesses we acquire in the future, or for an organic expansion we wish to pursue, and the failure to obtain these authorizations could limit the opportunity to expand our business.

If we fail to secure or maintain any such authorizations, or if the relevant bodies place burdensome restrictions or limitations on our ability to obtain or maintain the necessary authorizations, we may not be able to operate in one or more jurisdictions and our business, financial condition and results of operations may be materially adversely affected as a result.

Our clients are subject to significant governmental regulation with respect to the environment and any changes to these laws and regulations could have a material adverse effect on our business.

As a company involved in the provision of environmental services, our clients operate in a heavily regulated environment. Our clients are subject to federal, state, provincial and local laws and regulations, including laws and regulations relating to, among other things, air emissions, the release or discharge of materials into the environment and the management, use, generation, treatment, processing, handling, storage, transport or disposal of hazardous wastes and materials. In addition, because of the site-specific nature of our services, the laws and regulations to which we are subject may vary from one state, province or region to another, sometimes substantially. We and our clients are also required to obtain various government approvals, certificates, permits and licenses in order to conduct our respective businesses, which may require making significant capital, operating and maintenance expenditures to comply with applicable laws and regulations.

Any future changes to laws and regulations, including changes to permit requirements, applicable to our clients could have a material impact on their businesses and their service needs. If the needs of our clients change, we may be required to incur significant capital and operating expenditures to shift the environmental services we provide in order to address such needs. If we are unable to address the changing needs of our clients in a timely manner, or at all, demand for our services may decrease, which would have a material adverse effect on our financial condition, results of operations and liquidity.

Our future growth and performance are dependent in part on the impact and timing of potential new laws and regulations, as well as potential changes to existing laws and regulations, including the potential impact of environmental policies of the current presidential administration in the United States or other executives in the foreign countries in which we operate. If stricter laws or regulations are delayed or are not enacted, are enacted with prolonged phase-in periods, or not enforced, if existing laws and regulations are repealed or amended to be less strict or if a generally less restrictive regulatory framework develops, demand for our services may be

reduced. Conversely, the strengthening or enforcement of regulations may also create operating conditions that limit our business areas or more generally slow our development. In extreme cases, such changes in the regulatory environment could lead us to exit certain markets.

Rapid and/or important changes in current regulations may in the future have a significant adverse effect on our business, financial position and results of operations. Federal and state, provincial legislatures may review and consider legislation that could impact our business and our industry. For example, in response to Presidential Executive Order 13777, calling on each federal agency to establish a regulatory reform task force to evaluate existing rules and recommend repeal, replacement or modification to reduce regulatory burdens, the U.S. Environmental Protection Agency, or the EPA, established a task force and initiated reviews in several program areas. Any repeal of regulations or lack of enforcement of existing regulations stemming from these task forces could impact our future growth. Such legislation or enforcement policies may intensify competition in the markets that we serve, impact demand for some or all of our services or require us to develop new or modified services in order to meet the needs of and compete effectively in the marketplace. Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

If we fail to attract and retain qualified management and skilled technical personnel, our business may be adversely affected.

Our long-term success depends, in significant part, upon the continued service and performance of our senior management and other key personnel. We rely on knowledgeable, experienced and skilled technical personnel, particularly engineers, analysts, technicians, scientists, policy experts and service personnel to provide environmental services in stringent regulatory markets. Certain of our employees, including our senior management and the key employees of the various businesses we have acquired, have exceptionally strong knowledge of our businesses, sectors and clients. Their departure could lead to the loss of know-how and information of value to us, and their departure could pose a risk to key client relationships. Our continued growth will also depend upon our ability to attract and retain additional skilled management and other key employees, including skilled technical personnel in new markets, whether organically or through acquisitions. For certain of our businesses, there may be a limited number of qualified people to fulfill roles in such businesses. The loss of the services of one or more members of our management team or of qualified employees and other key personnel, or the inability to identify, hire and retain the key personnel that may be necessary to grow our business, could have a material adverse effect on our business, financial condition and results of operations.

Safety-related issues could adversely impact our business.

We often work on complex projects, sometimes in geographically remote locations and in challenging environments. These sites often put our employees and others in close proximity with chemical, manufacturing, construction and other dangerous processes and highly regulated materials. In addition, our employees sometimes handle hazardous materials, including pressurized gases or concentrated toxins and other highly regulated materials, which, if improperly handled, could subject us to civil and/or criminal liabilities. If we fail to implement proper safety procedures or if the procedures we implement are ineffective, or if others working at the site fail to implement and follow appropriate safety procedures, our employees and others may become injured, disabled or even lose their lives, the completion or commencement of our projects may be delayed and we may be exposed to litigation or investigations. Unsafe work sites also have the potential to increase employee turnover, increase project costs, damage our reputation and brand and raise our operating and insurance costs. Any of the foregoing could result in, among other things, financial losses or reputational harm, which could have a material adverse effect on our business, financial condition and results of operations.

We are responsible for the training and safety of our employees at work, and, on occasion, we take on expanded site safety responsibilities, which subjects us to regulations dealing with occupational health and safety. Although we implement what we believe to be appropriate health, safety and environmental work procedures throughout our organization, including hazardous sites, we cannot guarantee the safety of our

personnel and others for whom we may be responsible. If our employees or others become injured, if we fail to implement appropriate training and health and safety procedures, or if we fail to comply with applicable regulations, among other things, we may be subject to claims, investigations or litigation or required to pay penalties or fines, and our business, financial condition and results of operations could be harmed.

Our safety record is critical to our reputation. Many of our clients require that we meet certain safety criteria to be eligible to bid for contracts or perform on-site services. If our safety record is not within the levels required by our clients, or compares unfavorably to our competitors, we could lose business, incur significant costs or reputational damage, be prevented from working at certain facilities or suffer other adverse consequences. Additionally, we may incur costs to defend our position even if we do not believe we have any liability for a release of or exposure to a hazardous substance or waste or other environmental damage. Any of the foregoing could, among other things, negatively affect our profitability or cause us to lose one or more projects or clients, or otherwise could have a material adverse impact on our business, financial condition and results of operations.

The business of CTEH places its employees in dangerous situations which may present serious and enhanced safety issues that could adversely affect our business.

The CTEH business is focused on assisting companies, governments and communities with responses to and recovery from environmental emergencies and in response to the COVID-19 pandemic. A significant portion of CTEH's employees work in emergency situations that pose threats to the environment and surrounding communities. Danger of injury or death is inherent in this role, despite safety precautions, training and compliance with federal, state and local health and safety regulations. These employees and any subcontractors we use for such projects are at an enhanced risk of workplace-related injuries given the dangers of their workplace environment. Oftentimes, the risks of the emergency situations are not yet known, and there is no way to predict the magnitude of the danger. While we have insurance coverage in place that we believe is reasonable in addition to policies and procedures designed to minimize these risks, including stringent training, we may nonetheless be unable to avoid material liabilities for an injury or death arising out of these emergency-related hazards. In light of the potential cost and uncertainty involved in litigation, we may settle matters even when we believe we have a meritorious defense. Litigation and its related costs, as well as the damage to our reputation should any employee or subcontractor injury or death occur during these emergency situations, could have a material adverse effect on our business, financial condition and results of operations.

Allegations regarding whether we have complied with professional standards, duties and statutory obligations or our failure to provide accurate results may have an adverse effect on our business.

Our services typically involve difficult analytical assignments and carry risks of professional and other similar liabilities, both directly and through the actions of our testing personnel. In delivering our measurement and analytics services, we provide reports regarding emissions and other testing results to our clients who rely on the accuracy of the data that we gather or analyze on their behalf. Similarly, in delivering our remediation and reuse services, we provide environmental engineering solutions which our clients rely on to design and implement major projects. We take our professional responsibilities very seriously in light of this reliance and the fact that many of our engagements involve matters that could have a significant impact on a client's business, create substantial financial obligations for the client or prevent the client from pursuing desirable business opportunities. Notwithstanding the fact that our professionals maintain credentials and we perform our services based on our professional expertise and these professional credentials, we face exposure to a variety of claims, ranging from alleged or actual breaches of applicable professional standards, duties and statutory obligations to allegedly inaccurate data and/or faulty analysis.

In certain instances, in performing our services, we may rely on our interpretation of reports or data prepared or gathered by third parties. If such information is not properly prepared or gathered, or is not accurate or complete, we may become subject to claims or litigation, regardless of whether we had any responsibility for

the error. The CTEH business is often responsible for the presentation of plans and advice in emergency situations, including natural disasters and manmade accidents. While the CTEH employees are not responsible for the ultimate approval of such plans, the failure or minimized success of a plan could expose us to potential litigation and damage to our reputation. Further, claims that we performed negligently, disclosed client confidential information, infringed on intellectual property, falsified data, are required to withdraw due to an apparent or actual conflict, or otherwise breached our obligations to a client, including as a result of actions of our employees, could expose us to significant liabilities to our clients and other third parties and tarnish our brand and reputation.

A client who is dissatisfied with our performance could threaten or bring litigation on the basis of our failure to perform our professional duties in order to recover damages or to contest its obligation to pay our fees, even if our results were accurate or our services were otherwise performed without issue. If the results or design we provided do turn out to be errant or we otherwise fail to meet our contractual obligations, because some of the agreements that we have in place with clients require us to indemnify them for losses that they suffer as a result of errors and omissions or negligence by us, we may be subject to legal liability or required to pay significant damages, and the client relationship could be harmed. Our contracts typically include provisions to limit our exposure to legal claims relating to our services, but these provisions may not protect us or may not be enforceable in all cases. Further, we maintain professional liability insurance and such other coverage as we believe appropriate based on our experience to date, this coverage may prove insufficient. Regardless of any contractual provision or insurance, any client claims could have an adverse effect on our business, financial condition and results of operations.

We generally do not have formal long-term agreements with our clients and attempts by clients to change the terms of or terminate their relationships with us may have a negative impact on our business.

Our operations depend upon our relationships with our clients. Our clients are companies operating in a number of sectors and industries, including the financial, oil & gas, utilities, construction, automotive, real-estate, midstream energy, manufacturing, commodities, petrochemical, tobacco, food and beverage, telecommunications and engineering industries, as well as local, state, provincial and federal government entities. As is customary in our industry, we do not always enter into formal written agreements with our clients, and to the extent we do, such agreements do not generally restrict our clients from altering the terms of the relationship. These arrangements allow clients to attempt to seek concessions, introduce unfavorable terms or limit the services and solutions that we provide to them before a project is finished or as a condition to continued or increased business. The arrangements also generally allow a client to terminate or to decide not to renew their contracts or purchase orders with little or no advanced notice to us. A loss of one or more clients, a meaningful reduction in their purchases from us or an adverse change in the terms on which we provide our services and solutions could have a material adverse effect on our business, financial condition and results of operations.

The failure to successfully implement our new enterprise resource planning system could adversely impact our business and results of operations.

We are currently in the process of implementing a new ERP system to handle the business and financial processes within our operations and corporate functions. The ERP system is a system of integrated applications used to manage our business and automate many functions related to financial reporting, human resources and other services. We expect the implementation to be completed in fiscal year 2020. ERP implementations are complex and time-consuming projects that require transformations of business and finance processes, and any such transformations involve risks inherent in conversion to a new system. These risks include loss of information, the compromise of data integrity and control systems and the potential disruption to our normal business operations and financial reporting processes. The implementation process may be disruptive if the ERP system does not work as planned or if we experience issues relating to the implementation. We also may need to hire consultants or additional personnel for the implementation and post-implementation activities, which can continue for multiple years.

Following implementation of the ERP, we may experience periodic or prolonged disruption to our financial functions arising out of the system conversion, general use of the system, other periodic upgrades or updates, or other external factors that are outside of our control. Additionally, if the ERP does not operate as intended, the effectiveness of our internal control over financial reporting could be adversely affected and our ability to assess those controls adequately could be delayed. If we experience interruptions in service or operational difficulties as a result of the implementation, and are unable to effectively manage our business during or following the implementation of the ERP system, our business, financial condition and results of operations could be harmed.

If we are unable to develop successful new services or adapt to rapidly changing technology and industry standards or changes to regulatory requirements, our business could be harmed.

The market for our services is characterized by rapid technological change and evolving industry standards and, to a lesser extent, changing regulatory requirements. This constant evolution may reduce the effectiveness of or demand for our services or render them noncompetitive or obsolete. Our continued success and growth depend upon our ability to anticipate these challenges and to innovate by enhancing our existing services and developing and successfully implementing new services to keep pace with the ever-changing and increasingly sophisticated needs of our clients.

New service introductions that are responsive to new technologies and changing industry and regulatory standards can be complex and expensive as they require significant planning, design, development and testing. We may find it difficult or costly to update our services and to develop new services quickly enough to work effectively with new or changed technologies, to keep the pace with evolving industry standards or to meet our clients' needs. In addition, our industry may be slow to accept new technologies that we develop because of, among other things, existing regulations or standards written specifically for older technologies and general unfamiliarity of clients with new technologies. As a result, any new services that we may develop may not be successful for a number of years, if at all. If we are unable to successfully enhance or update existing services or develop new services to meet these challenges, our business, financial condition and results of operations may be adversely affected.

Public clients involve unique policy, contract and performance risks, and we may face challenges to our government contracts or our eligibility to serve government clients, any of which could materially adversely impact our business.

We derive, and expect to continue to derive in the future, revenues from federal, state, provincial or local government clients, which accounted for approximately 20% of our revenues for the fiscal year ended December 31, 2019. Sales to governments and related entities present risks in addition to those involved in sales to many of our other clients, including policy-related risks such as potential disruption due to appropriation and spending patterns, delays in the adoption of new technologies due to political, fiscal or bureaucratic processes, delays in approving budgets and the government's right to cancel contracts and purchase orders for its convenience. General political and economic conditions, which we cannot accurately predict, also directly and indirectly affect policies relating to the quantity and allocation of expenditures by government clients. In addition, government contracts may involve long purchase and payment cycles, competitive bidding requirements, qualification requirements, delays or changes in agreed-to funding, budgetary constraints, political agendas, extensive specification development and price negotiations, milestone requirements and the potential unenforceability of limitations on liability or other contractual provisions, any of which may create price pressure and reduce our margins. As a result, we could experience a material adverse effect on our business, financial condition and results of operations.

Each government entity also maintains its own rules and regulations with which we must comply and which can vary significantly among clients. We face risks associated with the failure to comply with such rules and regulations such as bid protests, in which our competitors could challenge the contracts we have obtained, or

suspension, debarment or similar ineligibility from serving government clients. Challenges to our current or future government contracts or to our eligibility to serve government clients could result in a loss of government sales and have a material adverse effect on our business, financial condition and results of operations.

Our contracts with federal, state, provincial and local governments may be terminated or adversely modified prior to completion, which could adversely affect our business.

Government contracts generally contain provisions, and are subject to laws and regulations, that give the government rights and remedies not typically found in commercial contracts, including provisions permitting the government to:

- terminate our existing contracts;
- reduce potential future revenues from our existing contracts;
- modify some of the terms and conditions in our existing contracts;
- suspend or permanently prohibit us from doing business with the government or with any specific government agency;
- impose fines and penalties;
- subject us to criminal prosecution or debarment;
- subject the award of some contracts to protest or challenge by competitors, which may require the contracting agency or department to suspend our performance pending the outcome of the protest or challenge and which may also require the government to solicit new bids for the contract or result in the termination, reduction or modification of the awarded contract;
- suspend work under existing multiple year contracts and related task orders if the necessary funds are not appropriated by the relevant governmental authority; and
- decline to exercise an option to extend an existing multiple year contract.

Governmental authorities may terminate contracts with us either for convenience (for instance, due to a change in perceived needs or a desire to consolidate work under another contract) or if we default by failing to perform under the contract. Upon a termination for convenience, we are generally able to recover the purchase price for delivered items and reimbursement of allowable work-in-process costs. If a governmental authority terminates a contract with us based upon our default, we generally would be denied any recovery for undelivered work, and instead may be liable for excess costs incurred by the government in procuring undelivered work. The exercise by any governmental entity of one or more of these rights under its agreements with us could have a material adverse effect on our business, financial condition and results of operations.

Our profitability will suffer if we are not able to maintain our prices or control our costs.

Our margins, and therefore our profitability, is largely a function of the rates we are able to charge for our services and the costs incurred to provide such services. Accordingly, if we are not able to maintain the rates we charge for our services, or we cannot reduce costs proportionate to any rate reduction, we will not be able to sustain our margins and our profitability will suffer.

The rates we are able to charge for our services are affected by a number of factors, including:

- our clients' perception of our ability to add value through our services;

- general competition;
- introduction of new services or solutions by us or our competitors;
- pricing policies of our competitors; and
- general economic conditions.

Our costs are affected by a number of factors, including:

- our cost of labor and our ability to transition our technical personnel from completed projects to new engagements;
- our ability to effectively and efficiently staff projects;
- our ability to forecast demand for our services;
- our ability to manage the costs of indirect expenses; and
- our overhead costs necessary to support the successful delivery of services.

Our profitability is a function of our ability to control our costs and improve our efficiency. As we increase the number of our technical personnel and execute both our strategy for growth, we may not be able to manage a significantly larger workforce, control our costs or improve our efficiency.

Any inability to develop or maintain and protect our intellectual property could have a material adverse effect on us.

We rely on a combination of patents, trademarks, trade names, confidentiality and nondisclosure clauses and agreements and other unregistered rights to define and protect our rights to our brand and the intellectual property used in our business. We also rely on industry and market "know-how" that cannot be registered and may not be subject to any confidentiality or nondisclosure clauses or agreements. Our recent acquisition of ECT2 further expanded our IP portfolio. These intellectual property rights or others we develop, obtain or acquire may not, however, provide us with a significant competitive advantage because our rights may not be sufficiently broad or may be challenged, invalidated or subject to government march-in or sovereign rights or compulsory licensing, sunshine laws or be subject to freedom of information requests or court-ordered public disclosure. Further, our use of contractual provisions, confidentiality procedures and agreements and other registrations may not be sufficient to protect our intellectual property rights, these protective measures may be circumvented or our rights may be misappropriated, disparaged, diluted or stolen, particularly in countries where intellectual property rights laws are not highly developed, protected or enforced. Others may independently develop similar intellectual property or designed-around ours. Our intellectual property may also be replaced by new technologies to which we have no right of use or can only acquire such use at unreasonable or unsustainable costs. Any inability to develop or acquire and maintain the necessary intellectual property rights for our business or to protect our intellectual property rights could have a material adverse effect on our business, financial condition and results of operations.

Claims that we infringe on the intellectual property rights of others could have a material adverse effect on us.

Technology is an important part of our business and, as a result, from time to time others may claim that we have infringed upon, misappropriated, misused or otherwise violated their intellectual property rights. Regardless of the merit of such claims, responding to these types of claims can be expensive, time consuming

and may divert a substantial portion of management's time and attention away from running our business. If any aspect of our business is found to infringe the intellectual property rights of others, we could lose critical rights, we may be required to pay substantial damages or on-going licensing or royalty fees or we may be required to redesign, rework, replace or entirely discontinue aspects of our operations, any of which could come at substantial cost and significantly restrict or prohibit our future operations. Further, we may not be able to take any required actions on commercially reasonable terms or at all. Any infringement may also require us to enter into a settlement agreement and could also trigger indemnification obligations to our clients or under other contractual provisions. Any claim that we have misappropriated the intellectual property of others, whether or not valid, could have a material adverse effect on our business, financial condition and results of operations.

Laws and regulations regarding the handling of client confidential data and information may have a negative impact on our business.

Certain aspects of our business rely on the processing of our clients' confidential data in a number of jurisdictions and the movement of data across borders. Legal requirements relating to the collection, storage, handling, use, disclosure, transfer and security of this information continue to evolve, and regulatory scrutiny in this area is increasing. Significant uncertainty exists as privacy and data protection laws may be interpreted and applied differently in different jurisdictions and may create inconsistent or conflicting requirements. Although we have procedures and systems in place to address applicable legal and regulatory requirements for those aspects of our business impacted by these laws, enforcement actions and investigations by regulatory authorities related to data security incidents and privacy violations continue to increase, and we could be subject to such activity. The enactment of more restrictive laws, rules, regulations or future enforcement actions or investigations could increase costs or restrictions on certain of our businesses, and noncompliance with existing or future laws could have a material adverse effect on our business, financial condition and results of operations.

A failure in or breach of our networks or systems, including as a result of cyber-attacks, could have a material adverse effect on our business.

Our cybersecurity and processing systems, as well as those of our third-party service providers, newly acquired companies that have not yet been integrated and those of our clients which we periodically manage may experience damage or disruption from a number of causes, including power outages, computer and telecommunication failures, internal design, manual or usage errors, workplace violence or wrongdoing, catastrophic events, natural disasters and severe weather conditions. These systems may also be damaged, disrupted or fail entirely as a result of computer viruses or other malicious codes, social-engineering schemes, unauthorized access attempts and cyber-attacks that include phishing-attacks, denial-of-service attacks, ransomware, malware and hacking. While our systems and those of third parties with whom we do business have been, and will likely continue to be, subject to these types of malicious attacks, to our knowledge, to date there has not been a material breach of our systems and no attack on our systems has had a direct, material impact on us or our business. We cannot, however, predict the extent and severity of any future attacks that may occur.

Any of these numerous and evolving cybersecurity threats, particularly on internet applications, could compromise the confidentiality, availability and integrity of data in our systems or that on the systems of our clients which we are periodically responsible for managing. We believe our possession of confidential client information may put us at a greater risk of being targeted. In addition, we manage and operate supervisory control and data acquisition systems at a number of operations and maintenance, or O&M, client facilities, including water and biogas facilities, and a cyber-attack or other system failure could cause the facility to be shutdown, which could create regulatory compliance issues, cause a contamination event or have other adverse consequences for which we could have liability. The security measures and procedures we, our clients and third-party service providers have in place to protect sensitive data and other information may not be successful or sufficient to counter all data breaches, cyber-attacks or system failures. Although we devote what we believe to be appropriate resources to our cybersecurity programs and have implemented security measures to protect our systems and data, and to prevent, detect and respond to data security incidents, there can be no assurance that our efforts will prevent these threats.

Because the techniques used to obtain unauthorized access, or to disable or degrade systems change frequently, have become increasingly more complex and sophisticated, and may be difficult to detect for periods of time, we may not anticipate these acts or respond adequately or timely. As these threats continue to evolve and increase, we may be required to devote significant additional resources in order to modify and enhance our security controls and to identify and remediate any security vulnerabilities.

We own an aircraft used to transport employees to project sites which could expose us to risks associated with air travel and aircraft ownership and maintenance.

Through our acquisition of CTEH, we acquired an airplane that we use for transportation of employees. There are inherent risks associated with air travel, including aviation accidents due to weather, technical malfunctions or human error. While we will strive to comply with all safety regulations and ensure the aircraft undergoes necessary and adequate maintenance, accidents or incidents may occur while the aircraft is transporting employees. An accident or incident involving our aircraft could result in significant claims of injured employees and others, as well as repair or replacement of the damaged aircraft and its consequential loss from service. In the event of an accident, our liability insurance may not be adequate to offset our exposure to potential claims and we may be forced to bear losses from the accident. Additionally, the success of the CTEH business depends on its employees, and an aviation accident or incident that results in the serious injury or death of those employees could have a material adverse effect on the business.

Our global operations subject us to additional risks that could adversely affect our business.

We have activities outside of the United States. Our operations, as well as those of our clients, are therefore subject to regulatory, economic, political and other events and uncertainties in countries where these operations are located. Further, our growth strategy includes expansion into additional international markets. In addition to the risks discussed elsewhere herein that are common to both our domestic and international operations, we face risks specific to our foreign activities, including but not limited to:

- political, social, economic and financial instability, including wars, civil unrest, acts of terrorism and other conflicts;
- difficulties and increased costs in developing, staffing and simultaneously managing a large number of varying foreign operations as a result of distance, language and cultural differences;
- restrictions and limitations on the transfer or repatriation of funds and fluctuations in currency exchange rates;
- complying with varying legal and regulatory environments in multiple foreign jurisdictions, including privacy laws such as the E.U. General Data Protection Regulation;
- laws and business practices that favor local competitors or prohibit foreign ownership of certain businesses;
- potential for privatization and other confiscatory actions; and
- other dynamics in international jurisdictions, any of which could result in substantial additional legal or compliance costs, liabilities or obligations for us or could require us to significantly modify our current business practices or even exit a given market.

Foreign operations bring increased complexity and the costs of managing or overseeing foreign operations, including adapting and localizing services or systems to specific regions and countries, can be material. Further, international operations carry inherent uncertainties regarding the effect of local or domestic

actions, such as the unpredictable impact of the referendum vote in the United Kingdom to leave the European Union (Brexit) and the uncertainty regarding when it will exit and on what terms, any of which could be material. These and other risks related to our foreign operations, or the associated costs or liabilities, could have a material adverse effect on our business, financial condition and results of operations.

Product offerings subject us to risks that could adversely affect our business.

Certain of our environmental solutions include product offerings, including those offered by our recent acquisition, ECT2. We have a limited history in offering products as compared to services, and this expansion subjects us to new and different risks generally associated with offering products manufactured by third parties, including but not limited to:

- production difficulties of third-party manufacturers, including problems involving changes in their production capacity and yields, quality control and assurance, component supply and shortages of qualified personnel;
- failure to establish or maintain supplier relationships;
- supply chain issues of third-party manufacturers and the failure of suppliers to produce components to specification or supply us with a sufficient amount or adequate quality of materials;
- increases in the cost of raw materials, components or the overall cost of production passed to us;
- failure to adequately design new or improved products or respond to changing regulatory requirements;
- use of defective materials or workmanship in the manufacturing process;
- improper use of our products;
- failure to satisfy any warranty or performance guarantee;
- product liability claims; and
- lack of market acceptance, delays in product development and failure of products to operate properly.

Under any of these circumstances, demand may suffer, we may incur substantial expense to remedy the problem and may be required to obtain replacement products. If we fail to remedy any such problem in a timely manner, we risk the loss of revenue resulting from the inability to sell those products and related increased costs. If product defects or other issues are not discovered until after such products are purchased by our clients, our clients could lose confidence in our products and our brand and reputation may be negatively impacted. Any failure to successfully respond to the foregoing risks or any others that we may not appreciate as a result of our limited history of production could have material adverse effect on our business, financial condition and results of operations.

Our operations are subject to environmental laws and regulations and any liabilities may have a material adverse effect on our business.

We are in regular contact with waste, biogas, chemicals and other hazardous materials in the ordinary course of providing services to our clients. We also operate a number of O&M client sites. As a result, our business is subject to numerous U.S. and international laws and regulations relating to the protection of the environment. For example, we must comply with a number of U.S. federal and state laws that strictly regulate the handling, removal, treatment, transportation and disposal of toxic and hazardous substances. As an operator of

client O&M facilities, if there is a spill of a hazardous substance or other contamination event at one of these sites, under the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, or CERCLA, and comparable state, provincial and local laws, we may be required to investigate, mitigate and remediate any contamination, including addressing natural resource damage, compensating for human exposure or property damage and installing costly pollution control equipment. CERCLA and comparable state, provincial and local laws typically impose strict, joint and several liabilities without regard to whether an entity knew of or caused the release of hazardous substances. Other environmental laws affecting our business include, but are not limited to, the Federal Water Pollution Control Act of 1972, as amended, also known as the Clean Water Act, Resource Conversation and Recovery Act, National Environmental Policy Act, the Clean Air Act, the Occupational Safety and Health Act, the Federal Mine Safety and Health Act of 1977, the Toxic Substances Control Act and the Superfund Amendments and Reauthorization Act. Our business operations may also be subject to similar international laws relating to environmental protection. Liabilities related to contamination or violations of these laws and regulations could result in material costs to us, including clean-up costs, fines, civil or criminal sanctions and third-party claims for property damage or personal injury, any of which could have a material adverse effect on our business, financial condition and results of operations.

Legal and regulatory claims and proceedings could have a material adverse effect on us.

We and our clients are subject to claims, litigation and regulatory proceedings in the normal course of business and could become subject to additional claims in the future, some of which could be material. In addition to those claims discussed in greater detail elsewhere in the section entitled "—Risks Related to Our Business and Industry," we have been, and may in the future be, subject to claims involving labor and employment, anti-discrimination, commercial disputes and other matters. We may also be exposed to potential claims arising from the conduct of our employees for which we may be liable. In addition, in the normal course of our business, we are required to make professional judgments and recommendations about environmental conditions of project sites for our clients, and we may be subject to claims that we are responsible for these judgments and recommendations if they are later found to be inaccurate.

Claims and proceedings, whether or not they have merit and regardless of the outcome, are typically expensive and can divert the attention of management and other personnel and require the commitment of significant resources for extended periods of time. Additionally, claims and proceedings can impact client confidence and the general public's perception of our company and services and solutions, even if the underlying assertions are proven to be false. The outcomes of litigation and similar disputes are often difficult to reliably predict and may result in decisions or settlements that are contrary to or in excess of our expectations and losses may exceed our reserves. Any claims or proceedings, particularly those in which we are unsuccessful or for which we did not establish adequate reserves, could have a material adverse effect on our business, financial condition and results of operations.

If our research and development activities are unsuccessful, our business could be harmed.

The success of our research and development activity is highly uncertain. Research and development efforts can require substantial technical, financial and human resources. We may focus our efforts and resources on potential technologies that ultimately prove to be unsuccessful and technologies that first appear promising may be delayed or fail to reach later stages of development. Decisions regarding the further advancement must sometimes be made with limited and incomplete data, which makes it difficult to ensure or even accurately predict the outcomes. Because we have limited resources, we may forego pursuing one opportunity that later is proven to have greater commercial potential. Even if our efforts do yield new technologies, we may not be able to convert those technologies into commercially viable offerings in the long term. If our research and development activities are unsuccessful, our technologies and offerings may not keep pace with the market, and we may lose clients and one or more competitive advantages, any of which could have a material adverse effect on our business, financial condition and results of operations.

Failure to comply with anti-corruption and similar laws could subject us to penalties and other adverse consequences.

We are required to comply with the U.S. Foreign Corrupt Practices Act, or FCPA, and similar laws in other countries that prohibit improper payments or offers of payment to foreign officials and political parties for the purpose of obtaining or retaining business as well as require companies to maintain accurate books and records. Bribery, corruption and trade laws and regulations, and the enforcement thereof, are increasing in frequency, complexity and severity on a global basis. In many foreign countries it may be a local custom that businesses operating in such countries engage in practices that are prohibited by the FCPA or other similar laws and regulations. Although we have implemented policies and procedures requiring our employees, consultants and other third parties with whom we do business to comply with the FCPA and similar laws and regulations, we have limited experience in these areas and there can be no assurance that our policies will be adequate or prevent and deter violations of these types of laws. If our employees, consultants or other third parties with whom we do business do violate these laws or our policies, we may be ultimately held responsible, and any violation could result in severe criminal or civil sanctions, fines and penalties and suspension or debarment from U.S. government contracting, any of which could have a material and adverse effect on our business, financial condition and results of operations.

We are subject to taxation in multiple jurisdictions. Any adverse development in the tax laws of any of these jurisdictions, any disagreement with our tax positions or any changes in effective tax rates could have a material adverse effect on our business, financial condition or results of operations.

We are subject to taxation in, and to the tax laws and regulations of, multiple jurisdictions, including non-U.S. jurisdictions as a result of the expansion of our international operations and our corporate entity structure. We are also subject to transfer pricing laws with respect to our intercompany transactions. Adverse developments in tax laws or regulations, or any change in position regarding the application, administration or interpretation thereof, in any applicable jurisdiction, could have a material adverse effect on our business, financial condition or results of operations. In addition, the tax authorities in any applicable jurisdiction may disagree with the positions we have taken or intend to take regarding the tax treatment or characterization of any of our transactions. If any applicable tax authorities were to successfully challenge the tax treatment or characterization of any of our transactions, it could have a material adverse effect on our business, financial condition or results of operations.

In addition, our tax obligations and effective tax rates could be adversely affected by recognizing tax losses or lower than anticipated earnings in jurisdictions where we have lower statutory rates and higher than anticipated earnings in jurisdictions where we have higher statutory rates, varying tax rates in the different jurisdictions in which we operate, changes in foreign currency exchange rates or changes in the valuation of our deferred tax assets and liabilities.

Insufficient insurance coverage could have a material adverse effect on us.

We maintain property, business interruption, counterparty and liability insurance coverage that we believe is consistent with industry practice. However, our insurance program does not cover, or may not adequately cover, every potential risk associated with our business and the consequences thereof. In addition, market conditions or any significant claim or a number of claims made by or against us could cause our premiums and deductibles to increase substantially and, in some instances, our coverage may be reduced or become entirely unavailable. In the future, we may not be able to obtain meaningful coverage at reasonable rates for a variety of risks. If our insurance coverage is insufficient, if we are not able to obtain sufficient coverage in the future, or if we are exposed to significant losses as a result of any risks for which we may self-insure, any resulting costs or liabilities could have a material adverse effect on our business, financial condition and results of operations.

Seasonality of demand for certain of our services and weather conditions and other factors outside our control may adversely affect, or cause volatility in, our financial results.

We experience seasonal demand with respect to certain of the services we provide, as demand for those services can follow weather trends. Seasonal effects may vary from year to year and are impacted by weather patterns, particularly by temperatures, rainfall and droughts. In addition, we may experience earnings volatility as a result of the timing of large contract wins and the timing of large emergency response projects following an incident or natural disaster due to the unpredictable nature thereof. Our business, financial condition and results of operations could be materially and adversely affected by severe weather, natural disasters or environmental factors. Furthermore, our ability to deliver services on time to our clients can be significantly impeded by such conditions and events.

Our business could be disrupted by catastrophic events.

Occurrence of any catastrophic event, including earthquake, fire, flood, tsunami or other weather event, power loss, telecommunications failure, software or hardware malfunctions, cyber-attack, war or terrorist attack, could result in lengthy interruptions in our services. Our insurance coverage may not compensate us for losses that may occur in the wake of such events. In addition, acts of terrorism could cause disruptions to the internet or the economy as a whole. Even with our disaster recovery arrangements, our services could be interrupted. If our systems were to fail or be negatively impacted as a result of a natural disaster or other event, our ability to deliver services to our clients would be impaired or we could lose critical data. If we are unable to develop or, in the event of a disaster or emergency, successfully execute on, adequate plans to ensure that our business functions continue to operate during and after a disaster, our business, results of operations, financial condition and reputation would be harmed.

We cannot assure you that any unaudited financial data related to our acquisitions presented herein would not be materially different if audited or reviewed.

Many of the businesses that we have acquired and will acquire have unaudited financial statements that have been prepared by the management of such companies and have not been independently reviewed or audited. Certain of our acquisitions were divisions or operating units and had no separately prepared financial statements at all, instead relying on more limited financial information. We present some unaudited financial information in this prospectus for certain acquisitions that is derived from such unaudited financial statements or financial information prepared by the management of such acquired businesses. We cannot assure you that the financial statements and other financial information of companies we have acquired or will acquire would not be materially different if such businesses were independently reviewed or audited. In addition, our results of operations from these acquisitions could, in the future, result in impairment charges for any of our intangible assets, including goodwill, or other long-lived assets, particularly if economic conditions worsen unexpectedly. These changes could materially negatively affect our business, financial condition and results of operations.

Risks Related to Our Indebtedness

Our current indebtedness, and any future indebtedness we may incur, may limit our operational and financing flexibility and negatively impact our business.

On April 13, 2020, the Company entered into a Unitranche Credit Agreement providing for a new $225.0 million credit facility comprised of a $175.0 million term loan and $50.0 million revolving credit facility. As of June 3, 2020, the aggregate principal amount of our debt under the credit facility was approximately $200.0 million, which was comprised of $175.0 million under the term loan and $25.0 million under the revolver. Additionally, we may borrow additional funds under this credit facility and increase the borrowing capacity of the term loan thereunder by up to $100.0 million, each as described in greater detail in the section entitled “Description of Certain Indebtedness,” or enter into new borrowing arrangements. We also may incur significant indebtedness in the future to continue to support our organic and acquisition-related growth.

Our existing and any future indebtedness could have important consequences, including:

- making it more difficult for us to make payments on our existing indebtedness;
- increasing our vulnerability to general economic and industry conditions;
- requiring a substantial portion of our cash flow from operations to be dedicated to the payment of principal and interest on our indebtedness, thereby reducing our ability to use our cash flow to fund our operations, capital expenditures and future business opportunities;
- exposing us to the risk of increased interest rates on our borrowings under our credit facility, which is at variable rates of interest;
- restricting us from making strategic acquisitions or causing us to make non-strategic divestitures;
- limiting our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions and general corporate or other purposes; and
- limiting our ability to adjust to changing market conditions and placing us at a competitive disadvantage compared to our competitors who are less highly leveraged.

Our ability to make payments on debt, to repay existing or future indebtedness when due, to fund operations and significant planned capital expenditures and to support our acquisition strategy will depend on our ability to generate cash in the future. Our ability to produce cash from operations is, and will be, subject to a number of risks, including those described in the section entitled "Risk Factors—Risks Related to Our Business and Industry" and elsewhere in this prospectus. Our financial condition, including our ability to make payments on our debt, is also subject to external factors such as interest rates, the level of lending activity in the credit markets and other external industry-specific and more general external factors, including those described in the section entitled "Risk Factors—Risks Related to Our Business and Industry" and elsewhere in this prospectus.

We may not be able to borrow additional financing or to refinance our credit facility or other indebtedness we may incur in the future, if required, on commercially reasonable terms, if at all. In addition, our ability to borrow under our credit facility is subject to significant conditions, as described in the section entitled "Description of Certain Indebtedness."

Despite our current level of indebtedness, we may incur more debt.

We may be able to incur significant additional indebtedness in the future. For example, we may incur additional indebtedness in connection with future acquisitions. Although our credit facility and our outstanding preferred stock contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions, and the additional indebtedness incurred in compliance with these restrictions could be substantial. These restrictions also do not prevent us from incurring obligations that do not constitute indebtedness. Further, as of June 3, 2020, our credit facility provided for an aggregate unused commitment of $25.0 million (without giving effect to any outstanding letters of credit, and subject to borrowing base limitations). The credit facility also allows us to increase the aggregate borrowings thereunder by up to $100.0 million. See the section entitled "Description of Certain Indebtedness."

We may not be able to generate sufficient cash to service all of our indebtedness and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments on, or to refinance our respective obligations under, our indebtedness, and to fund planned capital expenditures, future acquisitions and other corporate expenses will

depend on our future operating performance and on economic, financial, competitive, legislative, regulatory and other factors and any legal and regulatory restrictions on the payment of distributions and dividends to which we may be subject. Many of these factors are beyond our control. We cannot assure you that our business will generate sufficient cash flow from operations, that currently anticipated cost savings and operating improvements will be realized or that future borrowings will be available to us in an amount sufficient to enable us to satisfy our obligations under our indebtedness or to fund our other needs. In order for us to satisfy our obligations under our indebtedness and fund planned capital expenditures and future acquisitions, we must continue to execute on our business strategy. If we are unable to do so, we may need to reduce or delay our planned capital expenditures or execution of our acquisition strategy, seek additional capital, sell assets or refinance all or a portion of our indebtedness on or before maturity, any of which could materially and adversely affect our future revenue prospects.

Our ability to restructure or refinance our indebtedness will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of our existing or future debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. Our credit facility and our outstanding preferred stock restrict our ability to consummate or use the proceeds from asset sales. We may not be able to consummate those asset sales to raise capital or sell assets at prices that we believe are fair. Any proceeds that we receive may not be adequate to meet any debt service obligations then due. In addition, any failure to make payments of interest and principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our credit rating, which could harm our ability to incur additional indebtedness. See the section entitled “Description of Certain Indebtedness.”

Our credit facility restricts our ability to engage in some business and financial transactions.

Our credit facility contains a number of covenants that among other things, limit our ability to:

- incur additional indebtedness or guarantees;
- create liens on assets;
- enter into sale and leaseback transactions;
- engage in mergers or consolidations;
- pay dividends and make distributions and other restricted payments;
- make certain investments, loans or advances;
- repay subordinated indebtedness;
- make certain acquisitions;
- engage in certain transactions with affiliates;
- change our lines of business;
- restrict distributions by our restricted subsidiaries;
- amend or otherwise modify organizational documents or certain debt agreements; and
- manage cash and other assets in our deposit accounts and securities accounts.

In addition, our credit facility contains certain financial covenants that, among other things, require us not to exceed specified total debt leverage ratios and to maintain a fixed charge coverage ratio. Among other things, we may not be able to borrow money under our credit facility if we are unable to comply with the financial and other covenants included therein. Our credit facility also contains certain customary representations and warranties, affirmative covenants and events of default (including, among other things, an event of default upon a change of control). If an event of default occurs, our lenders will be entitled to take various actions, including the acceleration of amounts due under our credit facility and all actions permitted to be taken by a secured creditor.

Any future debt that we incur may contain additional and more restrictive negative covenants and financial maintenance covenants. These restrictions could limit our ability to obtain debt financing, repurchase stock, pay dividends, refinance or pay principal on our outstanding debt, complete acquisitions for cash or debt or react to changes in our operating environment or the economy.

Our failure to comply with obligations under our credit facility or the agreements governing any future indebtedness may result in an event of default under the applicable agreement. A default, if not cured or waived, may permit acceleration of some or all of our other indebtedness and trigger other termination and similar rights under other contracts. We cannot be certain that we will be able to remedy any defaults and, if our indebtedness is accelerated, we cannot be certain that we will have sufficient funds available to pay the accelerated indebtedness or that we will have the ability to refinance the accelerated indebtedness on terms favorable to us or at all, any of which could have a material adverse effect on our business, financial condition and results of operations.

See the section entitled “Description of Certain Indebtedness.”

Risks Related to the Offering and Ownership of Our Common Stock

There is currently no public market for shares of our common stock and an active trading market for our common stock may never develop or be sustained following this offering.

Prior to this offering, there has been no market for shares of our common stock. Although we intend to apply to list our common stock on the New York Stock Exchange, or the NYSE, under the symbol “MEG,” an active trading market for our common stock may never develop or, if one develops, it may not be sustained following this offering. Accordingly, no assurance can be given as to the following:

- the likelihood that an active trading market for our common stock will develop or be sustained;
- the liquidity of any such market;
- the ability of our stockholders to sell their shares of common stock; or
- the price that our stockholders may obtain for their common stock.

If an active market for our common stock with meaningful trading volume does not develop or is not maintained, the market price of our common stock may decline materially below the offering price and you may not be able to sell your shares. The initial public offering price for our shares will be determined by negotiations between us and representatives of the underwriters and may not be indicative of prices that will prevail in the open market following this offering. Consequently, you may not be able to sell our common stock at prices equal to or greater than the price you paid in this offering.

The trading price of our common stock may be volatile and could decline substantially following this offering.

The market price of our common stock following this offering may be highly volatile and subject to wide fluctuations. Some of the factors that could negatively affect the market price of our common stock or result in significant fluctuations in price, regardless of our actual operating performance, include:

- actual or anticipated variations in our quarterly operating results;
- changes in market valuations of similar companies;
- changes in the markets in which we operate;
- additions or departures of key personnel;
- actions by stockholders, including sales of large blocks of our common stock;
- speculation in the press or investment community;
- short selling of our common stock or related derivative securities or hedging activities;
- general market, economic and political conditions, including an economic slowdown;
- changes in interest rates;
- our operating performance and the performance of other similar companies;
- our ability to accurately project future results and our ability to achieve those or meet the expectations of other industry and analyst forecasts; and
- new legislation or other regulatory developments that adversely affect us, our markets or our industry.

Furthermore, in recent years, the stock market has experienced significant price and volume fluctuations. This volatility has had a significant impact on the market price of securities issued by many companies, including companies in our industry, and often occurs without regard to the operating performance of the affected companies. Therefore, factors that have little or nothing to do with us could cause the price of our common stock to fluctuate, and these fluctuations or any fluctuations related to our company could cause the market price of our common stock to decline materially below the public offering price.

The coverage of our business or our common stock by securities or industry analysts or the absence thereof could adversely affect our stock price and trading volume.

The trading market for our common stock will be influenced in part by the research and other reports that industry or securities analysts may publish about us or our business or industry. We do not currently have, and may never obtain, research coverage by industry or financial analysts. If no or few analysts commence coverage of us, the trading price and volume of our stock would likely be negatively impacted. If analysts do cover us and one or more of them downgrade our stock, or if they issue other unfavorable commentary about us or our industry or inaccurate research, our stock price would likely decline. Furthermore, if one or more of these analysts cease coverage or fail to regularly publish reports on us, we could lose visibility in the financial markets. Any of the foregoing would likely cause our stock price and trading volume to decline.

We are an emerging growth company, and any decision on our part to comply with certain reduced reporting and disclosure requirements applicable to emerging growth companies could make our common stock less attractive to investors.

We are an emerging growth company, and, for as long as we continue to be an emerging growth company, we currently intend to take advantage of exemptions from various reporting requirements applicable to other public companies but not to emerging growth companies, including, but not limited to, not being required to have our independent registered public accounting firm audit our internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our registration statements, periodic reports and proxy statements, the inclusion of only two years of audited financial statements in this 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. Under the JOBS Act, emerging growth companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have chosen to "opt in" to this extended transition period for complying with new or revised accounting standards and, as a result, we will not be subject to the same new or revised accounting standards as other public companies that comply with such new or revised standards on a non-delayed basis. We will cease to be an emerging growth company upon the earliest of: (i) the end of the fiscal year following the fifth anniversary of this offering; (ii) the last day of the fiscal year during which our total annual gross revenues are $1.07 billion or more; (iii) the date on which we have, during the previous three-year period, issued more than $1.0 billion in non-convertible debt securities; or (iv) the end of any fiscal year in which the market value of our common stock held by non-affiliates exceeded $700.0 million as of the end of the second quarter of that fiscal year. We cannot predict if investors will find our common stock less attractive if we choose to rely on these exemptions. If some investors find our common stock less attractive as a result of any choices to reduce future disclosure, there may be a less active trading market for our common stock and the price of our common stock may be more volatile.

Our internal control over financial reporting may not be effective and our independent registered public accounting firm may not be able to certify as to their effectiveness, which could have a significant and adverse effect on our business and reputation.

As a public company, we will be required to comply with the SEC's rules implementing Sections 302 and 404 of the Sarbanes-Oxley Act, which require management to certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of internal control over financial reporting. As an emerging growth company, our independent registered public accounting firm will not be required to formally attest to the effectiveness of our internal control over financial reporting pursuant to Section 404 until the date we are no longer an emerging growth company. At such time, our independent registered public accounting firm may issue a report that is adverse in the event that it is not satisfied with the level at which our controls are documented, designed or operating.

To comply with the requirements of being a public company, we may need to undertake various actions, such as implementing additional internal controls and procedures and hiring additional accounting or internal audit staff. Testing and maintaining internal controls can divert our management's attention from other matters that are important to the operation of our business. If we identify material weaknesses in our internal control over financial reporting or are unable to comply with the requirements of Section 404 or assert that our internal control over financial reporting are effective, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock could be negatively affected, and we could become subject to investigations by the SEC or other regulatory authorities, which could require additional financial and management resources.

Our significant stockholders may have conflicts of interest with other stockholders and may limit your ability to influence corporate matters.

Following completion of this offering, Messrs. Richard E. Perlman and James K. Price, two of our directors, will beneficially own approximately % and %, respectively, of our outstanding shares of common stock (or % and %, respectively, if the underwriters exercise their option to purchase additional shares in full). See the section entitled "Principal Stockholders" for more information on the beneficial ownership of our common stock. As a result of their respective ownership, Messrs. Perlman and Price will have sufficient voting power to significantly influence all matters submitted to our stockholders for approval, including director elections and proposed amendments to our bylaws or certificate of incorporation. In addition, this concentration of ownership may delay or prevent a merger, consolidation or other business combination or change in control of our company and make some transactions that might otherwise give you the opportunity to realize a premium over the then-prevailing market price of our common stock more difficult without their support. After the lock-up period discussed in the section entitled "Underwriting" expires, Messrs. Perlman and Price will be able to transfer significant voting blocks of our common stock to a third-party by transferring their common stock, which would not require the approval of our board of directors or other stockholders. The interests of Messrs. Perlman and Price may not always coincide with our interests as a company or the interests of other stockholders. This concentration of ownership may also adversely affect our share price.

Additionally, immediately after this offering, we expect one or more affiliates of Oaktree Capital Management, L.P., or Oaktree, will beneficially own approximately % (or % if the underwriters exercise in full their option to purchase additional shares) of our outstanding common stock. See the section entitled "Principal Stockholders" for more information on the beneficial ownership of our common stock. Notwithstanding this stock ownership and that, following completion of this offering, one member of our board of directors will be a representative of Oaktree, Oaktree is in the business of making investments in companies and may from time to time acquire and hold interests in businesses that compete directly or indirectly with us. Oaktree may also pursue acquisition opportunities that may be complementary to our business, and as a result, those acquisition opportunities may not be available to us. In recognition that representatives of Oaktree and its affiliated entities and funds may serve as members of our board of directors, our amended and restated certificate of incorporation that will be in effect upon consummation of this offering provides, among other things, that none of Oaktree, its affiliates or any of its representatives (including a representative who may serve on our board of directors) has any duty to refrain from engaging directly or indirectly in the same or similar business activities or lines of business that we do. In the event that any of these persons or entities acquires knowledge of a potential transaction or matter which may be a corporate opportunity for itself and us, we will not have any expectancy in such corporate opportunity, and these persons and entities will not have any duty to communicate or offer such corporate opportunity to us and may pursue or acquire such corporate opportunity for themselves or direct such opportunity to another person. Affiliates of Oaktree who are holders of our common stock will also retain a right of first offer with respect to its pro rata portion of any new securities we may issue following completion of this offering, excluding any shares to be issued by us in certain specified circumstances. These potential conflicts of interest could have a material adverse effect on our business, financial condition and results of operations if, among other things, attractive corporate opportunities are allocated by Oaktree to itself or one of its other affiliates. See the sections entitled "Certain Relationships and Related Party Transactions—Investor Rights Agreement" and "Description of Capital Stock—Corporate Opportunities."

Future sales of our common stock in the public market could cause our stock price to fall.

Following completion of this offering, Messrs. Richard E. Perlman and James K. Price, two of our directors, will beneficially own approximately shares and shares, respectively, or % and %, respectively, of our outstanding shares of common stock (or shares and shares, respectively, and % and %, respectively, if the underwriters exercise their option to purchase additional shares in full). We, our executive officers, directors and substantially all of our other existing security holders have entered into or will enter into lock-up agreements with the underwriters that will, subject to certain exceptions, restrict the sale of

shares of our common stock held by them for 180 days following the date of this prospectus. The underwriters may, without notice except in certain limited circumstances, release all or any portion of the shares of common stock subject to lock-up agreements. See the section entitled "Underwriting" for a description of these lock-up agreements. The market price of our common stock may decline materially when these restrictions on resale by our other affiliates lapse or if they are waived.

Upon the expiration of the lock-up agreements, all shares held by our affiliates will be eligible for resale in the public market, subject to applicable securities laws, including the Securities Act. Therefore, unless shares owned by any of our affiliates are registered under the Securities Act, these shares may only be resold into the public markets in accordance with the requirements of an exemption from registration or safe harbor, including Rule 144 and the volume limitations, manner of sale requirements and notice requirements thereof. See the section entitled "Shares Eligible for Future Sale." However, pursuant to the terms of an Investor Rights Agreement, Messrs. Perlman and Price, OCM Montrose Holdings, L.P., OCM Montrose II Holdings, L.P., or, together with OCM Montrose Holdings, L.P., the Oaktree Holder, and certain stockholders will have the right to demand that we register its shares under the Securities Act as well as the right to include their shares in any registration statement that we file with the SEC, subject to certain exceptions. See the section entitled "Shares Eligible for Future Sale." Any registration of these or other shares would enable those shares to be sold in the public market, subject to certain restrictions in the Investor Rights Agreement and the restrictions under the lock-up agreements referred to above. Any sale by Messrs. Perlman and Price, the Oaktree Holder or other affiliates or any perception in the public markets that such a transaction may occur could cause the market price of our common stock to decline materially.

Following this offering, we intend to file a registration statement on Form S-8 under the Securities Act registering shares under our stock incentive plan. Subject to the terms of the awards pursuant to which these shares may be granted and except for shares held by affiliates who will be subject to the resale restrictions described above, the shares issuable pursuant to our stock incentive plan will be available for sale in the public market immediately after the registration statement is filed. See the section entitled "Shares Eligible for Future Sale."

If you purchase shares of common stock sold in this offering, you will experience immediate and substantial dilution and you may suffer additional dilution in the future.

If you purchase shares our common stock in this offering, the value of your shares based on our actual book value will immediately be less than the price you paid. This reduction in the value of your equity is known as dilution. If you purchase shares in this offering, you will suffer, as of , immediate dilution of $ per share in the net tangible book value after giving effect to the sale of common stock in this offering, less underwriting discounts and commissions and the estimated expenses payable by us, and the application of the net proceeds as described in the section entitled "Use of Proceeds." We also expect to grant stock options, restricted stock units and other forms of stock-based compensation to our directors, officers and employees, and may, from time to time, issue equity securities in connection with acquisitions or strategic transactions, and you will experience additional dilution in the future when these equity awards are exercised or vest, as applicable. If we raise funds in the future by issuing additional securities, any newly issued shares or shares issued upon conversion or exercise of such securities will further dilute your ownership. You will also experience dilution upon any conversion of our shares of Series A-2 preferred stock into shares of common stock at a discount, or upon the exercise of outstanding warrants to purchase shares of our common stock. See the sections entitled "Description of Capital Stock — Preferred Stock" and "Description of Capital Stock— Warrants."

We have no present intention to pay dividends on our common stock.

We have no present intention to pay dividends on our common stock. Any determination to pay dividends to holders of our common stock will be at the discretion of our board of directors and will depend upon many factors, including our financial condition, results of operations, projections, liquidity, earnings, legal requirements, restrictions in our credit facility, the terms of our Series A-2 preferred stock, agreements governing any other indebtedness we may enter into and other factors that our board of directors deems relevant. See the section entitled

"Dividend Policy." Accordingly, you may need to sell your shares of our common stock to realize a return on your investment, and you may not be able to sell your shares at or above the price you paid for them.

Our ability to raise capital in the future may be limited. We may not be able to secure additional financing on terms that are acceptable to us, or at all.

In order for us to grow and successfully execute our business plan, we will require additional financing. Additionally, our business and operations may consume resources faster than we anticipate. Therefore, in the future, we expect we will raise additional funds through various financings that may include the issuance of new equity securities, debt or a combination of both. However, the lapse or waiver of the lock-up restrictions discussed above or any sale or perception of a possible sale by the Oaktree Holder or our other affiliates, and any related decline in the market price of our common stock, could impair our ability to raise capital.

Further, additional financing, whether debt or equity, may not be available on favorable terms, or at all. If adequate funds are not available on acceptable terms, we may be unable to fund our capital requirements. If we issue new debt securities, the debt holders would have rights senior to common stockholders to make claims on our assets, and the terms of any debt could restrict our operations, including our ability to pay dividends on our common stock. If we issue additional equity securities, existing stockholders will experience dilution, and the new equity securities could have rights senior to those of our common stock. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, our stockholders bear the risk of our future securities offerings reducing the market price of our common stock and diluting their interest.

Provisions of our amended and restated governing documents, Delaware law and other documents could discourage, delay or prevent a merger or acquisition at a premium price.

Provisions in our amended and restated certificate of incorporation and amended and restated bylaws that we intend to adopt prior to the consummation of this offering may have the effect of delaying or preventing a change of control or changes in our management. For example, our amended and restated certificate of incorporation and amended and restated bylaws will include provisions that:

- permit us to issue, without stockholder approval, preferred stock in one or more series and, with respect to each series, fix the number of shares constituting the series and the designation of the series, the voting powers, if any, of the shares of the series and the preferences and other special rights, if any, and any qualifications, limitations or restrictions, of the shares of the series;
- prevent stockholders from acting by written consent;
- limit the ability of stockholders to amend our certificate of incorporation and bylaws;
- require advance notice for nominations for election to the board of directors and for stockholder proposals;
- do not permit cumulative voting in the election of our directors, which means that the holders of a majority of our common stock may elect all of the directors standing for election; and
- establish a classified board of directors with staggered three-year terms.

These provisions may discourage, delay or prevent a merger or acquisition of our company, including a transaction in which the acquirer may offer a premium price for our common stock.

We are also subject to Section 203 of the Delaware General Corporation Law, or the DGCL, which, subject to certain exceptions, prohibits us from engaging in any business combination with any interested stockholder, as defined in that section, for a period of three years following the date on which that stockholder became an interested stockholder. In addition, our equity incentive plan will permit accelerated vesting of stock options and restricted stock, and payments to be made to the employees thereunder in certain circumstances, in connection with a change of control of our company, which could discourage, delay or prevent a merger or acquisition at a premium price. In addition, our credit facility includes, and other debt instruments we may enter into in the future may include, provisions entitling the lenders to demand immediate repayment of all borrowings upon the occurrence of certain change of control events relating to our company, which also could discourage, delay or prevent a business combination transaction. See "Description of Capital Stock—Provisions of Our Certificate of Incorporation and Bylaws to be Adopted and Delaware Law That May Have an Anti-Takeover Effect."

Our amended and restated certificate of incorporation will include an exclusive forum clause, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us.

Our amended and restated certificate of incorporation, to be in effect immediately prior to the completion of this offering, will provide that, unless we consent in writing to the selection of an alternative forum, the sole and exclusive forum for any stockholder (including any beneficial owner) to bring (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or employees to us or to our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the DGCL or our certificate of incorporation or bylaws or (iv) any action asserting a claim governed by the internal affairs doctrine, will be a state court located within the State of Delaware (or, if no state court located within the State of Delaware has jurisdiction or declines to accept jurisdiction, the federal district court for the District of Delaware); in all cases subject to such court having personal jurisdiction over the indispensable parties named as defendants.

In addition, our amended and restated certificate of incorporation will provide that the federal district courts of the United States will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act but that the forum selection provision will not apply to claims brought to enforce a duty or liability created by the Exchange Act. Although we believe these provisions benefit us by providing increased consistency in the application of Delaware law for the specified types of actions and proceedings, the provisions may have the effect of discouraging lawsuits against us or our directors and officers. Alternatively, if a court were to find the choice of forum provision contained in our amended and restated certificate of incorporation and amended and restated bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, financial condition, and results of operations.

Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock is deemed to have notice of and consented to the foregoing provisions. The exclusive forum clause may limit our stockholders' ability to obtain a favorable judicial forum for disputes with us. See the section entitled "Description of Capital Stock—Exclusive Forum Clause."

We will incur increased costs and obligations as a result of being a publicly-traded company.

As a company with publicly-traded securities, we will be subject to the requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of the NYSE and other applicable securities rules and regulations. These rules and regulations require that we adopt additional controls and procedures and disclosure, corporate governance and other practices thereby significantly increasing our legal, financial and other compliance costs. These new obligations will also make other aspects of our business more difficult, time-consuming or costly and increase demand on our personnel, systems and other resources. For example, to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over

financial reporting, we will need to commit significant resources, hire additional staff and provide additional management oversight. Furthermore, as a result of disclosure of information in this prospectus and in our Exchange Act and other filings required of a public company, our business and financial condition will become more visible, which we believe may give some of our competitors who may not be similarly required to disclose this type of information a competitive advantage. In addition to these added costs and burdens, if we are unable to satisfy our obligations as a public company, we could be subject to delisting of our common stock, fines, sanctions, other regulatory actions and civil litigation, any of which could negatively affect the price of our common stock.

FORWARD-LOOKING STATEMENTS

This prospectus contains "forward-looking statements." These forward-looking statements are included throughout this prospectus, including in the sections entitled "Prospectus Summary," "Risk Factors," "Use of Proceeds," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business" and "Certain Relationships and Related Party Transactions," and relate to matters such as our industry, business strategy, goals and expectations concerning our market position, future operations, margins, profitability, capital expenditures, liquidity, capital resources and other financial and operating information. We have used the words "anticipate," "assume," "believe," "contemplate," "continue," "could," "estimate," "expect," "future," "intend," "may," "plan," "position," "potential," "predict," "project," "seek," "should," "target," "will" and similar terms and phrases to identify forward-looking statements in this prospectus. All of our forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those that we are expecting, including:

- our limited operating history;
- our history of losses and ability to achieve profitability;
- general global economic, business and other conditions, the cyclical nature of our industry and the significant fluctuations in events that impact our business;
- the impact of the COVID-19 pandemic on our business operations and on local, national and global economies;
- the parts of our business that depend on difficult to predict natural or manmade events and the fluctuations in our revenue and customer concentration as a result thereof;
- the highly competitive nature of our business;
- our ability to execute on our acquisition strategy and successfully integrate and realize benefits of our acquisitions;
- our ability to promote and develop our brands;
- our ability to maintain and expand our client base;
- our ability to maintain necessary accreditations and other authorizations in varying jurisdictions;
- significant environmental governmental regulation;
- our ability to attract and retain qualified managerial and skilled technical personnel;
- safety-related issues;
- allegations regarding compliance with professional standards, duties and statutory obligations and our ability to provide accurate results;
- the lack of formal long-term agreements with many of our clients;
- our ability to successfully implement our new enterprise resource planning system;
- our ability to adapt to changing technology, industry standards or regulatory requirements;

- government clients and contracts;
- our ability to maintain our prices and manage costs;
- our ability to protect our intellectual property or claims that we infringe on the intellectual property rights of others;
- laws and regulations regarding handling of confidential information;
- any failure in or breach of our networks and systems;
- our international operations;
- product related risks;
- environmental regulations and liabilities;
- legal and regulatory claims and proceedings;
- research and development activities;
- anti-corruption and similar laws;
- taxation in multiple jurisdictions;
- insufficient insurance coverage;
- seasonality of demand;
- catastrophic events;
- our indebtedness and ability to maintain sufficient liquidity;
- the increase expenses associated with being a public company;
- our anticipated uses of net proceeds from this offering; and
- additional factors discussed in this prospectus, including in the sections entitled "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business."

The forward-looking statements contained in this prospectus are based on historical performance and management's current plans, estimates and expectations in light of information currently available to us and are subject to uncertainty and changes in circumstances. There can be no assurance that future developments affecting us will be those that we have anticipated. Actual results may differ materially from these expectations due to changes in global, regional or local political, economic, business, competitive, market, regulatory and other factors, many of which are beyond our control, as well as the other factors described in the section entitled "Risk Factors." Further, many of these factors are, and may continue to be, amplified by the COVID-19 pandemic. Additional factors or events that could cause our actual results to differ may also emerge from time to time, and it is not possible for us to predict all of them. Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove to be incorrect, our actual results may vary in material respects from what we may have expressed or implied by any forward-looking statement and, therefore, you

should not regard any forward-looking statement as a representation or warranty by us or any other person that we will successfully achieve the expectation, plan or objective expressed in such forward-looking statement in any specified time frame, or at all. We caution that you should not place undue reliance on any of our forward-looking statements. Any forward-looking statement made by us in this prospectus speaks only as of the date on which we make it. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by applicable securities laws.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this prospectus, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

USE OF PROCEEDS

We estimate that our proceeds from this offering will be approximately $ million (or approximately $ million if the underwriters exercise in full their option to purchase additional shares), based on the midpoint of the estimated initial public offering price range set forth on the cover page of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us. We intend to use approximately $ million of the net proceeds from this offering in connection with the redemption of all outstanding shares of our Series A-1 preferred stock and the remainder for general corporate purposes, including future investments in innovation and acquisitions in our highly fragmented industry.

Pending use of the net proceeds from this offering described above, we may invest the net proceeds in short-and intermediate-term interest-bearing obligations, investment-grade instruments, certificates of deposit or direct or guaranteed obligations of the United States government.

Each $1.00 increase or decrease in the assumed initial public offering price of $ per share, the midpoint of the estimated initial public offering price range set forth on the cover page of this prospectus, would increase or decrease the net proceeds to us from this offering by approximately $ million, assuming the number of shares offered, as set forth on the cover page of this prospectus, remains the same, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase or decrease of 1.0 million in the number of shares of our common stock offered by us would increase or decrease the net proceeds that we receive from this offering by approximately $, assuming the assumed initial public offering price remains the same and after deducting the estimated underwriting discounts and commissions payable by us.

DIVIDEND POLICY

We have no present intention to pay cash dividends on our common stock. Any determination to pay dividends to holders of our common stock will be at the discretion of our board of directors and will depend upon many factors, including our financial condition, results of operations, projections, liquidity, earnings, legal requirements, restrictions in the agreements governing our existing indebtedness and any other indebtedness we may enter into and other factors that our board of directors deems relevant.

The agreements governing our existing indebtedness and the terms of our outstanding preferred stock contain, and debt instruments that we enter into in the future may contain, covenants that place limitations on the amount of dividends we may pay. Additionally, holders of our Series A-2 preferred stock will be, following completion of this offering, entitled to receive cumulative dividends, accruing daily and compounded quarterly, at a rate of 9% per annum on the then-stated value of each share, whether or not earned or declared by our board of directors, and in preference to the holders of any and all other series or classes of our capital stock, including our common stock. See the sections entitled “Description of Capital Stock” and “Description of Certain Indebtedness.” In addition, under Delaware law, our board of directors may declare dividends only to the extent of our surplus, which is defined as total assets at fair market value minus total liabilities, minus statutory capital, or, if there is no surplus, out of our net profits for the then current and immediately preceding year.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of March 31, 2020:

- on an actual basis;
- on a pro forma basis to give effect to the following:
  - a for one stock split, which will occur prior to the effective date of the registration statement;
  - assumes the redemption of all outstanding shares of our Series A-1 preferred stock in connection with this offering, including the payment by us, in shares of common stock, of the maximum portion of the per-share redemption price payable in common stock, as permitted under the related certificate of designations;
  - the entry into the Unitranche Credit Agreement providing for a $225.0 million credit facility comprised of a $175.0 million term loan and a $50.0 million revolving credit facility, and the use of the proceeds therefrom to repay in full all amounts outstanding under our prior senior secured credit facility;
  - the issuance of 791,139 shares of our common stock in connection with our acquisition of CTEH (which does not include any shares of our common stock that may be issued over the next two years as contingent earn-out consideration in connection with the acquisition); and
  - the issuance of 17,500 shares of our Series A-2 preferred stock and the Series A-2 Warrant for an aggregate purchase price of $175.0 million; and
- on a pro forma as adjusted basis to give effect to the pro forma adjustments set forth above and the sale and issuance by us of shares of our common stock in this offering, based upon the assumed initial public offering price of $, which is the midpoint of the price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, and the application of such proceeds as described in the section entitled “Use of Proceeds.”

You should read this table together with the information in this prospectus in the sections entitled "Use of Proceeds," "Selected Historical Consolidated Financial Information," "Unaudited Pro Forma Financial Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Description of Capital Stock" and "Description of Certain Indebtedness" and with the audited consolidated financial statements and the related notes included elsewhere in this prospectus.

	As of March 31, 2020		
	As reported	Pro Forma	Pro Forma As Adjusted
Cash	$ 1,047	$	$
Debt			
Term Loan Facility(1)	47,500		
Revolving Line of Credit(1)	110,681(2)		
Capital Leases	4,121		
Other Leases	8		
Equipment Line of Credit	3,605		
Less: Deferred Debt Issuance Costs	(1,028)		
Total debt	164,887		
Redeemable Series A-1 Preferred Stock $0.0001 par value - authorized, issued and outstanding shares: 12,000 at March 31, 2020	134,237		
Convertible and Redeemable Series A-2 Preferred Stock $0.0001 par value - authorized, issued and outstanding shares: 17,500	—		
Stockholders' (deficit) equity:			
Common stock, $0.000004 par value; at March 31, 2020, authorized shares - 25,000,000 and issued and outstanding shares - 8,370,107; pro forma, authorized shares - , issued and outstanding shares -	—		
Additional paid in capital	33,888		
Accumulated deficit	(105,652)		
Other comprehensive loss	(3)		
Total stockholders' (deficit) equity	(71,767)		
Total capitalization	$ 93,120	$	$

(1) Actual amounts as of March 31, 2020 reflect borrowings outstanding under our prior senior secured credit facility. Pro forma and pro forma as adjusted amounts reflect outstanding borrowings under our new credit facility. See the section entitled "Description of Certain Indebtedness."

(2) As of , 2020, there was approximately $ million of outstanding borrowings under our revolving credit facility.

Each $1.00 increase or decrease in the assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase or decrease, respectively, the amount of cash, additional paid-in capital, total stockholders' (deficit) and total capitalization by $ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, after deducting underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. An increase or decrease of 1.0 million in the number of shares we are offering would increase or decrease, respectively, the amount of cash, stockholders' (deficit) equity and total capitalization by approximately $ million, assuming the assumed initial public offering price per share, as set forth on the cover page of this prospectus, remains the same after deducting underwriting discounts and commissions and estimated offering expenses payable by us. The pro forma as adjusted information is illustrative only, and will be adjusted based on the actual initial public offering price and other terms of this offering determined at pricing.

DILUTION

Dilution represents the difference between the amount per share paid by investors in this offering and the as adjusted net tangible book value per share of our common stock immediately after this offering. The data in this section have been derived from our condensed consolidated balance sheet as of March 31, 2020. Net tangible book value per share is equal to our total tangible assets less the amount of our total liabilities, divided by the sum of the number of our shares of common stock outstanding. Our net tangible book value as of March 31, 2020 was $, or $ per share of common stock.

After giving effect to (i) the issuance by us of 791,139 shares of our common stock in connection with the acquisition of CTEH; (ii) the issuance and sale by us of shares of our common stock in this offering at an assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and other estimated offering expenses payable by us; and (iii) the application of such proceeds as described in the section entitled "Use of Proceeds," including the payment by us, in shares of common stock, of the maximum portion of the per-share redemption price of our Series A-1 preferred stock in common stock, our net tangible book value, pro forma, as of March 31, 2020 would have been $, or $ per share of common stock. This represents an immediate increase in net tangible book value to our existing stockholders of $ per share and an immediate dilution to new investors in this offering of $ per share. The following table illustrates this per share dilution:

Assumed initial public offering price per share		$
Net tangible book value per share of common stock as of March 31, 2020	$	
Pro forma increase in net tangible book value per share attributable to new investors	$	
Pro forma net tangible book value per share after the offering		$
Dilution per share to new investors		$

The information in the preceding table is based on an assumed offering price of $ per share, the midpoint of the estimated initial public offering price range set forth on the cover page of this prospectus. A $1.00 increase or decrease in the assumed initial public offering price per share would increase or decrease, respectively, the pro forma net tangible book value after this offering by approximately $ million and increase or decrease the dilution per share of common stock to new investors in this offering by $ per share, in each case calculated as described above and assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same. Similarly, each increase or decrease of 1.0 million shares in the number of shares of our common stock offered by us would increase or decrease, as applicable, our pro forma net tangible book value by approximately $ per share and increase or decrease, as applicable, the dilution to new investors in this offering by $ per share, assuming the assumed initial public offering price remains the same, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

The following table shows on a pro forma basis at March 31, 2020, after giving effect to the issuance by us of 791,139 shares of our common stock in connection with the acquisition of CTEH and the stock split which will occur prior to the effective date of the registration statement, the total cash consideration paid to us and the average price per share paid by existing stockholders and by new investors in this offering, before deducting underwriting discounts and commissions and estimated offering expenses payable by us.

	Shares purchased(1)		Total consideration(2)		Average price
(in millions, except share and per share data)	Number	%	Number	%	per share
Existing stockholders		%		%	$
New investors		%		%	$
Total		100%		100%	$

(1) If the underwriters exercise their option to purchase additional shares in full, our existing stockholders would own approximately % and our new investors would own approximately % of the total number of shares of our common stock outstanding after this offering.

(2) If the underwriters exercise their option to purchase additional shares in full, the total consideration paid by our existing stockholders and new investors would be approximately $ (or %) and $ (or %), respectively.

The discussion above does not account for an aggregate of stock options that we have granted under the 2017 Stock Plan since March 31, 2020 nor does it reflect the dilution you may experience upon any conversion of our shares of Series A-2 preferred stock into shares of common stock at a discounted rate, or upon the exercise of outstanding warrants to purchase shares of our common stock. See the sections entitled "Description of Capital Stock — Preferred Stock" and "Description of Capital Stock —Warrants." Additionally, an aggregate of additional shares of our common stock will initially be available for future awards under the 2017 Stock Plan, including the increase in the number of shares reserved for issuance thereunder we intend to authorize in connection with this offering, which shares are not included in the above discussion and tables. To the extent that we grant awards in the future with exercise prices below the initial public offering price in this offering, investors purchasing in this offering will incur additional dilution. See the section entitled "Shares Eligible for Future Sale."

SELECTED HISTORICAL CONSOLIDATED FINANCIAL INFORMATION

Our selected historical consolidated financial and other information presented and discussed below is derived from our audited consolidated financial statements and the notes thereto for the fiscal year ended December 31, 2019 and 2018, included elsewhere in this prospectus. Except where otherwise noted, our summary consolidated balance sheet data presented below as of December 31, 2017 and December 31, 2016, and our summary consolidated statements of operations and cash flow data presented below for the periods then ended have been derived from our financial statements not included in this prospectus. The selected consolidated financial data in this section are not intended to replace the audited consolidated financial statements and related notes thereto included elsewhere in this prospectus and are qualified in their entirety by the audited consolidated financial statements and related notes thereto included elsewhere in this prospectus. Our historical results presented below are not necessarily indicative of the results to be expected for any future period.

The summary financial data presented below represent portions of our audited consolidated financial statements and are not complete. You should read the selected historical consolidated financial data set forth below together with the sections entitled "Use of Proceeds," "Capitalization," "Unaudited Pro Forma Financial Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Non-GAAP Financial Information," "Related Party Transactions," "Description of Certain Indebtedness" and our audited consolidated financial statements and the related notes thereto included elsewhere in this prospectus.

	For the Years Ended December 31,			
	2016	2017	2018	2019
	(in thousands except per share and percentage data)			
Consolidated Statement of Operations Data:				
Revenues	$114,780	$137,647	$188,805	$233,854
Cost of revenues (exclusive of depreciation and amortization)	74,605	86,324	134,734	163,983
Selling, general and administrative expense	34,985	42,539	38,615	50,663
Related-party expense	1,162	1,619	2,180	448
Depreciation and amortization	15,023	18,828	23,915	27,705
Loss from operations	(10,995)	(11,663)	(10,639)	(8,945)
Net loss	$ (8,946)	$ (10,549)	$ (16,491)	$ (23,557)
Weighted average common shares outstanding—basic and diluted	6,373	7,116	7,533	8,789
Net loss per shares attributable to common stockholders—basic and diluted	$ (1.40)	$ (3.93)	$ (2.79)	$ (4.91)
Other Financial Data (unaudited)				
Operating margin(1)	(9.6)%	(8.5)%	(5.6)%	(3.8)%
Adjusted EBITDA(2)	$ 7,329	$ 13,833	$ 19,313	$ 31,242
Adjusted EBITDA margin(2)(3)	6.4%	10.0%	10.2%	13.4%
Consolidated Statement of Cash Flows Data:				
Net cash provided by (used in) operating activities	$ 4,287	$ 7,553	$ (2,845)	$ 17,042
Net cash used in investing activities	(7,182)	(37,740)	(50,283)	(86,983)
Net cash provided by financing activities	3,621	33,745	50,850	74,452
Change in cash, cash equivalents and restricted cash	$ 726	$ 3,558	$ (2,278)	$ 4,511

	For the Years Ended December 31,			
	2016	2017	2018	2019
	(in thousands except per share and percentage data)			
Consolidated Statement of Financial Position Data:				
Current assets	$ 28,226	$ 38,910	$ 53,999	$ 73,239
Non-current assets	105,186	139,652	180,372	258,599
Total assets	$ 133,412	$ 178,562	$ 234,371	$ 331,838
Current liabilities	$ 27,409	$ 25,866	$ 42,365	$ 73,252
Non-current liabilities	58,109	102,078	75,900	156,055
Total liabilities	85,518	127,944	118,265	229,307
Redeemable Series A-1 preferred stock $0.0001 par value—authorized issued and outstanding shares: 12.000 at December 31, 2019 and 2018; aggregate liquidation preference of $141,898 and $123,417 at December 31, 2019 and 2018			109,206	128,822
Convertible preferred stock, $0.0001 par value—authorized shares 100,000; issued and outstanding shares: 69,817 at December 31, 2017 and 2016	27,582	45,017		
Total stockholders' equity (deficit)	20,312	5,601	6,900	(26,291)
Total liabilities, Redeemable Series A-1 preferred stock and stockholders' equity (deficit)	$ 133,412	$ 178,562	$ 234,371	$ 331,838

(1) Operating margin represents loss from operations as a percentage of revenues.

(2) Non-GAAP measure. See the section entitled "Non-GAAP Financial Information" for a discussion of non-GAAP measures, and a reconciliation thereof to the most directly comparable GAAP measure.

(3) Represents Adjusted EBITDA as a percentage of revenues.

UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following unaudited pro forma consolidated financial information and the related notes present our unaudited pro forma consolidated statements of operations for the three months ended March 31, 2020 and the year ended December 31, 2019, and our unaudited pro forma consolidated balance sheet as of March 31, 2020. The unaudited pro forma consolidated financial information has been derived by aggregating our historical consolidated financial statements and the historical financial statements of Emerging Compounds Treatment Technologies, Inc., or ECT2, and CTEH Holdings, LLC, or CTEH Holdings, each included elsewhere in this prospectus, and making certain pro forma adjustments to such aggregated financial information to give effect to the following transactions, or collectively, the Transactions:

- The acquisition of ECT2, and the incurrence of debt to finance the acquisition;
- The acquisitions of Target Emission Services Inc., Target Emissions Services USA LP, Air Water & Soil Laboratories, Inc. and LEHDER Environmental Services Ltd, and the incurrence of debt to finance these acquisitions;
- The entry into the Unitranche Credit Agreement and the repayment in full of all amounts outstanding under our prior senior secured credit facility;
- The issuance of Series A-2 preferred stock and the Series A-2 Warrant;
- The acquisition of CTEH;
- The issuance and sale by us of our common stock in this offering after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, the use of net proceeds received by us as described under “Use of Proceeds” and the automatic adjustment in the terms of the Series A-1 preferred stock; and
- The repayment of the Series A-1 preferred stock and guaranteed dividend using a portion of the proceeds from this offering and the issuance of shares of our common stock.

The Transactions, along with the assumptions underlying the pro forma adjustments to the unaudited pro forma consolidated financial information, are described fully in the accompanying notes, which should be read in conjunction with the unaudited pro forma financial information.

The table below provides the date each acquisition Transaction closed, the date and period for which each acquisition Transaction has been reflected in our historical financial statements and the date and period for which each acquisition Transaction is shown in the unaudited pro forma consolidated financial information giving effect to the Transactions as if they had occurred on the dates shown.

Acquired Company	Transaction Close Date	Balance Sheet reflected in historical financial statements:	Period reflected in historical financial statements:	Period reflected in the pro forma adjustments	Pro forma information provided as if Transaction occurred:
Target Emission Services, Inc.	April 30, 2019	As of December 31, 2019	May 1, 2019 to December 31, 2019	January 1, 2019 to April 30, 2019	January 1, 2019
Target Emission Services USA LP	April 30, 2019	As of December 31, 2019	May 1, 2019 to December 31, 2019	January 1, 2019 to April 30, 2019	January 1, 2019
Air Water & Soil Laboratories, Inc.	June 28, 2019	As of December 31, 2019	July 1, 2019 to December 31, 2019	January 1, 2019 to June 30, 2019	January 1, 2019
LEHDER Environmental Services Ltd	July 31, 2019	As of December 31, 2019	August 1, 2019 to December 31, 2019	January 1, 2019 to July 31, 2019	January 1, 2019
Emerging Compounds Treatment Technologies, Inc.	August 31, 2019	As of December 31, 2019	September 1, 2019 to December 31, 2019	January 1, 2019 to August 31, 2019	January 1, 2019
The Center for Toxicology and Environmental Health, L.L.C.	April 2020	N/A	N/A	January 1, 2019 to March 31, 2020	January 1, 2019

The acquisition of CTEH, the issuance of the Series A-2 preferred stock, our entry into the Unitranche Credit Agreement and the repayment of our prior senior secured credit facility occurred on April 13, 2020, and are therefore not reflected in our historical consolidated balance sheet as of March 31, 2020. Accordingly, pro forma adjustments to the historical consolidated balance sheet as of March 31, 2020 have been made to reflect these Transactions.

The unaudited pro forma financial information herein has been prepared to illustrate the effects of the Transactions in accordance with GAAP and pursuant to Article 11 of Regulation S-X. The historical financial information has been adjusted in the unaudited pro forma financial information to give effect to pro forma events that are (i) directly attributable to the Transactions, (ii) factually supportable and (iii) with respect to the unaudited pro forma consolidated statements of operations, expected to have a continuing impact on the combined results. However, such adjustments are estimates based on certain assumptions and may not prove to be accurate. Information regarding these adjustments is subject to risks and uncertainties that could cause actual results to differ materially from our unaudited pro forma financial information.

Each of the acquisition Transactions was accounted for as a business combination using the acquisition method of accounting under the provisions of ASC Topic 805, Business Combinations, or ASC 805, and using the fair value concepts defined in ASC Topic 820, Fair Value Measurements. Under ASC 805, all assets acquired and liabilities assumed are recorded at their acquisition date fair value. The determination of the fair values of the assets acquired and liabilities assumed (and the related determination of estimated useful lives of depreciable and amortizable tangible and identifiable intangible assets) requires significant judgment and estimates. The estimates and assumptions used include the projected timing and amount of future cash flows and discount rates reflecting risk inherent in the future cash flows related to the businesses acquired. However, for the CTEH acquisition, due to the timing of the acquisition, the excess purchase price over the carrying value of assets acquired and liabilities assumed has been estimated as the Company has not yet completed the initial purchase price allocation. The Company has used its best estimates based on the information available as of the date hereof.

In our opinion, all adjustments necessary to reflect the effects of the Transactions have been included and are based upon currently available information and assumptions that we believe are reasonable as of the date of this prospectus. Any of the factors underlying these estimates and assumptions may change or prove to be

materially different. The unaudited pro forma financial information also does not purport to represent what our actual results of operations and financial position would have been had the Transactions occurred on the dates indicated, nor are they intended to be representative of or project our future financial condition or results of operations or financial position.

The unaudited pro forma consolidated financial information does not reflect any additional costs that may arise from being a public company or the realization of any expected cost savings, operating efficiencies or other synergies that may result from the Transactions as a result of any integration and restructuring activities or other planned cost savings initiatives following the completion of the Transactions.

The unaudited pro forma financial information is provided for informational and illustrative purposes only and should be read in conjunction with our historical financial statements and the historical financial statements of ECT2 and CTEH Holdings, each of which is included elsewhere in this prospectus, as well as the financial and other information appearing elsewhere in this prospectus, including in the sections entitled “Risk Factors,” “Use of Proceeds,” “Capitalization,” “Selected Historical Consolidated Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

Montrose Environmental Group, Inc.
Unaudited Pro Forma Consolidated Statement of Operations
For the Three Months Ended March 31, 2020

(in thousands)	As reported for the quarter ended March 31, 2020	Issuance of the Unitranche Facility(1)	Repayment in full of the Prior Senior Secured Credit Facility(2)	CTEH Business Acquisition(3)	Pro forma Amounts Business Acquisition of CTEH(4)	Repayment of Series A-1 Preferred Stock(5)	IPO Offering(6)	Total Pro Forma Impact	Pro Forma As Adjusted at March 31, 2020
Consolidated Statement of Operations Data:									
Revenues	61,031			31,253(3)				31,253	92,284
Operating expenses (exclusive of depreciation and amortization)	(65,329)			(20,750)(3)	(1,190)(4)		(250)(6)	(22,190)	(87,519)
Related party expense	(119)								(119)
Depreciation and amortization expense	(7,560)			(235)(3)	(4,672)(4)(4a)			(4,907)	(12,467)
Other (expenses) income	(29,830)			53(3)				53	(29,777)
Interest expense—net	(2,593)	(906)(1)	(1,028)(2)	(33)(3)		12,264(5)		10,297	7,704
Benefit (expense) from income taxes	3,152				(2,881)(4)(4b)			(2,881)	271
Net (loss) income	**$ (41,248)**	**$ (906)**	**$ (1,028)**	**$ 10,288**	**$ (8,743)**	**$ 12,264**	**$ (250)**	**$ 11,625**	**$ (29,623)**
EBITDA(7)				**10,556**					**10,556**
Adjusted EBITDA(8)	**5,553**								**5,553**
Pro forma Adjusted EBITDA(8)									**$ 16,109**

(1) Incremental interest expense between the the Company's prior senior secured credit facility interest expense and the Unitranche Credit Facility interest expense assuming the Company entered the Unitranche Credit Agreement on January 1, 2020 and repaid all amounts outstanding under the prior senior secured credit facility on such date.

(2) The repayment of the Company's prior senior secured credit facility assumes the write off of $1.0 million in debt issuance costs. This is considered a recurring expense in nature. Refer to Note 11 of the Company's unaudited condensed consolidated financial statements included elsewhere in this prospectus.

(3) Historical amounts for CTEH. See the unaudited condensed consolidated financial statements of CTEH Holdings included elsewhere in this prospectus.

(4) Pro forma amounts consider acquisition bonus, estimated amortization expense of intangible assets and estimated income tax expense of $1.2 million, $4.7 million and $2.9 million, respectively. Acquisition bonuses are paid by the Company on a recurring basis.

(4a) Intangible assets acquired include customer relationships, covenants not to compete, trade names and proprietary software. Amortization of intangible assets was estimated. Actual life will be determined through the purchase price accounting.

(4b) The pro forma income tax expense has been determined using a combined state and federal tax rate of 28.0%

(5) The principal and accrued interest on the Series A-1 preferred stock is expected to be fully repaid with the proceeds from this offering and the issuance of shares of common stock. See the section entitled "Use of Proceeds." Out of the three year minimum guaranteed interest of $38.7 million, there was $11.7 million in interest earned but unaccrued as of March 31, 2020. Additionally, this pro forma amount accounts for the write off of the following with respect to the repayment in full of the Series A-1 preferred stock: (i) related discount of $11.3 million, (ii) transaction issuance costs of $1.4 million and (iii) the write off of the contingent put option of $36.7 million.

(6) Assumes $0.3 million of estimated stock based compensation expense for options issued to certain executives.

(7) EBITDA is a non-GAAP measure and has been presented in this unaudited pro forma financial information as a supplemental measure of financial performance that is not required by, or presented in accordance with, GAAP or Article 11 of the SEC's Regulation S-X. EBITDA represents net income (loss), before interest expense–net, depreciation and amortization and benefit (expense) from income taxes.

EBITDA is presented herein because it is an important metric used by management as one of the means by which it assesses acquisition targets. For additional information regarding why we believe non-GAAP measures provide useful information to investors and a discussion of certain limitations thereof, see the section entitled "Non-GAAP Financial Information."

The following represents the reconciliation of EBITDA to net income for CTEH for the three months ended March 31, 2020 (in thousands):

Net income	$ 10,288
Interest expense–net	33
Depreciation and amortization	235
(Benefit) expense from income taxes	
EBITDA	$ 10,556

(8) Non-GAAP measure. See the section entitled "Non-GAAP Financial Information" for a discussion of non-GAAP measures, and a reconciliation of Montrose's historical Adjusted EBITDA to reported net loss, the most directly comparable GAAP measure.

Montrose Environmental Group, Inc.
Unaudited Pro Forma Consolidated Statement of Operations
For the Year Ended December 31, 2019

(in thousands)	As reported for the fiscal year ended December 31, 2019	ECT2 business acquisition(1)	ECT2 business acquisition Pro Forma(2)	Other immaterial business acquisitions pro forma adjustments(3)	Issuance of the Unitranche Credit Facility(4)	CTEH Business Acquisition(5)	Pro forma Amounts Business Acquisition of CTEH(6)	IPO Offering(7)	Total Pro Forma Impact	Pro Forma As Adjusted at December 31, 2019
Consolidated Statement of Operations Data:										
Revenues	233,854	17,707(1)		7,739(3)		110,119(5)		(1,000)(7)	135,565	369,419
Operating expenses (exclusive of depreciation and amortization)	(214,646)	(12,937)(1)		(5,555)(3)		(73,973)(5)	(2,161)(6)		(95,626)	(310,272)
Related party expense	(448)									(448)
Depreciation and amortization expense	(27,705)	(127)(1)	(2,631)(2)	(1,126)(3)		(822)(5)	(18,689)(6)(6a)		(23,395)	(51,100)
Other (expenses) income	(10,978)	(46)(1)		27(3)		17(5)			(2)	(10,980)
Interest expense—net	(6,755)		(1,918)(2)	(713)(3)	(2,875)(4)	(413)(5)			(5,919)	(12,674)
Benefit (loss) from income taxes	3,121	(1,142)(1)		148(3)			(9,780)(6)(6b)		(10,744)	(7,653)
Net (loss) income	**$ (23,557)**	**$ 3,455**	**$ (4,549)**	**$ 520**	**$ (2,875)**	**$ 34,928**	**$ (30,630)**	**$ (1,000)**	**$ (151)**	**$ (23,708)**
EBITDA(8)		**4,724**		**2,211**		**36,163**				**43,098**
Adjusted EBITDA(9)	**31,242**									**31,242**
Pro forma Adjusted EBITDA(9)										**$ 74,340**

(1) Historical amounts for the period ended August 30, 2019 for ECT2. See the audited financial statements of ECT2 included elsewhere in this prospectus.
(2) Pro forma amount for the amortization of intangible assets acquired and the interest expense incurred due to financing the purchase of the acquisition through the Company's prior senior secured credit facility for the period ended August 30, 2019.
(3) Represent pro forma results assuming the acquisitions occurred as of January 1, 2019.
(4) Incremental interest expense between the Unitranche Credit Facility interest expense and the prior senior secured credit facility interest expense assuming the Company entered the Unitranche Credit Agreement on January 1, 2019 and repaid all amounts outstanding under the prior senior secured credit facility on such date.
(5) Historical amounts for CTEH. See the audited consolidated financial statements of CTEH Holdings included elsewhere in this prospectus.
(6) Amounts represent pro forma bonus expense, acquisition related expenses and estimated intangible assets amortization related to the CTEH acquisition.
(6a) Intangible assets acquired include customer relationships, covenants not to compete, trade names and proprietary software. The amortization of the intangible assets was estimated. Actual life will be determined through the purchase price accounting.
(6b) The pro forma income tax expense has been determined using a combined state and federal tax rate of 28.0%.
(7) Estimated stock based compensation expense for options issued to certain executives.
(8) EBITDA is a non-GAAP measure and has been presented in this unaudited pro forma financial information as a supplemental measure of financial performance that is not required by, or presented in accordance with, GAAP or Article 11 of the SEC's Regulation S-X. EBITDA represents net income (loss), before interest expense–net, depreciation and amortization and benefit (expense) from income taxes.

EBITDA is presented herein because it is an important metric used by management as one of the means by which it assesses acquisition targets. For additional information regarding why we believe non-GAAP measures provide useful information to investors and a discussion of certain limitations thereof, see the section entitled "Non-GAAP Financial Information."

The following represents the reconciliation of EBITDA to net income for the Transaction indicated for the year ended December 31, 2019 (in thousands):

	ECT2	Other immaterial business acquisitions	CTEH
Net income	$3,455	$ 520	$34,928
Interest expense–net		713	413
Depreciation and amortization	127	1,126	822
Expense (benefit) from income taxes	1,142	(148)	
EBITDA	$4,724	$ 2,211	$36,163

(9) Non-GAAP measure. See the section entitled “Non-GAAP Financial Information” for a discussion of non-GAAP measures, and a reconciliation of Montrose’s historical Adjusted EBITDA to reported net loss, the most directly comparable GAAP measure.

Montrose Environmental Group, Inc.
Unaudited Pro Forma Consolidated Balance Sheet

As of March 31, 2020

	As reported for the quarter ended March 31, 2020	Issuance of the Unitranche Credit Facility(1)	Repayment in full of the Prior Senior Secured Credit Facility(2)	Issuance of the Series A-2 Preferred Stock(3)	Historical Amounts Business Acquisition of CTEH(4)	Pro Forma Amounts Business Acquisition of CTEH(5)	IPO Offering(6)	Repayment of Series A-1 Preferred Stock(7)	Total Pro Forma Impact	Pro Forma As Adjusted at March 31, 2020
Assets										
Current Assets:										
Cash	$ 1,047	$ 195,551(1a)	$ (146,340)(2)	$173,847(3a)	$ 1,527(4)	$ (175,000)(5a)	$ 140,000(6)	$ (139,340)(7a)	$ 50,245	$ 51,292
Restricted Cash	473									473
Accounts receivable—net	39,715				11,940(4)	1,746(5b)			13,686	53,401
Contract assets	14,398				6,406(4)(4a)				6,406	20,804
Prepaid and other current assets	8,020				1,265(4)				1,265	9,285
Income tax receivable	908									908
Non-Current Assets										
Property and equipment—net	28,729				6,060(4)				6,060	34,789
Goodwill	127,058					98,469(5c)			98,469	225,527
Other intangible assets—net	97,155					130,833(5c)			130,833	227,988
Other assets	2,444									2,444
Total Assets	**319,947**	**195,551**	**(146,340)**	**173,847**	**27,198**	**56,048**	**140,000**	**(139,340)**	**306,964**	**626,911**
Liabilities, Redeemable Series A-1 Preferred Stock, Convertible and Redeemable Series A-2 Preferred Stock and Stockholders' (Deficit) Equity										
Current Liabilities:										
Accounts payable and other accrued liabilities	$ 29,494	$ 906(1b)	$	$	$ 4,482(4)	44,576(5d)(5f)	$	$	$ 49,964	$ 79,458
Accounts payable to related party	9									9
Accrued payroll and benefits	8,574				4,077(4)				4,077	12,651
Income tax payable						2,881(5g)			2,881	2,881
Warrant option	16,877			29,991(3b)					29,991	46,868
Current portion of long term debt	7,460	1,641(1c)	(5,000)(2)						(3,359)	4,101
Non-Current Liabilities:										
Other non-current liabilities	490					6,809(5d)			6,809	7,299
Deferred tax liabilities—net	419									419
Contingent put option	36,727							(36,727)(7a)	(36,727)	
Long-term debt—net of deferred financing fees	157,427	193,910(1d)	(140,312)(2)						53,598	211,025
Commitments and Contingencies										
Redeemable Series A-1 Preferred Stock $0.0001 par value -authorized, issued and outstanding shares: 12,000 at March 31, 2020	134,237							(134,237)(7b)	(134,237)	
Convertible and Redeemable Series A-2 Preferred Stock $0.0001 par value—authorized, issued and outstanding shares: 17, 500				149,903(3c)					149,903	149,903
Stockholders' (Deficit) Equity:										
Common stock, $0.000004 par value; authorized shares: 25,000,000; issued and outstanding shares 8,370,107 at March 31, 2020										
Additional paid-in capital	33,888			(6,047)(3d)	18,639(4)(4b)	6,361(5e)	160,250(6)	19,360(7c)	198,563	232,451
Accumulated deficit	(105,652)	(906)(1b)	(1,028)(2)			(4,579)(5f)	(20,250)(6)	(12,264)(7a)	(14,499)	(120,151)
Other comprehensive loss	(3)									(3)
Total Liabilities, Redeemable Series A-1 Preferred Stock, Convertible and Redeemable Series A-2 Preferred Stock and Stockholders' (Deficit) Equity	**$ 319,947**	**$ 195,551**	**$ (146,340)**	**$173,847**	**$ 27,198**	**$ 56,048**	**$ 140,000**	**(139,340)**	**306,964**	**626,911**

(1) The Unitranche Credit Agreement provides for a credit facility of $225.0 million, comprised of a $175.0 million term loan and a $50.0 million revolving credit facility. The term loan has quarterly repayments starting on September 30, 2020, with the remaining outstanding principal amount due on the maturity date. Total amounts drawn at issuance were $175.0 million and $25.0 million for the term loan and the revolver, respectively.

(1a) Total cash received from the issuance of the Unitranche Credit Facility amounted to $200.0 million of which $4.5 million was used to pay closing fees and was recorded as debt issuance costs.

(1b) Incremental interest expense between the Unitranche Credit Facility interest expense and the prior senior secured credit facility interest expense assuming the Company entered the Unitranche Credit Agreement on January 1, 2020.

(1c) Current portion of long term debt was determined based on the amortization schedule for the Unitranche Credit Facility. The Company will make quarterly repayments, initially of $0.5 million beginning on September 2020.

(1d) Amounts represent the long term portion of amounts outstanding under the Unitranche Credit Facility ($175.0 million term loan and $25.0 million in the revolver) net of debt issuance costs of $4.5 million and the long term debt current portion of $1.6 million.

(2) In April 2020, the Company repaid in full the $146.3 million outstanding under the Company's prior senior secured credit facility ($5.0 million recorded as current debt and $141.3 million recorded as long term debt) with proceeds received from the Unitranche Credit Facility. Unamortized debt issuance costs linked to the Company's prior senior secured credit facility of $1.0 million were written off.

(3) The Company issued 17,500 shares of Series A-2 preferred stock with a par value of $0.0001 per share and the Series A-2 Warrant with a 10-year life for an aggregate purchase price of $175.0 million. Upon a qualifying IPO, the Series A-2 preferred stock becomes convertible into common equity, beginning on the four-year anniversary at a 15% discount to the common stock market price. See the section entitled "Description of Capital Stock—Preferred Stock—Series A-2 Preferred Stock."

(3a) Total proceeds received from the issuance of the of the Series A-2 preferred stock were $175.0 million of which $1.2 million was used to pay debt issuance costs.

(3b) The Series A-2 Warrant has a preliminary fair market value of $30.0 million. Refer to Note 20 in the Company's unaudited condensed consolidated financial statements included elsewhere in this prospectus.

(3c) The Company determined that the Series A-2 preferred stock is considered temporary equity since it is redeemable at the option of the holder. The value assigned to the Series A-2 preferred stock was calculated as follows: (i) $175.0 million of proceeds received from the issuance of the instrument, less (ii) $30.0 million assigned to the Series A-2 Warrant, plus (iii) the estimated accretion for the period of $6.0 million, and less (iv) debt issuance cost amounting to $1.2 million.

(3d) Amount represents the estimated accretion of the Series A-2 preferred stock for the period.

(4) Amounts represent historical balances as of March 31, 2020 for the CTEH business acquisition.

(4a) Contract assets consist of unbilled accounts receivable.

(4b) Amounts represent the historical net assets acquired and net liabilities assumed or equity amounts. Subsidiaries estimated equity amounts are not part of the purchase price accounting and therefore have been removed in the pro forma column.

(5) In April 2020, the Company completed the business acquisition of CTEH by acquiring 100% of its membership interests. CTEH is an environmental consulting company in Arkansas that specializes in environmental response and toxicology. The transaction qualified as an acquisition of a business and will be accounted for as a business combination.

(5a) CTEH cash purchase price component amounted to $175.0 million. The cash component of the CTEH purchase price was funded via the issuance of Series A-2 preferred stock.

(5b) The other purchase price component of the CTEH purchase price consisted of a target working capital amount. CTEH's resulting working capital at closing did not meet the target amount and therefore, resulted in a working capital deficit due to the Company.

(5c) These amounts represent the difference between the net assets acquired and liabilities assumed. Intangible assets acquired include customer relationships, covenants not to compete, tradenames and proprietary software. The Company estimated the amount allocated to intangible assets and goodwill as of March 31, 2020. Actual amounts will be determined through purchase price accounting.

(5d) The contingent consideration element of the purchase price of CTEH's acquisition is related to potential earn-out payments which are based on the expected achievement of revenue or earnings thresholds as of the date of the acquisition. The recorded amount of earn-out reflects a preliminary estimate for the first and second year earn-out amounting to $42.9 million and $6.8 million, respectively. These are estimates and the amounts will be finalized in purchase price accounting. See the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Contractual Obligations."

(5e) Amounts represent the equity purchase price component of the acquisition amounting to $25.0 million net of the write off of the $18.6 million of the equity in CTEH historical equity balance. The common stock component of CTEH acquisition was paid through the issuance of 791,139 shares of common stock.

(5f) Considers acquisition related expenses of $1.7 million and estimated income tax expense of $2.9 million.

(5g) CTEH was a disregarded entity for tax purposes since the business was a limited liability company. The pro forma tax expense has been determined using a combined state and federal tax rate of 28.0%.

(6) Assumes net proceeds of $140.0 million, $6.0 million of executive compensation, $14.0 million of IPO issuance fees and $0.3 million of estimated stock based compensation for options issued to certain executives.

(7) The Series A-1 preferred stock is expected to be redeemed upon completion of this offering. See the section entitled "Use of Proceeds."

(7a) The principal and accrued interest on the Series A-1 preferred stock amounting to $139.3 million (net of $19.4 million expected to be paid in shares of common stock) is expected to be fully repaid with the proceeds from this offering and the issuance of shares of common stock. See the section entitled "Use of Proceeds." Out of the three year minimum guaranteed interest of $38.7 million, there was $11.7 million in interest earned but unaccrued as of March 31, 2020. Additionally, this pro forma accounts for the write off of (i) related discount of $11.3 million, (ii) debt issuance costs of $1.4 million, and (iii) the write off of the contingent put option of $36.7 million.

(7b) The accreted Series A-1 preferred stock balance is composed of the following: (i) $120.0 million principal balance, (ii) $27.0 accrued interest, (iii) less debt issuance discount of $1.4 million, and (iv) $11.3 million related to the warrant discount related to the stock purchase warrant issued concurrent with the Series A-1 preferred stock and recorded at the issuance of the instrument.

(7c) Out of the three year minimum guaranteed interest of $38.7 million, an amount per share equal to the product of (i) 50.0% multiplied by (ii) the redemption price minus $10,000 ($19.4 million) will be paid in common stock.

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 the sections titled "Selected Consolidated Financial Data" and "Unaudited Pro Forma Financial Information," and our historical audited consolidated financial statements and related notes and other information included elsewhere in this prospectus. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from such forward-looking statements. Factors that could cause or contribute to those differences include, but are not limited to, those identified below and those discussed in the section entitled "Risk Factors" and included elsewhere in this prospectus.

Overview

Since our inception in 2012, our mission has been to help clients and communities meet their environmental goals and needs. Today, we have emerged as one of the fastest growing companies in a highly fragmented and growing $1.25 trillion global environmental industry.

Our Segments

We provide environmental services to our clients through three business segments—Assessment, Permitting and Response, Measurement and Analysis and Remediation and Reuse.

Assessment, Permitting and Response

Through our Assessment, Permitting and Response segment, we provide scientific advisory and consulting services to support environmental assessments, environmental emergency response, and environmental audits and permits for current operations, facility upgrades, new projects, decommissioning projects and development projects. Our technical advisory and consulting offerings include regulatory compliance support and planning, environmental, ecosystem and toxicological assessments and support during responses to environmental disruption. We help clients navigate regulations at the local, state, provincial and federal levels. In addition to environmental toxicology, our scientists and response teams have helped over 70 clients address COVID-19-related needs, and continue to help clients navigate their preparation for and response to COVID-19 infections.

Measurement and Analysis

Through our Measurement and Analysis segment, our highly credentialed teams test and analyze air, water and soil to determine concentrations of contaminants as well as the toxicological impact of contaminants on flora, fauna and human health. Our offerings include source and ambient air testing and monitoring, leak detection and advanced analytical laboratory services such as air, storm water, wastewater and drinking water analysis. We are a market leader in environmental testing and laboratory services based on 2018 annual revenue according to EBI.

Remediation and Reuse

Through our Remediation and Reuse segment, we provide clients with engineering, design, implementation and operations and maintenance services, primarily to treat contaminated water, remove contaminants from soil or create biogas from waste. We do not own the properties or facilities at which we implement these projects or the underlying liabilities, nor do we own material amounts of the equipment used in projects; instead, we assist our clients in designing solutions, managing projects and mitigating their environmental risks and liabilities.

These operating segments have been structured and organized to align with how we view and manage the business with the full lifecycle of our clients' targeted environmental concerns and needs in mind. Within each segment, we cover similar service offerings, regulatory frameworks, internal operating structures and client types. Corporate activities not directly related to segment performance, including general corporate expenses, interest and taxes, are reported separately. For more information on each of our operating segments, see the section entitled "Business-Segments" and our audited consolidated financial statements included elsewhere in this prospectus.

COVID-19

We are closely monitoring the impact of the COVID-19 pandemic on our business, including how it will impact our customers, employees and suppliers. While COVID-19 did not have a material adverse effect on our reported results for our first quarter, we did experience some changes to our business operations. The changes were primarily composed of client postponement of on-site environmental compliance testing, delays in project start dates, and postponement or reformatting of scientific presentations and sales visits. We believe these impacts are temporary and accordingly we have instituted temporary cost mitigation measures such as furloughs for a subset of our impacted workforce. Our businesses exposed to commercial food waste and non-specialized municipal water engineering projects also saw or are seeing more significant disruptions and, as a result, we exited those service lines as described further below. On the other hand, our recent CTEH acquisition has seen benefits from COVID-19 given client demand for its toxicology and response services. In the aggregate, the majority of our business and our outlook for 2020 has been largely unimpacted to-date. We have not experienced a significant slowdown in cash collections, and as a result cash flow from operations has not been materially adversely impacted. We also recently entered into a new credit facility, replacing our prior senior secured credit facility, and as a result, have increased cash on hand and borrowing capacity. We expect our sources of liquidity to be sufficient for our operating needs for the next twelve months. See "Liquidity and Capital Resources."

It is difficult to predict the future impact COVID-19 may have on our business, results of operations, financial position, or cash flows. The extent to which we may be impacted will depend largely on future and rapidly evolving developments, including new information on the severity of the pandemic, potential testing, treatment or vaccines for the virus, and actions by various government authorities to contain the pandemic and mitigate its impact. We intend to closely monitor the impact of COVID-19 on our business and will respond as we believe is appropriate.

Key Factors that Affect Our Business and Our Results

Our operating results and financial performance are influenced by a variety of internal and external trends and other factors. Some of the more important factors are discussed briefly below.

Acquisitions

We have been, and expect to continue to be, an acquisitive company. Since January 1, 2017, we have acquired 22 businesses (seven businesses in each of the last three fiscal years and one in the second quarter of 2020).

Acquisitions have expanded our environmental service capabilities across all three segments, our access to technology, as well as our geographic reach in the United States, Canada and Australia. We did not acquire any companies in the first quarter of 2020. For the year ended December 31, 2019, approximately $23.2 million, or 9.9% of our revenues in 2019, were generated from companies acquired in 2019, and for the year ended December 31, 2018, approximately $17.9 million, or 9.5% of our revenues in 2018, were generated from companies acquired in 2018. Revenues from acquired companies exclude intercompany revenues from revenue synergies realized between business lines within operating segments, as these are eliminated at the consolidated segment and Company level. We expect our revenue growth to continue to be driven in significant part by acquisitions, in particular, by our recent acquisition of CTEH.

As a result of our acquisitions, goodwill and other intangible assets represent a significant proportion of our total assets, and amortization of intangible assets has historically been a significant expense. For the three months ended March 31, 2020 and March 31, 2019, amortization expense was $5.6 million and $4.5 million, respectively. For the years ended December 31, 2019 and December 31, 2018, amortization expense was $20.0 million and $16.3 million, respectively. Our historical financial statements also include other acquisition-related costs, including costs relating to external legal support, diligence and valuation services and other transaction and integration-related matters. For the three months ended March 31, 2020 and March 31, 2019, total acquisition-related costs were $1.3 million and $0.2 million, respectively. For the years ended December 31, 2019 and December 31, 2018, total acquisition-related costs were $3.5 million and $1.6 million, respectively. In addition, in any year gains and losses from changes in the fair value of earn-out related contingent consideration could be significant. For the three months ended March 31, 2020 and March 31, 2019, there were no material changes in the fair value of contingent consideration. For the years ended December 31, 2019 and December 31, 2018, change in the fair value of contingent consideration resulted in a net charge of $1.4 million and a net gain of $0.2 million, respectively. Additionally, we may be required to make up to $80.0 million in earn-out payments over the next two years in connection with our recent acquisition of CTEH, a portion of which may be paid in the form of shares of our common stock. See "Contractual Obligations" and "Liquidity and Capital Resources." We expect that amortization of identifiable intangible assets and other acquisition-related costs, assuming we continue to acquire, will continue to be significant.

Organic Growth

We have grown organically and expect to continue to do so. We define organic growth as the change in revenues excluding revenues from acquisitions for the first twelve months following the date of acquisition. Due to the size and scale of our recent acquisition of CTEH, we also reference combined organic revenue growth in this prospectus, which represents our annual organic revenue growth plus CTEH's annual revenue growth. We also adjust this combined organic revenue growth to exclude CTEH's revenues generated from major environmental events resulting in one or more projects contributing more than $4.0 million of revenue in any year as the events are typically not recurring from year to year. Management uses organic growth as one of the means by which it assesses our results of operations. These measures of organic growth are not, however, a measure of revenue calculated in accordance with GAAP and should be considered in conjunction with our revenues calculated in accordance with GAAP.

Discontinued Service Lines

Periodically, or when circumstances warrant, we evaluate the performance of our business services to ensure that performance and outlook are consistent with expectations. During the quarter ended March 31, 2020, as part of this evaluation, we determined to scale back operations of our environmental lab in Berkeley, California, and to exit our non-specialized municipal water engineering service line and our food-waste biogas engineering service line. The factors underlying these decisions were accelerated and amplified by the COVID-19 pandemic, which for example, has made the collection of commercial food waste used in biodigesters less consistent and delayed the approval or initiation of certain projects dependent on municipal or state funding. As a part of discontinuing these service lines, we eliminated select personnel and, in the quarter ended March 31, 2020, booked an additional bad debt reserve related to the increased uncertainty around the ability to collect on receivables related to these service lines. Revenue from our non-specialized municipal water engineering service line and our food-waste biogas engineering or, collectively, the Discontinued Service Lines, which are included in the results of our Remediation and Reuse segment, were $10.9 million and $12.3 million in the years ended December 31, 2019 and 2018, respectively, and $1.0 million and $3.5 million in the quarters ended March 31, 2020 and 2019, respectively.

Revenue Mix

Our segments generate different levels of profitability and, accordingly, shifts in the mix of revenues between segments can impact our consolidated reported net income, operating margin, Adjusted EBITDA and

Adjusted EBITDA margin from year to year. See the section entitled "Non-GAAP Financial Information" for a discussion of non-GAAP measures and a reconciliation thereof to the most directly comparable GAAP measure. Inter-company revenues between business lines within segments have been eliminated.

Financing Costs

Financing costs, relating primarily to interest expense on our debt, continue to be a significant component of our results of operations. For the three months ended March 31, 2020 and March 31, 2019, we incurred interest expense of $2.6 million and $1.3 million, respectively. For the year ended December 31, 2019, we incurred $6.8 million of interest expense and for the year ended December 31, 2018, we incurred $11.1 million of interest expense and $0.4 million in debt extinguishment costs. On April 13, 2020, we entered into the Unitranche Credit Agreement providing for a new $225.0 million credit facility comprised of a $175.0 million term loan and a $50.0 million revolving credit facility and used the proceeds therefrom to repay in full all amounts outstanding under our prior senior secured credit facility. We incurred debt extinguishment costs of $1.0 million in connection with this refinancing transaction. We expect interest expense to increase in future periods due to the higher interest rates under our new credit facility, and that interest expense will remain a significant cost as we continue to leverage our credit facility to support our operations and future acquisitions.

Corporate and Operational Infrastructure Investments

Our historical operating results reflect the impact of our ongoing investments in our corporate infrastructure to support our growth. We have made and expect to continue to make investments in our business platform that we believe have laid the foundation for continued growth. Investments in logistics, quality, risk management, sales and marketing, safety, human resources, finance and information technology resources and other areas enable us to support continued growth. These investments have allowed us to improve our operating margins.

Seasonality

Because demand for environmental services is not driven by specific or predictable patterns in one or more fiscal quarters, our business is better assessed based on yearly results. In addition, our operating results experience some quarterly variability. Excluding the impact of revenues and earnings from new acquisitions, we typically generate slightly lower revenues and lower earnings in the first and fourth quarters and higher overall revenues and earnings in the second and third quarters. Historically, quarterly variability has been driven by weather patterns, which generally impact our field-based teams' ability to operate in the winter months. As we continue to grow and expand into new geographies and service lines, quarterly variability may deviate from historical trends.

Earnings Volatility

We expect to experience increased annual and quarterly revenue and earnings volatility as a result of the timing of large contract wins in our Remediation and Reuse segment. In addition, the acquisition of CTEH exposes us to potentially significant revenue and earnings fluctuations tied to the timing of large emergency response projects following an incident or natural disaster. As a result, we may experience revenues and earnings in a quarter or year that are not indicative of future results.

Results of Operations

Three Months Ended March 31, 2020 Compared to the Three Months Ended March 31, 2019

(in thousands, except per share data)	For the Three Months Ended March 31, 2019	2020
Statements of operations data:		
Revenues	$50,954	$ 61,031
Cost of revenues (exclusive of depreciation and amortization)	37,095	44,398
Selling, general and administrative expenses	10,447	20,931
Related party expense	159	119
Depreciation and amortization	6,449	7,560
Loss from operations	**$ (3,196)**	**$(11,977)**
Other income (expense)	49	(29,830)
Interest expense, net	(1,279)	(2,593)
Loss before income taxes	**(4,426)**	**(44,400)**
Income tax expense (benefit)	816	(3,152)
Net loss	**$ (5,242)**	**$(41,248)**
Accretion of redeemable preferred stock	(4,534)	(5,415)
Net loss attributable to common stockholders	**$ (9,776)**	**$(46,663)**
Weighted average number of shares (basic and diluted)	8,672	8,904
Loss per share	$ (1.13)	$ (5.24)
Other financial data:		
Operating margin(1)	(6.3%)	(19.6%)
Adjusted EBITDA(2)	**$ 4,674**	**$ 5,553**
Adjusted EBITDA margin(2)	9.2%	9.1%
Pro-forma revenue(3)		$ 92,284
Pro-forma net loss(3)		**$(29,623)**
Pro-forma adjusted EBITDA(3)		**$ 16,109**

(1) Operating margin represents loss from operations as a percentage of revenues.

(2) Non-GAAP measure. See the section entitled “Non-GAAP Financial Information” for a discussion of non-GAAP measures and a reconciliation thereof to the most directly comparable GAAP measure.

(3) See the section entitled “Unaudited Pro Forma Financial Information.”

Revenues

For the three months ended March 31, 2020, we had revenues of $61.0 million, an increase of $10.0 million, or 19.8% over the three months ended March 31, 2019. The increase in revenues was driven by acquisitions completed since the end of the first quarter of 2019, which contributed $8.9 million to revenues in the first quarter of 2020. Excluding the impact of acquisitions, the increase in revenue was also driven by growth of $3.2 million in our Measurement and Analysis segment, partially offset by a decline in revenues related to the Discontinued Service Lines in our Remediation and Reuse segment.

For the three months ended March 31, 2020, our Assessment, Permitting and Response segment generated $4.5 million, or 7.4% of total revenues, our Measurement and Analysis segment generated $36.4 million, or 59.7% of total revenues, and our Remediation and Reuse segment generated $20.1 million, or

32.9% of total revenues. For the three months ended March 31, 2019, we had revenues of $51.0 million, of which our Assessment, Permitting and Response segment generated $4.6 million, or 9.0% of total revenues, our Measurement and Analysis segment generated $28.3 million, or 55.5% of total revenues, and our Remediation and Reuse segment generated $18.1 million, or 35.5% of total revenues. Revenue from the Discontinued Service Lines of $1.0 million and $3.5 million for the three months ended March 31, 2020 and March 31, 2019, respectively, was all in our Remediation and Reuse segment.

Cost of Revenues

Cost of revenues consists of all direct costs required to provide services, including fixed and variable direct labor costs, equipment rental and other outside services, field and lab supplies, vehicle costs and travel- related expenses.

For the three months ended March 31, 2020, cost of revenues was $44.4 million or 72.7% of revenues, and was comprised of direct labor of $27.4 million, outside services (including construction, laboratory, shipping and freight and other outside services) of $9.3 million, field supplies, testing supplies and equipment rental of $4.3 million, project-related travel expenses of $1.6 million and other direct costs of $1.8 million. For the three months ended March 31, 2020, cost of revenues as a percentage of revenue was relatively unchanged compared to the prior year period.

For the three months ended March 31, 2019, cost of revenues was $37.1 million or 72.8% of revenues, and was comprised of direct labor of $22.0 million, outside services (including construction, laboratory, shipping and freight and other outside services) of $7.8 million, field supplies, testing supplies and equipment rental of $4.1 million, project-related travel expenses of $1.7 million and other direct costs of $1.5 million.

Selling, General and Administrative Expenses

Selling, general and administrative expenses consist of general corporate overhead, including executive, legal, finance, safety, risk management, human resource, marketing and information technology related costs, as well as indirect operational costs of labor, rent, insurance and stock-based compensation.

For the three months ended March 31, 2020, selling, general and administrative expenses were $20.9 million, an increase of $10.5 million or 100.4% versus the three months ended March 31, 2019, of which $1.9 million was from the existing selling, general and administrative expenses of companies we acquired after the first quarter 2019. The increase was also driven by an increased investment in corporate infrastructure (primarily finance, sales and marketing, safety, IT and human resources), an increase in bad debt expense, an increase in costs incurred related to acquisitions, and costs related to preparing for our initial public offering.

For the three months ended March 31, 2020, selling, general and administrative expenses were comprised of indirect labor of $5.9 million, facilities costs of $2.9 million, stock-based compensation of $0.7 million, bad debt expense of $6.3 million, and other costs (including software, travel, insurance, legal, consulting and audit services) of $5.1 million.

For the three months ended March 31, 2019, selling, general and administrative expenses were $10.4 million, which was comprised of indirect labor of $4.2 million, facilities costs of $2.5 million, stock-based compensation of $0.8 million, and other costs (including software, travel, insurance, legal, consulting and audit services) of $2.9 million.

We expect our general and administrative expenses to increase as a result of additional insurance, legal, accounting, investor relations and other costs associated with becoming a public company.

Related Party Expense

Related party expense for the three months ended March 31, 2020 and March 31, 2019, of $0.1 million and $0.2 million, respectively, represented fees paid to a related party for acquisition-related diligence support. See the section entitled "Certain Relationships and Related Party Transactions — Consulting Services."

Depreciation and Amortization

Depreciation and amortization expense for the three months ended March 31, 2020, was $7.6 million and was comprised of amortization of finite lived intangibles of $5.6 million, arising as a result of our acquisition activity, and depreciation of property and equipment of $2.0 million. Depreciation and amortization expense for the three months ended March 31, 2019, was $6.4 million and was comprised of amortization of finite lived intangibles of $4.5 million and depreciation of property and equipment of $1.9 million. The increase in both depreciation and amortization for the three months ended March 31, 2020 versus the three months ended March 31, 2019, was primarily a result of acquisitions.

Other (Expense) Income

Other expense for the three months ended March 31, 2020 of $29.8 million was driven primarily by fair value adjustments related to the Series A-1 preferred stock contingent put option. The change in fair value of the contingent put option was influenced by the issuance of the Series A-2 preferred stock, which was deemed probable as of March 31, 2020. See Notes 10 and 14 to our unaudited condensed consolidated financial statements included elsewhere in this prospectus. Other income for the three months ended March 31, 2019 was not material.

Interest Expense, Net

Interest expense, net incurred in the three months ended March 31, 2020, was $2.6 million, compared to $1.3 million for the three months ended March 31, 2019. The increase in interest expense was primarily driven by higher outstanding debt balances, including borrowings outstanding under our prior senior secured credit facility, and under equipment line of credit. See Note 11 to our unaudited condensed consolidated financial statements included elsewhere in this prospectus.

Income taxes benefit/expense

Income tax benefit was $3.2 million for the three months ended March 31, 2020, compared to an income tax expense of $0.8 million for the three months ended March 31, 2019.

Net loss and Adjusted EBITDA

For the three months ended March 31, 2020, net loss was $41.2 million and Adjusted EBITDA was $5.6 million. For the three months ended March 31, 2019, net loss was $5.2 million and Adjusted EBITDA was $4.7 million. See the section entitled "Non-GAAP Financial Information" for a discussion of non-GAAP measures and a reconciliation thereof to the most directly comparable GAAP measure.

Year Ended December 31, 2019 Compared to the Year Ended December 31, 2018

(in thousands, except per share data)	Year Ended December 31, 2018	2019
Statements of operations data:		
Revenues	$188,805	$233,854
Cost of revenues (exclusive of depreciation and amortization)	134,734	163,983
Selling, general and administrative expenses	38,615	50,663
Related party expense	2,180	448
Depreciation and amortization	23,915	27,705
Loss from operations	**$ (10,639)**	**$ (8,945)**
Other income (expense)	265	(10,978)
Interest expense, net	(11,085)	(6,755)
Loss before income taxes	**(21,459)**	**(26,678)**
Income tax benefit	(4,968)	(3,121)
Net loss	**$ (16,491)**	**$ (23,557)**
Accretion of redeemable preferred stock	(3,605)	(19,616)
Convertible preferred stock deemed dividend	(932)	
Net loss attributable to common stockholders	**$ (21,028)**	**$ (43,173)**
Weighted average number of shares (basic and diluted)	7,533	8,789
Loss per share	$ (2.79)	$ (4.91)
Other financial data:		
Operating margin(1)	(5.6%)	(3.8%)
Adjusted EBITDA(2)	**$ 19,313**	**$ 31,242**
Adjusted EBITDA margin(2)	10.2%	13.4%
Pro-forma revenue(3)		$369,419
Pro-forma net loss(3)		**$ (23,708)**
Pro-forma adjusted EBITDA(2)(3)		**$ 74,340**

(1) Operating margin represents loss from operations as a percentage of revenues.

(2) Non-GAAP measure. See the section entitled “Non-GAAP Financial Information” for a discussion of non-GAAP measures and a reconciliation thereof to the most directly comparable GAAP measure.

(3) See the section entitled “Unaudited Pro Forma Financial Information.”

Revenues

For the year ended December 31, 2019, we had revenues of $233.9 million, an increase of $45.1 million or 23.9% over the prior year. Of this increase, $23.2 million was provided by companies acquired in 2019. The remaining increase of $21.9 million was driven by growth in all three of our reporting segments. See “Segment Results of Operations” below.

For the year ended December 31, 2019, our Assessment, Permitting and Response segment generated $21.1 million, or 9.0% of total revenues, our Measurement and Analysis segment generated $135.5 million, or 58.0% of total revenues, and our Remediation and Reuse segment generated $77.3 million, or 33.0% of total revenues. For the year ended December 31, 2018, we had revenues of $188.8 million, of which our Assessment, Permitting and Response segment generated $3.7 million, or 1.9% of total revenues, our Measurement and Analysis segment generated $117.4 million, or 62.2% of total revenues, and our Remediation and Reuse segment generated $67.8 million, or 35.9% of total revenues. Revenue from Discontinued Service Lines contributed $10.9

million and $12.3 million to revenues in the years ended December 31, 2019 and December 31, 2018, respectively, which was all in our Remediation and Reuse segment.

Cost of Revenues

For the year ended December 31, 2019, cost of revenues was $164.0 million or 70.1% of revenues, and was comprised of direct labor of $94.2 million, outside services (including construction, laboratory, shipping and freight and other outside services) of $34.8 million, field supplies, testing supplies and equipment rental of $20.5 million, project-related travel expenses of $8.7 million and other direct costs of $5.8 million. For the year ended December 31, 2019, cost of revenues as a percentage of revenue fell 1.3% from the prior year, as a result of lower labor and field supplies as a percentage of revenue, partially offset by higher outside services costs. These drivers were primarily as a result of changes in segment mix.

For the year ended December 31, 2018, cost of revenues was $134.7 million or 71.4% of revenues, and was comprised of direct labor of $79.4 million, outside services (including construction, laboratory, shipping and freight and other outside services) of $26.1 million, field supplies, testing supplies and equipment rental of $17.6 million, project-related travel expenses of $7.0 million and other direct costs of $4.6 million.

Selling, General and Administrative Expenses

Selling, general and administrative expenses consist of general corporate overhead, including executive, legal, finance, safety, risk management, human resource, marketing and information technology related costs, as well as indirect operational costs of labor, rent, insurance and stock-based compensation.

For the year ended December 31, 2019, selling, general and administrative expenses were $50.7 million, an increase of $12.1 million or 31.2% versus the prior year, of which $3.5 million was from selling, general and administrative expenses pertaining to companies we acquired in 2019. The remaining $8.6 million increase was primarily due to an increase in bad debt of $1.2 million, an increase in expense related to the fair value adjustment of contingent consideration of $1.4 million, an increase in costs incurred related to acquisitions of $1.9 million, costs related to preparing for our initial public offering of $0.6 million and investment in corporate infrastructure (primarily finance, sales and marketing, safety, IT and human resources).

For the year ended December 31, 2019, selling, general and administrative expenses were comprised of indirect labor of $18.4 million, facilities costs of $10.7 million, stock-based compensation of $2.9 million, acquisition-related costs of $3.5 million, fair value change to contingent liabilities of $1.4 million, bad debt expense of $1.2 million, costs related to preparing for our initial public offering of $0.6 million and other costs (including software, travel, insurance, legal, consulting and audit services) of $12.0 million.

For the year ended December 31, 2018, selling, general and administrative expenses were $38.6 million, which was comprised of indirect labor of $13.7 million, facilities costs of $9.7 million, stock-based compensation of $4.90 million, acquisition-related costs of $1.6 million, gain on change in fair value of contingent consideration of $0.2 million and other costs (including software, travel, insurance, legal, consulting and audit services) of $8.9 million.

We expect our general and administrative expenses to increase as a result of additional insurance, legal, accounting, investor relations and other costs associated with becoming a public company.

Related Party Expense

Related party expense for the year ended December 31, 2019, of $0.4 million, represented fees paid to a related party for acquisition-related diligence support. Related party expense for the year ended December 31, 2018 of $2.2 million primarily represented management fees paid for advisory and consulting services provided

under a monitoring fee agreement. The agreement was terminated effective September 30, 2018. Related party expense for the year ended December 31, 2018, also included $0.4 million of fees paid for acquisition-related diligence support. See the section entitled "Certain Relationships and Related Party Transactions."

Depreciation and Amortization

Depreciation and amortization expense for the year ended December 31, 2019, was $27.7 million and was comprised of amortization of finite lived intangibles of $20.0 million, arising as a result of our acquisition activity, and depreciation of property and equipment of $7.7 million. Depreciation and amortization expense for the year ended December 31, 2018, was $23.9 million and was comprised of amortization of finite lived intangibles of $16.3 million and depreciation of property and equipment of $7.6 million. The increase in both depreciation and amortization for the year ended December 31, 2019 versus the prior year is primarily a result of acquisitions.

Other (Expense) Income

Other expense for the year ended December 31, 2019 of $11.0 million was driven primarily by fair value adjustments related to both the warrant option and Series A-1 preferred stock contingent put option (see Notes 12 and 13 to our audited consolidated financial statements included elsewhere in this prospectus). Other income for the year ended December 31, 2018 of $0.3 million related primarily to sublease rental income.

Interest Expense, Net

Interest expense, net incurred in the year ended December 31, 2019, was $6.8 million, compared to $11.1 million for the year ended December 31, 2018. The reduction in interest expense is primarily as a result of a lower average interest rate in 2019, as a result of the repayment of a second lien term loan facility and a convertible subordinated debt instrument in the fourth quarter of 2018 using the proceeds of the sale of our Series A-1 preferred stock. See Notes 14 and 17 to our audited consolidated financial statements included elsewhere in this prospectus. For the year ended December 31, 2019 interest expense was driven by interest incurred on our outstanding debt, including borrowings outstanding under our prior senior secured credit facility, and under equipment lines of credit. For the year ended December 31, 2018 interest expense was incurred on debt resulting from borrowing under our prior senior secured credit facility, our second lien term loan facility, a convertible subordinated debt instrument and under equipment lines of credit.

Income taxes benefit

Income tax benefit was $3.1 million for the year ended December 31, 2019, compared to an income tax benefit of $5.0 million for the year ended December 31, 2018.

Net loss and Adjusted EBITDA

For the year ended December 31, 2019, net loss was $23.6 million and Adjusted EBITDA was $31.2 million. For the year ended December 31, 2018, net loss was $16.5 million and Adjusted EBITDA was $19.3 million. See the section entitled "Non-GAAP Financial Information" for a discussion of non-GAAP measures and a reconciliation thereof to the most directly comparable GAAP measure.

Segment Results of Operations

Three Months Ended March 31, 2020 Compared to the Three Months Ended March 31, 2019

	Three Months Ended March 31,					
	2019			2020		
(in thousands)	Revenues	Adjusted EBITDA(1)	Adjusted EBITDA Margin(2)	Revenues	Adjusted EBITDA(1)	Adjusted EBITDA Margin(2)
Assessment, Permitting and Response	$ 4,575	$ 1,994	43.6%	$ 4,530	$ 1,442	31.8%
Measurements & Analysis	28,331	3,989	14.1%	36,440	7,379	20.2%
Remediation & Reuse	18,048	2,620	14.5%	20,061	2,107	10.5%
Total Operating Segments	**$50,954**	**$ 8,603**	**16.9%**	**$61,031**	**$ 10,928**	**17.9%**
Corporate and Other		(3,531)	n/a		(5,375)	n/a

(1) For purposes of evaluating segment profit, the Company's chief operating decision maker reviews Adjusted EBITDA as a basis for making the decisions to allocate resources and assess performance. See Note 17 to our unaudited condensed consolidated financial statements included elsewhere in this prospectus.

(2) Represents Adjusted EBITDA as a percentage of revenues.

Revenues

Assessment, Permitting and Response segment revenues for the three months ended March 31, 2020 were $4.5 million, compared to $4.6 million for the three months ended March 31, 2019.

Measurement and Analysis segment revenues for the three months ended March 31, 2020 were $36.4 million, an increase of $8.1 million or 28.6% compared to revenues for the three months ended March 31, 2019 of $28.3 million. The increase was driven by organic growth and by acquisitions completed subsequent to the first quarter of 2019, which contributed $4.9 million to revenues in the first quarter of 2020.

Remediation and Reuse segment revenues for the three months ended March 31, 2020 were $20.1 million, an increase of $2.1 million or 11.2% compared to revenues for the three months ended March 31, 2019 of $18.0 million. The increase was driven by organic growth and by acquisitions subsequent to the first quarter of 2019, which contributed $4.0 million to revenues in the first quarter or 2020, less revenues from Discontinued Service Lines in the Remediation and Reuse segment, which were $1.0 million and $3.5 million in the three months ended March 31, 2020 and March 31, 2019, respectively.

Adjusted EBITDA

Assessment, Permitting and Response segment Adjusted EBITDA was $1.4 million for the three months ended March 31, 2020, compared to $2.0 million for the three months ended March 31, 2019. For the three months ended March 31, 2020 and March 31, 2019, Adjusted EBITDA margin was 31.8% and 43.6%, respectively. The decline in Adjusted EBITDA and Adjusted EBITDA margin was the result of a planned increase in headcount to support expected future revenue growth.

Measurement and Analysis segment Adjusted EBITDA for the three months ended March 31, 2020 was $7.4 million, an increase of $3.4 million compared to Adjusted EBITDA for the three months ended March 31, 2019 of $4.0 million. For the three months ended March 31, 2020 Adjusted EBITDA margin was 20.2% compared to 14.1% in the prior year. The improvement in Adjusted EBITDA and Adjusted EBITDA margin was as a result of favorable business mix.

Remediation and Reuse Adjusted EBITDA for the three months ended March 31, 2020 was $2.1 million, a decrease of $0.5 million compared to Adjusted EBITDA for the three months ended March 31, 2019 of $2.6 million. For the three months ended March 31, 2020 Adjusted EBITDA margin was 10.5% compared to 14.5% in the prior year. The decrease in Adjusted EBITDA and Adjusted EBITDA margin was a result of higher fixed costs in anticipation of growth and geographic expansion within our PFAS water treatment and agricultural waste biogas business lines, as well as earnings from Discontinued Service Lines in the prior year of $0.3 million.

Corporate and other costs were $5.4 million for the three months ended March 31, 2020 compared to $3.5 million for the three months ended March 31, 2019. The increase was driven by head count additions in sales and marketing, human resources, information technology, safety and finance made in 2019 subsequent to the first quarter, as well as an increase in bad debt reserve expense of $0.8 million given the potential impact of COVID-19.

Year Ended December 31, 2019 Compared to the Year Ended December 31, 2018

	Year Ended December 31,					
	2018			2019		
(in thousands)	Revenues	Adjusted EBITDA(1)	Adjusted EBITDA Margin(2)	Revenues	Adjusted EBITDA	Adjusted EBITDA Margin(1)
Assessment, Permitting and Response	$ 3,663	$ 1,339	36.6%	$ 21,071	$ 7,572	36.0%
Measurements & Analysis	117,373	20,779	17.1%	135,531	27,828	20.5%
Remediation & Reuse	67,769	11,400	16.8%	77,252	9,736	12.0%
Total Operating Segments	**$ 188,805**	**$ 33,518**	**17.8%**	**$ 233,854**	**$ 45,136**	**19.3%**
Corporate and Other		(11,701)	n/a		(13,641)	n/a

(1) For purposes of evaluating segment profit, the Company's chief operating decision maker reviews Segment Adjusted EBITDA as a basis for making the decisions to allocate resources and assess performance. See Note 21 to our audited consolidated financial statements included elsewhere in this prospectus.

(2) Represents Adjusted EBITDA as a percentage of revenues.

Revenues

Assessment, Permitting and Response segment revenues for the year ended December 31, 2019 were $21.1 million, compared to $3.7 million for the year ended December 31, 2018. The 475.2% increase was due to the acquisition of two businesses in the fourth quarter of 2018, which expanded our product portfolio and our scientific and technical advisory services footprint.

Measurement and Analysis segment revenues for the year ended December 31, 2019 were $135.5 million, an increase of $18.1 million or 15.5% compared to revenues for the year ended December 31, 2018 of $117.4 million. The increase was driven by organic growth and by acquisitions completed in 2019, which contributed $11.9 million to 2019 revenues.

Remediation and Reuse segment revenues for the year ended December 31, 2019 were $77.3 million, an increase of $9.5 million or 14.0% compared to revenues for the year ended December 31, 2018 of $67.8 million. The increase was driven by acquisitions completed in 2019, which contributed $11.3 million to 2019 revenues. Revenues from the Discontinued Service Lines in the Remediation and Reuse segment were $10.9 million and $12.3 million for the years ended December 31, 2019 and December 31, 2018, respectively.

Adjusted EBITDA

Assessment, Permitting and Response segment Adjusted EBITDA was $7.6 million for the year ended December 31, 2019, compared to $1.3 million for the year ended December 31, 2018 driven by the increase in

revenues. For the years ended December 31, 2019 and December 31, 2018, Adjusted EBITDA margin was 35.9% and 36.6%, respectively.

Measurement and Analysis segment Adjusted EBITDA for the year ended December 31, 2019 was $27.8 million, an increase of $7.0 million compared to Adjusted EBITDA for the year ended December 31, 2018 of $20.8 million. For the year ended December 31, 2019 Adjusted EBITDA margin was 20.5% compared to 17.7% in the prior year. The improvement in Adjusted EBITDA and Adjusted EBITDA margin was as a result of growth and favorable business mix.

Remediation and Reuse segment Adjusted EBITDA for the year ended December 31, 2019 was $9.7 million, a decrease of $1.7 million compared to Adjusted EBITDA for the year ended December 31, 2018 of $11.4 million. For the year ended December 31, 2019 Adjusted EBITDA margin was 12.6% compared to 16.8% in the prior year. The decrease in Adjusted EBITDA and Adjusted EBITDA margin was attributable to ongoing investments in personnel and infrastructure.

Corporate and other costs were $13.6 million for the year ended December 31, 2019 compared to $11.7 million for the year ended December 31, 2018. The increase was driven by higher labor costs in sales and marketing, human resources, information technology, safety and finance, as well as an increase in software, insurance and marketing costs, which were made in 2019 in support of anticipated acquisitions and revenue growth.

Liquidity and Capital Resources

Liquidity describes the ability of a company to generate sufficient cash flows to meet the cash requirements of its business operations, including working capital needs, debt service, acquisitions, other commitments and contractual obligations. We consider liquidity in terms of cash flows from operations and other sources, including availability under our credit facility, and their sufficiency to fund our operating and investing activities.

Our principal sources of liquidity have been borrowings under our credit facility, prior senior secured credit facility and other borrowing arrangements and cash generated by operating activities. Historically, we have financed our operations and acquisitions from a combination of cash generated from operations, periodic borrowings under our credit facility, prior senior secured credit facility and other prior secured and unsecured borrowings and proceeds from the issuance of common and preferred stock. Our primary cash needs are for day to day operations, to fund working capital requirements, to fund our acquisition strategy, to pay interest and principal on our indebtedness and to make capital expenditures.

We expect to continue to finance our liquidity requirements, including any cash earn-out payments that may be required in connection with the acquisition of CTEH, through cash generated from operations and borrowings under our credit facility. We believe these sources will be sufficient to fund our cash needs for the next twelve months. See “Contractual Obligations” below for a discussion of the earn-out payments and “COVID-19” above for a discussion of the impact of the pandemic on our liquidity.

Cash Flows

The following table summarizes our cash flows for the periods presented:

(in thousands)	Year Ended December 31,		Three Months Ended March 31,	
	2018	2019	2019	2020
Consolidated Statement of Cash flows data:				
Net cash provided by (used in) operating activities	$ (2,845)	$ 17,042	$ 100	$(8,978)
Net cash used in investing activities	(50,283)	(86,983)	(1,573)	(1,660)
Net cash provided by financing activities	50,850	74,452	676	5,238
Change in cash, cash equivalents and restricted cash	**$ (2,278)**	**$ 4,511**	**$ (797)**	**$(5,400)**

Operating Activities

Cash flows from operating activities can fluctuate from period-to-period as earnings, working capital needs and the timing of payments for taxes, bonus payments and other operating items impact reported cash flows. For the three months ended March 31, 2020, net cash used in operating activities was $9.0 million, a decrease of $9.1 million, when compared to net cash provided by operating activities of $0.1 million for the three months ended March 31, 2019. This decrease in cash flow from operating activities primarily reflects an increase in working capital of $5.4 million, as well as higher interest and acquisition-related costs of $2.0 million when compared to the three months ended March 31, 2019. The decrease in working capital was driven primarily by a decrease in accounts payable, due to the timing of payments and higher bonus payments in the quarter compared to the three months ended March 31, 2019.

For the year ended December 31, 2019, net cash provided by operating activities was $17.0 million, an increase of $19.8 million, when compared to net cash used in operating activities of $2.8 million, for the year ended December 31, 2018. This improvement in cash flow from operating activities reflects an increase in earnings before non-cash items, including depreciation and amortization, stock-based compensation expense and changes in fair value of derivatives, of $15.8 million and an improvement in the change in working capital of $11.1 million, compared to the prior year. The improvement in working capital was driven primarily by improved receivables and payables management.

Investing Activities

For the three months ended March 31, 2020, net cash used in investing activities was $1.7 million, primarily driven by purchases of property and equipment for cash consideration of $1.6 million.

For the three months ended March 31, 2019, net cash used in investing activities was $1.6 million, primarily driven by the payment of assumed purchase price obligations of $1.5 million.

For the year ended December 31, 2019, net cash used in investing activities was $87.0 million, primarily driven by acquisition activity. For the year ended December 31, 2019, we completed a total of seven acquisitions for a total cash consideration of $81.4 million, net of cash acquired. In addition, in 2019 we purchased property and equipment for cash consideration of $4.7 million, and paid $1.5 million related to assumed purchase price obligations from prior year acquisitions. These investments were partially offset by property insurance proceeds and proceeds from the sale of property and equipment of $0.6 million.

For the year ended December 31, 2018, net cash used in investing activities was $50.3 million, primarily driven by acquisition activity. For the year ended December 31, 2018, we completed a total of seven acquisitions

for a total cash consideration of $45.8 million, net of cash acquired. In addition, in 2018 we purchased property and equipment for cash consideration of $3.8 million, paid $0.5 million related to assumed purchase price obligations from prior year acquisitions and invested $0.3 million in software development. These investments were partially offset by property insurance proceeds and proceeds from the sale of property and equipment of $0.2 million.

Financing Activities

For the three months ended March 31, 2020, net cash provided by financing activities was $5.2 million. Cash provided by financing activities was driven by a $13.2 million increase in net borrowings under our credit facility, partially offset by the payment of acquisition-related contingent consideration of $4.7 million, an amortization payment of $1.3 million related to our term loan under our prior senior secured credit facility, the repayment of capital leases of $0.7 million, and the payment of debt issuance costs of $0.1 million.

For the three months ended March 31, 2019, net cash provided by financing activities was $0.7 million. Cash provided by financing activities was driven by a $1.3 million increase in net borrowings under our prior senior secured credit facility, partially offset by the payment of acquisition-related contingent consideration of $0.4 million and the repayment of capital leases of $0.3 million.

For the year ended December 31, 2019, net cash provided by financing activities was $74.5 million. Cash provided by financing activities was driven by a $77.6 million increase in net borrowings under our prior senior secured credit facility, proceeds from the issuance of common stock of $1.5 million and the collection of a note receivable from stockholders of $0.1 million, partially offset by an amortization payment of $1.3 million related to our term loan under our prior senior secured credit facility, the repayment of capital leases of $2.0 million, the payment of acquisition-related contingent consideration of $1.1 million and the payment of debt issuance costs of $0.4 million.

For the year ended December 31, 2018, net cash provided by financing activities was $50.9 million. Cash provided by financing activities was driven by net proceeds from the issuance of our Series A-1 preferred stock of $118.4 million and a $20.0 million increase in net borrowings under our prior senior secured credit facility, partially offset by $36.3 million used to repay our second lien term loan under our prior senior secured credit facility, including a prepayment fee, the repayment of convertible preferred stock of $31.0 million, $11.9 million for the repayment of convertible subordinated debt, including accrued interest, the repurchase of common stock of $2.7 million, the repurchase of stock options of $1.4 million, the payment of acquisition-related contingent consideration of $2.0 million, the payment of debt issuance costs of $0.9 million and the repayment of capital leases of $1.0 million.

Credit Facility

As of March 31, 2020, our prior senior secured credit facility consisted of a $50.0 million term loan and a $130.0 million revolving credit facility.

Borrowings under the prior senior secured credit facility bear interest at either (i) LIBOR plus the applicable margin or (ii) a base rate (equal to the highest of (a) the federal funds rate plus 0.5%, (b) Bank of America, N.A.'s prime rate and (c) the Eurocurrency Rate, which is based on LIBOR, (using a one-month period plus 1.0%), plus the applicable margin, as we elect. The applicable margin means a percentage per annum determined in accordance with the following table:

Pricing Tier	Consolidated Leverage Ratio	Commitment Fee	Eurodollar Rate Loans and LIBOR Letter of Credit Fee	Daily Floating Rate Loans	Rate Loans
1	> 3.75 to 1.0	0.50%	4.00%	4.00%	3.00%
2	£ 3.75 to 1.0 but > 3.00 to 1.0	0.50	3.50	3.50	2.50
3	£ 3.00 to 1.0 but > 2.25 to 1.0	0.40	3.00	3.00	2.00
4	£ 2.25 to 1.0	0.30	2.50	2.50	1.50

As of March 31, 2020 and December 31, 2019, we fell within Pricing Tier 2. The weighted average interest rate on the prior senior secured credit facility as of March 31, 2020 and December 31, 2019 was 4.95% and 5.41%.

At March 31, 2020, there was an aggregate of $158.2 million outstanding under the prior senior secured credit facility, consisting of $47.5 million outstanding on the term loan and $110.7 million outstanding on the revolver, with available aggregate undrawn borrowing capacity of approximately $19.3 million under the revolver. At December 31, 2019, there was an aggregate of $146.3 million outstanding under the prior senior secured credit facility, consisting of $48.8 million outstanding on the term loan and $97.6 million outstanding on the revolver, with available aggregate undrawn borrowing capacity of approximately $32.4 million under the revolver. At March 31, 2020 and December 31, 2019 we were in compliance with the covenants under this credit agreement, including the financial covenants.

On April 13, 2020, we entered into a Unitranche Credit Agreement providing for a new $225.0 million credit facility comprised of a $175.0 million term loan and a $50.0 million revolving credit facility and repaid all amounts outstanding under the prior senior secured credit facility. The credit facility matures on the earliest of (a) April 13, 2025, (b) so long as our Series A-1 preferred stock has not been redeemed in full or otherwise not converted into common stock of Montrose, the date that is 180 days before the Series A-1 preferred equity mandatory redemption date, unless prior to such date, the Series A-1 preferred equity mandatory redemption date has been extended to a date not earlier than one hundred eighty (180) days after April 13, 2025 and (c) so long as our Series A-2 preferred stock has not been redeemed in full or otherwise not converted into common stock of Montrose, the date that is 180 days before the Series A-2 preferred equity mandatory redemption date, unless prior to such date, the Series A-2 preferred equity mandatory redemption date has been extended to a date not earlier than one hundred eighty (180) days after April 13, 2025. The term loan bears interest at a rate of LIBOR plus 5.0% (subject to a 1% LIBOR floor) or the base rate plus 4.0%. The revolver bears interest at a rate of LIBOR plus 3.5% or the base rate plus 2.5%. The revolver is also subject to an unused commitment fee of 0.35%. The term loan begins amortizing quarterly with fiscal quarter ending September 30, 2020, with a required repayment of (a) $0.5 million for fiscal quarter ending September 30, 2020 and each other fiscal quarter through and including June 30, 2021, (b) $1.1 million for fiscal quarter ending September 30, 2021 and each other fiscal quarter through and including June 30, 2021, and (c) $1.6 million for each fiscal quarter ending thereafter. We have the option to borrow incremental term loans up to an aggregate principal amount of $100.0 million subject to satisfaction of certain conditions, including the borrower's pro forma compliance with the financial covenants under the credit facility. Immediately after giving effect to the incurrence of any such incremental term loans, the unitranche lenders must collectively hold at least 70% of all pari passu debt of all lenders under the credit facility. The existing lenders are not obligated to participate in any incremental term loan facility. A portion of the proceeds from this credit facility was used to repay all amounts outstanding under our prior senior secured credit facility.

Our obligations under the new credit facility are guaranteed by certain of our existing and future direct and indirect subsidiaries, and such obligations are secured by substantially all of our assets. The credit facility

includes a number of covenants imposing certain restrictions on our business, including, among other things, restrictions on our ability to incur indebtedness, prepay or amend other indebtedness, create liens, make certain fundamental changes including mergers or dissolutions, pay dividends and make other payments in respect of capital stock, make certain investments, sell assets, change our lines of business, enter into transactions with affiliates and other corporate actions. The credit facility also contains financial covenants requiring us to remain below a maximum consolidated total leverage ratio of 4.25 times, which steps down to 4.00 times beginning December 31, 2021 and then to 3.75 times beginning December 31, 2022, and a minimum consolidated fixed charge coverage ratio of 1.25 times.

The new credit facility contains mandatory prepayment feature upon a number of events, including with the proceeds of certain asset sales, proceeds from the issuance of any debt and proceeds of the capital contribution amounts contributed to cure a financial covenant default. The credit facility also includes mandatory prepayments of 50.0% of excess cash flow minus voluntary prepayments of the term loan and, solely to the extent accompanied by a permanent reduction in the revolving commitment, the revolving loan, if our consolidated total leverage ratio for the year ending December 31, 2020 is greater than or equal to 3.25 times and, for any year thereafter, the amount of any such mandatory prepayment shall be reduced to 25.0% of excess cash flow if the leverage ratio is less than 3.00 times. Pro forma for the acquisition of CTEH in April 2020, the Company's leverage ratio was 2.67 times.

See the section entitled "Description of Certain Indebtedness" and Notes 14 and 24 to our audited December 31, 2019 consolidated financial statements included elsewhere in this prospectus.

Other Prior Indebtedness

In September 2017, we entered into a second lien term loan facility for $40.0 million. Borrowings under this facility bore interest at either LIBOR plus 9.5%, or a base rate equal to the higher of the federal funds rate plus 0.5% and the rate of interest in effect for such day as published by the Wall Street Journal as the prime rate, plus the applicable rate, at our election. We repaid this indebtedness, including a 1.0% prepayment fee, on October 19, 2018, with proceeds received from the issuance of our Series A-1 preferred stock.

In March 2017, we issued $9.9 million of convertible subordinated debt. The subordinated debt carried a 12.0% annual coupon, payable-in-kind, until its maturity. This debt, including accrued interest of $2.0 million, was repaid in full on October 19, 2018, with proceeds received from the issuance of our Series A-1 preferred stock.

See Note 14 to our audited consolidated financial statements included elsewhere in this prospectus.

Series A-1 Preferred Stock

On October 19, 2018, we issued 12,000 shares of our Series A-1 preferred stock. The Series A-1 preferred stock accrues dividends quarterly at an annual rate of 15.0% with respect to any dividends paid in cash and at an annual rate of 14.2%, compounded quarterly with respect to dividends that are accrued. In the event of a redemption, a holder is guaranteed a minimum of either two or three years of dividends depending on the nature of the redemption. Total accrued and unpaid dividends as of March 31, 2020, December 31, 2019 and December 31, 2018 were $27.0 million, $21.9 million and $3.4 million, respectively. The Series A-1 preferred stock is redeemable at our option at any time and, under certain circumstances, including an initial public offering, at the option of the holders of a majority of the Series A-1 preferred stock outstanding. The Series A-1 preferred stock also contains certain restrictive covenants. As of March 31, 2020, December 31, 2019 and December 31, 2018, we were subject to a maximum consolidated total leverage ratio, including the outstanding principal and accrued dividend on the Series A-1 preferred stock, of 10.0 times as of the end of any fiscal quarter until maturity. We were in compliance with the covenants as of March 31, 2020, December 31, 2019 and December 31, 2018. We intend to redeem all issued and outstanding shares of Series A-1 preferred stock with a portion of the proceeds from this offering.

See the sections entitled "Use of Proceeds" and "Description of Capital Stock—Preferred Stock— Series A-1 Preferred Stock" and Note 16 to our audited consolidated financial statements.

Series A-2 Preferred Stock

On April 13, 2020, the Company issued 17,500 shares of the Series A-2 preferred stock with a par value of $0.0001 per share and the Series A-2 Warrant, with a ten-year exercise period, in exchange for $175.0 million. Prior to the effectiveness of the offering contemplated herein, each share of Series A-2 preferred stock accrues dividends at the rate of 15.0% per annum with respect to dividends that are paid in cash, and 14.2% per annum, with respect to dividends that accrue and compound before a private offering (in certain circumstances) resulting in an annual dividend rate of 15.0%, and 9.0% per annum after a private offering (in certain circumstances). Upon the consummation of this offering, the Series A-2 preferred stock does not mature or have a cash repayment obligation; however, it is redeemable at the Company's option. The Series A-2 preferred stock becomes convertible into our common stock beginning on the four-year anniversary of the Series A-2 preferred stock issuance. Upon the four-year anniversary of the issuance, holders of Series A-2 preferred stock may convert up to $60.0 million of such shares into our common stock at a conversion rate discounted to 85.0% of the volume weighted average trading value, with the permitted amount of Series A-2 preferred stock to be converted increasing at each subsequent anniversary of the issuance until the sixth anniversary, after which all of the Series A-2 preferred stock may be converted at the holder's option. Following the completion of this offering, the Series A-2 preferred stock shall accrue dividends at a rate of 9.0% per annum, with such dividends accruing daily and compounding quarterly. If permitted under our existing debt facilities, we must make a cash dividend payment each quarter.

With respect to any redemption of any share of the Series A-2 preferred stock prior to April 13, 2023, the Company is subject to a make whole penalty in which the holder is guaranteed at least three years of interest payments.

See the sections entitled "Description of Capital Stock—Preferred Stock—Series A-2 Preferred Stock" and Note 24 to our audited consolidated financial statements included elsewhere in this prospectus.

Contractual Obligations

The following table summarizes our contractual commitments as of March 31, 2020:

		Payments due by period							
		Less than 1 year		1-3 years		3-5 years		More than 5 years	
Contractual obligations	Total	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Long-term debt obligations(1)	$166,601	$ 5,000	$ 266	$153,181	$8,154	n/a	n/a	n/a	n/a
Capital lease obligations	8,747	2,452	407	5,013	608	261	6	n/a	n/a
Operating lease obligations(2)	19,088	6,118	n/a	11,166	n/a	1,646	n/a	158	n/a
Contingent liabilities related to acquisitions(3)	4,082	3,703	n/a	379	n/a				

(1) Long-term debt obligations interest calculations assume balances outstanding as of March 31, 2020 under our prior senior secured credit facility.

(2) We lease office facilities over various terms expiring through 2028. Certain of these operating leases contain rent escalation clauses.

(3) Estimated fair value of acquisition related earn-out payments.

In addition, the CTEH acquisition agreement includes an earn-out provision that provides for the payment of additional consideration based on CTEH's results in 2020 and 2021, up to a maximum aggregate amount of $80.0 million. Specifically, any earn-out to be paid in respect of 2020 will be equal to twelve times the

excess of CTEH's targeted 2020 EBITDA of $18.3 million (as calculated pursuant to the acquisition agreement). Any earn-out to be paid in respect of 2021 will equal ten times CTEH's 2021 EBITDA less CTEH's 2020 EBITDA, with the payment amount not to exceed $30.0 million. The 2020 CTEH earn-out is payable 100.0% in common stock unless the Company has consummated an IPO or a private placement of common stock where proceeds are no less than $75.0 million, in which event 50.0% of the 2020 CTEH earn-out is payable in common stock and 50.0% in cash. The 2021 CTEH earn-out, if any, is payable in cash.

Off-Balance Sheet Arrangements

We did not have during the period presented, and we do not currently have, any off-balance sheet financing arrangements or any relationships with unconsolidated entities or financial partnerships, including entities sometimes referred to as structured finance or special purpose entities, that were established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

We have market risk exposure arising from changes in interest rates on our credit facility, which bears interest at rates that are benchmarked against LIBOR. Based on our overall interest rate exposure to variable rate debt outstanding as of March 31, 2020, a 1.0% increase or decrease in interest rates would increase or decrease annual income (loss) before income taxes by approximately $1.6 million ($2.0 million if calculated based on the terms of the Unitranche Credit Agreement and the amount of variable rate debt outstanding thereunder as of June 3, 2020).

Impact of Inflation

Our results of operations and financial condition are presented based on historical cost. While it is difficult to accurately measure the impact of inflation due to the imprecise nature of the estimates required, we believe the effects of inflation, if any, on our results of operations and financial condition have been immaterial. We cannot assure you, however, that our results of operations and financial condition will not be materially impacted by inflation in the future.

Critical Accounting Policies and Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States requires management to make estimates and assumptions about future events that affect amounts reported in our audited consolidated financial statements and related notes, as well as the related disclosure of contingent assets and liabilities at the date of the financial statements. Management evaluates its accounting policies, estimates and judgments on an on-going basis. Management bases its estimates and judgments on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions and conditions.

Management evaluated the development and selection of our critical accounting policies and estimates and believes that the following involve a higher degree of judgment or complexity and are most significant to reporting our results of operations and financial position and are therefore discussed as critical. The following critical accounting policies reflect the significant estimates and judgments used in the preparation of our audited consolidated financial statements. With respect to critical accounting policies, even a relatively minor variance between actual and expected experience can potentially have a materially favorable or unfavorable impact on subsequent results of operations. More information on all of our significant accounting policies, as well as recently adopted and issued accounting pronouncements that may have an impact on these policies, can be found in Note 2 and Note 3 to our audited consolidated financial statements.

Use of Estimates

The preparation of the audited consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the audited consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates inherent in the preparation of the audited consolidated financial statements include, but are not limited to, management's forecast of future cash flows used as a basis to assess recoverability of long-lived assets, the allocation of purchase price to tangible and intangible assets, allowances for doubtful accounts, the estimated useful lives over which property and equipment is depreciated and intangible assets are amortized, fair value of contingent consideration payables, the fair value of warrants, fair value of contingent put option, fair value of common stock issued, stock-based compensation expense and deferred taxes. Actual results could materially differ from those estimates.

Revenue Recognition

Revenue is recognized in accordance with FASB Accounting Standards Codification (ASC) Topic 606, Revenue from Contracts with Customers. The following is considered by the Company in the recognition of revenue under ASC 606:

The Company's services are performed under two general types of contracts (i) fixed-price and (ii) time-and-materials. Under fixed-price contracts, customers pay an agreed-upon amount for a specified scope of work agreed to in advance of the project. Under time-and-materials contracts, customers pay for the hours worked and resources used based on agreed-upon rates. Certain of the Company's time-and-materials contracts are subject to maximum contract amounts. The duration of the Company's contracts ranges from less than one month to over a year, depending on the scope of services provided.

The Company accounts for individual promises in contracts as separate performance obligations if the promises are distinct. The assessment requires judgment. The majority of our contracts have a single performance obligation as the promise to transfer the individual goods or services is not separately identifiable from other promises in the contracts and is, therefore, not distinct. Certain contracts in our Measurement and Analysis have multiple performance obligations, most commonly due to the contracts providing for multiple laboratory tests which are individual performance obligations.

For the Measurement and Analysis contracts with multiple performance obligations, the Company allocates the transaction price to each performance obligation based on the relative standalone selling price of each performance obligation. The standalone selling price of each performance obligation is generally determined by the observable price of a service when sold separately.

Fixed fee contracts—On the majority of fixed fee contracts, the Company recognizes revenue, over time, using either the proportion of actual costs incurred to the total costs expected to complete the contract performance obligation ("cost to cost method"), under the time-elapsed basis. The Company determined that the cost to cost method best represents the transfer of services as the proportion closely depicts the efforts or inputs completed towards the satisfaction of a fixed fee contract performance obligation. Under the time-elapsed basis, the arrangement is considered a single performance obligation comprised of a series of distinct services that are substantially the same and that have the same pattern of transfer (i.e. distinct days of service). The Company applies a time-based measure of progress to the total transaction price, which results in ratable recognition over the term of the contract. For a portion of the Company's laboratory service contracts, revenue is recognized as performance obligations are satisfied over time, with recognition reflecting a series of distinct services using the output method. The Company determined that this method best represents the transfer of services as the customer obtains equal benefit from the service throughout the service period.

There are inherent uncertainties in the estimation process for cost to cost contracts, as the estimation of total contract costs is complex, subject to many variables and requires judgment. It is possible that estimates of costs to complete a performance obligation will be revised in the near-term based on actual progress and costs incurred. These uncertainties primarily impact the Company's contracts in the Remediation and Reuse segment including those contracts associated with Emerging Compounds Treatments Technologies, Inc., which was acquired in August 2019.

Time-and-materials contracts—Time-and-materials contracts contain variable consideration. However, performance obligations qualify for the "Right to Invoice" Practical Expedient. Under this practical expedient, the Company is allowed to recognize revenue, over time, in the amount to which the Company has a right to invoice. In addition, the Company is not required to estimate such variable consideration upon inception of the contract and reassess the estimate each reporting period. The Company determined that this method best represents the transfer of services as, upon billing, the Company has a right to consideration from a customer in an amount that directly corresponds with the value to the customer of the Company's performance completed to date.

Accounting for Acquisitions

We account for acquisitions using the acquisition method of accounting, which requires that assets acquired and liabilities assumed be recognized at fair value as of the acquisition date. The purchase price of acquisitions is allocated to the tangible and identifiable intangible assets acquired and liabilities assumed based on estimated fair values, and any excess purchase price over the identifiable assets acquired and liabilities assumed is recorded as goodwill. Goodwill represents the premium we pay over the fair value of the net tangible and intangible assets acquired. We may use independent valuation specialists to assist in determining the estimated fair values of assets acquired and liabilities assumed, which could require certain significant management assumptions and estimates. Transaction costs associated with acquisitions are expensed as they are incurred.

Goodwill Impairment Analysis

We test goodwill for impairment annually for each reporting unit in the fourth quarter of the fiscal year and between annual tests, if events occur or circumstances change which suggest that goodwill should be evaluated. Such events or circumstances include significant changes in legal factors and business climate, recent losses at a reporting unit, and industry trends, among other factors. A reporting unit is defined as an operating segment or one level below an operating segment. Our impairment tests are performed at the reporting unit level on October 1 every year.

During the impairment test, we estimate the fair value of the reporting unit using income and market approaches, and compare that amount to the carrying value of that reporting unit. In the event the fair value of the reporting unit is determined to be less than the carrying value, goodwill is impaired, and an impairment loss equal to the excess, limited to the total amount of goodwill allocated to the reporting unit, is recognized.

The impairment evaluation process includes, among other things, making assumptions about variables such as revenue growth rates, profitability, discount rates, and industry market multiples, which are subject to a high degree of judgment. Material assumptions used in the impairment analysis included the weighted average cost of capital percent and terminal growth rates.

Contingent Consideration

Some of our acquisition agreements include contingent consideration arrangements, which are generally based on the achievement of future performance thresholds. For each transaction, we estimate the fair value of contingent consideration payments as part of the initial purchase price and record the estimated fair value of contingent consideration as a liability. Changes in the fair value of contingent consideration are recognized as a component of the selling, general and administrative expenses in our consolidated statements of operations.

Stock-based Compensation

We currently sponsor two stock incentive plans that allow for issuance of employee stock options and other forms of equity incentives. Under one of the plans, there are certain awards that were issued to non-employees in exchange for their services and are accounted for under ASC 505, Equity-Based Payments to Non-Employees. ASC 505 requires that the fair value of the equity instruments issued to a non-employee be measured on the earlier of: (i) the performance commitment date or (ii) the date the services required under the arrangement have been completed. The fair value of the remaining stock-based payment awards is expensed over the vesting period of each tranche on a straight-line basis. Any modification of an award that increases its fair value will require us to recognize additional expense. The fair value of stock options under its employee stock incentive plan are estimated as of the grant date using the Black-Scholes option valuation model, which is affected by its estimates of the risk-free interest rate, its expected dividend yield, expected term and the expected share price volatility of its common shares over the expected term. No forfeiture or dividend rates are used in the calculation as these are not applicable to us. Employee options are accounted for in accordance with the guidance set forth by ASC 718.

Fair Value of Common Stock

Due to the absence of an active market for our common stock, the fair value of our common stock was estimated based on current available information. This estimate required significant judgment and considers several factors, including valuations of our common stock prepared by an independent third-party valuation firm. The fair value of our common stock was estimated primarily using an income approach based on discounted estimated future cash flows. We also utilized the market approach as an additional reference point to evaluate the reasonableness of the fair value determined under the income approach. These estimates are highly subjective in nature and involve a large degree of uncertainty. Such estimates of the fair value of our common stock were used in the measurement of stock-based compensation expense, warrant options, and the purchase price of business acquisitions for which common stock was an element of the purchase price.

Following this offering, valuation models, including estimates and assumptions used in such models, will not be necessary to estimate the fair value of our common stock, as shares of our common stock will be traded in the public market and the fair value will be determined based on the closing price of our common stock.

Income Taxes

We account for income taxes under the asset and liability method, which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. A valuation allowance is recorded when it is more-likely-than-not some of the deferred tax assets may not be realized. Significant judgment is applied when assessing the need for a valuation allowance and we consider future taxable income, reversals of existing deferred tax assets and liabilities and ongoing prudent and feasible tax planning strategies in making such assessment. Should a change in circumstances lead to a change in judgment regarding the utilization of deferred tax assets in future years, we will adjust the related valuation allowance in the period such change in circumstances occurs.

For acquired business entities, if we identify changes to acquired deferred tax asset valuation allowances or liabilities related to uncertain tax positions during the measurement period, and they relate to new information obtained about facts and circumstances existing as of the acquisition date, those changes are considered a measurement period adjustment and the offset is recorded to goodwill.

We record uncertain tax positions on the basis of the two-step process in which (1) we determine whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the

position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, we would recognize the largest amount of tax benefit that is more than 50% likely to be realized upon ultimate settlement with the related tax authority. We have determined that there are no uncertain tax positions as of December 31, 2018. We classify interest and penalties recognized on uncertain tax positions as a component of income tax expense.

JOBS Act Accounting Election

We are an emerging growth company, as defined in the JOBS Act. Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. We have elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date we (1) are no longer an emerging growth company or (2) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates.

NON-GAAP FINANCIAL INFORMATION

In addition to our results under GAAP, in this prospectus we also present certain other supplemental financial measures of financial performance that are not required by, or presented in accordance with, GAAP, including Adjusted EBITDA and Adjusted EBITDA margin. We calculate Adjusted EBITDA as net income (loss) before interest expense, income tax expense (benefit) and depreciation and amortization, adjusted for the impact of certain other items, including stock-based compensation expense and acquisition-related costs, as set forth in greater detail in the table below. Adjusted EBITDA margin represents Adjusted EBITDA as a percentage of revenues for a given period.

Adjusted EBITDA and Adjusted EBITDA margin are two of the primary metrics used by management to evaluate our financial performance and compare it to that of our peers, evaluate the effectiveness of our business strategies, make budgeting and capital allocation decisions and in connection with our executive incentive compensation. These measures are also frequently used by analysts, investors and other interested parties to evaluate companies in our industry. Further, we believe they are helpful in highlighting trends in our operating results because they allow for more consistent comparisons of financial performance between periods by excluding gains and losses that are non-operational in nature or outside the control of management, as well as items that may differ significantly depending on long-term strategic decisions regarding capital structure, the tax jurisdictions in which we operate and capital investments.

These non-GAAP measures do, however, have certain limitations and should not be considered as an alternative to net income or any other performance measure derived in accordance with GAAP. Our presentation of Adjusted EBITDA and Adjusted EBITDA margin should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items for which we may make adjustments. In addition, Adjusted EBITDA and Adjusted EBITDA margin may not be comparable to similarly titled measures used by other companies in our industry or across different industries, and other companies may not present these or similar measures. Management compensates for these limitations by using these measures as supplemental financial metrics and in conjunction with our results prepared in accordance with GAAP. We encourage investors and others to review our financial information in its entirety, not to rely on any single measure and to view Adjusted EBITDA and Adjusted EBITDA margin in conjunction with the related GAAP measures.

The following is a reconciliation of our net loss to Adjusted EBITDA:

	For the Years Ended December 31,				For the Quarters Ended March 31	
(in thousands)	**2016**	**2017**	**2018**	**2019**	**2019**	**2020**
Net loss	$ (8,946)	$ (10,549)	$ (16,491)	$ (23,557)	$ (5,242)	$ (41,248)
Interest expense	3,072	5,815	11,085	6,755	1,279	2,593
Income tax (benefit) expense	(4,124)	(7,196)	(4,968)	(3,121)	816	(3,152)
Depreciation and amortization	15,023	18,828	23,915	27,705	6,449	7,560
EBITDA	$ 5,025	$ 6,898	$ 13,541	$ 7,782	$ 3,302	$ (34,247)
Stock-based compensation (1)	2,572	6,490	5,794	4,345	1,228	1,150
Start-up losses and investment in new services (2)	811	1,534	181	1,044	265	379
Acquisition costs (3)	317	1,323	1,589	3,474	215	1,307
Fair value changes in derivatives (4)			(352)			
Fair value changes in warrant options (4)				4,060		
Fair value changes in contingent put option (4)				7,100		29,627
Expenses related to financing transactions (5)	110	152	398			
Fair value changes in contingent liabilities (6)		(1,312)	(158)	1,392		
Insurance gain (7)	(1,281)	(1,700)				
Short term purchase accounting fair value adjustment to deferred revenue (8)				858		243
IPO preparation costs (9)				610	13	531
Discontinued Service Lines and closing of Berkley lab (10)	(650)	(352)	(1,680)	577	(349)	6,417
Other (gains), losses and expenses (11)	425	800				146
Adjusted EBITDA	**$ 7,329**	**$ 13,833**	**$ 19,313**	**$ 31,242**	**$ 4,674**	**$ 5,553**

(1) Represents non-cash stock-based compensation expenses related to option awards issued to employees and restricted stock grants issued to directors.

(2) In the year ended December 31, 2019, start-up losses related to losses incurred on (i) the expansion of lab testing methods and lab capacity, including into new geographies, (ii) expansion of our Canadian testing capacity in advance of new regulations and (iii) expansion into Europe in advance of projects driven by new regulations. In fiscal year 2018, start-up losses relate to investments in expanding our Remediation and Reuse segment capabilities. In fiscal year 2017, start-up losses relate to the opening of a new lab. In fiscal year 2016, start-up losses relate to expanding the geographical footprint of our air testing service line.

(3) Acquisition costs include financial and tax diligence, consulting, legal, valuation, accounting and travel costs and acquisition-related incentives related to our acquisition activity.

(4) In the three months ended March 31, 2020, amount relates to the change in fair value of the embedded derivative related to the contingent put option attached to the Series A-1 preferred stock. In the year ended December 31, 2019, amount relates to the change in fair value of warrants issued in connection with the Series A-1 preferred stock and the change in fair value of the embedded derivative related to the contingent put option attached to the Series A-1 preferred stock. In the year ended December 31, 2018, amount represents the change in the value of the embedded derivative in the convertible subordinated debt repaid in October 2018. See Notes 12, 13 and 14 to our audited consolidated financial statements and Notes 10 and 14 to our unaudited condensed consolidated financial statements, in each case, included elsewhere in this prospectus.

(5) Non-capitalizable expenses associated with refinancing and amending our debt facilities. See Note 14 to our audited consolidated financial statements included elsewhere in this prospectus.

(6) Fair value changes in value of contingent liabilities, reflects the difference between the expected settlement value of acquisition related earn-out payments at the time of the closing of acquisitions and the expected (or actual) value of earn-outs at the end of the relevant period.

(7) Represents the gain from insurance proceeds received in 2016 and 2017 related to a fire in one of our environmental laboratories that occurred in June 2016.

(8) Purchase accounting fair value adjustment to deferred revenue represents the impact of the fair value adjustment to the carrying value of deferred revenue as of the date of acquisition of ECT2.

(9) IPO preparation costs relate to expenses incurred by us to prepare for this offering.

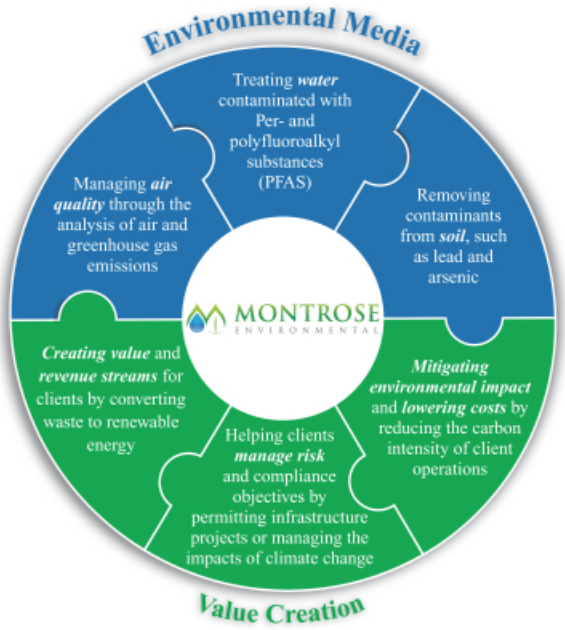
(10) Represents (earnings) loss from the Discontinued Service Lines and the Berkeley lab. See the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Factors that Affect Our Business and Our Results.”

(11) Represents non-operational charges incurred as a result of lease abandonments in 2016 and 2017 and in the first quarter of 2020.

BUSINESS

Since our inception in 2012, our mission has been to help clients and communities meet their environmental goals and needs. Today, we have emerged as one of the fastest growing companies in a highly fragmented and growing $1.25 trillion global environmental industry.

We service complex, recurring and often non-discretionary environmental needs of our diverse clients across our three business segments: Assessment, Permitting and Response; Measurement and Analysis; and Remediation and Reuse. Examples of our services include:



Our industry is highly fragmented with no single market leader. By focusing on environmental solutions, we believe we are uniquely positioned to become a leading platform in the industry. We provide a diverse range of environmental services to our private and public sector clients across the life cycle of their needs—whether they are launching new projects, maintaining operations, decommissioning operations, rehabilitating assets, managing the impacts of climate change or responding to unexpected environmental disruption. Our integrated platform has been a catalyst for our organic growth and we have built on this platform through strategic acquisitions.

Innovation is core to our strategy. The world's environmental challenges continue to grow in number, scope and complexity, and mounting public pressure and regulatory changes continue to drive demand for better information and solutions. We focus on innovation in order to improve the quality of information we can provide to clients (such as identifying variations of PFAS in water) and provide better solutions to their environmental needs (such as the efficient removal of PFAS from contaminated water). We intend to continue innovating by investing in research, development and technology (directly and through strategic partnerships) to develop better solutions for our clients. We believe these investments—together with our investments in geographic expansion,

sales and marketing initiatives, environmental service offerings and strategic acquisitions—will continue to distinguish us in the marketplace.

Our revenue and earnings are highly resilient. We are not dependent upon any single service, product, political approach or regulatory framework. We also serve a diverse set of more than 4,500 clients across a wide variety of end markets and geographies within the private and public sectors. Funding for our services is typically non-discretionary given regulatory drivers and public health concerns. As a result, our business is positioned to be less susceptible to political and economic cycles.

Our financial success is driven by both strong organic and acquisition-driven growth. Our organic revenue growth has averaged 17% per year since 2016 when combining our results with those of our recent and substantial acquisition of CTEH since 2016. If we exclude CTEH's revenues generated from major environmental events resulting in one or more projects contributing more than $4.0 million of revenue in any year, which at times has represented a significant percentage of CTEH's revenue, our combined annual organic growth rate since 2016 is approximately 9%. Montrose alone, without CTEH, has averaged 7% organic revenue growth per year since 2016. Our organic revenue growth demonstrates our growing reputation and ability to capture market share in a large and growing industry. See the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations-Key Factors that Affect our Business and Results-Organic Growth." In addition, our acquisitions of selected environmental services firms have expanded our geographic reach and service offerings.

Our environmental focus and reputation have enabled us to attract and retain some of the most highly sought-after employees in our industry. These employees have contributed to our organic growth, differentiated brand, reputation and culture.

We have experienced strong growth over the past few years. Our revenue increased from $114.8 million in 2016 to $233.9 million in 2019, representing a 27.0% CAGR. Over the same period, we had a net loss of $8.9 million and $23.6 million in 2016 and 2019, respectively, and our adjusted EBITDA increased from $7.3 million in 2016 to $31.2 million in 2019, representing a CAGR of 62.1%. See the section entitled "Non-GAAP Financial Information" for a discussion of non-GAAP measures and a reconciliation thereof to the most directly comparable GAAP measure.

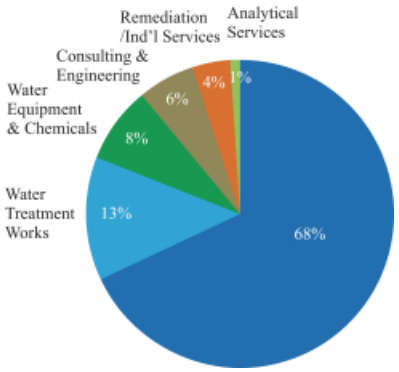
Our approach has allowed us to successfully scale our business, and we believe we are well positioned to continue our trajectory and market leadership as we address the growing environmental needs of our clients and communities.

The Industry

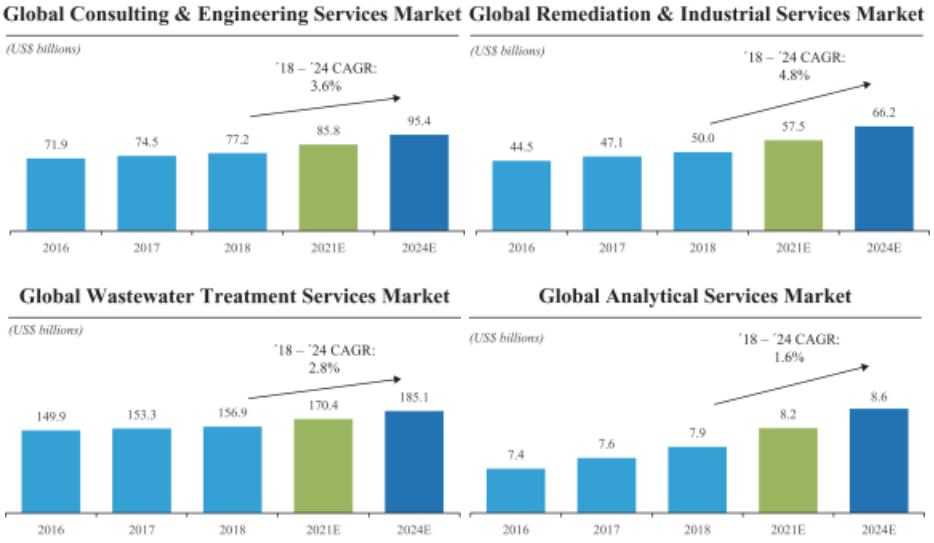
The environmental industry is large, growing, highly fragmented and subject to complex regulatory frameworks. Federal, state, provincial and local environmental regulations dictate compliance requirements that create demand for environmental services. Increasingly, public and stockholder interest in environmental sustainability is also driving prudent management of our shared and finite environmental resources.

Global Environmental Industry is Large and Growing

According to EBI, the global environmental industry is estimated to be approximately $1.25 trillion, with over 60% of such industry being concentrated in North America and Western Europe. The services within the industry which we currently offer represent a global market size of approximately $395 billion, which can be segmented as follows:



According to EBI, our approximately $395 billion addressable global market is expected to grow 3.4% per year from 2018 through 2024. Positive growth is expected across all environmental sectors in the global market with high growth rates in Remediation & Industrial Services and Consulting & Engineering Services, and more moderate growth in Wastewater Treatment Services and Analytical Services. A summary of estimated growth in some of the markets in which we operate (as grouped by EBI) is presented below:



Public Demands, Industrial Activity, Climate Change and Regulations Each Increase Need for Environmental Services

Heightened public awareness and increasing stockholder demand for environmental sustainability has increased the need and demand for environmental services. Many companies around the world have implemented initiatives on Sustainability and Corporate Social Responsibility, or CSR, and Environmental, Social and Governance, or ESG, making environmental impact a core factor in many business decisions. These initiatives are often focused on managing potential future risks, as opposed to past emphasis on compliance.

Steady increases in industrial activity and infrastructure investment, and the regulations underpinning these activities, are also driving demand for environmental services. In addition, environmental disruptions caused by climate change or aging infrastructure drive demand for environmental services. Infrastructure investments and environmental emergency responses often require substantial assessments, planning and/or permitting services in addition to environmental testing or remediation services. Industrial operations, including oil, gas and chemical production, require testing and monitoring throughout the manufacturing process to ensure continuous regulatory compliance. Testing and monitoring are typically recurring processes throughout the industrial production process.

In addition to current regulations, future regulatory changes may also drive demand for additional or different environmental services. In the United States, Canada and Australia, the federal, state, provincial and local regulations targeting air and water quality management, waste and contaminated soil management or reductions in greenhouse gas emissions, each of which drives portions of our business, have been implemented over many decades, and are subject to change and challenge.

As a result of the COVID-19 pandemic, there is a heightened focus on air quality. The World Bank ranked air pollution as the fourth-highest risk factor in 2013 in terms of attributable deaths and estimated that it costs the global economy approximately $5 trillion per year in welfare losses. We expect the World Health Organization, or the WHO, to update its air quality guidelines in 2020 and current projections forecast air pollution increasing over time. We expect the WHO's guidelines coupled with increasing pollution to catalyze local air quality regulations and therefore, demand for environmental services, particularly air quality services.

Independent of the COVID-19 pandemic, we expect these trends to continue and to spur growth in the environmental services industry.

The Environmental Services Industry is Highly Fragmented and Complex

According to EBI, thousands of firms operate in the markets in which we operate. Several larger firms provide environmental services as a small part of their broader product portfolio. However, much of the industry is served by small firms that provide limited service offerings addressing specific regulations and geographies. It is difficult for small firms to expand given the technical expertise, accreditations and licenses necessary to serve a broad array of clients and industries across geographies and service lines. These dynamics create significant barriers to entry in our industry.

As clients increasingly seek effective, customized and streamlined solutions to address their impact on the environment, they will increasingly value environmental solutions providers with scale. Providers able to address the full lifecycle of environmental concerns and needs, particularly for companies and organizations with multi-jurisdictional footprints, and are subject to complex regulatory frameworks, will continue to enjoy competitive advantages.

Competitive Strengths

We are a leading global brand focused on environmental services with a resilient and recurring revenue base anchored on long-term client relationships. Our focus on innovation, our ability to acquire and integrate

leading companies, our highly accredited businesses and our experienced and credentialed team provide our clients with quality solutions and create significant barriers to entry. Our competitive strengths include:

Resilient and Recurring Revenue Across Political and Economic Cycles

Our revenues are resilient over political cycles primarily because our business is not dependent on any one regulatory framework. We have a diversified geographic footprint, and we often help clients comply with multiple regulatory frameworks. As a result, we are often insulated from major shifts in individual federal, state, provincial and local regulations. While federal governments set certain minimum standards, many state, provincial or local policies are more stringent. In addition, state, provincial and local governments often define how environmental standards will be met or implemented. These different levels of government often serve as counterweights to each other and minimize the risk and impact of sudden shifts in policy.

We believe our diverse portfolio of services and end markets position us to be resilient across economic cycles. For example, clients use our services when launching development projects, while maintaining ongoing operations, when decommissioning operations, and when remediating the release of contaminants into air, water or soil. These client activities can occur at different times for different industries, regardless of economic cycles. In addition, many of our service offerings are typically non-discretionary and our projects often create significant economic value for our clients (in the form of reduced liability, cost savings or revenue streams), further incentivizing the continued use of our services. Furthermore, community demands, such as those for PFAS-free water, continue regardless of political or economic cycles. As another example, during the COVID-19 shelter-in-place orders, most of our services were deemed essential and continued to be requested by clients. Though there were some delays in the scheduling of certain services due to travel restrictions or social distancing requirements, the environmental and/or regulatory implications of not completing environmental projects has resulted in a resilient demand for our services. Clients generating over 90% of our revenue in the fiscal year ended December 31, 2017 repeated in the fiscal year ended December 31, 2018. Similarly, clients generating over 90% of our revenue in the fiscal year ended December 31, 2018 repeated in the fiscal year ended December 31, 2019.

As a result of these factors, combining our results with those of CTEH, our combined organic revenue has grown at an annual rate of 9% excluding CTEH revenues generated from major environmental events resulting in one or more projects contributing more than $4.0 million of revenue in any year, or at a rate of 7% per year since 2016 for Montrose alone. See the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Factors that Affect Our Business and Results—Organic Growth.”

Long-term Relationships Across a Large and Diversified Client Base

We currently serve over 4,500 clients. We have long-standing relationships with a number of Fortune 1000 companies and government entities, and our legacy businesses have been operating for as long as a century.

We provide services to our largest clients across multiple projects and/or multiple locations, and the number of services we provide to these clients varies from one project per year to several dozen projects per year. Our revenues are not, however, dependent on any one single client. In fiscal year ended December 31, 2019, our largest client represented approximately 7% of revenue, with these revenues derived from four separate projects. Our top twenty clients represented less than 35% of our revenue in the fiscal year ended December 31, 2019.

We also address a wide variety of end markets within the private and public sectors. We serve clients in nearly 30 end industries and no single industry comprised more than 12% of our revenue for the fiscal year ended December 31, 2019. Over the same period our revenues were derived approximately 80% from the private sector and 20% from the public sector.

Differentiated Technology, Processes and Applications

Our focus on innovation and on accessing and developing proprietary technologies, processes and applications is a key competitive advantage and differentiator of our brand and services. These innovative tools complement our professionals' years of experience, technical expertise and industry knowledge and bolster the solutions we provide our clients. We have consistently used technology and process advancements across geographies, to accelerate growth and to address our clients' environmental concerns.

Recent examples of our use of innovative solutions include:

- **Advanced Air Quality Monitoring**—we identify sources of emissions in real time, with proprietary sensors and software, and/or at ultratrace levels, to produce data accepted by regulatory bodies.

- **Removal of PFAS from water**—we remove PFAS from water using patented technology and processes with almost no waste generation, with a smaller carbon footprint and at a lower cost than conventional alternatives.

Significant Scale with Global Reach

Clients value our ability to provide coordinated, diversified services across many geographies, including domestic and international geographies that reach beyond our approximately 70 locations. Through our strategic acquisitions and targeted recruiting, we have achieved a scale that combines knowledge of local environments and regulations with global reach, which positions us to win and execute our projects globally. As a result, we expect to continue to capture market share.

Our global footprint supports our ability to gain market share by attracting new clients and by expanding offerings to our existing clients. As clients seek environmental solutions providers able to address the life cycle of their environmental concerns and needs across jurisdictions, we believe our footprint and diversified portfolio of services position us well to attract and retain clients, and expand our relationships with those clients over time.

Our scale has enabled us to leverage our investments in technology, innovation and process resources in a way that we believe will continue to support our industry leadership position.

Proven Ability to Identify, Execute and Integrate Acquisitions

We have acquired and integrated over 50 businesses over the last eight years, and we intend to continue selectively acquiring companies in our industry. Key characteristics of past and expected acquisition targets include quality management teams, complementary services, access to differentiated technologies and extension of our geographic reach.

We believe we add value to the businesses we acquire by introducing a culture focused on teamwork and innovation, and by providing superior operating discipline. The majority of owners and key personnel of our acquired businesses have remained with us, in large part due to our ability to effectively integrate them into our existing team. As a result of our focus on integration, our acquired businesses typically begin contributing to our organic growth after the first year following acquisition. Post-acquisition performance is driven by revenue synergies and operating leverage through corporate cost allocation over a larger base, as demonstrated by our consistent organic revenue growth and improving margin profile.

We maintain a robust acquisition pipeline primarily driven by word of mouth and existing relationships. As we have to-date, we intend to continue acquiring businesses at disciplined valuation levels. We believe our approach to acquisitions will enable us to continue creating substantial value.

Experienced Management Team Coupled With a Team-Centric Culture

Our leadership and culture define who we are. Our senior leadership team includes industry pioneers who have led a number of industry organizations and are considered among the foremost experts in the environmental services industry. The average tenure of our operational leadership in the environmental industry is 25 years. Our key executives and board members also have extensive experience in growing businesses both organically and through acquisitions.

Our management and employees share a passion for the environment and a compassion for each other. We received the National Safety Council Award for each of 2017 and 2018 in recognition of our excellence in safety across our business. In addition, our employees' dedication to supporting each other has led to the establishment of The Montrose Community Foundation, a non-profit organization formed and operated by our employees for the benefit of our employees. Through its volunteer board, The Montrose Community Foundation uses employee donations to provide resources to our employees in times of need. Our employees' dedication of personal time and resources solely for the benefit of their colleagues exemplifies our team-oriented culture.

We believe it is our strong management team and our culture that enables us to attract and retain our exceptional talent.

Growth Strategies

Our goal is to become a global leader in the growing environmental services industry. We expect to continue growing organically by expanding existing client relationships, developing new client relationships and investing in sales and marketing infrastructure. We also expect to continue growing by strategically acquiring companies in our highly fragmented industry. Our proven ability to recruit and retain industry leaders and innovators will further contribute to our growth. We believe these growth strategies position us well to capture market share from competitors and benefit from industry growth.

Continue Organic Growth

- ***Expand existing local relationships into national and international relationships:*** Many of our clients have a broad national and international presence. Historically, these clients have often managed their environmental programs locally using regional service providers. However, these clients often have a desire to standardize their programs across geographies, which requires their environmental services providers to have the scale, reach and capabilities to match their footprint. Meeting this need is challenging for many in our industry given their regional focus and limited service offerings. Our geographic reach, strong relationships and reputation for quality enable us to address our clients' ever-growing and diverse needs in a way most of our regional competitors cannot. As a result, we have generated many intra-client referrals and won new business with existing clients in geographies historically served by competitors. We intend to continue to expand into new geographies where our existing clients operate.

- ***Sell additional environmental services to existing clients:*** Many of our clients have historically hired us for a specific environmental service such as environmental audits or tests. As we have diversified our service offerings, and as clients have grown accustomed to the quality and consistency that our teams provide, clients have increasingly engaged us to perform additional environmental services. As a result, we have won new business historically served by competitors that are typically single service-line focused. We expect to continue cross-selling additional environmental services to existing clients with multidimensional needs, including where we can replace services provided in-house.

- ***Deploy innovative technologies, processes and applications to address unmet client needs:*** Newly identified contaminants, public health concerns and changes to regulations have created and are expected to continue to create unmet environmental service needs for many of our current and prospective clients. Our investments in innovation—both stand-alone and through partnerships—have better equipped us to address these client needs in a manner that differentiates us from our competitors. We have won and expect to continue winning business from both existing and new clients because of the innovative solutions we offer.

- ***Provide sales training and build a targeted sales team to drive growth and acquire new clients:*** We have historically operated with very limited sales resources. Increased demand for our services has primarily been driven by word of mouth. More recently, we have started investing in our dedicated sales capabilities and intend to continue these efforts. We are providing sales training to our technical practitioners, investing in customer relationship management systems and building a targeted sales force to help identify new clients and capture market share from competitors. Sales training and a targeted sales force will also enable us to accelerate growth initiatives with existing clients, including through geographic expansion and cross-selling of additional services.

- ***Build Montrose brand awareness and marketing capabilities:*** We believe we are uniquely positioned to capitalize on the growing demand for environmental services. Even though we have not historically invested in marketing our brand, our business has expanded both geographically and in our service offerings in response to client needs. For example, consumer demand for clean water continues to generate demand for our water treatment technology and service both in the United States and internationally, including in Europe where we anticipate expanding into over the upcoming years. Client demand for renewable energy sources also has resulted in us creating and building out our Waste-to-Energy (biogas) service line. We intend to build brand awareness, expand field marketing efforts and create relevant content to showcase our ability to address environmental needs for clients and communities. We believe our brand development efforts will be very additive to our sales and organic growth initiatives.

- ***Capture environmental service opportunities arising from federal, state or provincial stimulus measures:*** As a result of the COVID-19 pandemic, governments have enacted or are in the process of enacting economic stimulus packages to bolster economic recovery from shelter in place and other similar orders. These stimulus packages may include incentives and guidelines to target improved water treatment and water infrastructure, soil remediation and land development, air quality improvement, and infrastructure development initiatives (which often require environmental assessments). If enacted, these initiatives are expected to directly or indirectly increase demand for our environmental services and would be additive to our organic growth opportunities.

- ***Utilize our expertise in environmental toxicology and emergency response to support COVID-19-related preparation and response plans:*** Through the acquisition of CTEH, we have expanded our toxicology and environmental response capabilities. Though these capabilities are typically used during environmental emergencies that often arise from aging infrastructure or from the impacts of climate change, they are also utilized in response to chemical and biological incidents such as the COVID-19 pandemic. As a result, we have been engaged by more than 70 clients to help them prepare for, respond to and/or address issues resulting from exposure to COVID-19. Though our business strategy is not focused on pandemic response, we believe CTEH's COVID-19 related response opportunities will accelerate our growth for the short term and provide cross-selling opportunities with new and existing clients.

Pursue Strategic Acquisitions

The environmental services industry is highly fragmented and has no single leading brand. Through strategic acquisitions, we can continue to accelerate our growth, brand development and market leadership. Over

the last eight years, we have acquired and integrated over 50 businesses that have provided us with talent, complementary services, access to differentiated technologies and geographic reach. Many of our acquisitions were initiated with personal introductions given our favorable reputation in the market. We believe our ability to identify, execute and integrate acquisitions and retain talent has been and remains a key driver of our operational and financial success.

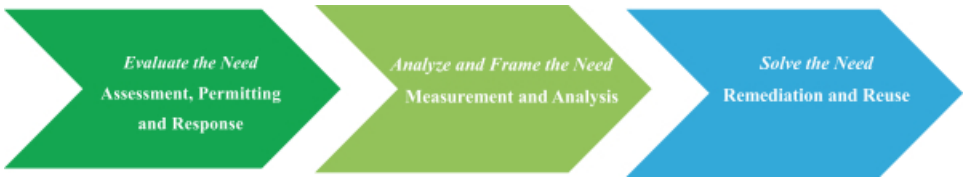
Our pipeline of potential future acquisitions is robust, and we plan to continue pursuing acquisitions to enhance our strategic and competitive positions in existing and new markets.

Recruit and Retain Industry Leaders

Given the highly technical nature of many of our services, our ability to recruit and retain talent enhances our ability to capture market share. We believe our mission and focus on the environment, our emphasis on ownership opportunities for our employees and our team of renowned industry leaders creates a competitive advantage when competing for talent.

Segments

We provide environmental services to our clients through our integrated solutions across three business segments—Assessment, Permitting and Response, Measurement and Analysis and Remediation and Reuse.



Assessment, Permitting and Response. Our Assessment, Permitting and Response segment provides scientific advisory and consulting services to support environmental assessments, environmental emergency response and recovery, toxicology consulting and environmental audits and permits for current operations, facility upgrades, new projects, decommissioning projects and development projects. We work closely with clients to navigate the regulatory process at the local, state, provincial and federal levels, identify the potential environmental and political impacts of their decisions and develop practical mitigation approaches, as needed. In addition to environmental toxicology, our scientists and response teams have helped over 70 clients navigate their preparation for and response to COVID-19 infections.

We believe this segment maintains a number of competitive advantages, including:

- strong relationships with key private and public sector clients with needs for multiple environmental services, facilitating cross selling opportunities;
- a core team of approximately 430 employees, including well-known technical experts with longstanding client relationships and significant experience across the key disciplines in the segment;
- our proven ability to help clients navigate regulatory, public and legal scrutiny; and
- a national reach established by having successfully assessed and permitted hundreds of projects in jurisdictions across the United States.

This segment, which is primarily based on a time and materials, or T&M, revenue model, generated approximately 9% of our revenue for the fiscal year ended December 31, 2019.

Measurement and Analysis. Our Measurement and Analysis segment is a market leader in testing and laboratory services based on 2018 annual revenue according to EBI. Supported by approximately 920 employees, our highly credentialed teams test and analyze air, water and soil to determine concentrations of contaminants as well as the toxicological impact of contaminants on flora, fauna and human health. Our offerings include source and ambient air testing and monitoring, leak detection and advanced analytical multi-media laboratory services such as air, stormwater, wastewater and drinking water analysis.

We believe we have a variety of sustainable competitive advantages in this market, including:

- a reputable brand;
- a market leadership position as (1) one of the most prominent air testing companies in the United States and (2) the sixth largest U.S. environmental laboratory network each based on EBI's estimates of 2018 revenue; and
- our unique technologies, processes and applications, including the ability to detect air contaminants in real time at ultra-trace concentrations (parts per trillion or parts per quadrillion).

This segment, which is primarily based on a fixed price and, for out-of-scope work, a T&M revenue model, generated approximately 58% of our revenue for fiscal year ended December 31, 2019.

Remediation and Reuse. Our Remediation and Reuse segment provides clients with engineering, design, implementation and operations and maintenance services, primarily to treat contaminated water, remove contaminants from soil or create biogas from agricultural waste. Approximately 280 of our employees, including engineers, scientists and consultants, provide these services to assist our clients in designing solutions, managing products and mitigating environmental risks and liabilities at their locations. We do not own the properties or facilities at which we implement these projects or the underlying liabilities, nor do we own material amounts of the equipment used in projects.

We believe this segment's competitive advantages include:

- advanced technologies and our owned and licensed intellectual property portfolio, such as our patented water treatment systems and proprietary process to optimize the generation of biogas;
- a team with industry-leading experts and several patent-generating PhDs; and
- local expertise and capabilities with respect to unique soil, sediment and water table characteristics and contamination types.

This segment, which is primarily based on a fixed price and, for out-of-scope work, a T&M revenue model, generated approximately 33% of our revenue for fiscal year ended December 31, 2019 through a combination of project-based work and recurring, monthly fee O&M revenue stream.

This table illustrates a summary of our segments.

	Assessment, Permitting and Response	Measurement and Analysis	Remediation and Reuse
Exemplary Services	**Regulatory Consulting:** ▪ Air Quality ▪ Water Quality ▪ Industrial Hygiene ▪ Occupational Health **Planning and Ecosystems Consulting:** ▪ CEQA and NEPA Compliance Documents ▪ Natural Resource Damage Assessment (NRDA) ▪ Net Environmental Benefit Analysis (NEBA) ▪ Permitting, Surveys and Reporting ▪ Risk Assessment & Mitigation **Response:** ▪ Emergency Response Toxicology ▪ Emergency & Environmental Response	**Testing:** ▪ Source Emissions ▪ Ambient Air Monitoring and Meteorological Monitoring ▪ Fenceline Monitoring ▪ Indoor Air **Lab Services:** ▪ Air Analysis ▪ Soil, Water, Sediment and Nicotine Product Analysis ▪ Ultratrace Analysis and PFAS ▪ Environmental Toxicology **Leak Detection and Repair (LDAR):** ▪ Detection & Measurement ▪ LDAR Consulting & Support Services ▪ Data Management and Reporting Software	**Water Treatment and Biogas Solutions:** ▪ Initial Project Assessments and Feasibility Studies ▪ Integrated System Engineering and Design, Installation, Start-up and Commisssioning and O&M **Soil and Groundwater Remediation:** ▪ Site Investigations and Assessments ▪ Remediation System Engineering and Design, Installation and O&M ▪ Underground Storage Tank Closure and Management
Exemplary Regulatory Drivers	▪ U.S. National Environmental Policy Act (NEPA) ▪ California Environmental Quality Act (CEQA) ▪ State, Provincial and Local Regulations	▪ Clean Air Act ▪ Clean Water Act ▪ Toxic Substance Control Act ▪ State, Provincial and Local Regulations	▪ Comprehensive Environmental Response, Compensation and Liability Act ▪ Resources Conservation and Recovery Act ▪ State, Provincial and Local Regulations ▪ PFAS Regulations
Illustrative Client Industries	▪ Consumer ▪ Federal, State and Local Governments ▪ Industrials ▪ Oil & Gas	▪ Automotive ▪ Chemicals ▪ Industrials ▪ Power	▪ Engineering Firms ▪ Federal, State and Local Governments Authorities ▪ Financial ▪ Industrials

Differentiated Technology, Processes and Applications

Advanced technology and innovative processes and applications are key competitive advantages in the environmental services industry. Our team of industry leaders are integral drivers of our investments in differentiated services. As our brand and environmental platform grows, our experts are increasingly able to deploy innovative technologies that address our clients' needs, further differentiate our services and create new barriers to entry. Recent examples of our investment and development activities are related to air monitoring equipment, technology and software to detect ultra-low concentrations of pollutants and triangulate to sources of emissions and water treatment solutions to remove various emerging contaminants from water.

Strategic Acquisitions

We operate in a growing and highly fragmented market with thousands of potential acquisition targets. Given our success in identifying, executing and integrating more than 50 acquisitions since our inception in 2012, we believe we can continue to selectively acquire additive businesses. We seek to acquire businesses at disciplined valuation levels that:

(1) are led by high quality management teams,

(2) expand our portfolio of services,

(3) provide access to differentiated technologies or processes, and

(4) extend our geographic coverage.

We have personnel specifically dedicated to identifying acquisition targets, exploring acquisition opportunities, negotiating terms and overseeing acquisition and post-acquisition integration. Our in-house acquisition team has established extensive relationships throughout the industry and maintains and regularly re-evaluates an established pipeline of potential acquisition opportunities, largely driven by word of mouth and personal introductions.

Since January 1, 2018, we have acquired the following fifteen businesses:

Acquired Business	Date of Acquisition	Segment	Location
2020 Acquisition			
The Center for Toxicology and Environmental Health, L.L.C.	April 2020	Assessment, Permitting and Response	Little Rock, AR
2019 Acquisitions			
Emerging Compounds Treatment Technologies, Inc.	August 31, 2019	Remediation and Reuse	Portland, ME
LEHDER Environmental Services Ltd	July 31, 2019	Measurement and Analysis	Sarnia, Canada
Advanced Environmental Compliance, LLC	July 9, 2019	Measurement and Analysis	Santa Ana, CA
Air Water & Soil Laboratories, Inc.	June 28, 2019	Measurement and Analysis	Richmond, VA
Target Emission Services USA LP	April 30, 2019	Measurement and Analysis	Calgary, Canada
Target Emission Services Inc.	April 30, 2019	Measurement and Analysis	Pittsburgh, PA
Golden Specialty, Inc.	March 15, 2019	Measurement and Analysis	Houston, TX
2018 Acquisitions			
Environmental Planning Specialists, Inc.	November 30, 2018	Assessment, Permitting and Response	Atlanta, GA
Analytical Environmental Services	October 31, 2018	Permitting and Assessment	Sacramento, CA
Leymaster Environmental Consulting LLC	March 31, 2018	Remediation and Reuse	Long Beach, CA
Streamline Environmental, Inc.	February 1, 2018	Remediation and Reuse	Tampa, FL
Advanced Geoservices Corp.	January 31, 2018	Remediation and Reuse	Philadelphia, PA
First Analytical Laboratories NC, LLC	January 16, 2018	Measurement and Analysis	Durham, NC
Southern Environmental Sciences, Inc.	January 1, 2018	Measurement and Analysis	Plant City, FL

We believe we add value to the businesses we acquire by introducing a team-centric culture focused on innovation, implementing award-winning safety programs and providing superior operating discipline, risk management, cash management, financial controls, information technology and human resources support. Each business we acquire is systematically integrated into our systems and processes, thereby creating revenue synergy opportunities and operating leverage.

We believe that the acquisition of CTEH will provide opportunities for deepened relationships with clients, additional long-term revenue synergies and operating leverage. The clients served by CTEH will provide

opportunities for us to provide field testing, laboratories services and/or environmental remediation services not currently offered by CTEH. Similarly, the additional services and software provided by CTEH can be offered to our existing client base. In addition, the combined platform will allow much of our existing corporate infrastructure to be utilized across a larger base business.

For more than 20 years, CTEH has provided innovative solutions in the fields of environmental response and toxicology. Through its teams of experts, CTEH helps companies, governments and communities prepare for, respond to and recover from environmental threats. In addition to helping with 100-200 environmental disruptions each year, CTEH has established a leading brand by working on high profile incidents requiring environmental and toxicological consultation such as: Hurricanes Katrina, Sandy, Harvey and Irma and the Deepwater Horizon/Macondo spill. CTEH is also currently helping clients respond to the COVID-19 pandemic. Though individual incidents may create disproportionate demand for CTEH's services, its base business is driven by the many environmental incidents that occur each year, whether due to climate change, aging infrastructure or otherwise. For example, in 2019 CTEH assisted clients in responding to approximately 180 incidents or environmental disruptions. We expect the frequency of these types of events to increase in the United States given aging infrastructure and the impacts of climate change.

CTEH provides its services through three main divisions, each of which now operates as part of our Assessment, Permitting and Response segment:

- *Environmental Emergency Response* – respond to incidents, including industrial accidents or natural disasters, with its qualified teams of multi-disciplinary experts within a few hours in most areas of the United States. Through its proprietary software programs, CTEH also has near real-time data monitoring capabilities of the information generated during many of its response projects, including analytical air and environmental sampling summaries that allow customers to make more informed time-sensitive decisions.

- *Disaster Recovery* – provide turnkey disaster recovery management and software solutions with a long history of managing recovery projects for a range of customers. CTEH has also worked in impacted communities following large-scale disasters. CTEH's teams are capable of leading, or integrating with, a customer's business continuity teams to minimize the impact of a disaster and begin the recovery process more quickly and efficiently. CTEH also has digital tools to address the complex problems that often slow disaster recovery efforts.

- *Toxicology* – combine expertise across a broad range of toxicology areas, from regulatory consulting to human exposure assessment, including identifying health hazards, deriving and implementing site-specific health-based actions levels, and communicating complex health and safety issues to stakeholders, including regulators and the public. CTEH's human health experts have a broad base of experience regarding chemical exposure and potential health effects, on-site health issue evaluations and crop and animal health concerns.

Our existing air testing teams, laboratories and remediation services, in particular, will work closely with the CTEH team to offer integrated, turnkey environmental solutions for customers. These integrated services represent an example of the revenue synergies that are core to our acquisition strategy. In addition, we believe CTEH's broad portfolio of clients and agreements provide cross selling opportunities for our existing services, and its proprietary technology platform will be highly additive to our business. CTEH's proprietary software capabilities coupled with the breadth of our environmental data collection capabilities will allow us to process and present environmental data in near real time and in unique ways to help our clients.

CTEH's strong financial profile also bolsters our revenue scale, organic revenue growth potential and operating cash flow profile. For example, from 2016 to 2019, combining our results with those of CTEH, our combined organic revenue has grown at an annual rate of 17%, or 9% excluding CTEH revenues generated from

major environmental events resulting in one or more projects contributing more than $4.0 million of revenue in any year, or at a rate of 7% per year for Montrose alone. See the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors that Affect Our Business and Results—Organic Growth."

Certain summary historical financial information of CTEH is set forth below. The historical financial statements of CTEH for these periods are included elsewhere in this prospectus.

	For the Years Ended December 31,		For the Three Months Ended March 31,	
	2018	2019	2019	2020
Consolidated Statement of Operations Data:				
Revenues	$58,347	110,119	$18,056	$31,253
Operating expenses	47,820	74,796	13,713	20,985
Net Operating income	10,527	35,323	4,343	10,268
Other expense (income)	621	395	176	(20)
Net income	$ 9,906	$ 34,928	$ 4,167	$10,288
Other financial data (unaudited)				
Operating margin (1)	18.0%	32.1%	24.1%	32.9%
Consolidated Statement of Cash Flows Data:				
Net cash provided by operating activities	$ 9,847	$ 28,077	$ 3,220	$19,040
Net cash used in investing activities	(681)	(1,874)	(268)	(169)
Net cash provided by financing activities	(5,773)	(29,121)	(1,980)	(5,115)
Change in cash	$ 3,393	$ (2,918)	$ 971	$13,756
Consolidated Statement of Financial Position Data:				
Current assets	$21,021	$ 33,873	$33,873	$36,891
Non-current assets	5,111	6,164	6,164	6,098
Total assets	26,132	40,037	40,037	42,989
Current liabilities	6,546	12,631	12,631	8,894
Non-current liabilities	10,710	3,169	3,169	3,020
Total liabilities	17,255	15,800	15,800	11,914
Total stockholders' equity	8,877	24,237	24,237	31,075
Total liabilities and stockholders' equity	$26,132	$ 40,037	$40,037	$42,989

(1) Operating margin represents loss from operations as a percentage of revenues.

We expect CTEH earnings in 2020 to be 30% to 50% lower than in 2019 as a result of significant revenues in 2019 from large environmental incidents.

Clients

We provide environmental services to over 4,500 clients operating in a number of sectors and industries, including the oil & gas, utilities, construction, midstream energy, commodities, petrochemical and tobacco industries, as well as local, state, provincial and federal government entities. We have long-term, and through our legacy companies, decades-old relationships. We serve a diversified client base in both the private and public sectors. For the fiscal year ended December 31, 2019, our revenues were derived approximately 80% from the private sector and 20% from the public sector.

We have minimal client concentration with the largest client representing approximately 7% of revenue for fiscal year ended December 31, 2019, with these revenues derived from four separate projects. However, as a result of the CTEH acquisition, our Assessment, Permitting and Response segment may at times experience

higher customer concentration levels based on the severity, duration and outcome of certain types of environmental emergencies for which we provide response services. For example, for the fiscal year ended December 31, 2019, 54% of CTEH's revenues were attributable to just two customers, each of whom engaged CTEH in connection with significant environmental accidents. See the section entitled "Risk Factors."

Contracts

Our client contracts are generally fixed price, including milestone-based fixed price contracts in our Remediation and Reuse segment, and, for out-of-scope work, T&M based. CTEH's client contracts and our other Assessment, Permitting and Response client contracts are generally T&M based. Our client contracts vary from purchase-order based contracts utilizing standard terms and conditions to comprehensive master services agreements with terms of multiple years. In accordance with industry practice, most of our contracts, both in the private and public sector, are subject to termination at the discretion of the client, as discussed in greater detail in the section entitled "Risk Factors—Risks Related to our Business and Industry—We do not always have long-term agreements with our clients and attempts by clients to change the terms of or terminate their relationships with us may have a negative impact on our business." In such situations, our contracts typically provide for reimbursement of costs incurred and payment of fees earned through the date of termination.

Competition

We operate in a competitive, but fragmented, market. No single company or group of companies dominates across the entire environmental services market in which we operate. Our primary competitors are divisions of large companies, various small companies which generally are limited to a specific service and focused on a niche market or geographic region and our clients' own in-house resources. We believe that few, if any, of our competitors currently provide the full range of environmental solutions that we offer. Instead, each of our segments has competitors with narrower service offerings and/or geographies. Our Assessment, Permitting and Response segment competitors include the environmental divisions of Exponent, Trinity Consultants and other small businesses. Our Measurement and Analysis segment competitors include the environmental divisions of SGS, Bureau Veritas and Eurofins, Pace Analytical and environmental divisions of large testing companies and other small businesses. Our Remediation and Reuse segment competitors include the environmental divisions or remediation segments of NV5, Tetratech, AECOM, other large engineering companies and other small businesses.

We compete based on the following factors, among others: reputation, safety track record, quality, geographic reach, price, technical capabilities, access to innovative technology and breadth of services. We believe that our current capabilities position us to compete favorably in each of these factors.

The environmental services industry has significant barriers to entry which would make it difficult for new competitors to enter the market. These barriers include:

- highly technical, costly and time-consuming accreditation and licensure requirements;
- ability to deploy/services client needs across geographies;
- advanced quality and safety programs and mandated scores;
- the complex and geographically varying regulatory landscape that requires significant industry experience;
- the need to acquire or develop innovative technologies and processes that are acceptable to regulatory bodies, which in our case occurred over many years of client and regulator engagements and at significant research and development expense; and
- emphasis by large clients on size and scale, length of relationship and past service record.

Intellectual Property

We utilize a combination of intellectual property safeguards, including patents, copyrights, trademarks, trade secrets and licenses, as well as employee and third-party confidentiality agreements, to protect our intellectual property. However, we do not principally rely on any single piece of intellectual property, nor is any single piece of intellectual property material to our financial condition or results of operations.

Seasonality

Because demand for environmental services is not driven by specific or predictable patterns in one or more fiscal quarters, our business is better assessed based on yearly results. In addition, our operating results experience some quarterly variability. Excluding the impact of revenues and earnings from new acquisitions, we typically generate slightly lower revenues and lower earnings in the first and fourth quarters and higher overall revenues and earnings in the second and third quarters. Historically, quarterly variability has been driven by weather patterns, which generally impacts our field-based teams' ability to operate in the winter months, particularly in parts of North America. As we continue to grow and expand into new geographies and service lines, quarterly variability may be impacted and may deviate from historical trends.

Employees

As of May 21, 2020, we had approximately 1,730 employees, including approximately 1,400 full-time employees in the United States. Approximately 95% of our full-time employees work in our U.S. operations and approximately 5% work in foreign operations. None of our facilities are covered by collective bargaining agreements.

Properties

Our principal executive offices are located at 1 Park Plaza, Suite 1000, Irvine, CA 92614. We currently operate out of approximately 70 locations across North America and Australia, of which one is an owned building and all other of which are leased locations. Our lease terms vary from month-to-month to multi-year commitments of up to 10 years, with our average commitment being less than 4.5 years. We believe that our existing facilities are adequate to meet our current requirements and that comparable space is readily available in similar locations.

Compliance with Federal, State/Provincial and Local Laws

Our operations subject us to environmental, health and safety laws and regulations in jurisdictions where we operate, including the United States, Australia and Canada. Such laws and regulations relate to, among other things, the discharge of wastewater, the discharge of hazardous materials into the environment, the handling, storage, use, transport, treatment and disposal of hazardous materials and solid, hazardous and other wastes and workplace health and safety. These laws and regulations impose a variety of requirements and restrictions on some of our operations and the services we provide. The failure by us to comply with these laws and regulations could result in fines, penalties, enforcement actions, third-party claims, damage to property or natural resources and personal injury claims, requirements to investigate or cleanup property or to pay for the costs of investigation or cleanup or regulatory or judicial orders requiring corrective measures, and could negatively impact our reputation with clients. We are not aware of any pending environmental compliance or remediation matters that, in the opinion of management, are reasonably likely to have a material effect on our business, financial condition, results of operations or prospects.

A portion of our revenue is derived from working with the U.S. federal government. When working with U.S. governmental agencies and entities, we must comply with laws and regulations relating to the formation, administration and performance of contracts. Internationally, we are subject to various government

laws and regulations (including the FCPA and similar non-U.S. laws and regulations). To help ensure compliance with these and other laws and regulations, our employees are sometimes required to complete tailored ethics and other compliance training relevant to their position and our operations.

Legal Proceedings

From time to time, we are subject to various legal proceedings that arise in the normal course of our business activities, including those involving labor and employment, anti-discrimination, commercial disputes and other matters. As of the date of this prospectus, we are not a party to any litigation the outcome of which, if determined adversely to us, would individually or in the aggregate be reasonably expected to have a material adverse effect on our results of operations or financial position. Regardless of outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors. See Note 9 to the audited financial statements of CTEH Holdings included elsewhere in this prospectus for a description of certain litigation matters.

The Montrose Community Foundation

In 2016, our employees formed and have since independently operated The Montrose Community Foundation, a non-profit organization funded by personal donations from our employees for the benefit of our employees. The Foundation, through its volunteer board, confidentially provides resources to our employees in times of need. Our employees' dedication of time and resources to this organization is a testament to our team-centric culture.

We Lead

In 2020, our senior female leadership established Montrose's Women Empowering Leadership (We Lead) program. The group's mission is to foster the recruitment, retention and professional development of women at the Company. Through its focus on mentorship, We Lead is working to develop a network of women leaders within Montrose.

MANAGEMENT AND THE BOARD OF DIRECTORS

The following table sets forth certain information regarding our directors and executive officers as of the date of this prospectus.

Name	Age	Position
Vijay Manthripragada	43	President and Chief Executive Officer; Director
Allan Dicks	48	Chief Financial Officer
Nasym Afsari	37	General Counsel and Secretary
Joshua W. LeMaire	46	Chief Operating Officer
Jose M. Revuelta	38	Chief Strategy Officer
J. Miguel Fernandez de Castro	48	Director
Peter M. Graham	65	Director
Peter Jonna	34	Director
Robin L. Newmark	63	Director
Richard E. Perlman	73	Director, Chairman
J. Thomas Presby	80	Director
James K. Price	62	Director
Brook Hinchman*	37	Director

* Brook Hinchman is the Oaktree director designated under the terms of the Series A-1 preferred stock who, effective on the consummation of this offering, will no longer be a director.

Our Executive Officers

Vijay Manthripragada—Mr. Manthripragada joined Montrose Environmental as our President in September 2015. In June 2016 Mr. Manthripragada also joined our Board of Directors and, since February 2016, he has served as our President and Chief Executive Officer. Before joining Montrose Environmental, Mr. Manthripragada most recently served as the Chief Executive Officer of PetCareRx, Inc., an e-commerce company, from 2013 to September 2015, after originally joining the company as its Chief Financial Officer. Prior to PetCareRx, Mr. Manthripragada was most recently a Senior Vice President at Goldman Sachs where he held various positions from 2006 to 2013. Mr. Manthripragada received his Master of Business Administration from The Wharton School, University of Pennsylvania and his Bachelor of Science in Biology from Duke University.

Mr. Manthripragada's qualifications to serve on the Board include his experience as a president and chief executive officer, which contributes valuable management expertise to the Board's collective knowledge. Mr. Manthripragada's Board service also creates a direct, more open channel of communication between the Board and senior management. Mr. Manthripragada's investment banking experience also provides important insight regarding finance, strategic transactions and the public markets.

Allan Dicks—Mr. Dicks has been our Chief Financial Officer since August 2016. Before joining Montrose Environmental, Mr. Dicks first served as a consultant interim Chief Financial Officer from February 2015 to April 2015 and then Chief Financial Officer from April 2015 to June 2016 of Convalo Health International, Corp., a public Canadian healthcare company, and Chief Financial Officer of Universal Services of America, a large private security services company, from March 2014 to October 2014. Prior to that, Mr. Dicks held a number of finance-focused executive positions starting in 2000, including Chief Financial Officer of Moark, LLC, a division of Land O' Lakes, Inc., Vice President of Finance of White Cap Construction Supply, a division of HD Supply, and first as assistant Corporate Controller and subsequently as a division Chief Financial Officer of Dole Food Company, Inc. Mr. Dicks started his career at PricewaterhouseCoopers where he spent nine years, three of which were in the mergers and acquisitions group. Mr. Dicks received his Bachelor of Commerce and Accounting degrees from the University of the Witwatersrand in South Africa. He is a Chartered Accountant in South Africa and is a Certified Public Accountant (inactive) in the State of California.

Nasym Afsari—Ms. Afsari has been our General Counsel since November 2014 and our Secretary since August 2015. Before joining Montrose Environmental, Ms. Afsari was an attorney in the corporate practice of Paul Hastings LLP, an international law firm, from September 2007 to October 2014. At Paul Hastings, Ms. Afsari represented a variety of business entities in all aspects of corporate and business law, including domestic and cross-border mergers and acquisitions, venture capital financing, private placements and joint venture transactions. Ms. Afsari earned her Juris Doctorate from the University of California at Los Angeles and a dual Bachelor of Arts degree in Economics and Psychology from the University of California at Berkeley.

Joshua W. LeMaire—Mr. LeMaire has been our Chief Operating Officer since June 2017, prior to which he was our Vice President, Business Development and Marketing, starting in July 2015. Before Montrose Environmental, from September 2011 to July 2015, Mr. LeMaire consulted on acquisitions of dental service organizations through his consulting firm, Aries Dental Management Group, LLC and prior to that, Mr. LeMaire was the Vice President, Sales and Marketing at ExamWorks Group, Inc., a provider of independent medical examinations, from 2008 to 2011, where he managed the company's corporate branding initiative, sales and marketing programs and strategic corporate relationships. Prior to ExamWorks, Mr. LeMaire held several leadership roles at Becker-Parkin Dental Supply Co., including Executive Vice President of Sales and Marketing, Vice President of Full Service Sales and National Sales Manager. Mr. LeMaire also worked as a National Sales Manager at Sky Financial Solutions.

Jose M. Revuelta—Mr. Revuelta has served as our Chief Strategy Officer since June 2017, prior to which he was our Vice President and served in several other interim executive positions with Montrose Environmental since March 2014. Prior to joining Montrose Environmental, Mr. Revuelta was a Vice President with the Infrastructure and Private Equity business of UBS Global Asset Management, a large scale global investment manager, from 2008 to 2014, where he focused on the energy, utility, transportation and environmental sectors, and a member of the Infrastructure Group in the Investment Banking division of UBS from 2006 to 2008. Mr. Revuelta previously served on the Board of Northern Star Generation. Mr. Revuelta received his Master of Business Administration from the Columbia Business School, Columbia University and a Master of Science/Bachelor of Science in Industrial Engineering from Universidad Pontificia Comillas in Madrid, Spain.

Our Directors

J. Miguel Fernandez de Castro—Mr. Fernandez de Castro has been a Director since December 2013. Mr. Fernandez de Castro has served as Co-Chief Executive Officer of ExamWorks Group, Inc., a provider of independent medical examination services, since January 2020, and as Chief Financial Officer of ExamWorks since March 2009. Previously, Mr. Fernandez de Castro served as Senior Executive Vice President of ExamWorks from March 2009 to January 2020. Before ExamWorks, Mr. Fernandez de Castro served first as Senior Vice President and subsequently as Chief Financial Officer and Vice President and Controller of TurboChef Technologies, Inc. Before TurboChef, Mr. Fernandez de Castro held various positions with PracticeWorks, Inc. Mr. Fernandez de Castro began his career in the audit services group of BDO Seidman, LLP. Mr. Fernandez de Castro received a Bachelor of Arts in Economics and Spanish and a Masters in Accounting from the University of North Carolina at Chapel Hill. Mr. Fernandez de Castro is a Certified Public Accountant in the State of Georgia.

Mr. Fernandez de Castro's broad executive finance and accounting experience, as well as his professional accounting background, provide the Board with important expertise regarding accounting, financial and treasury matters. This experience also brings to the Board important depth of knowledge regarding public company reporting.

Peter M. Graham—Mr. Graham has been a Director since June 2017. Mr. Graham is a private investor and has been a partner at One Better Ventures LLC, a private investment vehicle, since June 2017. Mr. Graham served for seventeen years as chairman of the board of Seventh Generation, Inc., a privately held consumer

products company until it was sold to Unilever PLC in October 2016. Until 2004, Mr. Graham held various positions with Ladenburg Thalmann Group Inc., including Principal, President and Vice Chairman. In addition to serving on the board of directors of a number of public and privately-held companies prior to 2014, Mr. Graham served on the board of directors of ExamWorks Group, Inc. until May 2016, where he served as a member of the audit, compensation and nominating and corporate governance committees, and Alloy, Inc. until 2011, where he was the lead independent director and chair of the audit and compensation committees.

Mr. Graham's extensive service on other public and private company boards, including serving as a lead independent director and audit and compensation committee chair, brings important insight and guidance to the Board regarding its responsibilities, including as a public company, as well as best practices in corporate governance. Mr. Graham's exposure to the investment banking industry contributes extensive knowledge of finance and capital markets to the Board, matters which will be even more important following completion of this offering.

Peter Jonna—Mr. Jonna has been a Director since April 2020. Mr. Jonna has worked in Oaktree's GFI Energy Group since 2013, where he is responsible for sourcing, executing and overseeing investments in leading companies in the energy, utility and industrials sectors. Mr. Jonna has worked as a Managing Director at Oaktree since January 2020. His prior positions include serving as a Senior Vice President from July 2017 to January 2020 and as a Vice President from July 2015 to July 2017. Mr. Jonna presently serves on the boards of directors of: Building Infrastructure Solutions Group, a privately held building services company; Shoals Technologies Group Inc., a privately held manufacturing company; Array Technologies, Inc., a privately held manufacturing company; Renewable Energy Infrastructure Group, a privately held renewable energy services company; and Infrastructure & Energy Alternatives, Inc., a publicly held infrastructure construction company. Mr. Jonna previously served on the board of directors of Sterling Lumber Company. Prior to joining Oaktree, Mr. Jonna was an investment analyst in the Americas investment team of the UBS Infrastructure Asset Management strategy investing directly in energy, power and transportation infrastructure assets. He began his career as a project development engineer in Skanska's Large Projects Group which focused on developing and constructing public private partnerships and infrastructure development projects. Mr. Jonna earned an M.S. in civil engineering from Stanford University and a B.S. in civil engineering from University of California, Los Angeles.

Mr. Jonna is qualified to serve as a member of our Board because of his broad business and financial background in sourcing and investing in the energy and utility sectors and his position as a board member on multiple other companies active in the energy and utility sectors.

Robin L. Newmark—Dr. Newmark has been a Director since January 2020. Dr. Newmark is Executive Director Emeritus at the U.S. Department of Energy's National Renewable Energy Laboratory, a national laboratory advancing renewable energy and energy efficiency technologies, a position she has held since September, 2018, with prior positions including Executive Director, Strategic Initiatives from January 2018 to September 2018, Associate Laboratory Director, Energy Analysis and Decision Support from 2013 to January 2018, Director, Strategic Energy Analysis Center from 2010 to 2013 and Principal Program Manager, Planning and Program Development from 2009 to 2010. Prior to her work at the U.S. Department of Energy's National Renewable Energy Laboratory, Dr. Newmark conducted research in energy, environment, climate and national security, and held several leadership positions at the Lawrence Livermore National Laboratory, a national laboratory specializing in nuclear weapons, national and homeland security, energy and environmental research, including Deputy Program Director, Energy and Environmental Security, Program Leader and Associate Program Leader, Water and Environment and External Relations Director, Global Security. Dr. Newmark has co-invented a suite of award-winning environmental remediation technologies and authored over 100 papers and reports in the open literature and five patents. Dr. Newmark received a Bachelor of Science in Earth and Planetary Sciences from the Massachusetts Institute of Technology (Phi Beta Kappa), a Master of Science in Earth Sciences (Marine Geophysics) from the University of California at Santa Cruz, a Master of Philosophy in Geophysics and a Doctor of Philosophy in Marine Geophysics from Columbia University.

Dr. Newmark brings over 30 years of planning and operations experience across the energy and environmental innovation ecosystem to the Board, from foundational research to technology development, validation and entry into commercial markets. Her experience engaging industry partners and public stakeholders in projects provides invaluable expertise and insight to the Board for pursuing our mission and supporting our clients' environmental needs.

Richard E. Perlman—Mr. Perlman has been a Director since December 2013. Mr. Perlman is a co-founder of ExamWorks Group, Inc., a provider of independent medical examination services, and has served as its Co-Executive Chairman since January 2020, and previously served as its Executive Chairman from October 2010 to January 2020. Mr. Perlman is also the Chairman of Compass Partners, LLC, a merchant banking firm specializing in middle market companies, which he founded in 1995. Mr. Perlman's previous positions include serving as Executive Chairman of TurboChef Technologies, Inc., PracticeWorks, Inc. and AMICAS and on the board of directors of The One Group Hospitality, Inc. Mr. Perlman sits on the boards of various privately-held companies and serves on The Executive Advisory Board of The Wharton Undergraduate School, The Wharton Entrepreneurship Advisory Board and is a part time faculty member of The Wharton School. He is also a board member of The James Beard Foundation and the Boys and Girls Club of Sarasota. Mr. Perlman is a graduate of the Wharton School of the University of Pennsylvania and received his Master of Business Administration from The Columbia University Graduate School of Business.

Mr. Perlman's qualifications to serve on our Board include his expertise in business and corporate strategy and his strong background with early-stage companies like ours that grew both organically and through strategic acquisitions. His broad experience with other public and private company boards also brings valuable insight and guidance to the Board regarding its responsibilities and best practices in corporate governance. Mr. Perlman's significant background in banking and other fiscal matters brings meaningful value the Board's approach to the Company's financial positioning.

J. Thomas Presby—Mr. Presby has been a Director since August 2016. Mr. Presby is a former partner of Deloitte & Touche, where, in his 30 years as a partner, he held numerous leadership positions within the United States and abroad, including ten years in Paris and Central Europe developing Deloitte's global network. Before retiring in 2002, he served seven years as Global Deputy Chairman and Chief Operating Officer. Following his retirement from Deloitte, Mr. Presby has served on the board of directors and as audit committee Chair of nine publicly listed companies, including American Eagle Outfitters, Inc., ExamWorks Group, Inc., First Solar, Inc., Greenpoint Financial Corp., Invesco Ltd., PracticeWorks Inc., Tiffany & Co., TurboChef Technologies, Inc. and World Fuel Services Corp., as well as several privately held companies. He also is a board member of the New York Chapter of the National Association of Corporate Directors. Mr. Presby previously served as a trustee of Rutgers University, Montclair State University and as director and chairman of the audit committee of The German Marshall Fund of the United States. Mr. Presby received a Bachelor of Science in electrical engineering from Rutgers University and a Master of Science in industrial administration from the Carnegie Mellon University Graduate School of Business.

Mr. Presby brings a significant level of financial and accounting expertise to the Board developed at the highest levels during his more than 30-year career with Deloitte, working with numerous listed companies, as well as his extensive resume of audit committee and audit committee chair service for a number of public and private companies. This experience also provides invaluable insight regarding public company reporting matters, as well as a deep understanding of the process of an audit committee's interactions with the Board, management and the external auditor.

James K. Price—Mr. Price has been a Director since December 2013. Mr. Price is a co-founder of ExamWorks Group, Inc., a provider of independent medical examination services, and has served as its Co-Executive Chairman since January 2020. Previously, Mr. Price served as Chief Executive Officer of ExamWorks from October 2010 to January 2020, and as Co-Chairman of the Board and Co-Chief Executive Officer of ExamWorks from 2008 to 2010. Before ExamWorks, Mr. Price served as President, Chief Executive

Officer and director of TurboChef Technologies, Inc. and as President, Chief Executive Officer and a director of PracticeWorks, Inc. Mr. Price was a co-founder of AMICAS, Inc. and served as its Executive Vice President and Secretary. Mr. Price has served as an executive officer of American Medcare and also co-founded and was an executive officer of International Computer Solutions. Mr. Price sits on the board of directors of several privately-held companies and non-profit organizations. Mr. Price holds a Bachelor of Arts in marketing from the University of Georgia.

Mr. Price's qualifications to serve on our Board include his expertise in business and corporate strategy and his strong background with early-stage companies like ours that grew both organically and through strategic acquisitions. Mr. Price's extensive resume as the chief executive officer of other companies also contributes valuable executive and management experience to the Board's collective knowledge. His broad experience with other public and private company boards also brings important insight and guidance to the Board regarding its responsibilities and best practices in corporate governance.

There are no family relationships among any of our directors or our executive officers.

Board of Directors

Our amended and restated certificate of incorporation will provide that our board of directors will be divided into three classes of directors, with the classes to be as nearly equal in number as possible. The members of each class will serve for a three-year term. As a result, two or three of our board of directors will be elected each year.

will be class I directors, up for election in 2021, will be class II directors, up for election in 2022, and will be class III directors, up for election in 2023. The classification of the board of directors may have the effect of delaying or preventing changes in control of our company. Each director's term will continue until the election and qualification of his or her successor, or his or her earlier death, resignation or removal. We expect that additional directorships resulting from an increase in the number of directors, if any, will be distributed among the three classes so that, as nearly as possible, each class will consist of 1/3 of the directors. See the section entitled "Description of our Capital Stock—Provisions of Our Certificate of Incorporation and Bylaws to be Adopted and Delaware Law That May Have an Anti-Takeover Effect—Classified Board of Directors."

We intend to utilize certain transition periods under SEC and NYSE rules available to newly public companies regarding certain director independence requirements, including the requirements that a company have a majority of independent directors on its board and have an audit committee, compensation committee and nominating committee comprised solely of independent directors. These transition rules provide, among other things, that a newly public company: (i) has one year from listing to satisfy the majority independent board requirement, (ii) must have one independent member on each of its compensation committee and nominating committee by the earlier of the date the initial public offering closes or five business days from the listing date, at least a majority of independent members on each committee within 90 days of the listing date and fully independent committees within one year of the listing date; and (iii) must have at least one independent member on its audit committee that satisfies the requirements of Exchange Act Rule 10A-3 by the listing date, at least a majority of independent members within 90 days of the effective date of its registration statement and a fully independent committee within one year of the effective date of its registration statement. Upon the listing of our common stock, four of the eight members of our board of directors will be independent and each of the audit committee, compensation committee and nominating and corporate governance committee will have one member who is not independent. We intend to fully comply with the independence requires within the applicable transition periods specified in SEC and NYSE rules. See "—Director Independence" and "—Committees of the Board of Directors" below.

Director Independence

Upon the completion of this offering, our common stock will be listed on the NYSE. Under the rules of the NYSE, independent directors must comprise a majority of a listed company's board of directors within specified period of the completion of this offering. In addition, the rules of the NYSE require that, subject to

specified exceptions, each member of a listed company's audit, compensation and nominating and governance committees be independent. Audit committee members must also satisfy the independence criteria set forth in Rule 10A-3 under the Securities Exchange Act of 1934, as amended. Under the rules of the NYSE, a director will only qualify as an "independent director" if, in the opinion of that company's board of directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

In order to be considered to be independent for purposes of Rule 10A-3, a member of an audit committee of a listed company may not, other than in his or her capacity as a member of the audit committee, the board of directors or any other board committee: (1) accept, directly or indirectly, any consulting, advisory or other compensatory fee from the listed company or any of its subsidiaries; or (2) be an affiliated person of the listed company or any of its subsidiaries. Our board of directors has determined that each of Peter M. Graham, Peter Jonna, Robin L. Newmark and J. Thomas Presby is independent, as defined under and required by the federal securities laws and NYSE rules.

Committees of the Board of Directors

We currently have an Audit Committee and a Compensation Committee and, before the completion of this offering, our board of directors will establish a nominating and corporate governance committee. Each of these committees will operate pursuant to a charter that will be adopted by our board of directors. Upon the closing of this offering, the composition and functioning of all of our committees will comply with all applicable requirements of the Sarbanes-Oxley Act, SEC rules and regulations and the rules of the NYSE.

Audit Committee

The primary responsibilities of our audit committee will be to oversee the accounting and financial reporting processes of our company as well as our subsidiary companies and to oversee the internal and external audit processes. The audit committee will also assist the board of directors in fulfilling its oversight responsibilities by reviewing the financial information provided to stockholders and others and the system of internal controls established by management and the board of directors. The audit committee will oversee the independent auditors, including their independence and objectivity. However, committee members will not act as professional accountants or auditors, and their functions are not intended to duplicate or substitute for the activities of management and the independent auditors. The audit committee will be empowered to retain independent legal counsel and other advisors as it deems necessary or appropriate to assist it in fulfilling its responsibilities and to approve the fees and other retention terms of the advisors.

The audit committee is composed of three members, J. Thomas Presby, Peter M. Graham and J. Miguel Fernandez de Castro, with J. Thomas Presby serving as chair. Our board of directors has determined that each of J. Thomas Presby and Peter M. Graham is independent, as defined under and required by the federal securities laws and NYSE rules. Our board of directors has determined that J. Thomas Presby qualifies as an audit committee financial expert under the federal securities laws and that each member of the audit committee has the financial sophistication required under NYSE rules. The rules of the SEC and the NYSE require us to have a fully independent audit committee within one year of the date of the effectiveness of the registration statement of which this prospectus is a part and the listing of our common stock, respectively.

Compensation Committee

The primary responsibilities of our compensation committee will be to periodically review and approve the compensation and other benefits for our employees, officers and independent directors. This will include reviewing and approving corporate goals and objectives relevant to the compensation of our executive officers in light of those goals and objectives and setting compensation for these officers based on those evaluations. Our compensation committee will also administer and have discretionary authority over the issuance of equity awards under our equity incentive plan.

The compensation committee may delegate authority to review and approve the compensation of our employees to certain of our executive officers, including with respect to awards made under our equity incentive plan. Even where the compensation committee does not delegate authority, our executive officers will typically make recommendations to the compensation committee regarding compensation to be paid to our employees and the size of equity grants under our equity incentive plan.

The compensation committee is composed of four members, Richard E. Perlman, James K. Price, Peter M. Graham and J. Thomas Presby, with Peter M. Graham serving as chair. Our board of directors has determined that each of Peter M. Graham and J. Thomas Presby is independent, as defined under NYSE rules. The rules of the NYSE require us to have a fully independent compensation committee within one year of the date of the listing of our common stock.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee will oversee all aspects of our corporate governance functions. The committee will make recommendations to our board of directors regarding director candidates and assist our board of directors in determining the composition of our board of directors and its committees. The nominating and corporate governance committee will be composed of three members, Robin L. Newmark, Richard E. Perlman and James K. Price, with Robin L. Newmark serving as chair. Our board of directors has determined that Robin L. Newmark is independent, as defined under NYSE rules. The rules of the NYSE require us to have a fully independent nominating and corporate governance committee within one year of the date of the listing of our common stock.

Compensation Committee Interlocks and Insider Participation

Our compensation committee is composed of Richard E. Perlman, James K. Price, Peter M. Graham and J. Thomas Presby. None of our executive officers currently serves, or has served during the last completed fiscal year, as a member of the board of directors, or as a member of the compensation or similar committee, of any entity that has one or more executive officers who served on our board of directors. For a description of the transactions between us and members of the compensation committee and entities affiliated with such members see the transactions described in the section entitled “Certain Relationships and Related Party Transactions.”

Director Compensation

Following completion of this offering, we intend to pay our independent directors an annual retainer of $75,000 per year for his or her services, with an additional $10,000 annual fee for service as chair of the audit committee, $7,500 for service as chair of the compensation committee and $5,000 for service as chair of the nominating and corporate governance committee. In addition, we expect to pay any lead independent director an annual fee of $50,000. We also expect independent directors to receive an annual equity grant of restricted stock units or other equity awards valued at approximately $75,000, which awards will vest in full one year from the grant date. Such cash fees are expected to be paid quarterly in arrears.

Code of Conduct and Ethics

Our board of directors will adopt a code of conduct and ethics that establishes the standards of ethical conduct applicable to all directors, officers and employees of our company. The code will address, among other things, conflicts of interest, compliance with disclosure controls and procedures and internal control over financial reporting, corporate opportunities and confidentiality requirements. The audit committee will be responsible for applying and interpreting our code of conduct and ethics in situations where questions are presented to it. We expect that any amendments to the code or any waivers of its requirements applicable to our principal executive, financial or accounting officer or controller will be disclosed on our website at www.montrose-environmental.com. Our website is not part of this prospectus.

EXECUTIVE COMPENSATION

2018 and 2019 Summary Compensation Table

The table below summarizes information concerning the compensation awarded to, earned by or paid to Mr. Manthripragada, our Chief Executive Officer, and our four mostly highly compensated executive officers (other than our Chief Executive Officer) during the fiscal years ended December 31, 2018 and December 31, 2019. We refer to such officers as our named executive officers or our NEOs.

Name and principal position	Year	Salary ($)(1)	Non-Equity Incentive Plan Compensation ($)(2)	Equity Incentive Plan Compensation ($)(3)	All Other Compensation ($)(4)	Total ($)
Vijay Manthripragada	2019	491,667	299,262	500,000	9,800	1,300,722
President and Chief Executive Officer	2018	300,000	129,500	—	9,625	439,125
Allan Dicks	2019	393,750	149,631	300,000	9,800	853,181
Chief Financial Officer	2018	250,000	64,750	—	9,645	324,395
Nasym Afsari	2019	393,750	149,631	300,000	8,464	851,845
General Counsel and Secretary	2018	236,458	64,750	—	8,115	309,323
Joshua M. LeMaire	2019	393,750	149,631	300,000	9,800	853,181
Chief Operating Officer	2018	250,000	64,750	—	8,302	323,052
Jose M. Revuelta	2019	393,750	149,631	300,000	9,800	853,181
Chief Strategy Officer	2018	250,000	64,750	—	9,645	324,395

(1) The amount in this column reflects the amount of salary actually paid during the applicable calendar year. See below for more details regarding NEOs' salaries.

(2) We maintain a non-equity incentive plan for executives, as described in more detail below. The amount reported represents the 2018 and 2019 Acquisition Based Bonus described below earned for the years ended December 31, 2018 and December 31, 2019, for which payment was made in January 2019 and January 2020, respectively.

(3) This column reflects the full grant-date fair value of stock option awards granted during the year as measured pursuant to Financial Accounting Standard Board Accounting Standards Codification Topic 718. These amounts do not correspond to the actual value that may be recognized by the NEOs upon vesting or exercise of the applicable awards. See Note 19 to our audited consolidated financial statements included elsewhere in this prospectus.

(4) The amount reported represents the Company's match of contributions to a 401(k) plan, which plan is described below.

Narrative Disclosure to the Summary Compensation Table

Compensation in 2018

Historically, our executive compensation program has reflected our growth and development-oriented corporate culture. The 2018 compensation program adopted by our board of directors for our NEOs was comprised of three components: base salary, the 2018 Organic Growth Bonus and the 2018 Acquisition Based Bonus as set forth below. Because the targets for the 2018 Organic Growth Bonus were not achieved, the NEOs did not earn any amounts with respect to the 2018 Organic Growth Based Bonus. Each NEO received a cash

payment with respect to the 2018 Acquisition Based Bonus as set forth above in the "Summary Compensation Table" based on the achievement of the applicable performance goal as set forth below.

Name and principal position	2018 Base Salary ($)(1)	2018 Organic Growth Bonus Cash Target(2)	2018 Acquisition Based Bonus(3)
Vijay Manthripragada *President and Chief Executive Officer*	300,000	200,000	2%
Allan Dicks *Chief Financial Officer*	250,000	100,000	1%
Nasym Afsari *General Counsel and Secretary*	250,000	100,000	1%
Joshua M. LeMaire *Chief Operating Officer*	250,000	100,000	1%
Jose M. Revuelta *Chief Strategy Officer*	250,000	100,000	1%

(1) The base salaries for fiscal year 2018 were approved by our board of directors on February 27, 2018. These base salaries were unchanged from the base salaries paid to the named executive officers in fiscal year 2017, except in the case of Ms. Afsari whose annual base salary was $225,000 in fiscal year 2017.

(2) The 2018 Organic Growth Bonus required achievement of at least 93% of the fiscal year pre-acquisition budget approved by our board of directors. For every 1% above or below target, the aggregate value of the bonus amount is increased or reduced by 14.3%, not to exceed 200% of target amount.

(3) The percentages in this column represent a percentage of EBITDA adjusted for one-time, non-recurring items as determined by an independent, third-party valuation firm, or Acquired EBITDA. Each NEO was eligible to earn an Acquisition Based Bonus equal to 2% (in the case of Mr. Manthripragada) or 1% (in the case of the other NEOs) of Acquired EBITDA based on acquisitions that closed between January 1, 2018 and December 31, 2018.

Compensation in 2019

The 2019 compensation program adopted by our board for our NEOs was comprised of four components: base salary, annual equity award, the 2019 Organic Growth Bonus and the 2019 Acquisition Based Bonus as set forth below. The salary amounts, annual equity award percentages and potential percentage payouts for the bonuses are set forth in the table immediately below. Each NEO received a cash payment with respect to the 2019 Acquisition Based Bonus as set forth above in the "Summary Compensation Table" based on the achievement of the applicable performance goal as set forth below.

Name and principal position	2019 Base Salary ($)(1)	2019 Annual Equity Award(2)	2019 Organic Growth Bonus Target(3)	2019 Acquisition Based Bonus(4)
Vijay Manthripragada *President and Chief Executive Officer*	500,000	100%	100%	2%
Allan Dicks *Chief Financial Officer*	400,000	75%	75%	1%
Nasym Afsari *General Counsel and Secretary*	400,000	75%	75%	1%
Joshua M. LeMaire *Chief Operating Officer*	400,000	75%	75%	1%
Jose M. Revuelta *Chief Strategy Officer*	400,000	75%	75%	1%

(1) The base salaries for fiscal year 2019 were approved by our board of directors on December 3, 2018. These base salaries represent an increase from the base salaries paid to the NEOs in 2018 with each NEO receiving the following increase:

Name	2018 Base Salary ($)	2019 Base Salary ($)	Percentage Increase (%)
Vijay Manthripragada	300,000	500,000	67%
Allan Dicks	250,000	400,000	60%
Nasym Afsari	250,000	400,000	60%
Joshua M. LeMaire	250,000	400,000	60%
Jose M. Revuelta	250,000	400,000	60%

(2) The percentages in this column represent a percentage of base salary. Each of our NEOs was eligible to receive an annual equity grant of 75% of his or her base salary (or 100% in the case of Mr. Manthripragada) in the form of stock options under our 2017 Stock Plan. Such stock options are subject to a three-year vesting schedule with one-third of the award vesting and becoming exercisable on each annual anniversary of the grant date.

(3) The percentages in this column are each NEO's target for the 2019 Organic Growth Bonus represented as a percentage of base salary. Each of our NEOs was eligible to earn a 2019 Organic Growth Based Bonus, payable in the form of stock options issued under our 2017 Stock Plan, based on achievement of budgeted Adjusted EBITDA as approved by our board of directors for the year, subject to approved adjustments and excluding any EBITDA from businesses acquired in 2019. The 2019 Organic Growth Bonus required achievement of at least 93% of the fiscal year pre-acquisition budget approved by our board of directors. For every 1% above or below target, the aggregate value of the bonus amount is increased or reduced by 14.3%, not to exceed 200% of target amount. The stock options, if any, granted upon achievement of this goal

would be subject to a vesting schedule with 50% of the stock options vesting on the six-month anniversary of the date of grant and the remaining 50% of the stock options vesting on the twelve-month anniversary of the date of grant.

(4) The percentages in this column represent a percentage of EBITDA adjusted for one-time, non-recurring items as determined by an independent, third-party valuation firm, or Acquired EBITDA. Each NEO was eligible to earn an Acquisition Based Bonus equal to 2% (in the case of Mr. Manthripragada) or 1% (in the case of the other NEOs) of Acquired EBITDA based on acquisitions that closed between January 1, 2019 and December 31, 2019. Such Acquisition Based Bonus amounts were payable in cash to the NEOs following the close of the fiscal year.

Compensation in 2020

The 2020 compensation program adopted by our board for our NEOs was comprised of five components: base salary, annual equity award, the 2020 Organic Growth Equity Bonus, the 2020 Organic Growth Cash Bonus and the 2020 Acquisition Based Bonus as set forth below.

Name and principal position	2020 Base Salary ($)(1)	2020 Annual Equity Award(2)	2020 Organic Growth Equity Bonus Target(3)	2020 Organic Growth Bonus Cash Target(4)	2020 Acquisition Based Bonus(5)
Vijay Manthripragada *President and Chief Executive Officer*	600,000	100%	100%	200,000	2%
Allan Dicks *Chief Financial Officer*	400,000	75%	75%	50,000	0.5%
Nasym Afsari *General Counsel and Secretary*	400,000	75%	75%	50,000	0.5%
Joshua M. LeMaire *Chief Operating Officer*	400,000	75%	75%	50,000	0.5%
Jose M. Revuelta *Chief Strategy Officer*	400,000	75%	75%	50,000	0.5%

(1) The base salaries for fiscal year 2020 were approved by our board of directors on January 1, 2020, effective as of January 1, 2020. Mr. Manthripragada's base salary represents a $100,000 increase, or 20%, from the base salary paid to Mr. Manthripragada in 2019. The base salaries of all other NEOs remained consistent with 2019 base salaries.

(2) The percentages in this column represent a percentage of base salary. Each of our NEOs received an annual equity grant of 75% of his or her base salary (or 100% in the case of Mr. Manthripragada) in the form of stock options under our 2017 Stock Plan. Such stock options are subject to a three-year vesting schedule with one-third of the award vesting and becoming exercisable on each annual anniversary of the grant date with the grants made on January 1, 2020.

(3) The percentages in this column are each NEO's target for the 2020 Organic Growth Equity Bonus represented as a percentage of base salary. Each of our NEOs is eligible to earn a 2020 Organic Growth Based Equity Bonus, payable in the form of stock options issued under our 2017 Stock Plan, based on achievement of budgeted Adjusted EBITDA as approved by our board of directors for the year, subject to approved adjustments and excluding any EBITDA from businesses acquired in 2020. The 2020 Organic Growth Equity Bonus requires achievement of at least 93% of the fiscal year pre-acquisition budget approved by our board of directors. For every 1% above or below target, the aggregate value of the bonus

amount is increased or reduced by 14.3%, not to exceed 200% of target amount. The stock options, if any, granted upon achievement of this goal will be subject to a vesting schedule with 50% of the stock options vesting on the six-month anniversary of the date of grant and the remaining 50% of the stock options vesting on the twelve-month anniversary of the date of grant.

(4) The percentages in this column are each NEO's target for the 2020 Organic Growth Cash Bonus represented as a percentage of base salary. Each of our NEOs is eligible to earn a 2020 Organic Growth Based Cash Bonus based on achievement of budgeted Adjusted EBITDA as approved by our board of directors for the year, subject to approved adjustments and excluding any EBITDA from businesses acquired in 2020. The 2020 Organic Growth Cash Bonus requires achievement of at least 93% of the fiscal year pre-acquisition budget approved by our board of directors. For every 1% above or below target, the aggregate value of the bonus amount is increased or reduced by 14.3%, not to exceed 200% of target amount

(5) The percentages in this column represent a percentage of EBITDA adjusted for one-time, non-recurring items as determined by an independent, third-party valuation firm, or Acquired EBITDA. Each NEO is eligible to earn an Acquisition Based Bonus equal to 2% (in the case of Mr. Manthripragada) or 0.5% (in the case of the other NEOs) of Acquired EBITDA based on acquisitions that close between January 1, 2020 and December 31, 2020. Such Acquisition Based Bonus amounts are payable in cash to the NEOs following the close of the fiscal year.

All components of NEO compensation are subject to review on an annual basis by our board of directors and/or compensation committee and may be subject to future change. As we transition from a private company to a publicly traded company, we will evaluate our compensation values and philosophy and compensation plans and arrangements as circumstances require. At a minimum, we expect to review executive compensation annually with input from a compensation consultant. As part of this review process, we expect the board of directors and the compensation committee to apply our values and philosophy, while considering the compensation levels needed to ensure our executive compensation program remains competitive. We will also review whether we are meeting our retention objectives and the potential costs of replacing a key employee.

Equity Incentive Compensation

As discussed in further detail below, the Company maintains the 2013 Stock Plan and the 2017 Stock Plan, but in connection with the adoption of the 2017 Stock Plan, no additional grants may be made pursuant to the 2013 Stock Plan. The Company may grant equity awards to its officers, employees, consultants and non-employee directors pursuant to the terms of the 2017 Stock Plan. The NEOs did not receive any equity grants during 2018.

Retirement Plans

We maintain the Montrose Environmental Group 401(k) Savings Plan, a tax qualified 401(k) defined contribution plan, for the benefit of our employees. Under the 401(k) plan, employees (including the current NEOs) are permitted to elect to reduce their current compensation by up to the statutorily prescribed annual limit and to have the amount of such reduction contributed to the 401(k) plan. We are also permitted to make contributions up to the legally prescribed limits on behalf of all eligible employees to the 401(k) plan. We make a matching contribution of (1) 100% of each participant's salary deferral up to 3% of his or her compensation and an (2) 50% of each participant's salary deferral for the next 1% of his or her compensation. The amount of any such matching contribution made on behalf of a NEO is reflected in the "All Other Compensation" column of the Summary Compensation Table above.

Severance Policy

The Company adopted and maintains the Montrose Environmental Group, Inc. Executive Severance Policy (the "Severance Policy"), effective as of January 1, 2020. Under the Severance Policy, in the event any

NEO is terminated other than for Cause, death or Disability or resigns for Good Reason (each as defined in the Severance Policy) and subject to the execution and delivery of a general release of claims against the Company, he or she is entitled to base salary continuation for a period of 12 months in an amount equal to two times base salary in the case of the Chief Executive Officer or one times base salary for all other NEOs; provided, however, that if the involuntary termination occurs within two (2) years following a Change in Control (as defined in the Severance Policy), (i) payment of the base salary continuation shall be made in lump sum and (ii) all outstanding and unvested equity incentive awards previously granted to the NEO shall immediately vest in full, with performance-based awards vesting based on the assumption that the target level of performance has been achieved. This Severance Policy supplants the change in control payments and benefits set forth in all existing agreements with NEOs summarized in "Existing Agreements with Named Executive Officers."

Other Benefits

Our named executive officers, like all full-time employees, are eligible to participate in our health and welfare benefit plans. Our named executive officers did not receive other benefits or perquisites in 2018.

Existing Agreements with Named Executive Officers

Vijay Manthripragada. We entered into an offer letter with Mr. Manthripragada on July 13, 2015, for the position of President. Mr. Manthripragada was subsequently appointed CEO and President on February 17, 2016. On June 23, 2016, the Company provided Mr. Manthripragada with an executive compensation letter pursuant to which, among other things, Mr. Manthripragada is entitled to a $2,000,000 cash payment upon the occurrence of a change in control or the effectiveness of an initial public offering of the Company, subject to his continued employment through such date.

On January 1, 2020, the board of directors approved a grant of $1,000,000 (based on the Black Scholes valuation of the options at the time of grant) in options to Mr. Manthripragada under the 2017 Stock Plan upon the effectiveness of an initial public offering of the Company. Half of such options will vest on the two-year anniversary of the date of grant and the remaining half will vest on the four-year anniversary of the date of grant, subject to Mr. Manthripragada's continued employment through such vesting dates.

Allan Dicks. We entered into an offer letter with Mr. Dicks on August 8, 2016, for the position of Chief Financial Officer. On August 8, 2016, the Company provided Mr. Dicks with an executive compensation letter pursuant to which, among other things, Mr. Dicks is entitled to a $1,000,000 cash payment upon the occurrence of a change in control or the effectiveness of an initial public offering of the Company, subject to his continued employment through such date. In addition, the offer letter provides that the 125,000 stock options granted to Mr. Dicks under the 2013 Stock Plan will fully accelerate upon a change in control of the Company (not including an initial public offering) as set forth in the 2013 Stock Plan.

On January 1, 2020, the board of directors approved a grant of $500,000 (based on the Black Scholes valuation of the options at the time of grant) in options to Mr. Dicks under the 2017 Stock Plan upon the effectiveness of an initial public offering of the Company. Half of such options will vest on the two-year anniversary of the date of grant and the remaining half will vest on the four-year anniversary of date of grant, subject to Mr. Dicks' continued employment through such vesting dates.

Nasym Afsari. We entered into an offer letter with Ms. Afsari on October 14, 2014, for the position of General Counsel. On June 23, 2016, the Company provided Ms. Afsari with an executive compensation letter, which was supplemented on September 14, 2017, pursuant to which, among other things, Ms. Afsari is entitled to a $1,000,000 cash payment upon the occurrence of a change in control or the effectiveness of an initial public offering of the Company subject to her continued employment through such date.

On January 1, 2020, the board of directors approved a grant of $500,000 (based on the Black Scholes valuation of the options at the time of grant) in options to Ms. Afsari under the 2017 Stock Plan upon the

effectiveness of an initial public offering of the Company. Half of such options will vest on the two-year anniversary of the date of grant and the remaining half will vest on the four-year anniversary of the date of grant, subject to Ms. Afsari 's continued employment through such vesting dates.

Joshua M. LeMaire. We entered into an offer letter with Mr. LeMaire on July 2, 2015, for the position of Vice President, Business Development and Marketing. Mr. LeMaire was subsequently appointed Chief Operations Officer on June 28, 2017. On June 23, 2016, the Company provided Mr. LeMaire with an executive compensation letter, pursuant to which, among other things, Mr. LeMaire is entitled to a $1,000,000 cash payment upon the occurrence of a change in control or the effectiveness of an initial public offering of the Company subject to his continued employment through such date.

On January 1, 2020, the board of directors approved a grant of $500,000 (based on the Black Scholes valuation of the options at the time of grant) in options to Mr. LeMaire under the 2017 Stock Plan upon the effectiveness of an initial public offering of the Company. Half of such options will vest on the two-year anniversary of the date of grant and the remaining half will vest on the four-year anniversary of the date of grant, subject to Mr. LeMaire's continued employment through such vesting dates.

Jose M. Revuelta. We entered into an offer letter with Mr. Revuelta on March 4, 2014, for the position of Vice President. Mr. Revuelta was subsequently appointed Chief Strategy Officer on June 28, 2017. On June 23, 2016, the Company provided Mr. Revuelta with an executive compensation letter, pursuant to which, among other things, Mr. Revuelta is entitled to a $1,000,000 cash payment upon the occurrence of a change in control or the effectiveness of an initial public offering of the Company subject to his continued employment through such date.

On January 1, 2020, the board of directors approved a grant of $500,000 (based on the Black Scholes valuation of the options at the time of grant) in options to Mr. Revuelta under the 2017 Stock Plan upon the effectiveness of an initial public offering of the Company. Half of such options will vest on the two-year anniversary of the date of grant and the remaining half will vest on the four-year anniversary of date of grant, subject to Mr. Revuelta's continued employment through such vesting dates.

Outstanding Equity Awards at 2019 Fiscal Year End

The following table provides information on stock options granted to the NEOs that were outstanding on December 31, 2019:

Name	Grant Date[1]	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date
Vijay Manthripragada[2][3]	6/23/2016	626,125	—	6.03	6/23/2026
President and Chief Executive Officer	1/10/2019	—	34,100	24.00	1/10/2029
Allan Dicks[3][4]	8/16/2016	62,500	62,500	8.58	8/16/2026
Chief Financial Officer	12/13/2016	31,250	31,250	9.76	12/13/2026
	1/10/2019	—	20,460	24.00	1/10/2029
Nasym Afsari[3][5]	11/17/2014	31,250	—	5.72	11/17/2024
General Counsel and Secretary	6/23/2016	156,625	—	6.03	6/23/2026
	1/10/2019	—	20,460	24.00	1/10/2029
Joshua M. LeMaire[3][5]	6/23/2016	187,875	—	6.03	6/23/2026
Chief Operating Officer	1/10/2019	—	20,460	24.00	1/10/2029
Jose M. Revuelta[3][5]	9/2/2014	50,000	—	5.72	9/2/2024
Chief Strategy Officer	6/23/2016	137,875	—	6.03	6/23/2026
	1/10/2019	—	20,460	24.00	1/10/2029

(1) All options granted prior to 2019 were granted under the 2013 Stock Plan and vest with respect to 50% of the shares subject to the option on the second anniversary of the vesting start date and the remaining 50% on the fourth anniversary of the vesting start date. The options granted on January 10, 2019 were granted under the 2017 Stock Plan and vested with respect to 1/3 of the shares subject to the options on each anniversary of the grant date.

(2) The vesting start date for the June 23, 2016 grant was September 11, 2015, meaning that 50% of the shares subject to the option vested on September 11, 2017, and the remaining 50% vested on September 11, 2019.

(3) With respect to options granted on January 10, 2019, the vesting start date was the date of grant, meaning that 1/3 of the grant vested on January 10, 2020, 1/3 of the grant will vest on January 10, 2021, and the final 1/3 will vest on January 10, 2022.

(4) With respect to options granted in 2016, the vesting start date was the date of grant, meaning that 50% of the shares subject to the option vested on August 16, 2018, and December 13, 2018, respectively, and the remaining 50% will vest on August 16, 2020, and December 13, 2020, respectively.

(5) With respect to options granted in 2016, the vesting start date was June 9, 2015, meaning that 50% vested on June 9, 2017, and 50% vested on June 9, 2019.

Montrose Environmental Group, Inc. Amended and Restated 2013 Stock Option Plan

We maintain the 2013 Stock Plan, which originally became effective on July 5, 2013. The 2013 Stock Plan was adopted to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentive to employees, directors and consultants and to promote the success of the Company's business. The 2013 Stock Plan allowed for the grant of both incentive stock options and "non-qualified" stock options. Following the adoption of the 2017 Stock Plan, the Company ceased granting awards under the 2013 Stock Plan.

The following description of the 2013 Stock Plan is not intended to be complete and is qualified in its entirety by the complete text of the 2013 Stock Plan, a copy of which has been filed as an exhibit to the registration statement of which this prospectus forms a part. Stockholders and potential investors are urged to read the 2013 Stock Plan in its entirety.

Administration

The 2013 Stock Plan is administered by the board of directors, or a committee of the board, as contemplated by the 2013 Stock Plan. The board or committee will have broad authority, subject to the provisions of the 2013 Stock Plan, to administer and interpret the 2013 Stock Plan. All decisions and actions of the administrator will be final.

Stock Subject to 2013 Stock Plan

As described below, upon effectiveness of the 2017 Stock Plan, the shares that remained available for grant under the 2013 Stock Plan as of October 25, 2017, were instead made available under the 2017 Stock Plan, and as of October 25, 2017, no new grants have been made under the 2013 Stock Plan.

As of March 31, 2020, the aggregate number of shares of common stock that may be issued pursuant to the exercise of outstanding incentive stock options granted under the 2013 Stock Plan was 1,855,494.

Stock Options

All stock options granted under the 2013 Stock Plan are evidenced by a written agreement with the participant, which provides, among other things, whether the option is intended to be an incentive stock option or

a non-qualified stock option, the number of shares subject to the option, the exercise price, exercisability (or vesting), the term of the option, which may not exceed ten years, and other terms and conditions. Subject to the express provisions of the 2013 Stock Plan, options generally may be exercised over such period, in installments or otherwise, as the administrator may determine. The exercise price for any stock option granted generally may not be less than the fair market value of the common stock subject to that option on the grant date. The exercise price may be paid in cash or such other method as determined by the board or committee, including an irrevocable commitment by a broker to pay over such amount from a sale of the shares issuable under an option, the delivery of previously owned shares and withholding of shares deliverable upon exercise.

Transferability

Options generally may not be sold, transferred for value, pledged, assigned or otherwise alienated or hypothecated by a participant other than by will or the laws of descent or distribution, and each option may be exercised only by the participant during his or her lifetime or by the participant's estate or by a person who acquires the right to exercise the option following the death of the participant.

Amendment and Termination

The board of directors has the right to amend, alter, suspend or terminate the 2013 Stock Plan at any time, provided certain enumerated material amendments may not be made without stockholder approval. No amendment or alteration to the 2013 Stock Plan will be made that would impair the rights of the holder, without such holder's consent. The 2013 Stock Plan has been adopted by the board of directors and the Company's stockholders and will automatically terminate, unless earlier terminated by the board of directors, ten years after approval by the board of directors.

Montrose Environmental Group, Inc. Amended and Restated 2017 Stock Incentive Plan

We maintain the 2017 Stock Plan, which became effective on October 25, 2017, and which was amended and restated on January 11, 2019. The purpose of the 2017 Stock Plan is to promote and closely align the interests of our employees, officers, non-employee directors and other service providers and our stockholders by providing stock-based compensation and other performance-based compensation. The objectives of the 2017 Stock Plan are to attract and retain the best available personnel for positions of substantial responsibility and to motivate participants to optimize the profitability and growth of the Company through incentives that are consistent with the Company's goals and that link the personal interests of participants to those of the Company's stockholders. The 2017 Stock Plan allows for the grant of both incentive stock options and "non-qualified" stock options; stock appreciation rights, or SARs, alone or in conjunction with other awards; and restricted stock and restricted stock units, or RSUs.

The following description of the 2017 Stock Plan is not intended to be complete and is qualified in its entirety by the complete text of the 2017 Stock Plan, a copy of which has been filed as an exhibit to the registration statement of which this prospectus forms a part. Stockholders and potential investors are urged to read the 2017 Stock Plan in its entirety. Any capitalized terms which are used in this summary description but not defined here or elsewhere in this registration statement have the meanings assigned to them in the 2017 Stock Plan.

Administration

The 2017 Stock Plan is to be administered by the compensation committee of the board of directors, or such other committee designated by the Company's board of directors to administer the plan. The administrator will have broad authority, subject to the provisions of the 2017 Stock Plan and to administer and interpret the 2017 Stock Plan. All decisions and actions of the administrator will be final.

Stock Subject to 2017 Stock Plan

Subject to certain adjustments in the event of a change in the Company's capitalization, the aggregate number of shares initially issuable under the 2017 Stock Plan was 981,800 plus (i) the shares that remained available for grant under the 2013 Stock Plan as of October 25, 2017, and (ii) any shares subject to awards under the 2013 Stock Plan as of October 25, 2017, that on or after such date cease for any reason to be subject to such awards (other than by reason of exercise or settlement of the awards to the extent they are exercised for or settled in vested and nonforfeitable shares). As of October 25, 2017, no new grants have been made under the 2013 Stock Plan. Shares of common stock issued under the 2017 Stock Plan may be either authorized and unissued shares or previously issued shares acquired by the Company. On termination or expiration of an unexercised option, SAR or other stock-based award under the 2017 Stock Plan, in whole or in part, the number of shares of common stock subject to such award will again become available for grant under the 2017 Stock Plan.

As of March 31, 2020, the aggregate number of shares of common stock that may be issued pursuant to the exercise of outstanding incentive stock options granted under the 2017 Stock Plan was 776,564.

Limits on Awards to Non-Employee Directors

Following the Company's initial public offering, the aggregate dollar value of equity-based (based on the grant date fair market value of equity-based awards) and cash compensation granted under the 2017 Stock Plan or otherwise during any calendar year to any non-employee director will not exceed $250,000; provided, however, that (i) in the calendar year in which a non-employee director first joins the board of directors or (ii) in any calendar year during which a non-employee director is designated as chairman of the board or lead director or chair of a committee of the board, the maximum aggregate dollar value of equity-based and cash compensation granted to the non-employee director may be up to 125% of the foregoing limit.

Stock Options

All stock options granted under the 2017 Stock Plan will be evidenced by a written agreement with the participant, which provides, among other things, whether the option is intended to be an incentive stock option or a non-qualified stock option, the number of shares subject to the option, the exercise price, exercisability (or vesting), the term of the option, which may not generally exceed ten years, and other terms and conditions. Subject to the express provisions of the 2017 Stock Plan, options generally may be exercised over such period, in installments or otherwise, as the administrator may determine. The exercise price for any stock option granted may not generally be less than the fair market value of the common stock subject to that option on the grant date. The exercise price may be paid in cash or such other method as determined by the administrator, including an irrevocable commitment by a broker to pay over such amount from a sale of the shares issuable under an option, the delivery of previously owned shares and withholding of shares deliverable upon exercise. Following the Company's common stock being listed on any established stock exchange, system or market, other than in connection with a change in the Company's capitalization, we will not, without stockholder approval, reduce the exercise price of a previously awarded option, and, at any time when the exercise price of a previously awarded option is above the fair market value of a share of common stock, we will not, without stockholder approval, cancel and re-grant or exchange such option for cash or a new award with a lower (or no) exercise price.

Stock Appreciation Rights

SARs may be granted alone or in conjunction with all or part of a stock option. Upon exercising a SAR, the participant is entitled to receive the amount by which the fair market value of the common stock at the time of exercise exceeds the exercise price of the SAR. This amount is payable in common stock, cash, restricted stock or a combination thereof, at the administrator's discretion. Following the Company's common stock being listed on any established stock exchange, system or market, other than in connection with a change in the

Company's capitalization, we will not, without stockholder approval, reduce the exercise price of a previously awarded SAR, and, at any time when the exercise price of a previously awarded SAR is above the fair market value of a share of common stock, we will not, without stockholder approval, cancel and re-grant or exchange such SAR for cash or a new award with a lower (or no) exercise price.

Restricted Stock and RSUs

Awards of restricted stock consist of shares of stock that are transferred to the participant subject to restrictions that may result in forfeiture if specified conditions are not satisfied. RSUs result in the transfer of shares of cash or stock to the participant only after specified conditions are satisfied. The administrator will determine the restrictions and conditions applicable to each award of restricted stock or RSUs, which may include performance vesting conditions.

Performance Criteria

The administrator may specify certain performance criteria which must be satisfied before stock options, SARs, restricted stock, RSUs and incentive bonuses will be granted or will vest. The performance goals may vary from participant to participant, group to group and period to period.

Transferability

Awards generally may not be sold, transferred for value, pledged, assigned or otherwise alienated or hypothecated by a participant other than by will or the laws of descent and distribution, and each option or SAR may be exercised only by the participant during his or her lifetime or by the participant's estate, heir or beneficiary within one year following the death of the participant.

Amendment and Termination

The board of directors has the right to amend, alter, suspend or terminate the 2017 Stock Plan at any time, provided certain enumerated material amendments may not be made without stockholder approval. No amendment or alteration to the 2017 Stock Plan or an award or award agreement will be made that would materially impair the rights of the holder, without such holder's consent, however, no consent will be required if the administrator determines in its sole discretion and prior to the date of any change in control that such amendment or alteration either is required or advisable in order for us, the 2017 Stock Plan or the award to satisfy any law or regulation or to meet the requirements of or avoid adverse financial accounting consequences under any accounting standard, or is not reasonably likely to significantly diminish the benefits provided under such award, or that any such diminishment has been adequately compensated. The 2017 Stock Plan has been adopted by the board of directors and the Company's stockholders and will automatically terminate, unless earlier terminated by the board of directors, ten years after approval by the board of directors.

Adjustments upon Changes in Capitalization, Merger or Asset Sale

The number and kind of shares of common stock available for issuance under the 2017 Stock Plan (including under any awards then outstanding), and the number and kind of shares of common stock subject to the limits set forth in the 2017 Stock Plan, will be equitably adjusted by the compensation committee to reflect any reorganization, reclassification, combination of shares, stock split, reverse stock split, spin-off, dividend or distribution of securities, property or cash (other than regular, quarterly cash dividends), or any other event or transaction that affects the number or kind of shares of common stock outstanding. The terms of any outstanding award will also be equitably adjusted by the compensation committee as to price, number or kind of shares of common stock subject to such award, vesting and other terms to reflect the foregoing events, which adjustments need not be uniform as between different awards or different types of awards. No fractional shares of common stock will be issued or issuable pursuant to such an adjustment.

In the event there will be any other change in the number or kind of outstanding shares of common stock, or any stock or other securities into which such common stock will have been changed, or for which it will have been exchanged, by reason of a change in control, other merger, consolidation or otherwise, then the compensation committee will determine the appropriate and equitable adjustment to be effected, which adjustments need not be uniform between different awards or different types of awards. In addition, in the event of such change described in this paragraph, the compensation committee may accelerate the time or times at which any award may be exercised, consistent with and as otherwise permitted under Section 409A of the Code, and may provide for cancellation of such accelerated awards that are not exercised within a time prescribed by the compensation committee in its sole discretion.

Unless otherwise expressly provided in the award agreement or another contract, including an employment or services agreement, or under the terms of a transaction constituting a change in control, in the event of a change in control, any acquiring or surviving company in the transaction (the "Successor") may assume or continue any outstanding award under the 2017 Stock Plan or may substitute awards with substantially equivalent economic value (including an award to acquire the same consideration paid to stockholders in the transaction by which the change in control occurs). In the event any Successor declines to assume or continue such outstanding awards or to substitute similar stock awards for those outstanding under the 2017 Stock Plan, then the board of directors in its sole discretion and without liability to any person may (1) provide for the payment of a cash amount in exchange for the cancellation of an award equal to its fair value (as determined in the good faith determination of the board of directors) which, in the case of certain awards (such as stock options), will equal the product of (x) the excess, if any, of the fair market value per share of common stock at such time over the exercise price, if any, times (y) the total number of shares then subject to such award, (2) continue the awards or (3) provide for the cancellation of any outstanding and unexercised awards upon or following the closing of the transaction by which the change in control occurs. The board of directors will not be obligated to treat all awards, even those that are of the same type, in the same manner.

In the event of a change in control, the compensation committee may provide for the cancellation and cash settlement of all outstanding awards upon such change in control.

Director Compensation

2019 Director Compensation Table

The following table presents the compensation earned or paid by the Company to the directors for the year ended December 31, 2019.

Name	Fees Earned or Paid in Cash ($)(1)	Stock Awards ($)(2)	All Other Compensation ($)	Total ($)
Richard E. Perlman	—	120,000	—	120,000
James K. Price	—	120,000	—	120,000
J. Miguel Fernandez de Castro	—	120,000	—	120,000
J. Thomas Presby	—	120,000	—	120,000
Robin L. Newmark(3)	—	—	—	—
Peter M. Graham	—	120,000	—	120,000
Brook Hinchman(4)	—	120,000	—	120,000
Peter Jonna(3)	—	—	—	—

(1) Historically, we have not paid any cash compensation to our directors for their service as directors.

(2) Stock awards were granted as restricted stock under our 2017 Stock Plan, subject to a three year vesting schedule, with one-third of the shares vesting on each anniversary of the grant date. These stock awards will fully vest upon a change in control, subject to the director's continuous service through such date. The dollar amounts in this column represent the aggregate grant date fair value of restricted stock granted, computed in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 718, "Compensation — Stock Compensation" ("FASB ASC Topic 718"). The following table sets forth the aggregate number of stock awards and stock options outstanding as of December 31, 2019:

Name	Aggregate Shares Subject to Outstanding Stock Awards (#)	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable
Richard E. Perlman(a)	89,300	—	—
James K. Price(a)	89,300	—	—
J. Miguel Fernandez de Castro(a)	12,025	—	—
J. Thomas Presby	27,600	10,000	
Peter M. Graham	18,800	—	—
Robin L. Newmark	—	—	—
Brook Hinchman(3)	5,000	—	—
Peter Jonna	—	—	—

(a) 84,300, 84,300 and 7,025 of the amounts reported in this column for Messrs. Perlman, Price and Fernandez de Castro, respectively, represent awards of restricted stock granted in settlement of certain monitoring fees (as described in more detail in the section entitled "Certain Relationships and Related Party Transactions").

(3) Robin L. Newmark and Peter Jonna did not serve on the board of directors for the year ended December 31, 2019.

(4) Brook Hinchman is the Oaktree designee director who, effective upon the consummation of our public offering, will no longer be a director. All director compensation earned by Mr. Hinchman transfers to Oaktree immediately upon vesting.

Historically, we have not paid any cash compensation to our directors for their services as directors. As described in the table above, our non-employee directors received equity awards in 2019 in the form of restricted stock, subject to a three-year vesting schedule with one-third of the shares vesting on each anniversary of the grant date. On January 1, 2020, all then-current members of the board of directors received an award of restricted stock with a value of $150,000, that vests in full on one-year anniversary of the grant date.

Following the completion of this offering, we expect independent directors to receive an annual equity grant with a value of $75,000 under the 2017 Stock Plan. Such grants are anticipated to vest in full 12 months from the date of the grants.

The aggregate dollar value of equity-based and cash compensation granted under the 2017 Stock Plan or otherwise during any calendar year to any non-employee director will not exceed $250,000. However, the maximum aggregate dollar value of equity-based and cash compensation granted to the non-employee director may be up to 125% of such limit in the calendar year in which a non-employee director first joins the board of directors or in any calendar year during which a non-employee director is designated as Chairman of the board of directors or Lead Director or Chair of a committee of the board of directors.

PRINCIPAL STOCKHOLDERS

The following table presents information concerning the beneficial ownership of the shares of our common stock as of the date of this prospectus by (1) each person known to us to beneficially own more than 5% of the outstanding shares of our common stock, (2) each of our directors and named executive officers and (3) all of our directors and executive officers as a group. The table also contains information about beneficial ownership, as adjusted, to reflect the sale of common stock in this offering assuming:

- 9,122,183 shares of common stock outstanding as of May 31, 2020, and shares outstanding immediately following the completion of this offering;
- assumes the redemption of all outstanding shares of our Series A-1 preferred stock in connection with this offering, including the payment by us, in shares of common stock, of the maximum portion of the per-share redemption price payable in common stock, as permitted under the related certificate of designations; and
- no exercise of the underwriters' option to purchase additional shares of our common stock.

Beneficial ownership is determined under the rules of the SEC and generally includes voting or investment power over securities. Except in cases where community property laws apply or as indicated in the footnotes to this table, we believe that each stockholder identified in the table possesses sole voting and investment power over all shares of common stock shown as beneficially owned by the stockholder. Shares of common stock subject to options and warrants that are exercisable or exercisable within 60 days of the date of this prospectus are considered outstanding and beneficially owned by the person holding the options for the purpose of computing the percentage ownership of that person but are not treated as outstanding for the purpose of computing the percentage ownership of any other person.

Except as otherwise noted below, the address for persons listed in the table is c/o Montrose Environmental Group, Inc., 1 Park Plaza, Suite 1000, Irvine, CA 92614.

	Shares of common stock beneficially owned prior to this offering		Shares of common stock beneficially owned after this offering assuming no exercise of underwriters' option		Shares of common stock beneficially owned after this offering assuming full exercise of underwriters' option	
Name of Beneficial Owner	Shares of common stock	Percentage of Total Outstanding common stock (%)	Shares of common stock	Percentage of total outstanding common stock (%)	Shares of common stock	Percentage of total outstanding common stock (%)
5% Stockholders						
Entities affiliated with Oaktree[1]	1,895,947	17.2%	1,895,947		1,895,947	
CTEH Holdings, LLC[2]	791,139	8.7%	791,139		791,139	
Entities affiliated with Yukon Environmental[3]	768,836	8.4%	768,836		768,836	
Named Executive Officers and Directors						
Vijay Manthripragada[4]	637,919	6.5%	637,919		637,919	
Allan Dicks[5]	109,320	1.2%	109,320		109,320	
Nasym Afsari[6]	197,870	2.1%	197,870		197,870	
Joshua W. LeMaire[7]	194,895	2.1%	194,895		194,895	
Jose M. Revuelta[8]	217,545	2.3%	217,545		217,545	
J. Miguel Fernandez de Castro	198,026	2.2%	198,026		198,026	
Peter M. Graham	116,447	1.3%	116,447		116,447	
Peter Jonna	—	*	—		—	
Robin L. Newmark	4,747	*	4,747		4,747	
Richard E. Perlman[9]	1,909,036	20.9%	1,909,036		1,909,036	
J. Thomas Presby[10]	92,372	1.0%	92,372		92,372	
James K. Price	1,458,505	16.0%	1,458,505		1,458,505	
Brook Hinchman[11]	8,081	*	8,081		8,081	
All Directors and Executive Officers as a group (13 persons)[12]	5,144,763	49.2%	5,144,763		5,144,763	

* Represents less than one percent.

(1) Includes 534,240 shares of common stock issuable to OCM Montrose Holdings, L.P. upon exercise of a warrant, 1,351,960 shares of common stock issuable to OCM Montrose II Holdings, L.P. upon exercise of the Series A-2 Warrant, 1,666 shares held directly by OCM FIE, LLC and 8,081 shares beneficially owned by OCM FIE, LLC through restricted shares issued to Brook Hinchman, one of our directors appointed by an affiliate of the Oaktree Holder. Excludes shares of common stock expected to be issued upon redemption of outstanding shares of our Series A-1 preferred stock. The general partner of OCM Montrose Holdings, L.P. is Oaktree Fund GP, LLC. The managing member of Oaktree Fund GP, LLC is Oaktree Fund GP I, L.P. The general partner of Oaktree Fund GP I, L.P. is Oaktree Capital I, L.P. The general partner of Oaktree Capital I, L.P. is OCM Holdings I, LLC. The managing member of OCM Holdings I, LLC is Oaktree Holdings, LLC. The managing member of Oaktree Holdings, LLC is Oaktree Capital Group, LLC. The managing member of OCM FIE, LLC is Oaktree Capital Management, L.P. The general partner of Oaktree Capital Management, L.P. is Oaktree Holdings, Ltd. The sole director of Oaktree Holdings, Ltd. is Oaktree Capital Group, LLC. Oaktree Capital Group, LLC is managed by its ten-member board of directors. Each of the general partners, managing members and directors listed above expressly disclaims beneficial ownership of the common shares except to the extent of their respective pecuniary interest therein, if any. The address of each of OCM Montrose Holdings, L.P., OCM Montrose II Holdings, L.P. and OCM FIE, LLC is c/o Oaktree Capital Management, L.P., 333 S. Grand Ave., 28th Floor, Los Angeles, CA 90071.

(2) The address of CTEH Holdings, LLC is 44 Germay, Little Rock, AR 72223.

(3) Includes shares held by Yukon Environmental Fund I LP and Yukon Environmental Fund II LP. The address of each of Yukon Environmental Fund I LP and Yukon Environmental Fund II LP is P.O. Box 11361, Newport Beach, CA 92658.

(4) Shares beneficially owned by Mr. Manthripragada include 637,491 shares of common stock issuable upon exercise of stock options that have vested or will vest within 60 days of the date of this prospectus.

(5) Shares beneficially owned by Mr. Dicks include 8,750 shares of common stock held by The Allan and Kristine Dicks Family Trust, of which Mr. Dicks and his spouse are co-trustees, and 100,570 shares of common stock issuable upon exercise of stock options that have vested or will vest within 60 days of the date of this prospectus.

(6) Shares beneficially owned by Ms. Afsari include 194,695 shares of common stock issuable upon exercise of stock options that have vested or will vest within 60 days of the date of this prospectus.

(7) Shares beneficially owned by Mr. LeMaire include 200 shares of common stock held by Joshua W. LeMaire and Lori R. LeMaire and 194,695 shares of common stock issuable upon exercise of stock options that have vested or will vest within 60 days of the date of this prospectus.

(8) Shares beneficially owned by Mr. Revuelta include 194,695 shares of common stock issuable upon exercise of stock options that have vested or will vest within 60 days of the date of this prospectus.

(9) Includes 580,172 shares of common stock held by Equity Trust Company, Custodian FBO Richard E. Perlman Roth IRA.

(10) Shares beneficially owned by Mr. Presby include 10,000 shares of common stock issuable upon exercise of stock options that have vested or will vest within 60 days of the date of this prospectus.

(11) Includes 8,081 shares issuable to OCM FIE, LLC on account of restricted shares issued to Mr. Hinchman.

(12) Includes 1,332,146 shares of common stock issuable upon exercise of stock options that have vested or will vest within 60 days of the date of this prospectus.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Other than compensation arrangements, including employment, termination of employment and change in control arrangements, with our directors and executive officers, including those discussed in the sections titled "Management" and "Executive Compensation," the following is a description of certain relationships and transactions since January 1, 2017, involving our directors, executive officers, beneficial holders of more than 5% of our capital stock, or entities affiliated with them.

Prior to December 2019, EnviroWorks, LLC was a greater than 5% beneficial owner of our common stock. In December 2019, EnviroWorks distributed all of its shares of our common stock to its members, including Messrs. J. Miguel Fernandez de Castro, Richard E. Perlman and James K. Price, who are members of our board of directors.

Monitoring Fee Agreement

We entered into a monitoring fee agreement with Compass Partners, L.L.C., of which Richard E. Perlman is President, on July 5, 2013. Pursuant to the agreement, Compass provided monitoring, advisory and consulting services to us related to, among other things, debt and equity offerings, relationships with lenders and bankers, Company strategy, acquisition and disposition transactions and as we may have further requested. Under the terms of the original agreement, we paid Compass an annual fee, payable quarterly, equal to the greater of $250,000 or 5% of the Company's consolidated earnings before interest, taxes, depreciation and amortization.

On October 25, 2017, we and Compass amended the monitoring fee agreement. Pursuant to this amendment, we issued an aggregate of 175,625 shares of restricted common stock with an aggregate value of approximately $2.4 million in satisfaction for all amounts due and payable under the agreement as of that date and that were anticipated to become payable through the termination of the monitoring fee agreement. The agreement, as amended, terminated on September 30, 2018. Under the monitoring fee agreement, in addition to the shares of restricted common stock, we made aggregate payments to Compass of $1.0 million in 2017, of which $0.6 million was for monitoring fee payments accrued in fiscal year 2016; no payments were made in the years ended December 31, 2018 and 2019.

Messrs. Perlman, Price and Fernandez de Castro, each a member of our board of directors, received approximately $1.6 million, $1.6 million and $0.1 million, respectively, of the cash and share payments made in 2017.

Consulting Services

We have historically engaged RedRidge Diligence Services to provide certain diligence services in connection with our consideration of acquisition opportunities, including the preparation of quality of earnings reports. Richard E. Perlman and James K. Price, each a member of our board of directors, are minority equity holders in an affiliate of RedRidge. We made aggregate payments to RedRidge of $0.5 million, $0.4 million and $0.3 million in 2019, 2018 and 2017, respectively.

Preferred Stock Investments

On October 19, 2018, we issued 12,000 shares of our Series A-1 preferred stock and a stock purchase warrant to OCM Montrose Holdings, L.P. for aggregate consideration of $120.0 million. On April 13, 2020, we issued 17,500 shares of our Series A-2 preferred stock and the Series A-2 Warrant to OCM Montrose II Holdings, L.P. for aggregate consideration of $175.0 million. Each of OCM Montrose Holdings, L.P. and OCM Montrose II Holdings, L.P. is a greater than 5% beneficial owner of our common stock. Messrs. Peter Jonna and Brook Hinchman, members of our board of directors, are representatives of the Oaktree Holder. See the sections entitled "Description of Capital Stock—Preferred Stock" and "Description of Capital Stock—Warrants."

Investor Rights Agreement

We are party to a Third Amended and Restated Investors' Rights Agreement dated April 13, 2020, with the Oaktree Holder and the common stockholders party thereto, which include each of our executive officers and directors, or the Investor Rights Agreement.

The Investor Rights Agreement includes a right of first offer in favor of certain stockholders, including the Oaktree Holder, Messrs. Fernandez de Castro, Perlman and Price and any party thereto who holds at least 1% of our outstanding capital stock and certain of their respective permitted transferees and assignees with respect to its pro rata portion of any new securities issued by us, excluding any shares to be issued by us in certain specified circumstances, including in this offering. This right of first offer will automatically terminate pursuant to the terms of the Investor Rights Agreement in connection with the consummation of this offering for all parties other than the Oaktree Holder; the Oaktree Holder will retain this right of first offer so long as any share of Series A-1 or Series A-2 preferred stock, stock purchase warrant or shares of our common stock issued in exchange for shares of Series A-2 preferred stock or upon exercise of a stock purchase warrant, in each case held thereby, remain outstanding.

We also make a number of affirmative covenants to certain stockholders in the Investor Rights Agreement, including the Oaktree Holder, regarding matters including financial information and inspection rights. These covenants will automatically terminate pursuant to the terms of the Investor Rights Agreement in connection with the consummation of this offering other than the Oaktree Holder's inspection rights, which will survive so long as any shares of Series A-1 or Series A-2 preferred stock or any stock purchase warrant held thereby remain outstanding.

The Investor Rights Agreement also provides for certain registration rights which are described in greater detail in the section entitled "Shares Eligible for Future Sale—Registration Rights."

The foregoing summary of the Investor Rights Agreement is not complete and is subject in its entirety to the complete text of the Investor Rights Agreement, a copy of which has been filed as an exhibit to the registration statement of which this prospectus forms a part and is incorporated herein by reference.

See also the sections entitled "Description of Capital Stock—Preferred Stock" and "Description of Capital Stock—Corporate Opportunities" for a description of certain other matters with respect to the Oaktree Holder and its affiliates.

Right of First Refusal and Co-Sale Agreement

We are party to a Third Amended and Restated Right of First Refusal and Co-Sale Agreement, dated April 13, 2020, with the Oaktree Holder and the common stockholders party thereto, which include each of our executive officers and directors. Pursuant to the terms of this agreement, each party thereto who wishes to sell any of our capital stock or has received an offer for such party's shares must first give us, Messrs. Fernandez de Castro, Perlman and Price, certain other investors and the Oaktree Holder advanced written notice of any proposed sale, outlining any proposed terms thereof. We have the first right of first refusal with respect to any such shares proposed to be sold and each of the other parties to whom notice must be given has a right of first refusal with respect to any shares that we do not elect to repurchase. This right of first refusal applies to involuntary transfers such as seizures and foreclosures, but does not apply to transfers by will or intestacy, certain transfers in connection with family planning and transfers to affiliates or current securityholders. To the extent none of the parties exercises its right of first refusal, the selling party may move forward with the proposed sale, provided that the party first notifies the same parties of the proposed final terms and offers it the right to participate in such sale on a pro rata basis. If Messrs. Fernandez de Castro, Perlman and Price or certain other investors wishes to transfer any shares of common stock the Oaktree Holder and the common stockholders party to the agreement will have the right to participate in the transfer. The rights of first refusal and co-sale will

automatically terminate pursuant to the terms of the agreement in connection with the consummation of this offering.

Voting and Drag Along Agreement

We are party to a Third Amended and Restated Voting and Drag Along Agreement, dated April 13, 2020 with the Oaktree Holder and the common stockholders party thereto, which include each of our executive officers and directors. Pursuant to the terms of this agreement, each party thereto agreed to certain matters regarding the voting of its shares, including in director elections to vote in favor of our Chief Executive Officer, each of three nominees designated jointly by Messrs. Perlman and Price, at least one nominee of OCM Montrose Holdings, L.P. so long as shares of our Series A-1 preferred stock remain outstanding, at least one nominee of OCM Montrose II Holdings, L.P. so long as shares of our Series A-2 preferred stock remain outstanding and any remaining individuals nominated by the holders of a majority of the outstanding shares of common stock. The agreement prohibits the granting of any proxy or entering into any other voting arrangement inconsistent with its terms. The agreement also provides for drag along rights pursuant to which stockholders agreed to, among other things, vote in favor of certain change of control transactions approved by Messrs. Perlman and Price, including voting against competing proposals and not exercising any triggered dissenter or appraisal rights, and to dispose of shares in any stock sale approved by Messrs. Perlman and Price in a manner proportionate to their participation in the transaction. The agreement will terminate upon the consummation of this offering.

Share Repurchase

On October 19, 2018, we repurchased an aggregate of 277,714 shares of common stock from Yukon Environmental Fund I LP and Yukon Environmental Fund II LP for an aggregate purchase price of $2.7 million.

DESCRIPTION OF CAPITAL STOCK

The following is a summary of the material provisions of our capital stock, as well as other material terms of our amended and restated certificate of incorporation and our amended and restated bylaws, each of which as will be in effect as of the consummation of this offering. This summary does not purport to be complete and is subject to and qualified in its entirety by our amended and restated certificate of incorporation and our amended and restated bylaws, copies of which will be filed as exhibits to the registration statement of which this prospectus forms a part.

General

Upon consummation of this offering, our authorized capital stock will consist of shares of common stock, par value $0.000004 per share, and shares of preferred stock, par value $0.0001 per share.

Common Stock

Our amended and restated certificate of incorporation will authorize the issuance of up to shares of common stock. All outstanding shares of common stock are validly issued, fully paid and nonassessable, and the shares of common stock to be issued in connection with this offering will be validly issued, fully paid and nonassessable.

The holders of our common stock will be entitled to one vote per share on all matters submitted to a vote of stockholders and our amended and restated certificate of incorporation will not provide for cumulative voting in the election of directors. Subject to preferences that may be applicable to any outstanding series of preferred stock, the holders of our common stock will receive ratably any dividends declared by our board of directors out of funds legally available for the payment of dividends. In the event of our liquidation, dissolution or winding-up, the holders of our common stock will be entitled to share ratably in all assets remaining after payment of or provision for any liabilities, subject to prior distribution rights of preferred stock, if any, then outstanding.

Preferred Stock

Series A-1 Preferred Stock

Our board of directors has designated 12,000 shares of preferred stock as Cumulative Series A-1 Preferred Stock. As of the date of this prospectus, there were 12,000 shares of the Series A-1 preferred stock issued and outstanding. The certificate of designations for the Series A-1 preferred stock grants holders of our Series A-1 preferred stock the right to receive cumulative dividends compounded quarterly at a rate of 15% per annum when paid in cash and 14.2% per annum when accrued, in each case on the then-stated value of each share of Series A-1 (initially $10,000 per share), whether or not earned or declared by our board of directors, and in preference to the holders of any and all other series or classes of capital stock, with the stated value increased by the amount of any accrued dividend. We may not issue any equity securities ranking equal or senior to the Series A-1 preferred stock so long as any shares of Series A-1 preferred stock remain outstanding.

Except as required by Delaware law or as otherwise provided by our certificate of incorporation or the certificate of designations with respect to certain protective matters, the holders of Series A-1 preferred stock have no voting rights. Notwithstanding the foregoing, upon the occurrence of a leverage failure or a redemption failure (each as defined in the certificate of designations), and for so long as such leverage failure or redemption failure is continuing, the holders of a majority of the outstanding shares of Series A-1 preferred stock will have the right, voting as a separate class, to appoint and elect a number of directors such that the directors appointed by the holders of the Series A-1 preferred stock constitute a majority of our board of directors, with such right surviving so long as such leverage failure or redemption failure is continuing.

We may, at our option, redeem some or all of the outstanding shares of Series A-1 preferred stock at a price per share equal to the sum of then-stated value per share, any accrued and unpaid dividends not accounted for in the then-stated value and, to the extent the redemption occurs prior to October 19, 2021 (or October 19, 2020 in the case of a redemption in connection with an initial public offering), a make whole amount per share equal to the aggregate dividends per share that would have accrued from the redemption date through October 19, 2021 (or October 19, 2020 in the case of a redemption in connection with an initial public offering) had such share not been redeemed. In the event of certain changes of control and sale transactions, a recapitalization, certain events of noncompliance or an initial public offering, or at any time after October 13, 2024, the holders of a majority of the outstanding Series A-1 preferred stock may cause us to redeem all outstanding shares of Series A-1 preferred stock at the redemption price described above. However, upon any such redemption at the election of the holders in connection with an initial public offering, we may, at our option, pay in shares of common stock the portion of the redemption price equal to 50.0% of the redemption price less $10,000, with the per share value of our common stock equal to the offering price in the initial public offering.

The certificate of designations includes certain restrictive covenants, including with respect to: restricted payments, any repurchase or redemption of our outstanding equity interests and certain types of investments; our ability and that of our subsidiaries to create, incur, issue, assume or guarantee certain types of indebtedness; transactions with affiliates; and the consummation of certain acquisitions.

We expect to redeem and retire all outstanding shares of Series A-1 preferred stock in connection with this offering, and to pay, in shares of common stock, the maximum portion of the per-share redemption price payable in common stock as permitted by the certificate of designations, as described above. See the section entitled “Use of Proceeds.”

The foregoing summary of the terms of the Series A-1 preferred stock is not complete and is subject in its entirety to the complete text of the certificate of designations, a copy of which is filed as an exhibit to the registration statement of which this prospectus forms a part and is incorporated herein by reference.

Series A-2 Preferred Stock

Our board of directors has designated 17,500 shares of preferred stock as Cumulative Series A-2 Preferred Stock. As of the date of this prospectus, there were 17,500 shares of the Series A-2 preferred stock issued and outstanding.

Prior to completion of this offering, the certificate of designation for the Series A-2 preferred stock grants holders of our Series A-2 preferred stock the right to receive cumulative dividends, accruing dividends at the rate of 15% per annum, with respect to dividends that are paid in cash, and 14.2% per annum, with respect to dividends that accrue before a private offering, and 9.0% following a private offering (in certain circumstances), on the then-stated value of each share of Series A-2 preferred stock (initially $10,000 per share), and effective immediately upon consummation of this offering, the certificate of designation for the Series A-2 preferred stock will grant holders of our Series A-2 preferred stock the right to receive cumulative dividends, accruing daily and compounded quarterly, at a rate of 9.0% per annum, on the then-stated value of each share of Series A-2 preferred stock (initially $10,000 per share). Dividends will accrue whether or not earned or declared by our board of directors, and in preference to the holders of any and all other series or classes of capital stock (except for any Series A-1 preferred stock, if applicable), with the stated value increased by the amount of any accrued dividend. We may not issue any equity securities ranking equal or senior to the Series A-2 preferred stock so long as any shares of Series A-2 preferred stock remain outstanding, other than (i) with the consent of the holders of at least a majority of the stated value of Series A-2 preferred stock then outstanding, or (ii) permitted indebtedness up to a maximum of 4.5 times our trailing twelve month adjusted pro forma EBITDA (as calculated pursuant to the terms of the certificate of designations of the Series A-2 preferred stock).

Except as required by Delaware law or as otherwise provided by our certificate of incorporation or the certificate of designation with respect to certain protective matters, the holders of Series A-2 preferred stock will

have no voting rights. Notwithstanding the foregoing and for so long as any shares of Series A-2 preferred stock are outstanding, the holders of a majority of the outstanding shares of Series A-2 preferred stock will have the right, voting as a separate class, to elect one director, to serve until the earlier of the time his or her successor is appointed or elected, unless such director is earlier removed, resigns or is otherwise unable to serve. Additionally, if certain events of noncompliance have occurred, are continuing and have not been cured within 30 days of notice thereof, the holders of a majority of the outstanding shares of Series A-2 preferred stock will have the right, voting as a separate class, to elect an additional director, to serve until the earlier of the time such event of noncompliance has been cured, there ceases to be any shares of Series A-2 preferred stock outstanding or his or her successor is appointed or elected, unless such director is earlier removed, resigns or is otherwise unable to serve.

We may, at our option, redeem some or all of the outstanding shares of Series A-2 preferred stock, in no less than $25.0 million increments (unless less than $25.0 million of the stated value of Series A-2 preferred stock is then outstanding), at a price per share equal to the sum of the then-stated value per share plus any accrued and unpaid dividends not accounted for in the then-stated value, plus (to the extent such redemption occurs prior to the third anniversary of the issuance of the Series A-2 preferred stock), a make whole amount as of such redemption date equivalent to the remaining dividends that would accrue with respect to such shares prior to the three-year anniversary of the issuance. At any time after the fourth anniversary of the issuance of the Series A-2 preferred stock, the holders of the Series A-2 preferred stock will have the option to require us to convert, initially, up to $60.0 million aggregate stated value of the Series A-2 preferred stock into shares of our common stock, with the permitted amount of Series A-2 preferred stock to be converted increasing at each subsequent anniversary of the issuance in $60 million increments until the sixth anniversary, after which all of the Series A-2 preferred stock may be converted at the holder's option; provided, that until the seventh anniversary, no more than $60.0 million aggregate stated value may be converted in any 60-day period; and provided, further, that for a period of ninety (90) days following notice of a holder's election to have its shares of Series A-2 preferred stock converted, we will have the option to redeem for cash such shares elected to be converted in lieu of converting them into shares of common stock. Each share of Series A-2 preferred stock we do not elect to redeem for cash will be convertible into the number of shares of common stock equal to the sum of the then-stated value plus all accrued and unpaid dividends, divided by the conversion price. The conversion price is equal to 85% of the volume-weighted average price of our common stock for the ten trading days immediately preceding the conversion date.

The certificate of designations includes certain restrictive covenants, including with respect to: restricted payments, dividends and other payments to common stockholders and the consummation of certain acquisitions without consent.

In addition to the directorship described above, the holders of Series A-2 preferred stock are entitled to the following remedies during any period when we are not in compliance with certain terms of the certificate of designations following a cure period of 30 days after notice thereof (except in connection with a failure to pay dividends when due): an increase in the annual dividend rate from 9% per annum to 12% per annum for the first 90 day period from and including the date on which such event of noncompliance occurred and 14% thereafter, and restrictions on our ability to declare any dividends or distributions, or otherwise repurchase, redeem or acquire any of our or our subsidiaries' capital stock, or to consummate acquisitions otherwise permitted by the terms of the certificate of designations.

The foregoing summary of the terms of the Series A-2 preferred stock is not complete and is subject in its entirety to the complete text of the certificate of designations, the form of which is filed as an exhibit to the registration statement of which this prospectus forms a part and is incorporated herein by reference.

Warrants

In May 2015, we issued warrants to acquire 116,350 shares of common stock at a price of approximately $17.19 per share. As of March 31, 2020, 116,350 of these warrants are outstanding. The warrants will expire on May 22, 2022.

In October 2018, in connection with the issuance of the Series A-1 preferred stock, we issued a detachable warrant to Oaktree to acquire 534,240 shares of common stock at a price of $0.01 per share. This warrant will expire on October 19, 2028.

On April 13, 2020, in connection with the issuance of the Series A-2 preferred stock, we issued to the Oaktree Holder the Series A-2 Warrant, a detachable warrant to acquire shares of common stock at an exercise price of $0.01 per share. The aggregate number of shares issuable upon exercise of the Series A-2 Warrant is initially 1,351,960, but may be reduced by up to 402,593 shares depending on the per share initial public offering price of our common stock in this offering. Based on the midpoint of the estimated initial public offering price range set forth on the cover page of this prospectus, immediately following completion of this offering, we estimate that this warrant will represent the right to acquire shares of our common stock as a result of this adjustment mechanism. The Series A-2 Warrant will expire on April 13, 2030.

Authorization Following this Offering

Our amended and restated certificate of incorporation will provide that our board of directors has the authority, without further action by the stockholders, to issue up to shares of preferred stock. Our board of directors will be able to issue preferred stock in one or more series and determine the rights, preferences, privileges, qualifications and restrictions granted to or imposed upon our preferred stock, including dividend rights, conversion rights, voting rights, rights and terms of redemption, liquidation preferences and sinking fund terms, any or all of which may be greater than the rights of our common stock. Issuances of preferred stock could adversely affect the voting power of holders of our common stock and reduce the likelihood that holders of our common stock will receive dividend payments and payments upon liquidation. Any issuance of preferred stock could also have the effect of decreasing the market price of our common stock and could delay, deter or prevent a change in control of our company. Our board of directors does not presently have any plans to issue shares of preferred stock.

Limitations on Directors' Liability

Our governing documents will limit the liability of, and require us to indemnify, our directors to the fullest extent permitted by the DGCL. The DGCL permits a corporation to limit or eliminate a director's personal liability to the corporation or the holders of its capital stock for breach of fiduciary duty. This limitation is generally unavailable for acts or omissions by a director which (i) were not in good faith, (ii) were the result of intentional misconduct or a knowing violation of law, (iii) the director derived an improper personal benefit from (such as a financial profit or other advantage to which the director was not legally entitled) or (iv) breached the director's duty of loyalty. The DGCL also prohibits limitations on director liability under Section 174 of the DGCL, which relates to certain unlawful dividend declarations and stock repurchases. The limitation of liability and indemnification provisions in our amended and restated certificate of incorporation and amended and restated bylaws may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duties. These provisions may also have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit us and our stockholders. In addition, your investment may be adversely affected to the extent we pay the settlement costs and damage awards against directors and officers pursuant to these indemnification provisions.

We maintain insurance that insures our directors and officers against certain losses and which insures us against our obligations to indemnify the directors and officers. We have also entered into indemnification agreements with our directors and executive officers.

Exclusive Forum Clause

Our amended and restated certificate of incorporation will provide that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the sole and exclusive forum for any stockholder (including any beneficial owner) to bring (i) any derivative action or proceeding brought on our

behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or employees to us or to our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the DGCL or our certificate of incorporation or bylaws or (iv) any action asserting a claim governed by the internal affairs doctrine, will be a state court located within the State of Delaware (or, if no state court located within the State of Delaware has jurisdiction or declines to accept jurisdiction, the federal district court for the District of Delaware); in all cases subject to such court having personal jurisdiction over the indispensable parties named as defendants.

In addition, our amended and restated certificate of incorporation will provide that the federal district courts of the United States will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act but the forum selection provisions will not apply to claims brought to enforce a duty or liability created by the Exchange Act. Although we believe these provisions benefit us by providing increased consistency in the application of Delaware law for the specified types of actions and proceedings, the provisions may have the effect of discouraging lawsuits against us or our directors or officers.

Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock is deemed to have notice of and consented to the foregoing provisions. See the section entitled "Risk Factors."

Delaware Takeover Statute

We are subject to Section 203 of the DGCL, an anti-takeover statute. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years following the time the person became an interested stockholder, unless (with certain exceptions) the business combination or the transaction in which the person became an interested stockholder is approved in a prescribed manner. Generally, a "business combination" includes a merger, asset or stock sale or other transaction resulting in a financial benefit to the interested stockholder. Generally, an "interested stockholder" is a person who, together with affiliates and associates, owns (or within three years prior to the determination of interested stockholder status, did own) 15% or more of a corporation's voting stock. The existence of this provision would be expected to have an anti-takeover effect with respect to transactions not approved in advance by the board of directors, including discouraging attempts that might result in a premium over the market price for the shares of common stock held by stockholders.

Provisions of Our Certificate of Incorporation and Bylaws to be Adopted and Delaware Law That May Have an Anti-Takeover Effect

Provisions of the DGCL and our amended and restated certificate of incorporation and amended and restated bylaws could make it more difficult to acquire our company by means of a tender offer, a proxy contest or otherwise, or to remove incumbent officers and directors. These provisions, summarized below, are intended to discourage coercive takeover practices and inadequate takeover bids and to encourage persons seeking to acquire control of us to first negotiate with our board of directors. We believe that the benefits of these provisions outweigh the disadvantages of discouraging certain takeover or acquisition proposals because, among other things, negotiation of these proposals could result in an improvement of their terms and enhance the ability of our board of directors to maximize stockholder value. However, these provisions may delay, deter or prevent a merger or acquisition of us that a stockholder might consider is in its best interest, including those attempts that might result in a premium over the prevailing market price of our common stock.

Requirements for Advance Notification of Stockholder Meetings, Nominations and Proposals

Our amended and restated certificate of incorporation will provide that special meetings of the stockholders may be called only by or at the direction of the board of directors, the chairman of our board or the chief executive officer with the concurrence of a majority of the board of directors or at the written request of one or more stockholders who own shares representing at least 45% of the voting power of the stock outstanding and

entitled to vote on the matters to be brought before the proposed special meeting and who comply specified procedural requirements in our amended and restated bylaws. Our amended and restated bylaws will prohibit the conduct of any business at a special meeting other than as specified in the notice for such meeting. These provisions may have the effect of deferring, delaying or discouraging hostile takeovers or changes in control or management of our company.

Our amended and restated bylaws will establish advance notice procedures with respect to stockholder proposals and the nomination of candidates for election as director. In order for any matter to be "properly brought" before a meeting, a stockholder will have to comply with such advance notice procedures and provide us with certain information. Our amended and restated bylaws will allow the presiding officer at a meeting of stockholders to adopt rules and regulations for the conduct of meetings which may have the effect of precluding the conduct of certain business at a meeting if such rules and regulations are not followed. These provisions may also defer, delay or discourage a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to influence or obtain control of our company.

Supermajority Voting for Amendments to Our Governing Documents

Any amendment to our amended and restated certificate of incorporation will require the affirmative vote of at least 66 2/3% of the voting power of all shares of our common stock then outstanding. Our amended and restated certificate of incorporation will provide that the board of directors is expressly authorized to adopt, amend or repeal our bylaws and that our stockholders may amend our bylaws only with the approval of at least 66 2/3% of the voting power of all shares of our common stock then outstanding.

No Cumulative Voting

The DGCL provides that a stockholder's right to vote cumulatively in the election of directors does not exist unless the certificate of incorporation specifically provides otherwise. Our amended and restated certificate of incorporation will not provide for cumulative voting.

Classified Board of Directors

Our amended and restated certificate of incorporation will provide that our board of directors will initially be divided into three classes of directors, with the classes to be as nearly equal in number as possible, designated Class I, Class II and Class III. Class I directors shall initially serve until the first annual meeting of stockholders following the effectiveness of our amended and restated certificate of incorporation; Class II directors shall initially serve until the second annual meeting of stockholders following the effectiveness of our amended and restated certificate of incorporation; and Class III directors shall initially serve until the third annual meeting of stockholders following the effectiveness of our amended and restated certificate of incorporation. Commencing with the first annual meeting of stockholders following the effectiveness of our amended and restated certificate of incorporation and ending with the third annual meeting of stockholders thereafter, directors of each class the term of which shall then expire shall be elected to hold office for a three-year term. Beginning with the fourth annual meeting of stockholders following the effectiveness of our amended and restated certificate of incorporation, directors of each class the term of which shall then expire shall be elected to hold office for a one-year term. The classification of directors will have the effect of making it more difficult for stockholders to change the composition of our board of directors. Our amended and restated certificate of incorporation will provide that the number of directors will be fixed from time to time exclusively pursuant to a resolution adopted by the board of directors, but must consist of not less than three or more than 15 directors.

Removal of Directors; Vacancies

Our amended and restated certificate of incorporation and amended and restated bylaws will provide that directors may be removed only for cause and only upon the affirmative vote of holders of at least 66 2/3% of

the voting power of all the then outstanding shares of stock entitled to vote generally in the election of directors, voting together as a single class. In addition, our amended and restated certificate of incorporation and amended and restated bylaws will provide that any newly created directorships and any vacancies on our board of directors will be filled only by the affirmative vote of the majority of remaining directors. Therefore, while stockholders meeting the applicable requirements may call a special meeting for the purpose of removing directors, stockholders are not able to elect new directors to fill any resulting vacancies that may be created as a result of such a special meeting.

Stockholder Action by Written Consent

The DGCL permits any action required to be taken at any annual or special meeting of the stockholders to 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, is signed by the holders of outstanding 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 of stock entitled to vote thereon were present and voted, unless the certificate of incorporation provides otherwise. Our amended and restated certificate of incorporation and amended and restated bylaws will preclude stockholder action by written consent.

Limitations on Liability and Indemnification of Officers and Directors

The DGCL authorizes corporations to limit or eliminate the personal liability of officers and directors to corporations and their stockholders for monetary damages for breaches of directors' fiduciary duties. Our amended and restated certificate of incorporation and amended and restated bylaws will include provisions that eliminate, to the extent allowable under the DGCL, the personal liability of officers and directors for monetary damages for actions taken as an officer or a director, as the case may be. Our amended and restated certificate of incorporation and amended and restated bylaws will also provide that we must indemnify and advance reasonable expenses to our officers and directors to the fullest extent authorized by the DGCL. We will also be expressly authorized to carry directors' and officers' insurance for our officers and directors as well as certain employees for certain liabilities.

The limitation of liability and indemnification provisions in our amended and restated certificate of incorporation and amended and restated bylaws may discourage stockholders from bringing a lawsuit against officers and directors for breach of their fiduciary duty. These provisions may also have the effect of reducing the likelihood of derivative litigation against officers and directors, even though such an action, if successful, might otherwise benefit our company and our stockholders. In addition, your investment may be adversely affected to the extent that, in a class action or direct suit, we pay the costs of settlement and damage awards against officers and directors pursuant to these indemnification provisions.

At present, there is no pending litigation or proceeding involving our directors or officers for whom indemnification is required or permitted, and we are not aware of any threatened litigation or proceeding that may result in a claim for indemnification.

Authorized but Unissued Shares

Our authorized but unissued shares of common stock and preferred stock will be available for future issuance without your approval. The DGCL does not require stockholder approval for any issuance of authorized shares. However, the rules of the NYSE require stockholder approval of certain issuances equal to or exceeding 20% of the then-outstanding voting power or the then-outstanding number of shares of common stock. No assurances can be given that our shares will remain so listed. We may use additional shares for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions and employee benefit plans. As discussed above, our board of directors has the ability to issue preferred stock with voting rights or other preferences, without stockholder approval. The existence of authorized but unissued shares

of common stock and preferred stock could render more difficult or discourage an attempt to obtain control of our company by means of a proxy contest, tender offer, merger or otherwise.

Corporate Opportunities

In recognition that certain directors, principals, members, officers, employees and other representatives of Oaktree and its affiliated entities and funds and their respective affiliates (other than us), which we refer to as the Oaktree Entities, may serve as a member of our board of directors, and that the Oaktree Entities or any representative thereof who serves on our board of directors, who we refer to as an Oaktree Director, may engage in the same or similar activities or related lines of business that we do or other business activities that overlap or compete with our business, our amended and restated certificate of incorporation provides for the allocation of certain corporate opportunities between us and the Oaktree Entities. Specifically, none of the Oaktree Entities or any Oaktree Director has any duty to refrain from engaging, directly or indirectly, in a corporate opportunity in the same or similar activities or related lines of business that we do or that we may propose to engage in or from otherwise competing with us. In the event that any Oaktree Entity or Oaktree Director acquires knowledge of a potential transaction or matter which may be a corporate opportunity for itself and us, we will not have any expectancy in the corporate opportunity, and no Oaktree Entity or Oaktree Director will have any duty to communicate or offer the corporate opportunity to us and may pursue or acquire such corporate opportunity for itself or direct such opportunity to another person. In addition, if an Oaktree Director acquires knowledge of a potential transaction or matter which may be a corporate opportunity for us and an Oaktree Entity, we will not have any expectancy in the corporate opportunity unless the corporate opportunity is expressly offered to the person solely in his or her capacity as one of our directors. See the section entitled “Risk Factors.”

Transfer Agent and Registrar

The Transfer Agent and Registrar for our common stock will be Computershare Trust Company, N.A.

Listing

We intend to apply to list our common stock on the NYSE under the symbol “MEG.”

DESCRIPTION OF CERTAIN INDEBTEDNESS

Set forth below is a summary of certain terms of our credit facility. This summary is not complete and is qualified in its entirety by reference to the complete text of the credit facility, a copy of which has been filed as an exhibit to the registration statement of which this prospectus forms a part.

Credit Facility

On April 13, 2020, we entered into a Unitranche Credit Agreement with Capital One, National Association, as administrative agent, certain of our subsidiaries, the other banks and other financial institutions party thereto providing for a new $225.0 million credit facility. The credit facility provides for a $175.0 million term loan and a revolving credit facility of up to $50.0 million. We have the option to borrow incremental term loans up to an aggregate principal amount of $100.0 million subject to satisfaction of certain conditions, including the borrower's pro forma compliance with the financial covenants under the credit facility. Immediately after giving effect to the incurrence of any such incremental term loans, the unitranche lenders must collectively hold at least 70% of all pari passu debt of all lenders under the credit facility. The existing lenders are not obligated to participate in any incremental term loan facility.

A portion of the proceeds from this credit facility was used to repay all amounts outstanding under our prior senior secured credit facility. At June 3, 2020, there was an aggregate principal amount of $200.0 million outstanding under the credit facility, consisting of $175.0 million outstanding on the term loan and $25.0 million outstanding on the revolving credit facility, with available aggregate undrawn borrowing capacity of approximately $25.0 million under the revolving credit facility.

The term loan bears interest at a rate of LIBOR plus 5.0% (subject to a 1% LIBOR floor) or the base rate plus 4.0%. The revolver bears interest at a rate of LIBOR plus 3.5% or the base rate plus 2.5%. The revolver is also subject to an unused commitment fee of 0.35%. The term loan begins amortizing quarterly with fiscal quarter ending September 30, 2020, with a required repayment of (a) $546,875 for fiscal quarter ending September 30, 2020 and each other fiscal quarter through and including June 30, 2021, (b) $1,093,750 for fiscal quarter ending September 30, 2021 and each other fiscal quarter through and including June 30, 2021, and (c) $1,640,625 for each fiscal quarter ending thereafter.

The credit facility matures on the earliest of (a) April 13, 2025, (b) so long as our Series A-1 preferred stock has not been redeemed in full or otherwise not converted into common stock of Montrose, the date that is 180 days before the Series A-1 preferred equity mandatory redemption date, unless prior to such date, the Series A-1 preferred equity mandatory redemption date has been extended to a date not earlier than one hundred eighty (180) days after April 13, 2025 and (c) so long as our Series A-2 preferred stock has not been redeemed in full or otherwise not converted into common stock of Montrose, the date that is 180 days before the Series A-2 preferred equity mandatory redemption date, unless prior to such date, the Series A-2 preferred equity mandatory redemption date has been extended to a date not earlier than one hundred eighty (180) days after April 13, 2025. The credit facility includes a number of covenants imposing certain restrictions on our business, including, among other things, restrictions on our ability to incur indebtedness, prepay or amend other indebtedness, create liens, make certain fundamental changes including mergers or dissolutions, pay dividends and make other payments in respect of capital stock, make certain investments, sell assets, change our lines of business, enter into transactions with affiliates and other corporate actions. The credit facility also contains financial covenants requiring us to remain below a maximum consolidated total leverage ratio of 4.25 times, which steps down to 4.00 times beginning December 31, 2021 and then to 3.75 times beginning December 31, 2022, and a minimum consolidated fixed charge coverage ratio of 1.25 times.

The credit facility contains mandatory prepayment features upon the following events:

- 100% of the excess of the total revolving outstanding amount whenever it exceeds the aggregate revolving commitments then in effect;

- 100% of net cash proceeds of certain asset sales, to the extent not reinvested in eligible assets within 180 days of such asset sale and net cash proceeds exceed $1.0 million in the aggregate in any fiscal year;

- 100% of the net cash proceeds from the issuance of any debt other than debt permitted under the credit facility;

- 50% of excess cash flow minus voluntary prepayments of the term loan and, solely to the extent accompanied by a permanent reduction in the revolving commitment, the revolving loan, if our consolidated total leverage ratio for the year ending December 31, 2020 is greater than or equal to 3.25 times and, for any year thereafter, the amount of any such mandatory prepayment shall be reduced to 25% of excess cash flow if the leverage ratio is less than 3.00 times; and

- 100% of the net cash proceeds of the capital contribution amounts contributed to cure a financial covenant default.

The credit facility contains a number of customary events of default related to, among other things, the non-payment of principal, interest or fees, violations of covenants, inaccuracy of representations or warranties, certain bankruptcy events, default in payment under or the acceleration of other indebtedness and certain change of control events. In the event of a default, subject to varying cure periods and rights for certain events of default, the required lenders may, at their option, declare the commitments to fund the credit facility to be terminated.

Our obligations under the credit facility are guaranteed by certain of our existing and future direct and indirect subsidiaries, and such obligations are secured by substantially all of our assets, including the capital stock or other equity interests in those subsidiaries.

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our common stock. Immediately following the consummation of the offering, we will have an aggregate of shares of common stock outstanding. Of the outstanding shares, the shares sold in this offering (or shares if the underwriters exercise in full their option to purchase additional shares) will be freely tradable without restriction or further registration under the Securities Act, except that any shares held by our affiliates, as that term is defined in Rule 144 of the Securities Act, may generally be sold only in compliance with the limitations described below. The remaining outstanding shares of our common stock will be deemed restricted securities, as defined in Rule 144. Certain of our stockholders may be considered affiliates at that time.

We cannot predict what effect, if any, sales of shares of our common stock from time to time or the availability of shares of our common stock for future sale may have on the market price of our common stock. Sales of substantial amounts of common stock, or the perception that such sales could occur, could adversely affect prevailing market prices for our common stock and could impair our future ability to raise capital through an offering of equity securities or otherwise. See the section entitled "Risk Factors."

Lock-Up Agreements

We, our officers and directors and holders of substantially all of our outstanding shares of common stock immediately prior to this offering will be subject to lock-up agreements with the underwriters that will restrict the sale of shares of our common stock held by them for 180 days after the date of this prospectus, subject to certain exceptions, as described in the section entitled "Underwriting."

Sales of Restricted Securities

Other than the shares sold in this offering, all of the remaining shares of our common stock outstanding following the consummation of the offering will be available for sale, subject to the lock-up agreements described above, after the date of this prospectus in registered sales or pursuant to Rule 144 or another exemption from registration. Restricted shares may be sold in the public market only if registered or if they qualify for an exemption from registration, including under Rule 144 promulgated under the Securities Act, which is summarized below.

In general, under Rule 144, a person who is not our affiliate and has not been our affiliate at any time during the preceding three months will be entitled to sell any shares of our common stock beneficially owned thereby for at least one year without regard to the volume limitations summarized below. However, such non-affiliate need only have beneficially owned such shares to be sold for at least six months if we have been subject to the reporting requirements of the Exchange Act for at least 90 days at the time of such sale and there is adequate current public information about us available. In either case, a non-affiliate may include the holding period of any prior owner other than an affiliate of ours.

Beginning 90 days after the date of this prospectus, our affiliates who have beneficially owned shares of our common stock for at least six months, including the holding period of any prior owner other than one of our affiliates, would be entitled to sell within any three-month period a number of shares that does not exceed the greater of: (i) 1% of the number of shares of our common stock then-outstanding, which, immediately after the consummation of this offering, will equal approximately shares; and (ii) the average weekly trading volume in our common stock on the applicable stock exchange during the four calendar weeks preceding the date of filing of a Notice of Proposed Sale of Securities Pursuant to Rule 144 with respect to the sale. Sales under Rule 144 by our affiliates are also subject to manner of sale provisions and notice requirements and to the availability of current public information about us.

As a result of the provisions of Rule 144, additional shares will be available for sale in the public market upon the expiration or, if earlier, the waiver of the lock-up period provided for in the lock-up agreements, subject, in some cases, to volume limitations.

Additional Registration Statements

In addition, shares of common stock may be granted under the 2017 Stock Plan. We intend to file one or more registration statements under the Securities Act after this offering to register up to shares of our common stock issued or reserved for issuance under our 2013 Stock Plan and 2017 Stock Plan and any future equity incentive plans. These registration statements will become effective upon filing and shares covered by these registration statements will be eligible for sale in the public market immediately after the effective dates of these registration statements, subject to any vesting restrictions and limitations on exercise under the applicable equity incentive plan, the lock-up agreements described in the section entitled "Underwriting" and, with respect to affiliates, limitations under Rule 144.

Registration Rights

The terms of the Investor Rights Agreement includes provisions for certain demand and piggyback registration rights in favor of the Oaktree Holder and certain other stockholders including Messrs. Perlman and Price. Each of the Oaktree Holder, Messrs. Perlman and Price acting together and holders who in the aggregate hold at least 25% of the then outstanding registrable securities (which includes all shares of common stock held by the Oaktree Holder, including shares to be issued upon exercise of the stock purchase warrants and shares to be issued upon redemption of our Series A-1 preferred stock and series A-2 preferred stock) each have demand registration rights under the agreement. OCM Montrose II Holdings, L.P. is limited to three such demands, both of OCM Montrose Holdings, L.P. and Messrs. Perlman and Price acting together are limited to two such demands and any other initiating holder may not exercise any such demand once two demands have been previously effected. In addition, no initiating holder may make a demand within six months following the effective date of the registration statement of which this prospectus forms a part and, in each case, such demand must cover registrable securities with an aggregate value of at least $5.0 million. Provided we are eligible to use Form S-3, the Oaktree Holder, Messrs. Perlman and Price acting together and holders of at least 20% of the then outstanding registrable securities each have the right to demand that we file a registration statement on Form S-3. We are not, however, obligated to make more than two such Form S-3 registrations within a given 12-month period and such registration must cover securities with an aggregate value of at least $1.0 million. The Oaktree Holder, Messrs. Perlman and Price acting together and the holders of registrable securities also have certain piggyback registration rights with respect to both Company-initiated registrations more than six months after the effective date of the registration statement of which this prospectus forms a part.

We are obligated to pay all company expenses incurred in connection with registrations under the Investor Rights Agreement and the reasonable fees and expenses of one counsel for all participating holders. The holders will, however, bear their own selling expenses, including any underwriting discounts and commissions. The Investor Rights Agreement does not provide for the payment of any consideration by us to any holders of registrable securities if a registration statement is not declared effective or if the effectiveness is not maintained.

A holder of registrable securities may transfer its registration rights under the Investor Rights Agreement only (i) to a transferee or assignee who acquires at least 30% of such holder's registrable securities as of April 13, 2020, (ii) to specified family members and affiliates or (iii) with our written consent. A holder's registration rights will terminate on the date on which the holder and its affiliates have sold all of their registrable securities pursuant to Rule 144 or a registration under the Investor Rights Agreement.

We expect that shares of our common stock will be entitled to these registration rights following completion of this offering, which includes shares of common stock to be issued upon exercise of the warrants, upon redemption of our Series A-1 preferred stock and upon exchange for our Series A-2 preferred stock. However, the underwriting agreement prohibits us from filing any registration statement for a period of 180 days after the date of this prospectus without the prior consent of the representatives. Shares registered with the SEC pursuant to these registration rights will be eligible for sale in the public markets, as described in this section, subject to the lock-up agreement described in the section entitled "Underwriting."

CERTAIN MATERIAL U.S. FEDERAL TAX CONSIDERATIONS

The following is a summary of certain U.S. federal income tax considerations relating to the purchase, ownership and disposition of the shares of our common stock, as of the date hereof. This summary deals only with shares of our common stock purchased in this offering for cash and held as capital assets. This summary does not deal with special situations. For example, this summary does not address:

- tax consequences to holders who may be subject to special tax treatment, such as dealers in securities or currencies, financial institutions, regulated investment companies, real estate investment trusts, certain former U.S. citizens or long-term residents, tax-exempt entities, traders in securities that elect to use a mark-to-market method of accounting for their securities, controlled foreign corporations, passive foreign investment companies or insurance companies;

- tax consequences to persons holding shares of our common stock as part of a hedging, integrated or conversion transaction or a straddle or persons deemed to sell shares of our common stock under the constructive sale provisions of the Internal Revenue Code of 1986, as amended (the "Code");

- tax consequences to U.S. holders of shares of our common stock whose "functional currency" is not the U.S. dollar;

- tax consequences to partnerships or other pass-through entities for U.S. federal income tax purposes and investors in such entities; or

- alternative minimum tax consequences, if any.

Finally, this summary does not address U.S. federal tax consequences other than income taxes (such as estate and gift tax consequences) or any state, local or foreign tax consequences.

The discussion below is based upon the provisions of the Code and U.S. Treasury regulations, rulings and judicial decisions as of the date hereof. Those authorities may be changed, perhaps retroactively, or interpreted differently so as to result in U.S. federal income tax consequences different from those discussed below. This summary does not address all aspects of U.S. federal income taxation and does not deal with all tax consequences that may be relevant to holders in light of their personal circumstances.

If an entity (or arrangement) classified as a partnership for U.S. federal income tax purposes holds shares of our common stock, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding shares of our common stock, you should consult your tax advisor.

If you are considering the purchase of shares of our common stock, you should consult your own tax advisors concerning the U.S. federal income tax consequences to you in light of your particular facts and circumstances and any consequences arising under the laws of any state, local, foreign or other taxing jurisdiction.

Consequences to U.S. Holders

The following is a summary of the U.S. federal income tax consequences that will apply to a U.S. holder of shares of our common stock. "U.S. holder" means a beneficial owner of common stock for U.S. federal income tax purposes that is:

- an individual who is a citizen or resident of the United States;

- a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if (1) it is subject to the primary supervision of a court within the United States and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (2) it has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

Distributions

A distribution in respect of shares of our common stock generally will be treated as a dividend to the extent of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Subject to certain holding period requirements, dividends that constitute "qualified dividend" income received by non-corporate U.S. holders generally will be subject to taxation at the lower applicable capital gains rate. If a U.S. holder is a U.S. corporation, it may be eligible to claim the dividends-received deduction allowed to U.S. corporations in respect of dividends received from other U.S. corporations equal to a portion of any dividends received, subject to generally applicable limitations on that deduction.

If the distribution exceeds current and accumulated earnings and profits, the excess will be treated as a nontaxable return of capital reducing the U.S. holder's tax basis in the common stock to the extent of the U.S. holder's tax basis in that stock. Any remaining excess will be treated as capital gain from the sale or exchange of our common stock.

U.S. holders should consult their tax advisors regarding the holding period and other requirements that must be satisfied in order to qualify for the dividends-received deduction and the reduced maximum tax rate for qualified dividend income.

Sale, Exchange, Certain Redemptions or Other Taxable Dispositions of our Common Stock

Upon a sale, exchange, redemption (provided the redemption is treated as a sale or exchange for U.S. federal income tax purposes) or certain other taxable dispositions of our common stock, a U.S. holder generally will recognize capital gain or loss equal to the difference between (i) the amount of cash and the fair market value of any property received upon such taxable disposition and (ii) the U.S. holder's adjusted tax basis in the common stock. Such capital gain or loss will be long-term capital gain or loss if a U.S. holder's holding period in the common stock is more than one year at the time of the taxable disposition. In the case of certain non-corporate U.S. holders (including individuals), long-term capital gain generally will be subject to tax at a reduced rate of taxation. The deductibility of capital losses is subject to limitations.

Medicare Tax

A U.S. person that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, will be subject to a 3.8% tax on the lesser of (1) the U.S. person's "net investment income" for the relevant taxable year and (2) the excess of the U.S. person's modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals will be between $125,000 and $250,000 depending on the individual's circumstances). Net investment income generally includes dividends and net gains from the disposition of our common stock, unless such dividend or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). A U.S. holder that is an individual, estate or trust should consult its tax advisor regarding the applicability of the Medicare tax to its income and gains in respect of its investment in the common stock.

Information Reporting and Backup Withholding

When required, we or our paying agent will report to the U.S. holders of our common stock and to the U.S. Internal Revenue Service, or the IRS, amounts paid on or with respect to the common stock during each calendar year and the amount of tax, if any, withheld from such payments. A U.S. holder will be subject to backup withholding on any dividends paid on our common stock and proceeds from the sale or other taxable disposition of our common stock at the applicable rate if the U.S. holder (a) fails to provide us or our paying agent with a correct taxpayer identification number or certification of exempt status, (b) has been notified by the IRS that it is subject to backup withholding as a result of the failure to properly report payments of interest or dividends or (c) in certain circumstances, has failed to certify under penalty of perjury that it is not subject to backup withholding. A U.S. holder may be eligible for an exemption from backup withholding by providing a properly completed IRS Form W-9 to us or our paying agent. Any amounts withheld under the backup withholding rules will generally be allowed as a refund or a credit against a U.S. holder's U.S. federal income tax liability provided the required information is properly furnished to the IRS by the U.S. holder on a timely basis.

Consequences to Non-U.S. Holders

The term "non-U.S. holder" means a beneficial owner of shares of common stock that is, for U.S. federal income tax purposes, an individual, corporation, trust or estate that is not a U.S. holder.

Distributions

Except as described in the next paragraph and subject to the discussions below of backup withholding and the Foreign Account Tax Compliance Act, any distributions treated as dividends (see "Consequences to U.S. Holders—Distributions" above) paid to a non-U.S. holder with respect to the shares of our common stock will be subject to withholding tax at a 30% rate or such lower rate as specified by an applicable income tax treaty. To receive the benefit of a reduced treaty rate, a non-U.S. holder must furnish to us or our paying agent a valid IRS Form W-8BEN or W-8BEN-E (or suitable successor or substitute form) certifying such non-U.S. holder's qualification for the reduced rate. Non-U.S. holders that do not timely provide us or our paying agent with the required certification, but that qualify for a reduced treaty rate, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

If a non-U.S. holder holds shares of our common stock in connection with the conduct of a trade or business in the United States, and dividends paid on the shares of our common stock are effectively connected with such non-U.S. holder's U.S. trade or business (and if required by an applicable income tax treaty, attributable to a permanent establishment maintained by the non-U.S. holder in the United States), the non-U.S. holder will be exempt from U.S. federal withholding tax. To claim the exemption, the non-U.S. holder must generally furnish to us or our paying agent a properly executed IRS Form W-8ECI (or suitable successor or substitute form). However, dividends paid on shares of our common stock that are effectively connected with a non-U.S. holder's U.S. trade or business (and if required by an applicable income tax treaty, attributable to a permanent establishment maintained by the non-U.S. holder in the United States) generally will be subject to U.S. federal income tax on a net income basis at the regular graduated U.S. federal income tax rates in much the same manner as if such non-U.S. holder were a U.S. holder. Any such effectively connected dividends received by a foreign corporation may, under certain circumstances, be subject to an additional branch profits tax at a 30% rate or such lower rate as specified by an applicable income tax treaty.

Distributions in excess of our current and accumulated earnings and profits will first constitute a return of capital and reduce a non-U.S. holder's basis in our common stock, but not below zero, and then will be treated as described under "—Sale, Exchange, Certain Redemptions or Other Taxable Dispositions of our Common Stock" below.

Sale, Exchange, Certain Redemptions or Other Taxable Dispositions of our Common Stock

Subject to the discussions below regarding backup withholding and the Foreign Account Tax Compliance Act, any gain realized by a non-U.S. holder upon the sale, exchange, redemption (provided the redemption is treated as a sale or exchange for U.S. federal income tax purposes) or other taxable disposition of shares of our common stock will not be subject to U.S. federal income tax with respect to such gain unless:

- that gain is effectively connected with the conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment maintained by the non-U.S. holder);
- the non-U.S. holder is an individual who is present in the United States for 183 days or more in the taxable year of that disposition, and certain other conditions are met; or
- we are or have been a "United States real property holding corporation" during the shorter of the five-year period preceding the disposition or the non-U.S. holder's holding period (the "applicable statutory period") and certain other requirements are satisfied. We believe that we are not, and we do not anticipate becoming, a United States real property holding corporation for U.S. federal income tax purposes.

A non-U.S. holder described in the first bullet point above will be subject to U.S. federal income tax on the net gain derived from the sale or other taxable disposition at the regular graduated rates generally in the same manner as a U.S. holder. If a non-U.S. holder is eligible for the benefits of a tax treaty between the United States and its country of residence, any such gain will be subject to U.S. federal income tax in the manner specified by the treaty. To claim the benefit of a treaty, a non-U.S. holder must properly submit an IRS Form W-8BEN or W-8BEN-E (or suitable successor or substitute form). A non-U.S. holder that is a foreign corporation and is described in the first bullet point above in addition may be subject to a branch profits tax equal to 30% of its effectively connected earnings and profits for that taxable year, or at a lower rate if so specified by an applicable income tax treaty.

An individual non-U.S. holder described in the second bullet point above will be subject to a flat 30% U.S. federal income tax on the gain derived from the sale, which may be offset by certain U.S. source capital losses (even though such holder is not considered a resident of the United States) provided such non-U.S. holder has timely filed U.S. federal income tax returns with respect to such losses.

Information Reporting and Backup Withholding

Generally, we must report to the IRS and to non-U.S. holders the amount of dividends and non-dividend distributions paid to the non-U.S. holder and the amount of tax, if any, withheld with respect to those payments. Copies of the information returns reporting such payments and any withholding may also be made available to the tax authorities in the country in which the non-U.S. holder resides under the provisions of an applicable income tax treaty.

In general, a non-U.S. holder will not be subject to backup withholding with respect to payments of dividends that we make to the holder if the non-U.S. holder certifies under penalty of perjury that it is not a U.S. person (and we do not have actual knowledge or reason to know that the holder is a U.S. person), such as by furnishing a valid IRS form W-8BEN, W-8BEN-E or W-8ECI, or otherwise establishes an exemption. A non-U.S. holder will be subject to information reporting and, depending on the circumstances, backup withholding with respect to the proceeds of the sale or other disposition of shares of our common stock within the United States or conducted through certain U.S.-related payors, unless the payor of the proceeds receives the statement described above (and the payor does not have actual knowledge or reason to know that the holder is a U.S. person, as defined under the Code) or the holder otherwise establishes an exemption.

Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a holder's U.S. federal income tax liability provided the required information is timely furnished to the IRS.

Foreign Account Tax Compliance Act

The Foreign Account Tax Compliance Act, or FATCA, provides that a 30% withholding tax will be imposed on certain payments (including dividends) made to a foreign financial institution (as specifically defined in the Code) and certain other foreign entities if such entity fails to satisfy certain disclosure and reporting rules or otherwise qualify for an exemption from these rules. FATCA generally requires that (i) in the case of a foreign financial institution, the entity identifies and provides information in respect of financial accounts with such entity held (directly or indirectly) by U.S. persons and U.S.-owned foreign entities and (ii) in the case of a non-financial foreign entity, the entity identifies and provides information in respect of substantial U.S. owners of such entity. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in clause (i) above, then pursuant to an agreement between it and the United States Treasury or an intergovernmental agreement between, generally, the jurisdiction in which it is resident and the United States Treasury, it must, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned foreign entities, annually report certain information about such accounts and withhold 30% on payments to non-compliant foreign financial institutions and certain other account holders.

While withholding under FATCA would generally also have applied to gross proceeds from the sale or other disposition of shares of our common stock on or after January 1, 2019, recently proposed U.S. Treasury Regulations eliminate FATCA withholding on payments of gross proceeds entirely. Taxpayers generally may rely on these proposed U.S. Treasury Regulations until final U.S. Treasury Regulations are issued. You should consult your tax advisor regarding the possible effect of FATCA on your investment in shares of our common stock.

The preceding discussion of certain U.S. federal income tax consequences is for general information only and is not tax advice. Accordingly, each investor should consult its own tax advisor as to particular tax consequences to it of purchasing, holding and disposing of shares of our common stock, including the applicability and effect of any state, local or foreign tax laws, and of any pending or subsequent changes in applicable laws.

UNDERWRITING

BofA Securities, Inc. and William Blair & Company, L.L.C. are acting as representatives of each of the underwriters named below. Subject to the terms and conditions set forth in an underwriting agreement to be entered into among us and the underwriters, we will agree to sell to the underwriters, and each of the underwriters will agree, severally and not jointly, to purchase from us, the number of shares of common stock set forth opposite its name below.

Underwriter	Number of Shares
BofA Securities, Inc.	
William Blair & Company, L.L.C.	
BNP Paribas Securities Corp.	
Capital One Securities, Inc.	
Stifel, Nicolaus & Company	
Needham & Company, LLC	
Total	

Subject to the terms and conditions set forth in the underwriting agreement, the underwriters will agree, severally and not jointly, to purchase all of the shares sold under the underwriting agreement if any of these shares are purchased. If an underwriter defaults, the underwriting agreement will provide that the purchase commitments of the nondefaulting underwriters may be increased or the underwriting agreement may be terminated.

We will agree to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make in respect of those liabilities.

The underwriters will offer the shares, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the shares, and other conditions contained in the underwriting agreement, such as the receipt by the underwriters of officer's certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Commissions and Discounts

The representatives have advised us that the underwriters propose initially to offer the shares to the public at the public offering price set forth on the cover page of this prospectus and to dealers at that price less a concession not in excess of $ per share. After the initial offering, the public offering price, concession or any other term of the offering may be changed.

The following table shows the public offering price, underwriting discount and proceeds before expenses to us. The information assumes either no exercise or full exercise by the underwriters of their option to purchase additional shares.

	Per Share	Without Option	With Option
Public offering price	$	$	$
Underwriting discount	$	$	$
Proceeds, before expenses, to us	$	$	$

The expenses of the offering, not including the underwriting discount, are estimated at $ and are payable by us.

Option to Purchase Additional Shares

We have granted an option to the underwriters, exercisable for 30 days after the date of this prospectus, to purchase up to additional shares at the public offering price, less the underwriting discount. If the underwriters exercise this option, each will be obligated, subject to conditions contained in the underwriting agreement, to purchase a number of additional shares proportionate to that underwriter's initial amount reflected in the above table.

Reserved Shares

At our request, the underwriters have reserved for sale, at the initial public offering price, up to 5% of the shares offered by this prospectus for sale to certain individuals. If these persons purchase reserved shares, this will reduce the number of shares available for sale to the general public. Any reserved shares that are not so purchased will be offered by the underwriters to the general public on the same terms as the other shares offered by this prospectus. Other than the underwriting discount described on the front cover of this prospectus, the underwriters will not be entitled to any commission with respect to shares of common stock sold pursuant to this program. We have agreed to indemnify the underwriters against certain liabilities and expenses, including liabilities under the Securities Act, in connection with sales of the reserved shares and the purchasers thereof will be subject to a 180 day lock-up. Fidelity Capital Markets, a division of National Financial Services LLC, will administer this program.

No Sales of Similar Securities

We, our executive officers and directors and substantially all of our other existing security holders have agreed not to sell or transfer any common stock or securities convertible into, exchangeable for, exercisable for or repayable with common stock, for 180 days after the date of this prospectus without first obtaining the written consent of BofA Securities, Inc. and William Blair & Company, L.L.C. Specifically, we and these other persons have agreed, with certain limited exceptions, not to directly or indirectly:

- offer, pledge, sell or contract to sell any common stock,
- sell any option or contract to purchase any common stock,
- purchase any option or contract to sell any common stock,
- grant any option, right or warrant for the sale of any common stock,
- lend or otherwise dispose of or transfer any common stock,
- request or demand that we file or make a confidential submission of a registration statement related to the common stock or
- enter into any swap or other agreement that transfers, in whole or in part, the economic consequence of ownership of any common stock whether any such swap or transaction is to be settled by delivery of shares or other securities, in cash or otherwise.

This lock-up provision applies to common stock and to securities convertible into or exchangeable or exercisable for or repayable with common stock. It also applies to common stock owned now or acquired later by the person executing the agreement or for which the person executing the agreement later acquires the power of disposition.

New York Stock Exchange Listing

We expect the shares to be approved for listing on NYSE under the symbol "MEG." In order to meet the requirements for listing on that exchange, the underwriters have undertaken to sell a minimum number of shares to a minimum number of beneficial owners as required by that exchange.

Before this offering, there has been no public market for our common stock. The initial public offering price will be determined through negotiations between us and the representatives. In addition to prevailing market conditions, the factors to be considered in determining the initial public offering price are:

- the valuation multiples of publicly traded companies that the representatives believe to be comparable to us,
- our financial information,
- the history of, and the prospects for, our company and the industry in which we compete,
- an assessment of our management, its past and present operations, and the prospects for, and timing of, our future revenues,
- the present state of our development and
- the above factors in relation to market values and various valuation measures of other companies engaged in activities similar to ours.

An active trading market for the shares may not develop. It is also possible that after the offering the shares will not trade in the public market at or above the initial public offering price.

The underwriters do not expect to sell more than 5% of the shares in the aggregate to accounts over which they exercise discretionary authority.

Price Stabilization, Short Positions and Penalty Bids

Until the distribution of the shares is completed, SEC rules may limit underwriters and selling group members from bidding for and purchasing our common stock. However, the representatives may engage in transactions that stabilize the price of the common stock, such as bids or purchases to peg, fix or maintain that price.

In connection with the offering, the underwriters may purchase and sell our common stock in the open market. These transactions may include short sales, purchases on the open market to cover positions created by short sales and stabilizing transactions. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering. "Covered" short sales are sales made in an amount not greater than the underwriters' option to purchase additional shares described above. The underwriters may close out any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to close out the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the option granted to them. "Naked" short sales are sales in excess of such option. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of our common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of shares of common stock made by the underwriters in the open market prior to the completion of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

Similar to other purchase transactions, the underwriters' purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of our common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market. The underwriters may conduct these transactions on the NYSE, in the over-the-counter market or otherwise.

Neither we nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our common stock. In addition, neither we nor any of the underwriters make any representation that the representatives will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Electronic Distribution

In connection with the offering, certain of the underwriters or securities dealers may distribute prospectuses by electronic means, such as e-mail.

Other Relationships

The underwriters and their respective affiliates are full-service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, market making, financing and brokerage activities. Certain affiliates of the underwriters act as lenders and/or agents under our Unitranche Credit Agreement and/or have acted in such capacity with respect to our prior senior secured credit facility. Further, some of the underwriters and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

European Economic Area and the United Kingdom

In relation to each Member State of the European Economic Area and the United Kingdom (the "UK", and each a "Relevant State"), no shares have been offered or will be offered pursuant to this offering to the public in that Relevant State prior to the publication of a prospectus in relation to the shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation), except that offers of shares may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

a. to any legal entity which is a qualified investor as defined under the Prospectus Regulation;

b. to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the BofA Securities, Inc. and William Blair & Company, L.L.C. for any such offer; or

c. in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of shares shall require the issuer or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

Each person in a Relevant State who initially acquires any shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the Company and the underwriters that it is a qualified investor within the meaning of the Prospectus Regulation.

In the case of any shares being offered to a financial intermediary as that term is used in Article 5(1) of the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the shares acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer to the public other than their offer or resale in a Relevant State to qualified investors, in circumstances in which the prior consent of the underwriters has been obtained to each such proposed offer or resale.

The Company, the underwriters and their affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

For the purposes of this provision, the expression an "offer to the public" in relation to any shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase or subscribe for any shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

References to the Prospectus Regulation includes, in relation to the UK, the Prospectus Regulation as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018.

The above selling restriction is in addition to any other selling restrictions set out below.

In connection with the offering, the underwriters are not acting for anyone other than the issuer and will not be responsible to anyone other than the issuer for providing the protections afforded to their clients nor for providing advice in relation to the offering.

Notice to Prospective Investors in the United Kingdom

This document is for distribution only to persons who (i) have professional experience in matters relating to investments and who qualify as investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, as amended ("FSMA")) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This document is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons.

Notice to Prospective Investors in Switzerland

The shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document has been

prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company, the shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of shares will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA (FINMA), and the offer of shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("CISA"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares.

Notice to Prospective Investors in the Dubai International Financial Centre

This prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ("DFSA"). This prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus nor taken steps to verify the information set forth herein and has no responsibility for the prospectus. The shares to which this prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this prospectus you should consult an authorized financial advisor.

Notice to Prospective Investors in Australia

No placement document, prospectus, product disclosure statement or other disclosure document has been lodged with the Australian Securities and Investments Commission ("ASIC"), in relation to the offering. This prospectus does not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act 2001 (the "Corporations Act"), and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act.

Any offer in Australia of the shares may only be made to persons (the "Exempt Investors") who are "sophisticated investors" (within the meaning of section 708(8) of the Corporations Act), "professional investors" (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the shares without disclosure to investors under Chapter 6D of the Corporations Act.

The shares applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. Any person acquiring shares must observe such Australian on-sale restrictions.

This prospectus contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this prospectus is appropriate to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.

Notice to Prospective Investors in Hong Kong

The securities have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the securities has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Notice to Prospective Investors in Japan

The securities have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, will not be offered or sold, directly or indirectly, in Japan, or for the benefit of any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person, except in compliance with all applicable laws, regulations and ministerial guidelines promulgated by relevant Japanese governmental or regulatory authorities in effect at the relevant time. For the purposes of this paragraph, "Japanese Person" shall mean any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

Notice to Prospective Investors in Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the securities were not offered or sold or caused to be made the subject of an invitation for subscription or purchase and will not be offered or sold or caused to be made the subject of an invitation for subscription or purchase, and this prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the securities, has not been circulated or distributed, nor will it be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the securities pursuant to an offer made under Section 275 of the SFA except:

(a) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(b) where no consideration is or will be given for the transfer;

(c) where the transfer is by operation of law; or

(d) as specified in Section 276(7) of the SFA.

Notice to Prospective Investors in Canada

The securities may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the securities must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 *Underwriting Conflicts* (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

LEGAL MATTERS

The validity of the shares of common stock offered hereby will be passed upon for us by Gibson, Dunn & Crutcher LLP. Certain legal matters in connection with the shares of common stock offered hereby will be passed upon for the underwriters by Wilson Sonsini Goodrich & Rosati, Professional Corporation.

EXPERTS

The Montrose Environmental Group, Inc. consolidated financial statements as of and for the years ended December 31, 2019 and 2018 included in this prospectus have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report appearing herein. Such financial statements are included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The Emerging Compounds Treatment Technologies, Inc. August 30, 2019 financial statements included in this prospectus have been audited by DiCicco, Gulman & Company, LLP an independent accounting firm as stated in their report appearing herein. Such financial statements are included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The CTEH Holdings, LLC and subsidiaries financial statements as of December 31, 2019 and December 31, 2018 included in this prospectus have been audited by HoganTaylor, LLP an independent accounting firm as stated in their report appearing herein. Such financial statements are included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-1, including exhibits, of which this prospectus forms a part, under the Securities Act with respect to the shares of common stock to be sold in this offering. This prospectus does not contain all of the information set forth in the registration statement and exhibits thereto. For further information with respect to our company and the shares of common stock to be sold in this offering, reference is made to the registration statement, including the exhibits thereto. Our SEC filings, including the registration statement of which this prospectus forms a part and the exhibits thereto, are available to you for free on the SEC's website at www.sec.gov.

Upon consummation of this offering we will become subject to the informational and reporting requirements of the Exchange Act and will be required to file reports and other information with the SEC. You will be able to inspect these reports and other information without charge at the SEC's website. We intend to make available to our common stockholders annual reports containing consolidated financial statements audited by our independent registered public accounting firm.

MONTROSE ENVIRONMENTAL GROUP, INC.

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MONTROSE ENVIRONMENTAL GROUP, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(In thousands, except share data)

	March 31, 2020	December 31, 2019
ASSETS		
CURRENT ASSETS:		
Cash and restricted cash	$ 1,520	$ 6,884
Accounts receivable—net	39,715	45,927
Contract assets	14,398	13,605
Prepaid and other current assets	8,928	6,823
Total current assets	64,561	73,239
NON-CURRENT ASSETS:		
Property and equipment—net	28,729	27,036
Goodwill	127,058	127,058
Other intangible assets—net	97,155	102,549
Other assets	2,444	1,956
TOTAL ASSETS	$ 319,947	$ 331,838
LIABILITIES, REDEEMABLE SERIES A-1 PREFERRED STOCK AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Accounts payable and other accrued liabilities	$ 29,503	$ 38,199
Accrued payroll and benefits	8,574	11,032
Warrant option	16,877	16,878
Current portion of long term debt	7,460	7,143
Total current liabilities	62,414	73,252
NON-CURRENT LIABILITIES:		
Other non-current liabilities	490	379
Deferred tax liabilities—net	419	3,530
Contingent put option	36,727	7,100
Long-term debt—net of deferred financing fees	157,427	145,046
Total liabilities	257,477	229,307
COMMITMENTS AND CONTINGENCIES		
REDEEMABLE SERIES A-1 PREFERRED STOCK $0.0001 PAR VALUE—Authorized, issued and outstanding shares: 12,000 at March 31, 2020 and December 31, 2019; aggregate liquidation preference of $146,981 and $141,898 at March 31, 2020 and December 31, 2019, respectively	134,237	128,822
STOCKHOLDERS' DEFICIT:		
Common stock, $0.000004 par value; authorized shares: 25,000,000; issued and outstanding shares: 8,370,107 at March 31, 2020 and December 31, 2019		
Additional paid-in capital	33,888	38,153
Accumulated deficit	(105,652)	(64,404)
Accumulated other comprehensive loss	(3)	(40)
Total stockholders' deficit	(71,767)	(26,291)
TOTAL LIABILITIES, REDEEMABLE SERIES A-1 PREFERRED STOCK AND STOCKHOLDERS' DEFICIT	$ 319,947	$ 331,838

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

MONTROSE ENVIRONMENTAL GROUP, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(In thousands, except per share data)

	Three Months Ended	
	March 31, 2020	March 31, 2019
REVENUES	$ 61,031	$ 50,954
COST OF REVENUES (exclusive of depreciation and amortization shown below)	44,398	37,095
SELLING, GENERAL AND ADMINISTRATIVE EXPENSE	20,931	10,447
RELATED-PARTY EXPENSE	119	159
DEPRECIATION AND AMORTIZATION	7,560	6,449
LOSS FROM OPERATIONS	(11,977)	(3,196)
OTHER EXPENSE		
Other (expense) income	(29,830)	49
Interest expense—net	(2,593)	(1,279)
Total other expenses—net	(32,423)	(1,230)
LOSS BEFORE BENEFIT FROM INCOME TAXES	(44,400)	(4,426)
INCOME TAXES (BENEFIT) EXPENSE	(3,152)	816
NET LOSS	$ (41,248)	$ (5,242)
EQUITY ADJUSTMENT FROM FOREIGN CURRENCY TRANSLATION	$ (3)	$
COMPREHENSIVE LOSS	$ (41,251)	$ (5,242)
ACCRETION OF REDEEMABLE SERIES A-1 PREFERRED STOCK	(5,415)	(4,534)
NET LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS	$ (46,663)	$ (9,776)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING— BASIC AND DILUTED	8,904	8,672
NET LOSS PER SHARE ATTRIBUTABLE TO COMMON STOCKHOLDERS—BASIC AND DILUTED	$ (5.24)	$ (1.13)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

MONTROSE ENVIRONMENTAL GROUP, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF REDEEMABLE SERIES A-1 PREFERRED STOCK AND STOCKHOLDERS' EQUITY (DEFICIT)
(In thousands, except share data)

	Three Months Ended									
	Redeemable Series A-1 Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Notes Receivable from Stockholders	Accumulated Other Comprehensive Loss	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount					
BALANCE—December 31, 2018	12,000	$109,206	8,137,771	$	$ 47,869	$ (40,847)	$ (122)		$ 6,900
Net loss						(5,242)			(5,242)
Accretion of the redeemable series A-1 preferred stock to redeemable value		4,534			(4,534)				(4,534)
Stock-based compensation					1,228				1,228
Common stock issued			1,775		6				6
BALANCE—March 31, 2019	12,000	$113,740	8,139,546	$	$ 44,569	$ (46,089)	$ (122)	$	$ 1,642
BALANCE—December 31, 2019	12,000	$128,822	8,370,107	$	$ 38,153	$ (64,404)	$ 0	$ (40)	$ (26,291)
Net loss						(41,248)			(41,248)
Accretion of the redeemable series A-1 preferred stock to redeemable value		5,415			(5,415)				(5,415)
Stock-based compensation					1,150				1,150
Accumulated other comprehensive loss								37	37
BALANCE—March 31, 2020	12,000	$134,237	8,370,107	$	$ 33,888	$ (105,652)	$	$ (3)	$ (71,767)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

MONTROSE ENVIRONMENTAL GROUP, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Three Months Ended	
	March 31, 2020	March 31, 2019
OPERATING ACTIVITIES:		
Net Loss	$ (41,248)	$ (5,242)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Provision for bad debt	6,333	
Depreciation and amortization	7,560	6,449
Stock-based compensation expense	1,150	1,228
Fair value changes in the contingent put option	29,627	
Deferred income taxes	(3,152)	816
Cloud computing costs	(603)	(43)
Other	(180)	(48)
Changes in operating assets and liabilities—net of acquisitions:		
Accounts receivable and contract assets	(319)	(1,406)
Prepaid expenses and other current assets	(683)	(129)
Accounts payable and other accrued liabilities	(5,005)	(776)
Accrued payroll and benefits	(2,458)	(749)
Net cash (used in) provided by operating activities	(8,978)	100
INVESTING ACTIVITIES:		
Purchases of property and equipment	(1,558)	(24)
Proprietary software development	(102)	(49)
Cash paid for acquisitions—net of cash acquired		(1,500)
Net cash used in investing activities	(1,660)	(1,573)
FINANCING ACTIVITIES:		
Proceeds from line of credit	50,453	26,275
Payments on line of credit	(37,275)	(24,960)
Repayment of term loans	(1,250)	
Payment of contingent consideration and other assumed purchase price obligations	(4,703)	(360)
Repayment of capital leases	(685)	(285)
Payments on deferred offering costs	(1,175)	
Debt issuance cost	(127)	
Proceeds from issuance of common stock		6
Net cash provided by financing activities	5,238	676
CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(5,400)	(797)
Foreign exchange impact on cash balance	36	
CASH, CASH EQUIVALENTS AND RESTRICTED CASH:		
Beginning of year	6,884	2,489
End of period	$ 1,520	$ 1,692
SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION:		
Cash paid for interest	$ 1,745	$ 1,078
Cash paid for income tax	$ 64	$ 329
SUPPLEMENTAL DISCLOSURES OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Accrued purchases of property and equipment	$ 613	$ 274
Property and equipment purchased under capital leases	$ 1,493	$ 1,911
Accretion of the Redeemable Series A-1 Preferred Stock to redeemable value	$ 5,415	$ 4,534
Offering costs included in accounts payable and other accrued liabilities	$ 49	$

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

MONTROSE ENVIRONMENTAL GROUP, INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except where otherwise indicated)

1. DESCRIPTION OF THE BUSINESS AND BASIS OF PRESENTATION

Description of the Business—Montrose Environmental Group, Inc. ("Montrose" or the "Company") is a Corporation formed on November 2013, under the laws of the State of Delaware. The Company has over 60 offices across the United States, Canada and Australia and over 1,300 employees. Montrose is highly acquisitive and, as of March 31, 2020, had completed 53 acquisitions since its inception.

Montrose is an environmental services company serving the recurring environmental needs of a diverse client base, including Fortune 500 companies and Federal, State and local government through the following three segments:

Assessment, Permitting and Response—Through its Assessment, Permitting and Response segment, Montrose provides scientific advisory and consulting services to support environmental assessments, environmental emergency response, and environmental audits and permits for current operations, facility upgrades, new projects, decommissioning projects and development projects. Montrose's technical advisory and consulting offerings include regulatory compliance support and planning, environmental, ecosystem and toxicological assessments and support during responses to environmental disruption. Montrose helps clients navigate regulations at the local, state, provincial and federal levels.

Measurement and Analysis—Through its Measurement and Analysis segment, Montrose's teams test and analyze air, water and soil to determine concentrations of contaminants as well as the toxicological impact of contaminants on flora, fauna and human health. Montrose's offerings include source and ambient air testing and monitoring, leak detection and repair ("LDAR") and advanced analytical laboratory services such as air, storm water, wastewater and drinking water analysis.

Remediation and Reuse—Through its Remediation and Reuse segment, Montrose provides clients with engineering, design, implementation and operations and maintenance services, primarily to treat contaminated water, remove contaminants from soil or create biogas from waste. The Company does not own the properties or facilities at which it implements these projects or the underlying liabilities, nor does it own material amounts of the equipment used in projects; instead, the Company assists clients in designing solutions, managing projects and mitigating their environmental risks and liabilities at their locations.

Basis of Presentation—The unaudited condensed consolidated financial statements include the operations of the Company and its wholly-owned subsidiaries. These condensed consolidated financial statements are presented in conformity with accounting principles generally accepted in the United States ("U.S. GAAP") and have been prepared pursuant to the rules and regulations of the U.S. Securities and Exchange Commission ("SEC") that permit reduced disclosure for interim periods. The unaudited condensed consolidated financial statements include all accounts of the Company and, in the opinion of management, include all recurring adjustments and normal accruals necessary for a fair statement of the Company's financial position, results of operations and cash flows for the dates and periods presented. These unaudited condensed consolidated financial statements should be read in conjunction with the Company's audited financial statements as of and for the year ended December 31, 2019. Results for interim periods are not necessarily indicative of the results to be expected during the remainder of the current year or for any future period. All intercompany transactions, accounts and profits, have been eliminated in the condensed consolidated financial statements.

2. SUMMARY OF NEW ACCOUNTING PRONOUNCEMENTS

Recently Adopted Accounting Pronouncements—The Company qualifies as an emerging growth company as defined in the Jumpstart Our Business Startups Act of 2012 (JOBS Act) and therefore intends to take

MONTROSE ENVIRONMENTAL GROUP, INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except where otherwise indicated)

advantage of certain exemptions from various public company reporting requirements, including delaying adoption of new or revised accounting standards until those standards apply to private companies. The Company has elected to use this extended transition period under the JOBS Act. The effective dates shown below reflect the election to use the extended transition period.

In June 2018, the Financial Accounting Standards Board ("FASB") issued Audit Standard Update ("ASU") 2018-07, Compensation—Stock Compensation: Improvements to Nonemployee Share-Based Payment Accounting. Under the revised guidance, the accounting for awards issued to non-employees will be similar to the accounting for employee awards. The new guidance is effective for fiscal years beginning after December 15, 2019. The standard was adopted as of January 1, 2020 and did not have a material impact on the Company's condensed consolidated financial statements and footnote disclosure.

In January 2017, the FASB issued ASU 2017-04, Intangibles—Goodwill and Other (Topic 350): Simplifying the Accounting for Goodwill Impairment. The revised guidance eliminates Step 2 of the current goodwill impairment analysis test, which requires hypothetical purchase price allocation to measure goodwill impairment. A goodwill impairment loss will instead be measured at the amount by which a reporting unit's carrying amount exceeds its fair value, not to exceed the carrying amount of goodwill. The revised guidance was adopted as of January 1, 2020 and did not have a material impact on the Company's condensed consolidated financial statements and footnote disclosure.

Recently Issued Accounting Pronouncements Not Yet Adopted—In June 2016, the FASB issued ASU 2016-13, Financial Instruments—Credit Losses (Topic 326). The standard introduces a new model for recognizing credit losses on financial instruments based on an estimate of current expected credit losses and will apply to trade receivables. The new guidance will be effective beginning after December 15, 2020. The Company is currently evaluating the impact of the adoption of the standard on the condensed consolidated financial statements and footnote disclosure.

In February 2016, the FASB issued ASU 2016-2, Leases (Topic 842), to improve financial reporting regarding leasing transactions. The ASU primarily affects the accounting by the lessee in that it requires a lessee to recognize lease assets and liabilities, initially measured at the present value of the lease payments, on the balance sheets for those leases classified as operating leases under previous guidance. The new leasing standard is effective for fiscal years beginning after December 15, 2020. The new leasing standard requires modified retrospective transition. The Company is currently evaluating the impact of the adoption of the updated standard on the condensed consolidated financial statements and footnote disclosure.

In December 2019, the FASB issued ASU 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes. ASU 2019-12 removes certain exceptions to the general principles in ASC 740 and clarifies and amends certain guidance to promote consistent application. ASU 2019-12 is effective for the Company's annual and interim periods beginning on January 1, 2021, with early adoption permitted. Depending on the amendment, adoption may be applied on a retrospective, modified retrospective or prospective basis. The Company is evaluating the impact of the standard on its condensed consolidated financial statements.

In March 2020, the FASB issued ASU 2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting. ASU 2020-04 provides optional expedients and exceptions for applying GAAP to contracts, hedging relationships and other transactions affected by the expected transition away from reference rates that are expected to be discontinued, such as LIBOR. ASU 2020-04 was effective upon issuance. The Company may elect to apply the guidance prospectively through December 31, 2022. The Company is evaluating the impact of the standard on its condensed consolidated financial statements.

MONTROSE ENVIRONMENTAL GROUP, INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except where otherwise indicated)

3. REVENUES AND ACCOUNTS RECEIVABLE

The Company's main revenue sources derive from the following revenue streams:

Assessment, Permitting and Response Revenues—Assessment, Permitting and Response revenues are generated from multidisciplinary environmental consulting services. The majority of the contracts are fixed-price or time and material based.

Measurement and Analysis Revenues—Measurement and Analysis revenues are generated from emissions sampling, testing and reporting services, leak detection services, ambient air monitoring services and laboratory testing services. The majority of the contracts are fixed-price or time-and-materials based.

Remediation and Reuse Revenues—Remediation and Reuse revenues are generated from operating and maintenance ("O&M") services (on biogas and waste water treatment facilities), as well as remediation, monitoring and environmental compliance services. Services on the majority of O&M contracts are provided under long-term fixed-fee contracts. Remediation, monitoring and environmental compliance contracts are predominantly fixed-fee and time-and-materials based.

Disaggregation of Revenue—The Company disaggregates revenue by its operating segments**.** The Company believes disaggregating revenue into these categories achieves the disclosure objectives to depict how the nature, amount, and uncertainty of revenue and cash flows are affected by economic factors. Disaggregated revenue disclosures are provided in Note 17, Segment Information.

Contract Balances—The Company presents contract balances for unbilled receivables (contract assets), as well as customer advances, deposits and deferred revenue (contract liabilities) within contract assets and accounts payable and accrued expenses, respectively, on the condensed consolidated statements of financial position. Amounts are generally billed at periodic intervals (e.g., weekly, bi-weekly or monthly) as work progresses in accordance with agreed-upon contractual terms. The Company utilizes the practical expedient to not adjust the promised amount of consideration for the effects of a significant financing component as the period between when the Company transfers services to a customer and when the customer pays for those services is one year or less. Amounts recorded as unbilled receivables are generally for services the Company is not entitled to bill based on the passage of time. Under certain contracts, billing occurs subsequent to revenue recognition, resulting in contract assets. The Company sometimes receives advances or deposits from customers before revenue is recognized, resulting in contract liabilities.

The following table presents the Company's contract balances:

	March 31, 2020	December 31, 2019
Contract assets	$ 14,398	$ 13,605
Contract liabilities	4,711	3,314

Contracts assets acquired through business acquisitions amounted to $0.7 million as of December 31, 2019. Contract liabilities acquired through business acquisitions amounted to $2.2 million as of December 31, 2019. No acquisitions occurred during the three months ended March 31, 2020. Revenue recognized during the three months ended March 31, 2020, included in the contract liability balance at the beginning of the year was $1.3 million. The revenue recognized from the contract liabilities consisted of the Company satisfying performance obligations during the normal course of business.

MONTROSE ENVIRONMENTAL GROUP, INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except where otherwise indicated)

The amount of revenue recognized from changes in the transaction price associated with performance obligations satisfied in prior periods during the three months ended March 31, 2020 was not material.

Remaining Unsatisfied Performance Obligations—Remaining unsatisfied performance obligations represent the total dollar value of work to be performed on contracts awarded and in progress. The amount of remaining unsatisfied performance obligations increases with new contracts or additions to existing contracts and decreases as revenue is recognized on existing contracts. Contracts are included in the amount of remaining unsatisfied performance obligations when an enforceable agreement has been reached. As of March 31, 2020 and December 31, 2019, the estimated revenue expected to be recognized in the future related to performance obligations that are unsatisfied was approximately $16.7 million and $13.0 million, respectively. As of March 31, 2020, the Company expected to recognize approximately $13.9 million of this amount as revenue within the next year and $2.8 million the year after.

Accounts Receivable, Net—Accounts receivable, net as of March 31, 2020 and December 31, 2019 consisted of the following:

	March 31, 2020	December 31, 2019
Accounts receivable, invoiced	$ 46,561	$ 46,643
Accounts receivable, other	670	611
Allowance for doubtful accounts	(7,516)	(1,327)
Accounts receivable—net	$ 39,715	$ 45,927

The Company extends non-interest-bearing trade credit to its customers in the ordinary course of business. Accounts receivable are shown on the face of the condensed consolidated statements of financial position, net of an allowance for doubtful accounts. In determining the allowance for doubtful accounts, the Company analyzes the aging of accounts receivable, historical bad debts, customer creditworthiness and current economic trends. Subsequent to December 31, 2019, there was a global outbreak of a new strain of coronavirus, COVID-19. The COVID-19 pandemic has added uncertainty to the collectability of certain receivables, particularly in industries hard hit by the pandemic. As a result, the Company recorded a $6.3 million bad debt reserve during the three months ended March 31, 2020. The bad debt adjustment included a $5.5 million reserve for one customer in our Remediation and Reuse segment in which management concluded to discontinue select service lines as of March 31, 2020 (Note 17). For all periods presented, no customer accounted for more than 10% of revenue or accounts receivable.

The allowance for doubtful accounts as of March 31, 2020 and December 31, 2019 consisted of the following:

	Beginning Balance	Bad Debt Expense	Charged to Allowance	Other(1)	Ending Balance
Quarter ended March 31, 2020	$ 1,327	$ 6,333	$ (144)		$7,516
Year ended December 31, 2019	453	1,246	(556)	184	1,327

(1) This amount consists of additions to the allowance due to business acquisitions.

MONTROSE ENVIRONMENTAL GROUP, INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except where otherwise indicated)

4. PREPAID AND OTHER CURRENT ASSETS

Prepaid and other current assets as of March 31, 2020 and December 31, 2019 consisted of the following:

	March 31, 2020	December 31, 2019
Deposits	$ 615	$ 605
Prepaid expenses	1,129	1,235
Prepaid insurance	2,505	170
Supplies	2,365	2,368
Offering costs	1,406	1,240
Income tax receivable	908	1,205
Prepaid and other current assets	$ 8,928	$ 6,823

5. INTANGIBLE ASSETS

Amounts related to finite-lived intangible assets as of March 31, 2020 and December 31, 2019 are as follows:

March 31, 2020	Estimated Useful Life	Gross Balance	Accumulated Amortization	Total Intangible Assets—Net
Finite lived intangible assets				
Customer relationships	7–10 years	$ 108,782	$ 40,218	$ 68,564
Covenants not to compete	4–5 years	25,832	18,398	7,434
Trade names	1–5 years	12,738	10,783	1,955
Proprietary software	3 years	3,987	1,686	2,301
Patent	16 years	17,479	578	16,901
Total other intangible assets—net		$ 168,818	$ 71,663	$ 97,155

December 31, 2019	Estimated Useful Life	Gross Balance	Accumulated Amortization	Total Intangible Assets—Net
Finite lived intangible assets				
Customer relationships	7–10 years	$ 108,782	$ 36,700	$ 72,082
Covenants not to compete	4–5 years	25,832	17,572	8,260
Trade names	1–5 years	12,738	10,230	2,508
Proprietary software	3 years	3,885	1,359	2,526
Patent	16 years	17,479	306	17,173
Total other intangible assets—net		$ 168,716	$ 66,167	$ 102,549

Intangible assets with finite lives are stated at cost, less accumulated amortization and impairment losses, if any. These intangible assets are amortized using the straight-line method over the estimated useful lives of the assets.

MONTROSE ENVIRONMENTAL GROUP, INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except where otherwise indicated)

Amortization expense for the quarter ended March 31, 2020 and 2019 was $5.6 million and $4.5 million, respectively.

Future amortization expense is estimated to be as follows for each of the five following years and thereafter:

December 31,	
2020 (remaining)	$ 17,711
2021	18,714
2022	14,405
2023	11,885
2024	9,080
Thereafter	25,360
	$ 97,155

6. ACCOUNTS PAYABLE AND OTHER ACCRUED LIABILITIES

Accounts payable and other accrued liabilities consisted of the following as of March 31, 2020 and December 31, 2019:

	March 31, 2020	December 31, 2019
Accounts payable	$ 10,986	$ 15,034
Accrued expenses	9,872	10,733
Business acquisitions contingent consideration	3,703	8,614
Contract liabilities	4,711	3,314
Other current liabilities	231	504
Total accounts payable and other accrued liabilities	$ 29,503	$ 38,199

7. ACCRUED PAYROLL AND BENEFITS

Accrued payroll and benefits consisted of the following as of March 31, 2020 and December 31, 2019:

	March 31, 2020	December 31, 2019
Accrued bonuses	$ 762	$ 3,449
Accrued paid time off	2,271	2,154
Accrued payroll	4,219	4,470
Accrued other	1,322	959
Total accrued payroll and benefits	$ 8,574	$ 11,032

8. INCOME TAXES

The Company calculates its interim income tax provision in accordance with Accounting Standard Codification Topic 270, Interim Reporting (“ASC 270”), and ASC 740. For the period ended March 31, 2020, the

MONTROSE ENVIRONMENTAL GROUP, INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except where otherwise indicated)

Company determined its annual effective tax rate ("ETR") could not be reasonably estimated as it is highly sensitive to changes in projections of the Company's FY 2020 ordinary loss. Therefore, the Company estimated its Q1 ETR using the actual ETR computed for the three months ended March 31, 2020.

The Company's ETR from continuing operations was 7.11% and (15.18%) for the three months ended March 31, 2020 and March 31, 2019, respectively. The difference between the ETR and federal statutory rate of 21% is primarily attributable to items recorded for GAAP but permanently disallowed for US federal income tax purposes, state and foreign income tax provisions and Global Intangible Low Taxed Income ("GILTI"). The Company did not record discrete items during the three months ended March 31, 2020 and March 31, 2019.

A valuation allowance is recorded when it is more-likely-than-not some of the Company's deferred tax assets may not be realized. Significant judgment is applied when assessing the need for a valuation allowance and the Company considers future taxable income, reversals of existing deferred tax assets and liabilities and ongoing prudent and feasible tax planning strategies, in making such assessment. As of March 31, 2020, the Company expected its net deferred tax assets will more-likely-than-not be realized and did not record a valuation allowance.

The Company records uncertain tax positions in accordance with ASC 740, Income Taxes, on the basis of a two-step process in which (i) the Company determines whether it is more likely than not a tax position will be sustained on the basis of the technical merits of such position and (ii) for those tax positions meeting the more-likely-than-not recognition threshold, the Company would recognize the largest amount of tax benefit that is more than 50% likely to be realized upon ultimate settlement with the related tax authority. The Company has determined it has no uncertain tax positions as of March 31, 2020. The Company classifies interest and penalties recognized on uncertain tax positions as a component of income tax expense.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act ("CARES") was enacted. CARES includes several significant provisions for corporations, including those pertaining to net operating losses, interest deductions and payroll tax benefits. CARES did not have a material impact on the Company's financial statements for the three months ended March 31, 2020.

9. WARRANT OPTION

In October 2018, in connection with the issuance of the Redeemable Series A-1 Preferred Stock, the Company issued a detachable warrant to acquire 534,240 shares of common stock at a price of $0.01 per share at any given time during a period of ten years beginning on the instrument's issuance date. The fair value of this warrant was determined to be $16.9 million as of March 31, 2020 and December 31, 2019. The warrant option will be fair valued at each reporting period until exercised. Fair value adjustments recorded in other income (expense) on the condensed consolidated statements of operations as of March 31, 2020 and March 31, 2019, were not material. As of March 31, 2020, the warrant has not been exercised.

10. CONTINGENT PUT OPTION

As of March 31, 2019, the Company determined that the fair value of the contingent put option related to the Redeemable Series A-1 Preferred Stock was immaterial as the probability of the feature being exercised was considered remote. As of March 31, 2020 and December 31, 2019, the contingent put option issued in connection with the Redeemable Series A-1 Preferred Stock had a fair value of $36.7 million and $7.1 million, respectively. The change in value of $29.6 million as of March 31, 2020 was recorded to other income (expense). The fair value of the contingent put option as of March 31, 2020 considered the issuance of the Series A-2

preferred stock and the modification of the Series A-1 preferred stock, which were known and knowable, as of March 31, 2020. See Note 20.

11. DEBT

Debt as of March 31, 2020 and December 31, 2019 consists of the following:

	March 31, 2020	December 31, 2019
Term Loan Facility	$ 47,500	$ 48,750
Revolving Line of Credit	110,681	97,590
Capital leases	4,121	3,765
Other leases	8	12
Equipment line of credit	3,605	3,124
Less deferred debt issuance costs	(1,028)	(1,052)
Total debt	164,887	152,189
Less current portion of long term debt	(7,460)	(7,143)
Long-term debt, less current portion	$ 157,427	$ 145,046

Deferred Financing Costs—Costs relating to debt issuance have been deferred and are presented as discounted against the underlying debt instrument. These costs are amortized to interest expense over the terms of the underlying debt instruments.

Revolving Line of Credit and Term Loan Facility—As of March 31, 2020 and December 31, 2019, the Company's Credit Facility consisted of a $50.0 million Term Loan Facility and a $130.0 million Revolving Line of Credit.

Borrowings under the Credit Facility bear interest at either (i) LIBOR plus the applicable margin or (ii) a base rate (equal to the highest of (a) the federal funds rate plus 0.5%, (b) Lender A's prime rate and (c) Eurodollar Rate, which is based on LIBOR, (using a one-month period plus 1.0%), plus the applicable margin, as the Company elects. The applicable margin means a percentage per annum determined in accordance with the following table for March 31, 2020 and December 31, 2019:

Pricing Tier	Consolidated Leverage Ratio	Commitment Fee	Eurodollar Rate Loans and LIBOR Letter of Credit Fee	Daily Floating Rate Loans	Rate Loans
1	> 3.75 to 1.0	0.50%	4.00%	4.00%	3.00%
2	£ 3.75 to 1.0 but >3.00 to 1.0	0.50	3.50	3.50	2.50
3	£ 3.00 to 1.0 but >2.25 to 1.0	0.40	3.00	3.00	2.00
4	£ 2.25 to 1.0	0.30	2.50	2.50	1.50

As of December 31, 2019 and March 31, 2020, the Company fell within Pricing Tier 2. As of March 31, 2019, the Company fell within Tier 3.

As of March 31, 2020, December 31, 2019 and March 31, 2019, the Company was subject to a fixed charge coverage ratio of greater than 1.25 and a consolidated total leverage ratio of lower than 4.00.

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The Revolving Line of Credit is due and payable at maturity on October 19, 2021. Beginning on December 31, 2019 the $50.0 million Term Loan Facility requires quarterly repayments of $1.3 million. The remaining principal balance on the Term Facility will be due on the Term Loan maturity on October 19, 2021.

The Credit Facility contains mandatory prepayment features upon the following: 100% of the excess of the total revolving outstanding amount whenever it exceeds the aggregate revolving commitments then in effect; 100% of net cash proceeds of asset sales (to the extent not reinvested in eligible assets with 180 days and proceeds exceed $1.0 million in the aggregated in any fiscal year); 100% of the proceeds from the issuance of any debt; beginning with the fiscal year ending December 31, 2019, 50% of excess cash flow if the consolidated total leverage ratio is greater than 2.0 times; and within five days of a qualifying IPO, but prior to or contemporaneously with any permitted redemption of the Redeemable Series A-1 Preferred Stock, the Company shall repay the loans in the aggregate amount required to cause the consolidated total leverage ratio to equal to 3.00 to 1.0 after giving effect to such prepayment on a pro-forma basis.

The Credit Facility also restricts the Company's ability (subject to certain exceptions) to incur indebtedness, prepay or amend other indebtedness, create liens, make certain fundamental changes including mergers or dissolutions, pay dividends and make other payments in respect of capital stock, make certain investments, sell assets, change its lines of business, enter into transactions with affiliates and other corporate actions.

In the event of a default, subject to varying cure periods and rights for certain events of default, the administrative agent may, at its option, declare the commitments to fund the Credit Facility to be terminated. Additionally, all amounts accrued under the Credit Facility would be accelerated causing such obligations to be due and payable immediately, which could materially and adversely affect the Company.

The weighted average interest rate on the Credit Facility as of March 31, 2020 was 4.95%.

Equipment Line of Credit—On March 12, 2019, the Company renewed its equipment line of credit facility for the purchase of equipment and related freight, installation costs and taxes paid for an amount not to exceed $2.0 million. On May 16, 2019, the Company entered into a Canadian equipment line of credit facility for an amount not to exceed $1.0 million Canadian dollars. Interest on the line of credit is determined based on a three-year swap rate at the time of funding.

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Capital Lease Obligations—The assets and liabilities under capital lease agreements are recorded at the lower of the present value of the minimum lease payments or the fair value of the asset. The assets are being amortized over the shorter of their related lease terms or their estimated useful lives ranging from four to six years. The gross amount of assets under capital leases as of March 31, 2020 and December 31, 2019 was $7.7 million and $6.9 million, respectively. The amortization of assets under capital leases for the three months ended March 31, 2020 and 2019 was $0.2 million and $0.1 million, respectively and was included in depreciation and amortization on the condensed consolidated statements of operations. All capital leases (including those purchased through the Company's equipment line of credit) mature by 2025 as follows:

March 31,	Payments	Interest	Principal
2021	$ 2,859	$ 407	$ 2,452
2022	2,501	323	2,178
2023	1,976	209	1,767
2024	1,144	76	1,068
2025	267	6	261
	$ 8,747	$ 1,021	$ 7,726

The following is a schedule of the aggregate annual maturities of long-term debt presented on the condensed consolidated statement of financial position, based on the terms of the Credit Facility, operating and capital lease obligations as of March 31, 2020:

March 31,	
2021	$ 7,460
2022	155,359
2023	1,767
2024	1,068
2025	261
Total	$ 165,915

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

As of March 31, 2020 and December 31, 2019, the following financial liabilities are measured at fair value on a recurring basis using significant unobservable inputs (Level 3).

Level 3	March 31, 2020	December 31, 2019
Contingent consideration payable	$ 3,703	$ 8,614
Contingent consideration payable, long term	379	379
Warrant option	16,877	16,878
Contingent put option	36,727	7,100
Total	$ 57,686	$ 32,971

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The estimated fair value amounts shown above are not necessarily indicative of the amounts that the Company would realize upon disposition, nor do they indicate the Company's intent or ability to dispose of the financial instrument.

There were no changes in valuation techniques or inputs utilized or transfers between fair value measurement levels during the three months ended March 31, 2020 and 2019. The following table sets forth the Company's financial instruments that were measured at fair value on a recurring basis at March 31, 2020 and March 31, 2019:

			Level 3		
	Contingent Consideration Current(1)	Contingent Consideration Long Term(2)	Contingent Put Option	Warrant Option	Total
Balance—at December 31, 2018	$ 2,754	$	$	$12,818	$15,572
Balance—at March 31, 2019	$ 2,754	$	$	$12,818	$15,572
Balance—at December 31, 2019	$ 8,614	$ 379	$ 7,100	$16,878	$32,971
Changes in fair value included in earnings			29,627	(1)	29,626
Payment of contingent consideration payable	(4,703)				(4,703)
Foreign currency translation of contingent consideration payment	(208)				(208)
Balance—at March 31, 2020	$ 3,703	$ 379	$ 36,727	$16,877	$57,686

(1) Current portion of the contingent consideration is recorded in accounts payable and other accrued liabilities.
(2) Long term portion of the contingent consideration is recorded in other non-current liabilities.

Quantitative Information about Assets and Liabilities Measured at Fair Value on a Recurring Basis Using Significant Unobservable Inputs (Level 3):

Contingent Consideration Payable—The fair values of the contingent consideration payables for acquisitions were calculated based on expected target achievement amounts, which are measured quarterly and then subsequently adjusted to actuals at the target measurement date. The method used to price these liabilities is considered level 3 due to the subjective nature of the unobservable inputs used to determine the fair value. The input is the expected achievement of earnout thresholds.

Contingent Put Option—The fair value of the contingent put option associated with the issuance of the Redeemable Series A-1 Preferred Stock was estimated using a "with-and-without" method. The "with-and-without" methodology involves valuing the whole instrument on an as-is basis and then valuing the instrument without the individual embedded contingent put option. The difference between the entire instrument with the embedded contingent put option compared to the instrument without the embedded contingent put option is the fair value of the derivative, recorded as the contingent put option liability. The unobservable inputs are based on probabilities that the instrument will convert upon (i) an IPO, (ii) the instrument is redeemed as a result of the exercise of the call option by the issuer and (iii) the instrument is held until maturity. The considerable quantifiable inputs in the contingent put option liability were: (i) the future value of the call put option, (ii) the fair value of the Redeemable Series A-1 Preferred Stock, (iii) the present value of the total instrument, as well as the present value of the contingent put option feature plus the fair value of the instrument, and (iv) the risk free and discount rates.

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Warrant Option—The fair value of the warrant option associated with the issuance of the Redeemable Series A-1 Preferred Stock as of March 31, 2020 and March 31, 2019 was calculated based on the Black-Sholes pricing model using the following assumptions:

	March 31, 2020	March 31, 2019
Common stock value (per share)	$ 31.60	$ 24.00
Expected volatility	35.93%	50.11%
Risk-free interest rate	0.70%	2.41%
Expected life (years)	10.00	10.00

The method used to price these liabilities is considered Level 3 due to the subjective nature of the unobservable inputs (common stock value and expected volatility) used to determine the fair value.

13. COMMITMENTS AND CONTINGENCIES

Operating Leases—The Company leases office facilities over various terms expiring through 2028. Certain of these operating leases contain rent escalation clauses. The Company also has office equipment leases that expire through 2025. The following is a schedule of the future minimum lease payments by year under the leases as of March 31, 2020:

March 31,	Rent	Office Equipment	Total
2021	$ 5,833	$ 285	$ 6,118
2022	4,681	245	4,926
2023	3,625	208	3,833
2024	2,332	75	2,407
2025 and thereafter	1,790	14	1,804
	$18,261	$ 827	$19,088

Total rent expense under operating leases for the three months ended March 31, 2020 and 2019 was $2.1 million and $1.8 million, respectively.

Other Commitments—The Company has commitments under its loan facilities, equipment line of credit and capital lease obligations (Note 11).

Contingencies—The Company is subject to purchase price contingencies related to earn-outs associated with certain acquisitions.

Legal—In the normal course of business, the Company is at times subject to pending and threatened legal actions. In management's opinion, any potential loss resulting from the resolution of these matters is not expected to have a material effect on the condensed consolidated results of operations, financial position or cash flows of the Company.

14. REDEEMABLE SERIES A-1 PREFERRED STOCK

On October 19, 2018, the Company issued 12,000 shares of Redeemable Series A-1 Preferred Stock with a par value of $0.0001 per share and a detachable warrant to purchase 534,240 shares of the Company's

common stock. Each preferred share was issued as part of a unit, which consisted of one share of the Redeemable Series A-1 Preferred Stock at $0.01 million per share.

In the event of the occurrence of (i) a change of control with respect to the Company, (ii) a sale of the Company, (iii) an IPO, (iv) any recapitalization of the Company or other similar transaction in each case to the extent financed by third party capital, (v) an event of noncompliance or (vi) the fifth anniversary of the closing date (each, a "Mandatory Redemption Event"), the Company shall, at the option of the holder(s) of a majority of the outstanding Redeemable Series A-1 Preferred Stock, redeem all shares of the Redeemable Series A-1 Preferred Stock, for cash, to the extent permitted by law, at a price per share of Redeemable Series A-1 Preferred Stock equal to the applicable redemption price on such mandatory redemption date. The Company may, at its option ("Optional Redemption Event") on any one or more dates, redeem all or a portion of the outstanding Redeemable Series A-1 Preferred Stock in cash subject to certain terms and conditions.

The Redeemable Series A-1 Preferred Stock contains restrictive covenants. As of March 31, 2020 and December 31, 2019, the Company was subject to a consolidated total leverage ratio (including the outstanding principal and accrued dividend on the Redeemable Series A-1 Preferred Stock) to be lower than 10.0 times as of the end of any fiscal quarter ending until maturity. The Company was in compliance with the covenants as of March 31, 2020 and December 31, 2019. The Redeemable Series A-1 Preferred Stock has a liquidation preference of $0.01 million per share.

The Redeemable Series A-1 Preferred Stock accrues dividends quarterly at an annual rate of 15% with respect to any dividends paid in cash and at an annual rate of 14.2% with respect to dividends that are accrued. In the case of a mandatory redemption event, the holder is guaranteed a minimum of two years of dividends or in the event of an optional redemption event, the holder is guaranteed a minimum of three years of dividends. Total accrued and unpaid dividends as of March 31, 2020 and December 31, 2019 were $27.0 million and $21.9 million, respectively.

The total accreted amount as of March 31, 2020 was $28.6 million. At issuance the Company determined that the detachable warrant and the contingent put option were required to be accounted for separately (Notes 9 and 10).

15. STOCKHOLDERS' DEFICIT

Authorized Capital Stock—The Company was authorized to issue 25,000,000 shares of common stock, with a par value of $0.000004 per share as of March 31, 2020 and December 31, 2019.

Warrants—In May 2015, the Company issued warrants to acquire 116,350 shares of Common Stock at a price of approximately $17.19 per share to the placement agent as consideration for backstopping the financing completed in May 2015. There were no changes related to these warrants during the three months ended March 31, 2020 and March 31, 2019.

Common Stock Issuances and Repurchases—During the three months ended March 31, 2019, the Company issued 1,775 shares of common stock with an average price per share of $3.38 in connection with the exercise of certain options. There were no common stock issuances during the three months ended March 31, 2020.

Employee Equity Incentive Plans—The Company has two plans under which stock-based awards have been issued: (i) the Montrose 2017 Stock Incentive Plan ("2017 Plan") and (ii) the Montrose Amended & Restated 2013 Stock Option Plan ("2013 Plan") (collectively the "Plans").

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As of March 31, 2020 and March 31, 2019, there was $7.2 million and $5.5 million, respectively, of total unrecognized stock compensation expense related to unvested options and restricted stock granted under the Plans. That expense is expected to be recognized over the next two years. The following number of shares were authorized to be issued and available for grant as of March 31, 2020 and March 31, 2019:

	March 31, 2020	
	2017 Plan	2013 Plan
Shares authorized to be issued	1,057,785	2,058,619
Shares available for grant	8,217	4,775

	March 31, 2019	
	2017 Plan	2013 Plan
Shares authorized to be issued	981,800	2,074,604
Shares available for grant	359,473	8,075

Total stock compensation expense for the Plans as of March 31, 2020 and March 31, 2019 was as follows:

	2017 Plan Three Months Ended March 31,				2013 Plan Three Months Ended March 31,	
	2020		2019		2020	2019
	Options	Restricted Stock	Options	Restricted Stock	Options	
Cost of revenue	$ 355		$ 140		$ 70	$ 146
Selling, general and administrative expense	287	370	127	102	68	713
	$ 642	$ 370	$ 267	$ 102	$ 138	$ 859

Montrose 2017 Stock Incentive Plan

Restricted Stock—As of March 31, 2020 and March 31, 2019, the Company issued 33,229 and 30,000 shares of restricted stock with a fair market value of $31.60 and $24.0 per share, respectively, to certain 2017 Plan participants as Director's compensation. These shares of restricted stock vest over three years, or in full upon a change in control, subject to the participant's continued service as a Director throughout such date, or upon retirement. Members of the Board of Directors that receive stock-based compensation are treated as employees for accounting purposes. No restricted shares became fully vested and released as common stock during the three months ended March 31, 2020 and March 31, 2019. There were 273,122 and 242,025 restricted shares outstanding as of March 31, 2020 and March 31, 2019, respectively. There were no forfeitures, cancellations or expirations of restricted shares during the three months ended March 31, 2020 and March 31, 2019.

Options—Options issued to all optionees under the 2017 Plan vest over four years from the date of issuance (or earlier vesting start date, as determined by the Board of Directors) as follows: one half on the second anniversary of date of grant and the remaining half on the fourth anniversary of the date of grant with the exception of certain annual grants to our named executive officers, which vest annually over a 3-year period. The

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following summarizes the options activity of the 2017 Plan for the three months ended March 31, 2020 and March 31, 2019:

	Options to Purchase Common Stock	Weighted-Average Exercise Price per Share	Weighted Average Grant Date Fair Value per Share	Weighted Average Remaining Contract Life (in Years)	Aggregate Intrinsic Value of In-The-Money Options (in Thousands)
Outstanding at December 31, 2018	257,762	$ 20	$ 10		1,151
Granted	125,940	24	13		
Forfeitured/cancelled	(3,400)	24			
Outstanding at March 31, 2019	380,302	21	11		1,149
Outstanding at December 31, 2019	617,852	24	12	7.82	4,696
Granted	158,062	32	12		
Forfeitured/cancelled	(2,000)	32			
Outstanding at March 31, 2020	773,914	26	12	8.50	4,693
Options vested and expected to vest	773,914	26		8.79	4,693

The following weighted-average assumptions were used in the Black-Sholes option-pricing model calculation for the three months ended March 31, 2020 and March 31, 2019:

	March 31, 2020	March 31, 2019
Common stock value (per share)	$ 31.60	$ 24.00
Expected volatility	31.87%	48.01%
Risk-free interest rate	1.78%	2.63%
Expected life (years)	7	7
Forfeiture rate	None	None
Dividend rate	None	None

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Montrose Amended & Restated 2013 Stock Option Plan—The following summarizes the activity of the 2013 Plan for the three months ended March 31, 2020 and March 31, 2019:

	Options to Purchase Common Stock	Weighted-Average Exercise Price per Share	Weighted Average Grant Date Fair Value per Share	Weighted Average Remaining Contract Life (in Years)	Aggregate Intrinsic Value of In-The-Money Options (in Thousands)
Outstanding at December 31, 2018	1,900,404	$ 6	$ 1	7.30	33,290
Forfeitured/ granted	(8,200)	6			
Expired	(1,925)	6			
Exercised	(1,300)	6			
Outstanding at March 31, 2019	1,888,979	6	1	7.04	33,145
Outstanding at December 31, 2019	1,855,469	6	1	6.40	46,617
Expired	(725)	6			
Outstanding at March 31, 2020	1,854,744	6	1	6.14	46,521
Exercised at March 31, 2020	201,600	6		5.69	46,521
Options vested and expected to vest	1,854,744	6		5.65	46,521

Common Stock Reserved for Future Issuances—At March 31, 2020 and March 31, 2019, the Company has reserved certain stock of its authorized but unissued common stock for possible future issuance in connection with the following:

	March 31, 2020	March 31, 2019
Warrants	650,590	650,590
Montrose 2013 Stock Incentive Plan	2,058,619	2,074,604
Montrose 2017 Stock Incentive Plan	1,057,785	981,800
Common stock reserved for future issuance	3,766,994	3,706,994

16. NET LOSS PER SHARE

Basic net loss per share is computed by dividing net loss attributable to common stockholders by the weighted average number of common shares outstanding during each period.

Diluted net loss per share is computed by dividing net loss attributable to common stockholders by the weighted average number of common and dilutive common equivalent shares outstanding for the period using the treasury-stock method or the as-converted method. Shares issuable in connection with the warrant option are considered outstanding common shares for purposes of calculating net loss per share since they do not contain any conditions that must be satisfied for the holder to receive the shares. Potentially dilutive shares are comprised of restricted stock, and stock options outstanding under the Plans. For the three months ended March 31, 2020 and 2019, there is no difference in the number of shares used to calculate basic and diluted shares outstanding due to the Company's net loss and all potentially dilutive shares being anti-dilutive.

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The following table summarizes the computation of basic and diluted net loss per share attributable to common stockholders of the Company for the three months ended March 31, 2020 and 2019:

In thousands, except for net loss per share	March 31, 2020	March 31, 2019
Net loss	$ (41,248)	$ (5,242)
Accretion of redeemable series A-1 preferred stock	(5,415)	(4,534)
Net loss attributable to common stockholders—basic and diluted	(46,663)	(9,776)
Weighted-average common shares outstanding—basic and diluted	8,904	8,672
Net loss per share attributable to common stockholders—basic and diluted	$ (5.24)	$ (1.13)

The following equity shares were excluded from the calculation of diluted net loss per share attributable to common stockholders because their effect would have been anti-dilutive for the three months ended March 31, 2020 and 2019:

	March 31, 2020	March 31, 2019
Stock options	2,095,909	1,864,039
Restricted stock	19,059	151,829
Warrants	116,350	116,350

17. SEGMENT INFORMATION

The Company has three operating and reportable segments: Assessment, Permitting and Response, Measurement and Analysis and Remediation and Reuse. These segments are monitored separately by management for performance against budget and prior year and are consistent with internal financial reporting. The Company's operating segments are organized based upon primary services provided, the nature of the production process, their type of customers, methods used to distribute the products and the nature of the regulatory environment.

Segment Adjusted EBITDA is the primary measure of operating performance for all three operating segments. Segment Adjusted EBITDA is the calculated Company's Earnings before Interest, Tax, Depreciation and Amortization ("EBITDA"), adjusted to exclude certain transactions such as stock-based compensation, acquisition costs and fair value changes in financial instruments, amongst others. The CODM does not review segment assets as a measure of segment performance.

Corporate and Other includes costs associated with general corporate overhead (including executive, legal, finance, safety, human resources, marketing and IT related costs) that are not directly related to supporting operations. Overhead costs that are directly related to supporting operations (such as insurance, software, licenses, shared services and payroll processing costs) are allocated to the operating segments on a basis that reasonably approximates an estimate of the use of these services.

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Segment revenues and Adjusted EBITDA for the three months ended March 31, 2020 and March 31, 2019 were as follows:

	Three Months Ended March 31,			
	2020		2019	
	Segment Revenues	Segment Adjusted EBITDA	Segment Revenues	Segment Adjusted EBITDA
Assessment, Permitting and Response	$ 4,530	$ 1,442	$ 4,575	$ 1,994
Measurement and Analysis	36,440	7,379	28,331	3,989
Remediation and Reuse	20,061	2,107	18,048	2,620
Total Operating Segments	61,031	10,928	50,954	8,603
Corporate and Other		(5,375)		(3,531)
Total	$ 61,031	$ 5,553	$ 50,954	$ 5,072

Presented below is a reconciliation of the Company's segment measure to loss before benefit from income taxes for the three months ended March 31, 2020 and March 31, 2019:

	For the Quarters Ended March 31,	
	2020	2019
Total	$ 5,553	$ 5,072
Interest Expense, net	(2,593)	(1,279)
Income tax benefit (expense)	3,152	(816)
Depreciation and Amortization	(7,560)	(6,449)
Stock-based compensation	(1,150)	(1,228)
Start-up losses and investment in new services	(379)	(314)
Acquisition costs	(1,307)	(215)
Fair value changes in financial instruments	(29,627)	
Short term purchase accounting fair value adjustment to deferred revenue	(243)	
IPO preparation	(531)	(13)
Discontinued services	(6,417)(i)	
Other (gains), losses and expenses	(147)	
Net Loss	$(41,248)	$(5,242)

(i) During the three months ended March 31, 2020, the Company determined to reduce the footprint of its environmental lab in Berkeley, California, and to exit its non-specialized municipal water engineering service line and its food waste biogas engineering service line. As a part of discontinuing service lines, the Company made the decision to book an additional bad debt reserve related to the uncertainty around the ability to collect on receivables related to these service lines (Note 3). It was determined that the discontinuation of these service lines does not represent a strategic shift that had (or will have) a major effect on the Company's operations and financial results therefore does not meet the requirements to be classified as discontinued operations.

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18. RELATED-PARTY TRANSACTIONS

The Company engages a related party to provide Quality of Earnings reports on acquisition targets. During the three months ended March 31, 2020 and March 31, 2019, the Company paid this related party approximately $0.1 million for its services. This expense is included within related-party expense on the condensed consolidated statements of operations. As of March 31, 2020 and December 31, 2019, the Company had no significant unpaid invoices to this related party, which are included in accounts payable and other accrued liabilities on the condensed consolidated statements of financial position. The related party used by the Company is partially owned through investment vehicles controlled by certain members of the Company's Board of Directors.

19. DEFINED CONTRIBUTION PLAN

On January 1, 2014, the Company established the Montrose Environmental Group 401(k) Savings Plan. As of March 31, 2020 and December 31, 2019, plan participants may defer up to 85% and 100%, respectively, of their eligible wages for the year, up to the Internal Revenue Service dollar limit and catch up contribution allowed by law. The Company provides employer matching contributions equal to 100% of the first 3% of the participant's compensation and 50% of the participant's elective deferrals that exceed 3% but do not exceed 4% of the participant's compensation. Employer contributions for the three months ended March 31, 2020 and March 31, 2019 were $0.8 million $0.6 million, respectively, and are included within selling, general, and administrative expenses on the condensed consolidated statements of operations.

20. SUBSEQUENT EVENTS

COVID-19—The spread of COVID-19 around the world in the first quarter of 2020 has resulted in significant volatility in the U.S. and international markets. The Company is closely monitoring the impact of the COVID-19 pandemic on all aspects of its business. Thus far, certain responses to the COVID-19 outbreak have included mandates from federal, state and/or local authorities that required temporary closure of or imposed limitations on the operations of certain businesses and organizations. Montrose provides services classified as essential in most jurisdictions to the public's health, safety, and welfare through a range of services, from testing to remediation to proactive interventions. Montrose's clients, many of whom provide critical utilities and services, rely on the Company to ensure their facilities and operations remain in compliance with government mandated limits. They also rely on Montrose's technical expertise to ensure the safety and compliance with ongoing projects. As such, Montrose's facilities remain open and operational thus far. While COVID-19 did not have a material adverse effect on the Company's reported results for its first quarter, the Company did experience some changes to its business operations. The changes were primarily composed of client postponement of on-site environmental compliance testing, delays in project start dates, and postponement or reformatting of scientific presentations and sales visits. The Company believes these impacts are temporary and accordingly it has instituted temporary cost mitigation measures such as furloughs for a subset of its impacted workforce. The Company's businesses exposed to commercial food waste and non-specialized municipal water engineering projects also saw or are seeing more significant disruptions and, as a result, the Company exited those service lines. The Company has not experienced a significant slowdown in cash collections, and as a result cash flow from operations has not been materially and adversely impacted. The Company expects its sources of liquidity to be sufficient for its operating needs for the next twelve months from the issuance of these financial statements.

Series A-2 Preferred Stock—On April 13, 2020, the Company entered into an agreement to issue 17,500 shares of the Series A-2 Preferred Stock with a par value of $0.0001 per share and a detachable warrant to

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purchase shares of the Company's common stock with a value of $30.0 million and a 10-year life, in exchange for $175.0 million. Each share of Series A-2 Preferred Stock accrues dividends at the rate of 15% per annum, with respect to dividends that are paid in cash, and 14.2% per annum, with respect to dividends that are accrued. The Series A-2 Preferred Stock contains restrictive covenants that include: (i) maximum 4.0 times debt incurrence test and (ii) 10.0 times total leverage cap (inclusive of the outstanding balance on the Series A-2 Preferred Stock).

The Company may, at its option on any one or more dates, redeem all or a minimum portion (the lesser of (i) $50.0 million in aggregate stated value of the Series A-2 Preferred Stock and (ii) all of the Series A-2 Preferred Stock then outstanding) of the outstanding Series A-2 Preferred Stock in cash.

On the occurrence of (i)(x) before a private offering which results in a redemption in full of the Redeemable Series A-1 Preferred Stock, the four-and-a-half-year anniversary of the closing date or (y) after a private offering which results in a redemption in full of the Redeemable Series A-1 Preferred Stock, the five-year anniversary of the closing date, (ii) a change of control, (iii) a sale of the Company, (iv) a non-qualifying IPO, (v) any recapitalization of the Company (other than a redemption of the Redeemable Series A-1 Preferred Stock) or (vi) an event of noncompliance, as defined in the Series A-2 certificate of designation (each, a **"**mandatory redemption event"), the Company shall, at the option of the holders of a majority of the Series A-2 Preferred Stock, redeem all shares of the Series A-2 Preferred Stock, for cash, at a price per share of Series A-2 Preferred Stock equal to the applicable redemption price on such mandatory redemption date.

Upon a qualifying IPO, following which the Redeemable Series A-1 Preferred Stock is fully redeemed, the Series A-2 Preferred Stock terms automatically update to the following: (i) no maturity date, (ii) no principal cash repayment obligation, (iii) only redeemable at the Company's option, (iv) the instrument becomes convertible into common stock beginning on the fourth-year anniversary of issuance at a 15% discount to the common stock market price (with a limit of $60.0 million in stated value of Series A-2 Preferred Stock eligible to be converted in any 60-day period prior to the seventh anniversary of issuance and the amount of stated value of the Series A-2 Preferred Stock eligible for conversion limited to $60.0 million during year 5 and $120.0 million (which includes the aggregate amount of Stated Value of any shares of Series A-2 Preferred Stock converted in year 5) during year 6, (v) the dividend rate steps down to 9% per year with quarterly cash payments required, (vi) the debt incurrence test ratio increases to 4.5 times (unless the Redeemable Series A-1 Preferred Stock is partially repaid with debt but only for so long as such debt remains unpaid) and (vii) removal of the total leverage cap covenant.

With respect to any redemption of any share of the Series A-2 Preferred Stock prior to the third-year anniversary, the Company is subject to a make whole penalty in which the holders of the Series A-2 Preferred Stock are guaranteed a minimum repayment equal to outstanding redeemed principal plus three years of dividends accrued or accruable thereon.

Following a private offering, following which the Redeemable Series A-1 Preferred Stock is fully redeemed, the Series A-2 Preferred Stock terms automatically update to the following (i) maturity date extends to 5 years, (ii) the dividend rate steps down to 9% per year (payable in cash only) with quarterly cash payments required and (iii) the total leverage cap covenant is removed and (iv) the debt incurrence test ratio increases to 4.5 times (unless the Redeemable Series A-1 Preferred Stock is partially repaid with debt but only for so long as such debt remains unpaid).

Following a partial redemption of outstanding Redeemable Series A-1 Preferred Stock, the dividend rate of the Series A-2 Preferred Stock is reduced proportionally (between 15% and 9%) in relation to the proportion

MONTROSE ENVIRONMENTAL GROUP, INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except where otherwise indicated)

of the Redeemable Series A-1 Preferred Stock redeemed, with the rate increasing by an additional 1% for dividends are accrued versus paid in cash.

Warrant Option—On April 13, 2020, in connection with the issuance of the Series A-2 Preferred Stock, the Company issued a detachable warrant with a fixed value of $30.0 million, to acquire 1,351,960 shares of common stock at a price of $0.01 per share, with 949,367 being exercisable at any time and during a period of ten years beginning on the instrument's issuance date and the remaining balance subject to issuance, if at all, based on the valuation of certain pre-defined liquidation events, including an IPO.

Business Acquisition—In April 2020, the Company completed the business acquisition of The Center for Toxicology and Environmental Health, LLC ("CTEH") by acquiring 100% of their membership interest. CTEH is an environmental consulting company in Arkansas that specializes in environmental response and toxicology. The transaction qualified as an acquisition of a business and will be accounted for as a business combination. The following table summarizes the elements of the purchase price of CTEH:

	Cash	Common Stock	Other Purchase Price Component	Contingent Consideration(i)	Total Purchase Price
CTEH	$ 175,000	$ 25,000	$ (1,746)	$	$ 198,254

(i) The contingent consideration element of the purchase price of CTEH's acquisition is related to earn-outs which are based on the expected achievement of revenue or earnings thresholds as of the date of the acquisition and for which the maximum potential amount is limited. The first year earnout is to be calculated at twelve times CTEH's 2020 EBITDA (as defined in the purchase agreement) in excess of $18.3 million, with a maximum first year earn-out payment of $50.0 million. The second year earn-out is to be calculated at ten times CTEH's 2021 EBITDA in excess of actual 2020 EBITDA, with a maximum second year earn-out payment of $30.0 million. Estimated fair value of earn-out payments is still yet to be determined as the valuation process has not been finalized. The 2020 earn out is payable 100% in common stock unless the Company has consummated an IPO or a private placement of common stock where proceeds are no less than $75.0 million, in which event 50% of the 2020 earn out is payable in common stock and 50% in cash. The 2021 earn out, if any, is payable in cash.

The cash portion of the CTEH purchase price was funded via the proceeds from the issuance of the Series A-2 Preferred Stock.

The common stock component was paid through the issuance of 791,139 shares of common stock valued at $31.60 per share.

The other purchase price component of the CTEH purchase price consists of a target working capital amount. CTEH's resulting working capital at closing did not meet the target amount, therefore resulting in a working capital deficit due to the Company.

The Company has not yet completed the initial purchase price allocation for this acquisition, including obtaining all of the information required for the valuation of the acquired intangible assets, goodwill, assets and liabilities assumed, due to the timing of the close of the transaction.

Supplemental Unaudited Pro-Forma—The unaudited consolidated financial information summarized in the following table gives effect to the CTEH acquisition assuming it occurred on January 1, 2020. These

MONTROSE ENVIRONMENTAL GROUP, INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except where otherwise indicated)

unaudited consolidated pro forma operating results do not assume any impact from revenue, cost or other operating synergies that are expected as a result of the acquisition, nor do they reflect any impact of the issuance of the Series A-2 Preferred Stock or the entry into UniTranche Credit Facility described below. These unaudited consolidated pro forma operating results are presented for illustrative purposes only and are not indicative of the operating results that would have been achieved had the acquisitions occurred on January 1, 2020, nor does the information purport to reflect results for any future period.

	As reported	Acquisitions Pro-Forma (Unaudited)	Consolidated Pro-Forma (Unaudited)
March 31, 2020			
Revenues	$ 61,031	$ 31,253	$ 92,284
Net (loss) income	(41,248)	10,288	(30,960)

Redeemable Series A-1 Preferred Stock—On April 13, 2020, the Company amended and restated the certificate of designation of the Company's Redeemable Series A-1 Preferred Stock. The most significant changes in the amendment included (i) the Redeemable Series A-1 Preferred Stock becomes pari passu with the Series A-2 Preferred Stock, (ii) the maturity was extended to be 4.5 years from the closing date of the Series A-2 Preferred Stock; (iii) the Company may use up to $50.0 million of indebtedness or cash on hand to redeem the Redeemable Series A-1 Preferred Stock, and (iv) upon an IPO, up to 50% of accumulated dividends may be paid in common shares and (v) the Company may elect to reduce the three year make whole penalty to a two year make whole penalty if the warrants issued in connection with the issuance of the Redeemable Series A-1 Preferred Stock are exercised in full. Following a partial redemption of outstanding Redeemable Series A-1 Preferred Stock, the dividend rate of the remaining Redeemable Series A-1 Preferred Stock is reduced proportionally (between 15% and 9%) in relation to the proportion of Redeemable Series A-1 Preferred Stock redeemed, with the rate increasing by an additional 1% for dividends are accrued versus paid in cash.

UniTranche Credit Facility—On April 13, 2020, the Company entered into a UniTranche Credit Agreement for a $225.0 million credit facility, comprised of a Term Loan of $175.0 million and a Revolver of $50.0 million. The facility matures in April 2025 unless the Redeemable Series A-1 Preferred Stock has not been redeemed in full, in which case the maturity date is April 2024 (180 days before the maturity date of the Redeemable Series A-1 Preferred Stock). The Term Loan and the Revolver bear interest at Libor plus 5.0% with a 1.0% LIBOR floor and Libor plus 3.5%, respectively. The Term Loan has quarterly repayments starting on September 30, 2020 of $0.5 million, increasing to $1.2 million on September 30, 2021 and further increasing to $1.6 million on September 30, 2022, with the remaining outstanding principal amount due on the maturity date. The majority of the proceeds received from the UniTranche Credit Facility were used to fully repay the Company's existing Revolving Line of Credit and Term Loan Facility.

The Company has evaluated subsequent events through June 3, 2020, which is the date the condensed consolidated financial statements were available to be issued. There have been no additional subsequent events, other than those described above, that management believes would have a material impact on the Company or its condensed consolidated financial statements.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of Montrose Environmental Group, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial position of Montrose Environmental Group, Inc. and subsidiaries (the "Company") as of December 31, 2019 and 2018, the related consolidated statements of operations, comprehensive loss, convertible preferred stock, redeemable Series A-1 preferred stock and stockholders' equity (deficit), and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the periods ended December 31, 2019 and 2018, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Deloitte & Touche LLP
Costa Mesa, California

June 3, 2020

We have served as the Company's auditor since 2016.

MONTROSE ENVIRONMENTAL GROUP, INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2019 and 2018
(In thousands, except share data)

	2019	2018
ASSETS		
CURRENT ASSETS:		
Cash	$ 6,411	$ 2,489
Restricted cash	473	
Accounts receivable—net	45,927	38,468
Contract assets	13,605	10,112
Prepaid and other current assets	5,618	2,598
Income tax receivable	1,205	332
Total current assets	73,239	53,999
NON-CURRENT ASSETS:		
Property and equipment—net	27,036	20,792
Goodwill	127,058	90,498
Other intangible assets—net	102,549	68,563
Other assets	1,956	519
TOTAL ASSETS	$ 331,838	$ 234,371
LIABILITIES, REDEEMABLE SERIES A-1 PREFERRED STOCK AND STOCKHOLDERS' (DEFICIT) EQUITY		
CURRENT LIABILITIES:		
Accounts payable and other accrued liabilities	$ 38,199	$ 19,008
Accounts payable to related party		70
Accrued payroll and benefits	11,032	8,207
Warrant option	16,878	12,818
Current portion of long-term debt	7,143	2,262
Total current liabilities	73,252	42,365
NON-CURRENT LIABILITIES:		
Other non-current liabilities	379	67
Deferred tax liabilities—net	3,530	4,868
Contingent put option	7,100	
Long-term debt—net of deferred financing fees	145,046	70,965
Total liabilities	229,307	118,265
COMMITMENTS AND CONTINGENCIES (Note 16)		
REDEEMABLE SERIES A-1 PREFERRED STOCK $0.0001 PAR VALUE—Authorized, issued and outstanding shares: 12,000 at December 31, 2019 and 2018; aggregate liquidation preference of $141,898 and $123,417 at December 31, 2019 and 2018, respectively	128,822	109,206
STOCKHOLDERS' (DEFICIT) EQUITY:		
Common stock, $0.000004 par value; authorized shares: 25,000,000; issued and outstanding shares: 8,370,107 and 8,137,771 at December 31, 2019 and 2018, respectively		
Additional paid-in capital	38,153	47,869
Accumulated deficit	(64,404)	(40,847)
Notes receivable from stockholders		(122)
Accumulated other comprehensive loss	(40)	
Total stockholders' (deficit) equity	(26,291)	6,900
TOTAL LIABILITIES, REDEEMABLE SERIES A-1 PREFERRED STOCK AND STOCKHOLDERS' (DEFICIT) EQUITY	$ 331,838	$ 234,371

The accompanying notes are an integral part of these consolidated financial statements.

MONTROSE ENVIRONMENTAL GROUP, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2019 and 2018
(In thousands, except per share data)

	2019	2018
REVENUES	$ 233,854	$ 188,805
COST OF REVENUES (exclusive of depreciation and amortization shown below)	163,983	134,734
SELLING, GENERAL AND ADMINISTRATIVE EXPENSE	50,663	38,615
RELATED- PARTY EXPENSE	448	2,180
DEPRECIATION AND AMORTIZATION	27,705	23,915
LOSS FROM OPERATIONS	(8,945)	(10,639)
OTHER INCOME (EXPENSE):		
Other (expense) income	(10,978)	265
Interest expense—net	(6,755)	(11,085)
Total other expenses—net	(17,733)	(10,820)
LOSS BEFORE BENEFIT FROM INCOME TAXES	(26,678)	(21,459)
INCOME TAXES BENEFIT	(3,121)	(4,968)
NET LOSS	$ (23,557)	$ (16,491)
CONVERTIBLE PREFERRED STOCK DEEMED DIVIDEND, NET OF RETURN FROM HOLDERS		(932)
ACCRETION OF REDEEMABLE SERIES A- 1 PREFERRED STOCK	(19,616)	(3,605)
NET LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS	$ (43,173)	$ (21,028)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING—BASIC AND DILUTED	8,789	7,533
NET LOSS PER SHARE ATTRIBUTABLE TO COMMON STOCKHOLDERS—BASIC AND DILUTED	$ (4.91)	$ (2.79)

The accompanying notes are an integral part of these consolidated financial statements.

MONTROSE ENVIRONMENTAL GROUP, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31, 2019 and 2018
(In thousands)

	2019	2018
Net loss	$ (23,557)	$ (16,491)
Equity adjustment from foreign currency translation	(40)	
Comprehensive loss	$ (23,597)	$ (16,491)

The accompanying notes are an integral part of these consolidated financial statements.

MONTROSE ENVIRONMENTAL GROUP, INC.

CONSOLIDATED STATEMENTS OF CONVERTIBLE PREFERRED STOCK, REDEEMABLE SERIES A-1 PREFERRED STOCK AND STOCKHOLDERS' EQUITY (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In thousands, except share data)

	Convertible Preferred Stock		Redeemable Series A-1 Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Notes Receivable from Stockholders	Accumulated Other Comprehensive Loss	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount	Shares	Amount					
BALANCE—January 1, 2018	69,817	$ 45,017		$	7,287,495	$	$ 30,079	$ (24,356)	$ (122)	$	$ 5,601
Net loss								(16,491)			(16,491)
Convertible preferred stock deemed dividend, net of return from holders		932					(932)				(932)
Conversion of convertible preferred stock into cash	(48,075)	(30,986)									
Conversion of convertible preferred stock into common stock	(21,742)	(14,963)			674,008		14,963				14,963
Issuance of redeemable series A-1 preferred stock, net of transaction costs and warrant			12,000	105,601							
Accretion of the redeemable series A-1 preferred stock to redeemable value				3,605			(3,605)				(3,605)
Repurchase of common stock					(277,714)		(2,722)				(2,722)
Repurchase of options							(1,372)				(1,372)
Stock-based compensation							5,794				5,794
Common stock issued					453,982		5,664				5,664
BALANCE—December 31, 2018			12,000	109,206	8,137,771		47,869	(40,847)	(122)		6,900
Net loss								(23,557)			(23,557)
Accretion of the redeemable series A-1 preferred stock to redeemable value				19,616			(19,616)				(19,616)
Stock-based compensation							4,345				4,345
Common stock issued					232,336		5,555				5,555
Collection of notes receivable from stockholders									122		122
Accumulated other comprehensive loss										(40)	(40)
BALANCE—December 31, 2019		$	12,000	$128,822	8,370,107	$	$ 38,153	$ (64,404)	$	$ (40)	$ (26,291)

The accompanying notes are an integral part of these consolidated financial statements.

MONTROSE ENVIRONMENTAL GROUP, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 and 2018
(In thousands)

	2019	2018
OPERATING ACTIVITIES:		
Net loss	$ (23,557)	$ (16,491)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Provision for bad debt	1,246	
Depreciation and amortization	27,705	23,915
Gain on asset disposition	(388)	(126)
Lease abandonment		76
Stock-based compensation expense	4,345	5,794
Amortization of deferred financing costs	560	1,672
Deferred income taxes	(3,121)	(4,968)
Fair value changes in contingent liabilities	1,392	(158)
Fair value changes in derivative		(352)
Fair value changes in warrant option	4,060	
Fair value changes in the contingent put option	7,100	
Gain on the extinguishment of the subordinated debt		(356)
Cloud computing costs	(1,609)	
Foreign currency realized exchange loss	25	
Changes in operating assets and liabilities—net of acquisitions:		
Accounts receivable and contract assets	(6,588)	(9,997)
Prepaid expenses and other current assets	(2,461)	(101)
Accounts payable and other accrued liabilities	6,155	(2,202)
Accounts payable to related party	(70)	
Accrued payroll and benefits	2,248	449
Net cash provided by (used in) operating activities	17,042	(2,845)
INVESTING ACTIVITIES:		
Proceeds from property insurance	360	43
Purchases of property and equipment	(4,692)	(3,772)
Proceeds received from the sale of property and equipment	260	166
Proprietary software development	(21)	(337)
Payment of assumed purchase price obligations	(1,520)	(548)
Cash paid for acquisitions—net of cash acquired	(81,370)	(45,835)
Net cash used in investing activities	(86,983)	(50,283)
FINANCING ACTIVITIES:		
Proceeds from line of credit	146,338	109,383
Payments on line of credit	(68,747)	(89,383)
Proceeds from term loans		35,333
Repayment of term loans	(1,250)	(71,590)
Repayment of capital leases	(1,972)	(1,010)
Debt issuance cost	(435)	(889)
Debt extinguishment costs		(410)
Repayment of the subordinated debt		(11,944)
Proceeds from issuance of common stock	1,509	30
Proceeds from issuance of the Redeemable Series A-1 Preferred Stock—net of transaction costs		118,419
Repurchase of options		(1,372)
Conversion of convertible preferred stock into cash		(30,986)
Repurchase of common stock		(2,722)
Payment of contingent consideration and other assumed purchase price obligations	(1,113)	(2,009)
Collection of notes receivable from stockholders	122	
Net cash provided by financing activities	74,452	50,850
CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	4,511	(2,278)
Foreign exchange impact on cash balance	(116)	

MONTROSE ENVIRONMENTAL GROUP, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 and 2018
(In thousands)

	2019	2018
CASH, CASH EQUIVALENTS AND RESTRICTED CASH:		
Beginning of year	2,489	4,767
End of year	$ 6,884	$ 2,489
SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION:		
Cash paid for interest	$ 5,891	$ 7,924
Cash paid for income tax	$ 1,205	$ 596
SUPPLEMENTAL DISCLOSURES OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Accrued purchases of property and equipment	$ 975	$ 793
Property and equipment purchased under capital leases	$ 4,347	$ 3,116
Write off of the derivative liability	$	$ 2,295
Convertible preferred stock deemed dividend—net of return from holders	$	$ 932
Conversion of convertible preferred stock into common stock	$	$ 14,963
Detachable warrant issued in connection with Redeemable Series A-1 Preferred Stock	$	$ 12,818
Acquisitions unpaid contingent consideration	$ 5,402	$ 4,760
Accretion of the Redeemable Series A-1 Preferred Stock to redeemable value	$ 19,616	$ 3,605
Common stock issued to acquire new businesses	$ 4,047	$ 5,634
Offering costs included in accounts payable and other accrued liabilities	$ 1,240	$ 154

The accompanying notes are an integral part of these consolidated financial statements.

MONTROSE ENVIRONMENTAL GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In thousands, except where otherwise indicated)

1. DESCRIPTION OF THE BUSINESS AND BASIS OF PRESENTATION

Description of the Business—Montrose Environmental Group, Inc. ("Montrose" or the "Company") is a Corporation formed on November 2013, under the laws of the State of Delaware. The Company has over 60 offices across the United States, Canada and Australia and over 1,300 employees. Montrose is highly acquisitive and, as of December 31, 2019, had completed 53 acquisitions since its inception.

Montrose is an environmental services company serving the recurring environmental needs of a diverse client base, including Fortune 500 companies and Federal, State and local government through the following three segments:

Assessment, Permitting and Response—Through its Assessment, Permitting and Response segment, Montrose provides scientific advisory and consulting services to support environmental assessments, environmental emergency response, and environmental audits and permits for current operations, facility upgrades, new projects, decommissioning projects and development projects. Our technical advisory and consulting offerings include regulatory compliance support and planning, environmental, ecosystem and toxicological assessments and support during responses to environmental disruption. Montrose helps clients navigate regulations at the local, state, provincial and federal levels.

Measurement and Analysis—Through its Measurement and Analysis segment, Montrose's teams test and analyze air, water and soil to determine concentrations of contaminants as well as the toxicological impact of contaminants on flora, fauna and human health. Montrose's offerings include source and ambient air testing and monitoring, leak detection and repair ("LDAR") and advanced analytical laboratory services such as air, storm water, wastewater and drinking water analysis.

Remediation and Reuse—Through its Remediation and Reuse segment, Montrose provides clients with engineering, design, implementation and operations and maintenance services, primarily to treat contaminated water, remove contaminants from soil or create biogas from food or agricultural waste. The Company does not own the properties or facilities at which it implements these projects or the underlying liabilities, nor does it own material amounts of the equipment used in projects; instead, the Company assists clients in designing solutions, managing projects and mitigating their environmental risks and liabilities at their locations.

Basis of Presentation—The consolidated financial statements include the operations of the Company and its wholly-owned subsidiaries. These consolidated financial statements are presented in conformity with accounting principles generally accepted in the United States ("U.S. GAAP"). All intercompany transactions, accounts and profits, have been eliminated in the consolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates—The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates inherent in the preparation of the accompanying consolidated financial statements include, but are not limited to, management's forecasts of future cash flows used as a basis to assess recoverability of goodwill and long-lived assets, the allocation of purchase price to tangible and intangible assets, allowances for doubtful accounts, the

estimated useful lives over which property and equipment is depreciated and intangible assets are amortized, the fair value of contingent consideration payables, the fair value of warrants, the fair value of the contingent put option, the fair value of common stock issued, stock-based compensation expense and deferred taxes. These estimates could materially differ from actual results.

Cash—The Company maintains its cash in bank deposit accounts, which at times may exceed federally insured limits. The Company considers cash deposits in banks as cash with original maturities at purchase of three months or less as cash equivalents.

Cash and cash equivalents and long-term debt financial instruments subject the Company to concentrations of credit risk. To minimize the risk of credit loss, these financial instruments are primarily held with large, reputable financial institutions. The Company has not experienced losses in such accounts and believes it is not exposed to any significant credit risk associated with these accounts.

Restricted Cash—Cash and cash equivalents that are restricted as to withdrawal or use under the terms of certain contractual agreements are recorded in restricted cash in the Company's consolidated statements of financial position. The Company's restricted cash balance is related to deposit funds that serve as a performance guarantee for certain ongoing projects with the Australian government.

Financial Instruments—Accounting Standards Codification ("ASC") 820, Fair Value Measurements and Disclosures, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a three-level fair value hierarchy that prioritizes the inputs and minimizes the use of unobservable inputs. The three levels of inputs used to measure fair values are as follows:

Level 1—Quoted prices in active markets for identical assets or liabilities.

Level 2—Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs. The inputs to the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation.

The Company considers the carrying values of cash, restricted cash, accounts receivable, accounts payable, and accrued expenses to approximate fair value for these financial instruments due to the short maturities of these instruments. The Company's contingent put option, warrant option and any acquisition's contingent consideration are carried at fair value and determined according to the fair value hierarchy above.

The Company's variable rate borrowings under its Credit Facility (Note 14) is tied to market indices and, thus, approximate fair value. The estimated fair value of the long-term debt under the credit facility is based on borrowing rates currently available to the Company for loans with similar terms and remaining maturities.

MONTROSE ENVIRONMENTAL GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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Impairment of Long-Lived Assets—Certain events or changes in circumstances may indicate that the recoverability of the carrying amount of property and equipment should be assessed. When such events or changes in circumstances are present, the Company estimates the future cash flows expected to result from the use of the asset (or asset group) and its eventual disposition. If the sum of the expected undiscounted future cash flows is less than the carrying amount, the Company recognizes an impairment based on the fair value of such assets. As of December 31, 2019 and 2018, management determined that there was no impairment of long-lived assets.

Acquisitions—The Company first assesses whether the acquisition represents a purchase of assets or a business. If the transaction is a business acquisition, the Company accounts for the acquisition using business combination accounting, which requires that assets acquired and liabilities assumed be recognized at fair value as of the acquisition date. The purchase price of acquisitions is allocated to the tangible and identifiable intangible assets acquired and liabilities assumed based on estimated fair values, and any excess purchase price over the identifiable assets acquired and liabilities assumed is recorded as goodwill. Goodwill represents the premium the Company pays over the fair value of the net tangible and intangible assets acquired. The Company may use independent valuation specialists to assist in determining the estimated fair values of assets acquired and liabilities assumed, which could require certain significant management assumptions and estimates. Transaction costs associated with acquisitions of businesses are expensed as they are incurred.

Goodwill—Goodwill is not amortized but instead tested for impairment at least annually or more frequently should an event or circumstances indicate that a reduction in fair value of the reporting unit may have occurred. The Company performs its goodwill test at the reporting unit level. The goodwill impairment test is performed on October 1 every year.

The annual evaluation for impairment of goodwill does not include a qualitative assessment and proceeds directly to a two-step quantitative test. The first step identifies potential impairment by comparing the fair value of a reporting unit with its carrying amount, including goodwill. If the fair value exceeds its carrying amount, these assets are not considered impaired and the second step of the test is unnecessary. If the carrying amount of the reporting unit exceeds its fair value, the second step measures the impairment loss, if any. The second step compares the implied fair value of goodwill with its carrying amount. The implied fair value of goodwill is determined in the same manner as used in determining the fair value of assets recognized in a business combination. If the carrying amount of goodwill exceeds the implied fair value, an impairment loss is recognized in an amount equal to that excess.

Management determined that no impairment of goodwill existed as of the testing dates (October 1, 2019 and October 1, 2018). Also, no triggering events or changes in circumstances occurred during the period October 1, 2019 through December 31, 2019 that would warrant retesting goodwill for impairment.

Contingent Consideration—Some of the Company's acquisition agreements include contingent consideration arrangements, which are generally based on the achievement of future performance thresholds. For each transaction, the Company estimates the fair value of contingent consideration payments as part of the initial purchase price and records the estimated fair value of contingent consideration as a liability. Changes in the fair value of contingent consideration are recognized as a component of selling, general and administrative expense on the consolidated statements of operations.

Embedded Derivatives—Embedded derivatives that are required to be bifurcated from the underlying host instrument are accounted for and valued as a separate financial instrument. During 2017, the Company

recorded an embedded derivative related to the issuance of the subordinated debt. The derivative was de-recognized and written off in 2018 with the payoff of the subordinated debt (Note 14). During 2019, the Company recorded an embedded derivative related to the contingent put option attached to the Redeemable Series A-1 Preferred Stock (Note 17).

These embedded derivatives were bifurcated, accounted for at its fair value and presented separately on the consolidated statements of financial position. Changes in fair value of the contingent put option was recognized as a component of other income (expense) on the Company's consolidated statements of operations.

Foreign Currency—The Company has operations in the United States, Canada and Australia. The results of its non-U.S. dollar based functional currency operations are translated to U.S. dollars at the average exchange rates during the period. The Company's assets and liabilities are translated using the exchange rate as of the date of the consolidated statement of financial position and equity is translated using historical rates. Adjustments resulting from the translation of the consolidated financial statements of the Company's foreign functional currency subsidiaries into U.S. dollars are excluded from the determination of net income/ loss and instead are accumulated in a separate component of stockholders' equity (deficit). Foreign exchange transaction gains and losses are included in selling, general and administrative expense on the consolidated statements of operations.

Accumulated Other Comprehensive Loss—Accumulated other comprehensive loss, as presented on the consolidated statements of convertible preferred stock, redeemable series A-1 preferred stock and stockholders' equity (deficit), consists of unrealized gains and losses on foreign currency translation. There were no unrealized gains or losses on foreign currency translation during 2018. Comprehensive loss is not included in the computation of income tax benefit.

Revenue Recognition—Revenue is recognized in accordance with FASB Accounting Standards Codification (ASC) Topic 606, Revenue from Contracts with Customers. The following is considered by the Company in the recognition of revenue under ASC 606:

The Company's services are performed under two general types of contracts (i) fixed-price and (ii) time-and-materials. Under fixed-price contracts, customers pay an agreed-upon amount for a specified scope of work agreed to in advance of the project. Under time-and-materials contracts, customers pay for the hours worked and resources used based on agreed-upon rates. Certain of the Company's time-and-materials contracts are subject to maximum contract amounts. The duration of the Company's contracts ranges from less than one month to over a year, depending on the scope of services provided.

The Company accounts for individual promises in contracts as separate performance obligations if the promises are distinct. The assessment requires judgment. The majority of our contracts have a single performance obligation as the promise to transfer the individual goods or services is not separately identifiable from other promises in the contracts and is, therefore, not distinct. Certain contracts in our Measurement and Analysis have multiple performance obligations, most commonly due to the contracts providing for multiple laboratory tests which are individual performance obligations.

For the Measurement and Analysis contracts with multiple performance obligations, the Company allocates the transaction price to each performance obligation based on the relative standalone selling price of each performance obligation. The standalone selling price of each performance obligation is generally determined by the observable price of a service when sold separately.

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Fixed fee contracts—On the majority of fixed fee contracts, the Company recognizes revenue, over time, using either the proportion of actual costs incurred to the total costs expected to complete the contract performance obligation ("cost to cost method"), under the time-elapsed basis. The Company determined that the cost to cost method best represents the transfer of services as the proportion closely depicts the efforts or inputs completed towards the satisfaction of a fixed fee contract performance obligation. Under the time-elapsed basis, the arrangement is considered a single performance obligation comprised of a series of distinct services that are substantially the same and that have the same pattern of transfer (i.e. distinct days of service). The Company applies a time-based measure of progress to the total transaction price, which results in ratable recognition over the term of the contract. For a portion of the Company's laboratory service contracts, revenue is recognized as performance obligations are satisfied over time, with recognition reflecting a series of distinct services using the output method. The Company determined that this method best represents the transfer of services as the customer obtains equal benefit from the service throughout the service period.

There are inherent uncertainties in the estimation process for cost to cost contracts, as the estimation of total contract costs is complex, subject to many variables and requires judgment. It is possible that estimates of costs to complete a performance obligation will be revised in the near-term based on actual progress and costs incurred. These uncertainties primarily impact the Company's contracts in the Remediation and Reuse segment including those contracts associated with Emerging Compounds Treatments Technologies, Inc. which was acquired in August 2019.

Time-and-materials contracts—Time-and-materials contracts contain variable consideration. However, performance obligations qualify for the "Right to Invoice" Practical Expedient. Under this practical expedient, the Company is allowed to recognize revenue, over time, in the amount to which the Company has a right to invoice. In addition, the Company is not required to estimate such variable consideration upon inception of the contract and reassess the estimate each reporting period. The Company determined that this method best represents the transfer of services as, upon billing, the Company has a right to consideration from a customer in an amount that directly corresponds with the value to the customer of the Company's performance completed to date.

Segment Reporting—Operating segments are components of an enterprise for which discrete financial reporting information is available and evaluated regularly by the chief operating decision maker ("CODM") in deciding how to allocate resources and in assessing performance. The Company has identified its Chief Executive Officer as the CODM. The CODM views the Company's operations and manages the businesses as three operating segments, which are also the Company's reportable segments: (i) Assessment, Permitting and Response, (ii) Measurement and Analysis, and (iii) Remediation and Reuse. The CODM reviews the operating results of these segments on a regular basis and allocates company resources depending on the needs of each group and the availability of resources.

Cost of Revenues—Cost of revenues consists of all direct costs required to provide services, including fixed and variable direct labor costs, equipment rental and other outside services, field and lab supplies, vehicle costs and travel-related expenses.

Selling, General and Administrative Expenses—Selling, general and administrative expenses consist of indirect costs, including management and executive compensation, corporate costs related to finance, accounting, human resources, information technology, legal, administrative, safety, professional services, rent and other general expenses.

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Offering Costs—The offering costs associated with the Initial Public Offering ("IPO") mainly consisted of legal, accounting and filing fees. The Company had $1.2 million of IPO costs accrued as of December 31, 2019 which are deferred and will be offset against proceeds received in an initial public offering.

Stock-Based Compensation—The Company currently sponsors two stock incentive plans that allow for issuance of employee stock options. Under one of the plans, there are certain awards that were issued to non-employees in exchange for their services and are accounted for under ASC 505, Equity-Based Payments to Non-Employees. ASC 505 requires that the fair value of the equity instruments issued to a non-employee be measured on the earlier of: (i) the performance commitment date or (ii) the date the services required under the arrangement have been completed. The fair value of the remaining stock-based payment awards is expensed over the vesting period of each tranche on a straight-line basis. Any modification of an award that increases its fair value will require the Company to recognize additional expense. The fair value of stock options under its employee stock incentive plan are estimated as of the grant date using the Black-Scholes option valuation model, which is affected by its estimates of the fair value of common stock, risk-free interest rate, its expected dividend yield, expected term and the expected share price volatility of its common shares over the expected term. No forfeiture or dividend rates are used in the calculation as these are not applicable to the Company. Employee options are accounted for in accordance with the guidance set forth by ASC 718, Stock Based Compensation.

Fair Value of Common Stock—Due to the absence of an active market for the Company's common stock, the fair value of the Company's common stock is estimated based on current available information. This estimate requires significant judgment and considers several factors, including valuations of the Company's common stock prepared by an independent third-party valuation firm. The fair value of the Company's common stock is estimated primarily using an income approach based on discounted estimated future cash flows. The Company also utilizes the market approach as an additional reference point to evaluate the reasonableness of the fair value determined under the income approach. These estimates are highly subjective in nature and involve a large degree of uncertainty. Such estimates of the fair value of the Company's common stock are used in the measurement of stock-based compensation expense, warrant options, and the purchase price of business acquisitions for which common stock is an element of the purchase price.

Following an IPO by the Company, valuation models, including estimates and assumptions used in such models, will not be necessary to estimate the fair value of the Company's common stock, as shares of the Company's common stock will be traded in the public market and the fair value will be determined based on the closing price of the Company's common stock.

Income Taxes—The Company accounts for income taxes under the asset and liability method, which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the period that includes the enacted date.

A valuation allowance is recorded when it is more-likely-than-not some of the deferred tax assets may not be realized. Significant judgment is applied when assessing the need for a valuation allowance and the Company considers all available positive and negative evidence, including future taxable income, reversals of existing deferred tax assets and liabilities and ongoing prudent and feasible tax planning strategies in making

such assessment. Should a change in circumstances lead to a change in judgment regarding the utilization of deferred tax assets in future years, the Company will adjust the related valuation allowance in the period such change in circumstances occurs.

For acquired business entities, if the Company identifies changes to acquired deferred tax asset valuation allowances or liabilities related to uncertain tax positions during the measurement period, and they relate to new information obtained about facts and circumstances existing as of the acquisition date, those changes are considered a measurement period adjustment and the offset is recorded to goodwill.

The Company records uncertain tax positions on the basis of the two-step process in which (i) it determines whether it is more-likely-than-not that the tax positions will be sustained on the basis of the technical merits of the position and (ii) for those tax positions that meet the more-likely-than-not recognition threshold, the Company would recognize the largest amount of tax benefit that is more than 50% likely to be realized upon ultimate settlement with the related tax authority. The Company has determined that there are no uncertain tax positions as of December 31, 2019 and 2018. The Company classifies interest and penalties recognized on uncertain tax positions as a component of income tax expense.

3. SUMMARY OF NEW ACCOUNTING PRONOUNCEMENTS

Recently Adopted Accounting Pronouncements— The Company qualifies as an emerging growth company as defined in the Jumpstart Our Business Startups Act of 2012 (JOBS Act) and therefore intends to take advantage of certain exemptions from various public company reporting requirements, including delaying adoption of new or revised accounting standards until those standards apply to private companies. The Company has elected to use this extended transition period under the JOBS Act. The effective dates shown below reflect the election to use the extended transition period.

Between May 2014 and May 2016, the FASB issued three Accounting Standard Updates (ASUs) that changed the requirements for recognizing and reporting revenue (together, herein referred to as the "Revenue ASUs"): ASU No. 2014-09, Revenue from Contracts with Customers, (ii) ASU No. 2016-08, Principal versus Agent Considerations (Reporting Revenue Gross versus Net) and (iii) ASU No. 2016-12, Narrow-Scope Improvements and Practical Expedients. ASU 2014-09 provides guidance to recognize revenue for the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2016-08 is intended to improve the operability and understandability of the implementation guidance on principal versus agent considerations. ASU 2016-12 provides practical expedients and improvements to ASU 2014-09. On January 1, 2019, the Company adopted ASC 606 by applying the modification practical expedient in using the modified retrospective method applied to those contracts which were not completed as of December 31, 2018. Results for reporting periods beginning on the date of adoption are presented under ASC 606, while prior period amounts have not been adjusted and continue to be reported in accordance with the Company's historical accounting methodology pursuant to ASC 605, Revenue Recognition. Upon adoption, a cumulative effect adjustment was immaterial.

In August 2018, the FASB issued Accounting Standards Update ("ASU") No. 2018-15, Intangibles—Goodwill and Other—Internal-Use Software: Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract (a consensus of the FASB Emerging Issues Task Force). The FASB's new guidance aligns the requirements for capitalizing implementation costs in a cloud computing arrangement service contract with the requirements for capitalizing implementation costs incurred for an internal-use software license. The Company early adopted the new guidance prospectively on January 1, 2018.

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Recently Issued Accounting Pronouncements—In June 2018, the FASB issued ASU 2018-07, Compensation—Stock Compensation: Improvements to Nonemployee Share-Based Payment Accounting. Under the revised guidance, the accounting for awards issued to non-employees will be similar to the accounting for employee awards. The new guidance is effective for fiscal years beginning after December 15, 2019. The Company is currently evaluating the impact of the adoption of the updated standard on the consolidated financial statements and footnote disclosure.

In January 2017, the FASB issued ASU 2017-04, Intangibles—Goodwill and Other (Topic 350): Simplifying the Accounting for Goodwill Impairment. The revised guidance eliminates Step 2 of the current goodwill impairment analysis test, which requires hypothetical purchase price allocation to measure goodwill impairment. A goodwill impairment loss will instead be measured at the amount by which a reporting unit's carrying amount exceeds its fair value, not to exceed the carrying amount of goodwill. The revised guidance will be applied prospectively and is effective in 2020. The standard is not expected to have a material impact on the Company's consolidated financial statements and footnote disclosure.

In June 2016, the FASB issued ASU 2016-13, Financial Instruments—Credit Losses (Topic 326). The standard introduces a new model for recognizing credit losses on financial instruments based on an estimate of current expected credit losses and will apply to trade receivables. The new guidance will be effective beginning after December 15, 2020. The Company is currently evaluating the impact of the adoption of the standard on the consolidated financial statements and footnote disclosure.

In February 2016, the FASB issued ASU 2016-2, Leases (Topic 842), to improve financial reporting regarding leasing transactions. The ASU primarily affects the accounting by the lessee in that it requires a lessee to recognize lease assets and liabilities, initially measured at the present value of the lease payments, on the balance sheets for those leases classified as operating leases under previous guidance. The new leasing standard is effective for fiscal years beginning after December 15, 2020. The new leasing standard requires modified retrospective transition. The Company is currently evaluating the impact of the adoption of the updated standard on the consolidated financial statements and footnote disclosure.

There have been no other new accounting pronouncements that, once adopted, are expected to have a material impact on the Company's consolidated financial statements of notes thereto.

4. REVENUES AND ACCOUNTS RECEIVABLE

The Company's main revenue sources derive from the following revenue streams:

Assessment, Permitting and Response Revenues—Assessment, Permitting and Response revenues are generated from multidisciplinary environmental consulting services. The majority of the contracts are fixed-price or time and material based.

Measurement and Analysis Revenues—Measurement and Analysis revenues are generated from emissions sampling, testing and reporting services, leak detection services, ambient air monitoring services and laboratory testing services. The majority of the contracts are fixed-price or time-and-materials based.

Remediation and Reuse Revenues—Remediation and Reuse revenues are generated from operating and maintenance ("O&M") services (on biogas and waste water treatment facilities), as well as remediation,

monitoring and environmental compliance services. Services on the majority of O&M contracts are provided under long-term fixed-fee contracts. Remediation, monitoring and environmental compliance contracts are predominantly fixed-fee and time-and-materials based.

Disaggregation of Revenue—We disaggregate revenue by our operating segments**.** The Company believes disaggregating revenue into these categories achieves the disclosure objectives to depict how the nature, amount, and uncertainty of revenue and cash flows are affected by economic factors. Disaggregated revenue disclosures are provided in Note 21, Segment Information.

Contract Balances—The Company presents contract balances for unbilled receivables (contract assets), as well as customer advances, deposits and deferred revenue (contract liabilities) within contract assets and accounts payable and accrued expenses, respectively, on the consolidated statements of financial position. Amounts are generally billed at periodic intervals (e.g., weekly, bi-weekly or monthly) as work progresses in accordance with agreed-upon contractual terms. The Company utilizes the practical expedient to not adjust the promised amount of consideration for the effects of a significant financing component as the period between when the Company transfers services to a customer and when the customer pays for those services is one year or less. Amounts recorded as unbilled receivables are generally for services the Company is not entitled to bill based on the passage of time. Under certain contracts, billing occurs subsequent to revenue recognition, resulting in contract assets. The Company sometimes receives advances or deposits from customers before revenue is recognized, resulting in contract liabilities.

The following table presents the Company's contract balances as of December 31, 2019 and 2018:

	2019	2018
Contract assets	$ 13,605	$ 10,112
Contract liabilities	3,314	2,395

Contracts assets acquired through business acquisitions amounted to $0.7 million as of December 31, 2019 and 2018. Contract liabilities acquired through business acquisitions amounted to $2.2 million and zero as of December 31, 2019 and 2018, respectively. Revenue recognized during the year ended December 31, 2019, included in the contract liability balance at the beginning of the year was $0.6 million. The revenue recognized from the contract liabilities consisted of the Company satisfying performance obligations during the normal course of business.

The amount of revenue recognized from changes in the transaction price associated with performance obligations satisfied in prior periods during the year ended December 31, 2019 was not material.

Remaining Unsatisfied Performance Obligations—Remaining unsatisfied performance obligations represent the total dollar value of work to be performed on contracts awarded and in progress. The amount of remaining unsatisfied performance obligations increases with new contracts or additions to existing contracts and decreases as revenue is recognized on existing contracts. Contracts are included in the amount of remaining unsatisfied performance obligations when an enforceable agreement has been reached. As of December 31, 2019, the estimated revenue expected to be recognized in the future related to performance obligations that are unsatisfied was approximately $13.0 million. The Company expects to recognize approximately $8.7 million of this amount as revenue in 2020, $4.2 million in 2021, and $0.1 million in 2022.

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Accounts Receivable, Net—Accounts receivable, net as of December 31, 2019 and 2018 consisted of the following:

	2019	2018
Accounts receivable, invoiced	$46,643	$38,786
Accounts receivable, other	611	135
Allowance for doubtful accounts	(1,327)	(453)
Accounts receivable—net	$45,927	$38,468

The Company extends non-interest bearing trade credit to its customers in the ordinary course of business. Accounts receivable are shown on the face of the consolidated statements of financial position, net of an allowance for doubtful accounts. In determining the allowance for doubtful accounts, the Company analyzes the aging of accounts receivable, historical bad debts, customer creditworthiness and current economic trends. The allowance for doubtful accounts as of December 31, 2019 and 2018 consisted of the following:

	Beginning Balance	Bad Debt Expense	Charged to Allowance	Other(1)	Ending Balance
Year ended December 31, 2018	$ 573		$ (624)	$ 504	$ 453
Year ended December 31, 2019	453	1,246	(556)	184	1,327

(1) This amount consists of additions to the allowance due to business acquisitions.

Collection of trade receivables may be affected by changes in economic or other industry conditions and may, accordingly, impact the Company's overall credit risk. Although the Company generally does not require collateral, the Company performs ongoing credit evaluations of customers and maintains reserves for potential credit losses. For all periods presented, no customer accounted for more than 10% of revenue or accounts receivable.

5. PREPAID AND OTHER CURRENT ASSETS

Prepaid and other current assets as of December 31, 2019 and 2018 consisted of the following:

	2019	2018
Deposits	$ 605	$ 598
Prepaid expenses	1,235	1,016
Prepaid insurance	170	85
Supplies	2,368	745
Offering costs	1,240	
Other		154
Prepaid and other current assets	$5,618	$2,598

6. PROPERTY AND EQUIPMENT, NET

Property and equipment are stated at cost or estimated fair value for assets acquired through business combinations. Depreciation and amortization is provided using the straight-line method over the estimated useful

lives of the assets. Leasehold improvements are amortized using the straight-line method over the shorter of the remaining lease term, including options that are deemed to be reasonably assured, or the estimated useful life of the improvement.

Property and equipment, net, as of December 31, 2019 and 2018 consisted of the following:

	Estimated Useful Life	2019	2018
Lab and test equipment	7 years	$ 14,810	$ 10,275
Vehicles	5 years	11,073	8,122
Equipment	3-7 years	29,922	25,468
Furniture and fixtures	7 years	1,119	1,004
Leasehold improvements	7 years	5,954	5,137
		62,878	50,006
Construction in progress		796	
Less accumulated depreciation and amortization		(36,638)	(29,214)
Total property and equipment—net		$ 27,036	$ 20,792

Total depreciation expense included on the consolidated statements of operations was $7.7 million and $7.6 million for the years ended December 31, 2019 and 2018, respectively.

7. BUSINESS ACQUISITIONS

In line with the Company's strategic growth initiatives, the Company acquired several businesses during the years ended December 31, 2019 and 2018. The results of each of those acquired businesses are included in the consolidated financial statements beginning on the respective acquisition dates. Each transaction qualified as an acquisition of a business and was accounted for as a business combination. All acquisitions resulted in the recognition of goodwill. The Company paid these premiums resulting in such goodwill for a number of reasons, including expected synergies from combining operations of the acquiree and the Company while also growing the Company's customer base, acquiring assembled workforces, expanding its presence in certain markets and expanding and advancing its product and service offerings. The Company recorded the assets acquired and liabilities assumed at their acquisition date fair value, with the difference between the fair value of the net assets acquired and the acquisition consideration reflected as goodwill.

The identifiable intangible assets for acquisitions occurring in 2019 and 2018 were valued using the excess earnings method discounted cash flow approach for customer relationships, the relief from royalty method for trade names and the patent, and the "with and without" method for covenants not to compete by incorporating Level 3 inputs as described under the fair value hierarchy of ASC 820. These unobservable inputs reflect the Company's own assumptions about which assumptions market participants would use in pricing an asset on a non-recurring basis. These assets will be amortized over their respective estimated useful lives.

Other purchase price obligations (primarily deferred purchase price liabilities and target working capital liabilities) and contingent consideration outstanding from 2019 and 2018 acquisitions are included on the consolidated statements of financial position in accounts payable and other accrued liabilities, other non-current liabilities for long term payables and accounts receivable-net for any working capital deficit receivable balance. These obligations are scheduled to be settled if certain performance thresholds are met.

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The Company considers several factors when determining whether or not contingent consideration liabilities are part of the purchase price, including the following: (i) the valuation of its acquisitions is not supported solely by the initial consideration paid, (ii) the former stockholders of acquired companies that remain as key employees receive compensation other than contingent consideration payments at a reasonable level compared with the compensation of the Company's other key employees and (iii) contingent consideration payments are not affected by employment termination. The Company reviews and assesses the estimated fair value of contingent consideration at each reporting period.

External transaction costs related to business combinations totaled $2.4 million and $1.2 million for the years ended December 31, 2019 and 2018, respectively. These costs are expensed within the selling, general and administrative expense in the accompanying consolidated statements of operations.

Cash payments made to acquire these businesses were funded primarily through the Company's Credit Facilities.

2019 Acquisitions

Golden Specialty, Inc.—Effective March 15, 2019, the Company acquired 100% of the issued and outstanding capital stock of Golden Specialty, Inc. ("Golden"), an air testing laboratory in Texas. Golden expands the Company's air measurement and analysis capabilities in the Gulf Coast region.

Target Emission Services Inc.—Effective April 30, 2019, the Company acquired 100% of the issued and outstanding capital stock of Target Emission Services, Inc. ("TES"), an emission detection company in Canada. TES expands the Company's LDAR business, increasing the geographic footprint in Canada and initiating growth into international markets.

Target Emission Services USA LP—Effective April 30, 2019, the Company acquired 100% of the issued and outstanding capital stock of Target Emission Services USA LP ("TESUS"), an emission detection company in the United States. TESUS expands the Company's LDAR business throughout the United States.

Air Water & Soil Laboratories, Inc.—Effective June 28, 2019, the Company acquired 100% of the issued and outstanding capital stock of Air Water & Soil Laboratories, Inc. ("AWS"), a provider of air, water, and soil testing in the mid-Atlantic region. AWS expands the Company's air, water, and soil environmental lab services in the East Coast.

Advanced Environmental Compliance LLC—Effective July 9, 2019, the Company acquired certain emissions testing assets, employees and customer relationships from Advanced Environmental Compliance LLC ("AEC"). AEC is in the business of providing air quality measurement and analysis services, together with environmental laboratory services. AEC expands the Company's emissions testing services offering in the West Coast.

LEHDER Environmental Services Ltd.—Effective July 31, 2019, the Company acquired 100% of the issued and outstanding capital stock of LEHDER Environmental Services ("LEHDER"), a provider of air quality management services in Canada. LEHDER expands the Company's international reach and air quality services capabilities in Canada.

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Emerging Compounds Treatments Technologies, Inc.—Effective August 31, 2019, the Company acquired 100% of the issued and outstanding capital stock of Emerging Compounds Treatments Technologies, Inc. ("ECT2"), a provider of novel technologies for removing contaminants/compounds from water and air. ECT2 expands the Company's water and air treatment capabilities throughout the United States and Australia.

The following table summarizes the elements of purchase price of the 2019 acquisitions:

	Cash	Common Stock	Other Purchase Price Components	Contingent Consideration	Total Purchase Price
Golden	$ 1,500	$	$	$ 477	$ 1,977
TES	2,359	322	25	4,911	7,617
TESUS	18,683	3,041	1,495		23,219
AWS	6,020		150		6,170
AEC	808				808
LEHDER	3,878	684		13	4,575
ECT2	54,037		(220)		53,817
	$87,285	$ 4,047	$ 1,450	$ 5,401	$98,183

Contingent consideration elements of the purchase price of the Company's acquisitions are related to earn-outs which are based on the expected achievement of revenue or earnings thresholds as of the date of the acquisition and for which the maximum potential amount to be earned is generally not limited.

The purchase price attributable to each acquisition was allocated as follows:

	ECT2	All Other Acquisitions	Total
Cash	$ 3,149	$ 2,137	$ 5,286
Restricted cash	629		629
Accounts receivable	1,707	3,751	5,458
Other current assets	498	61	559
Current assets	5,983	5,949	11,932
Property and equipment	776	3,288	4,064
Customer relationships	13,840	12,748	26,588
Trade names	1,008	659	1,667
Covenants not to compete	3,360	2,083	5,443
Proprietary software		2,560	2,560
Patent	17,479		17,479
Goodwill	16,395	20,227	36,622
Total assets	58,841	47,514	106,355
Current liabilities	5,024	977	6,001
Non- current liabilities		2,171	2,171
Total liabilities	5,024	3,148	8,172
Purchase price	$ 53,817	$ 44,366	$ 98,183

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The weighted average useful lives for the acquired customer relationships, trade names, covenants not to compete, proprietary software and patent for these acquisitions are 9.5 years, 1.5 years, 4 years, 3 years and 16 years, respectively.

For the acquisitions completed during 2019, the results of operations since the acquisition dates have been combined with those of the Company. The Company's 2019 consolidated statement of operations includes revenue and pre-tax income of $23.2 million and $2.4 million, respectively, related to these acquisitions, of which $11.3 million and $1.2 million of revenue and pre-tax income, respectively, relates to ECT2. The Golden, TES, TESUS, AWS, AEC and LEHDER acquisitions are included in the Company's Measurement and Analysis segment. The ECT2 acquisition is included in the Company's Remediation and Reuse segment.

Goodwill associated with the acquisitions of Golden, AEC and ECT2 is deductible for income tax purposes.

2018 Acquisitions

Southern Environmental Sciences, Inc.—Effective January 1, 2018, the Company acquired certain emissions testing assets, employees and customer relationships from Southern Environmental Sciences, Inc. ("SES"). SES provides air quality services that include air permitting, emissions testing and evaluation, industrial hygiene and noise monitoring. SES expands Montrose's air quality testing presence in the South-East of the United States.

First Analytical Laboratories NC, LLC—Effective January 16, 2018, the Company acquired certain emission testing assets, employees and customer relationships from First Analytical Laboratories NC, LLC ("FA"). FA mainly provides inorganic chemicals analyses, with a specialization in trace metal analysis in support of air monitoring, drinking and waste water, manufacturing and other industries. FA expands Montrose's environmental lab products offering capabilities on the North-East of the United States.

Advanced GeoServices Corp.—Effective January 31, 2018, the Company acquired 100% of the issued and outstanding capital stock of Advanced GeoServices Corp. ("AGC"). AGC provides environmental and geotechnical, municipal, civil engineering services, including remediation, groundwater, modeling and water and wastewater services. AGC expands Montrose's remediation capabilities in the North-East region of the United States.

Streamline Environmental, Inc.—Effective February 1, 2018, the Company acquired 100% of the issued and outstanding capital stock of Streamline Environmental, Inc. ("Streamline"). Streamline is a soil and ground water consulting, assessment and remediation business. Streamline expands Montrose's remediation capabilities in the South-East of the United States.

Leymaster Environmental Consulting, LLC—Effective March 31, 2018, the Company acquired 100% of the issued and outstanding membership interests of Leymaster Environmental Consulting, LLC ("Leymaster"). Leymaster specializes in environmental services, primarily site assessment and remediation for the real-estate industry. Leymaster expands Montrose's remediation capabilities in the South-West of the United States.

Analytical Environmental Services, Corp.—Effective October 31, 2018, the Company acquired 100% of the issued and outstanding capital stock of Analytical Environmental Services, Corp. ("AES"). AES

specializes in environmental consulting, planning and permitting. They are nationally recognized for their capabilities with environmental reports and technical studies that comply with National Environmental Policy Act ("NEPA") and California Environmental Quality Act ("CEQA") requirements. AES expands Montrose's consulting, planning and permitting capabilities, particularly in the North-West of the United States.

Environmental Planning Specialists, Inc.—Effective November 30, 2018, the Company acquired 100% of the issued and outstanding capital stock of Environmental Planning Specialists, Inc. ("EPS"). EPS primarily provides air quality, environmental compliance, remediation and natural resources consulting. EPS expands Montrose's consulting, planning and permitting capabilities, particularly in the South-East of the United States.

The following table summarizes the elements of purchase price of the 2018 acquisitions:

	Cash	Common Stock	Other Purchase Price Components	Contingent Consideration	Total Purchase Price
SES	$ 450	$	$ 50	$	$ 500
FA	1,096		360	372	1,828
AGC	7,400	925	95	871	9,291
Streamline	5,678	631	180		6,489
Leymaster	2,465	435	250	434	3,584
AES	21,877	2,028	(16)	1,274	25,163
EPS	9,995	1,615	(71)		11,539
	$48,961	$ 5,634	$ 848	$ 2,951	$58,394

Contingent consideration elements of the purchase price of the Company's acquisitions are related to earn-outs which are based on the expected achievement of revenue or earnings thresholds as of the date of the acquisition and for which the maximum potential amount to be earned is generally not limited.

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The purchase price attributable to each acquisition was allocated as follows:

	AES	All Other Acquisitions	Total
Cash	$ 2,746	$ 380	$ 3,126
Accounts receivable	1,404	5,045	6,449
Other current assets	32	288	320
Current assets	4,182	5,713	9,895
Property and equipment	532	1,002	1,534
Customer relationships	11,296	15,543	26,839
Trade names	241	812	1,053
Covenants not to compete	961	1,813	2,774
Goodwill	11,019	13,661	24,680
Total assets	28,231	38,544	66,775
Current liabilities	3,068	2,141	5,209
Non- current liabilities		3,172	3,172
Total liabilities	3,068	5,313	8,381
Purchase price	$ 25,163	$ 33,231	$ 58,394

The weighted average useful lives for the acquired customer relationships, trade names, and covenants not to compete for all acquisitions are 7 years, 1.5 years and 4 years, respectively.

For the acquisitions completed during 2018, the results of operations since the acquisition dates have been combined with those of the Company. The Company's 2018 consolidated statement of operations includes revenue and pre-tax loss of $17.9 million and $0.3 million, respectively, related to these acquisitions, of which $1.0 million and $0.1 million of revenue and pre-tax income, respectively, is related to AES. The SES, FA, and Streamline acquisitions are included in the Company's Measurement and Analysis segment. The AGC and Leymaster acquisitions are included in the Company's Remediation and Reuse segment. The AES and EPS acquisitions are included in the Company's Assessment, Permitting and Response segment.

Goodwill associated with the acquisitions of FA, SES, Leymaster, AES and EPS is deductible for income tax purposes.

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Supplemental Unaudited Pro-Forma—The unaudited consolidated financial information summarized in the following table gives effect to the 2019 and 2018 acquisitions assuming they occurred on January 1, 2018. These unaudited consolidated pro forma operating results do not assume any impact from revenue, cost or other operating synergies that are expected as a result of the acquisitions. These unaudited consolidated pro forma operating results are presented for illustrative purposes only and are not indicative of the operating results that would have been achieved had the acquisitions occurred on January 1, 2018, nor does the information project results for any future period.

	As reported	Acquisitions Pro-Forma (Unaudited)	Consolidated Pro-Forma (Unaudited)
2019			
Revenues	$ 233,854	$ 25,446	$ 259,300
Net income (loss)	(23,557)	5,199	(18,358)
2018			
Revenues	$ 188,805	$ 58,526	$ 247,331
Net income (loss)	(16,491)	14,580	(1,911)

8. GOODWILL AND INTANGIBLE ASSETS

Amounts related to goodwill as of December 31, 2019 and 2018 are as follows:

	Assessment, Permitting and Response	Measurements and Analysis	Remediation and Reuse	Total
Balance as of January 1, 2018	$ —	$ 44,123	$ 21,695	$ 65,818
Goodwill acquired during the year	15,173	4,340	5,167	24,680
Balance as of December 31, 2018	15,173	48,463	26,862	90,498
Goodwill acquired during the year		20,165	16,395	36,560
Balance as of December 31, 2019	$ 15,173	$ 68,628	$ 43,257	$127,058

Goodwill balances as of December 31, 2019 include $0.06 million of foreign currency translation adjustment related to TES and LEHDER acquisitions (Note 7). There was no translation adjustment as of December 31, 2018.

Amounts related to finite-lived intangible assets as of December 31, 2019 and 2018 are as follows:

2019	Estimated Useful Life	Gross Balance	Accumulated Amortization	Total Intangible Assets—Net
Finite lived intangible assets				
Customer relationships	7–10 years	$ 108,782	$ 36,700	$ 72,082
Covenants not to compete	4–5 years	25,832	17,572	8,260
Trade names	1–5 years	12,738	10,230	2,508
Proprietary software	3 years	3,885	1,359	2,526
Patent	16 years	17,479	306	17,173
Total other intangible assets—net		$ 168,716	$ 66,167	$ 102,549

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2018	Estimated Useful Life	Gross Balance	Accumulated Amortization	Total Intangible Assets—Net
Finite lived intangible assets				
Customer relationships	7–10 years	$ 82,176	$ 23,932	$ 58,244
Covenants not to compete	4–5 years	20,390	13,785	6,605
Trade names	1–5 years	11,072	8,282	2,790
Proprietary software	3 years	1,303	379	924
Total other intangible assets—net		$ 114,941	$ 46,378	$ 68,563

Intangible assets with finite lives are stated at cost, less accumulated amortization and impairment losses, if any. These intangible assets are amortized using the straight-line method over the estimated useful lives of the assets.

During 2018, Company capitalized certain costs incurred to develop extranet software for internal and client use. The capitalized costs included payments to vendors and consultants for the development and implementation or modification of internal use software. During 2019, the Company acquired a custom software platform as part of the TES acquisition (Note 7) to service upstream and midstream oil and gas producers and assist with their LDAR requirements related to government regulations of fugitive and greenhouse gas emissions. These assets are considered proprietary software.

During 2019, as part of ECT2 acquisition (Note 7), the Company acquired a patent for the removal of contaminants in water.

The Company evaluates intangible assets subject to amortization for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Recoverability of intangible assets is measured by a comparison of the carrying amount of the intangible asset to the future undiscounted operating cash flows expected to be generated by the asset. As of December 31, 2019 and 2018, there was no impairment of intangible assets subject to amortization.

Amortization expense for the years ended December 31, 2019 and 2018 was $20.0 million and $16.3 million, respectively.

Future amortization expense is estimated to be as follows for each of the five following years and thereafter ending December 31, 2019:

2020	$ 21,473
2021	18,895
2022	14,810
2023	12,025
2024	9,357
Thereafter	25,989
	$ 102,549

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9. ACCOUNTS PAYABLE AND OTHER ACCRUED LIABILITIES

Accounts payable and other accrued liabilities consisted of the following as of December 31, 2019 and 2018:

	2019	2018
Accounts payable	$ 15,034	$ 8,679
Accrued expenses	10,733	4,414
Business acquisitions contingent consideration	8,614	2,754
Other business acquisitions purchase price obligations		525
Contract liabilities	3,314	2,395
Other current liabilities	504	241
Total accounts payable and other accrued liabilities	$ 38,199	$ 19,008

10. ACCRUED PAYROLL AND BENEFITS

Accrued payroll and benefits consisted of the following as of December 31, 2019 and 2018:

	2019	2018
Accrued bonuses	$ 3,449	$ 1,585
Accrued paid time off	2,154	2,289
Accrued payroll	4,470	3,496
Accrued other	959	837
Total accrued payroll and benefits	$ 11,032	$ 8,207

11. INCOME TAXES

Income tax benefit for the years ended December 31, 2019 and 2018 is comprised of the following:

	2019	2018
Current:		
Federal	$ 4	$ 7
State	289	245
Foreign	41	
Total	334	252
Deferred:		
Federal	(2,323)	(3,639)
State	(1,132)	(1,581)
Total	(3,455)	(5,220)
Income tax benefit	$(3,121)	$(4,968)

The Company's deferred taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

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Significant components of the Company's deferred tax assets and liabilities as of December 31, 2019 and 2018 are as follows:

	2019	2018
Deferred tax assets:		
Net operating losses	$ 3,850	$ 2,570
Allowance for bad debts	331	122
Employee related	1,348	1,834
Interest expense	588	1,472
Other	318	
Total deferred tax asset	6,435	5,998
Deferred tax liabilities:		
Intangible assets	(4,825)	(7,032)
Property and equipment	(4,589)	(3,172)
Other	(551)	(662)
Total deferred tax liability	(9,965)	(10,866)
Net deferred tax liability	$(3,530)	$ (4,868)

A reconciliation of the federal statutory income tax rate to the Company's effective income tax rate for the years ended December 31, 2019 and 2018 is as follows:

	2019	2018
Tax completed at federal statutory rate	21.00%	21.00%
State tax net of federal benefit	2.51	4.96
Non- deductible expenses	(1.38)	(0.91)
Equity compensation	(2.41)	(0.83)
Contingent put option	(5.59)	0.00
Foreign taxes	(0.15)	0.00
Warrant option	(3.20)	
Other	0.92	(1.03)
Effective income tax rate	11.70%	23.19%

The Company elected to account for the global intangible low-taxed income inclusion as a period cost.

The Company's policy is to record any penalties or interest related to any unrecognized tax benefits as a component of the income tax provision. As of December 31, 2019 and 2018, the Company does not have any unrecognized tax benefits.

In December 2017 new federal tax reform legislation was enacted in the United States resulting in significant changes from previous tax law. As a result, the Company previously provided a provisional estimate of the effect of the Tax Act in its financial statements. In the fourth quarter of 2018, the Company completed its analysis to determine the effect of the Tax Act and recorded immaterial adjustments as of December 31, 2018.

As of December 31, 2019, federal and state net operating loss carryforwards of approximately $15.7 million and $10.4 million are available to offset future federal and state taxable income, respectively.

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Federal net operating loss carryforwards will begin to expire during 2035 while the Company's state net operating loss carryforwards will begin to expire during various years, dependent on the jurisdiction. Due to the enactment of the Tax Act, federal net operating losses generated beginning in 2018 and thereafter are limited to 80% of annual taxable income. Such Federal NOLs cannot be carried back and are carried forward indefinitely. Therefore, $7.0 million of Federal net operating loss carryforwards will not expire.

The Company is subject to audit by federal and state tax authorities in the ordinary course of business. The Company's federal income tax returns remain subject to examination for the 2016 through 2019 tax years. The Company files in multiple state jurisdictions which remain subject to examination for the 2015 through 2019 tax years.

12. WARRANT OPTION

In October 2018, in connection with the issuance of the Redeemable Series A-1 Preferred Stock, the Company issued a detachable warrant to acquire 534,240 shares of common stock at a price of $0.01 per share at any given time during a period of ten years beginning on the instrument's issuance date. The fair value of this warrant was determined to be $16.9 million and $12.8 million as of December 31, 2019 and 2018, respectively. The warrant option will be fair valued at each reporting period until exercised. For the year ended December 31, 2019, fair value adjustments amounted to $4.1 million and are recorded in other income (expense) on the consolidated statements of operations. As of December 31, 2019, the warrant has not been exercised.

The warrant is classified as a liability in accordance with ASC 815, Derivatives and Hedging, as the agreement provides for net cash settlement upon a change in control, which is outside the control of the Company.

13. CONTINGENT PUT OPTION

As of December 31, 2018, the Company determined that the fair value of the contingent put option related to the Redeemable Series A-1 Preferred Stock (Note 17) was immaterial as the probability of the feature being exercised was considered remote. As of December 31, 2019, the contingent put option had a fair value of $7.1 million and the change in value of $7.1 million was recorded to other income (expense).

14. DEBT

Debt as of December 31, 2019 and 2018 consists of the following:

	2019	2018
Term Loan Facility	$ 48,750	$ 50,000
Revolving Line of Credit	97,590	20,000
Capital leases	3,765	2,640
Other leases	12	51
Equipment line of credit	3,124	1,712
Less deferred debt issuance costs	(1,052)	(1,176)
Total debt	152,189	73,227
Less current portion of long term debt	(7,143)	(2,262)
Long- term debt, less current portion	$ 145,046	$ 70,965

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Deferred Financing Costs—Costs relating to debt issuance have been deferred and are presented as discounted against the underlying debt instrument. These costs are amortized to interest expense over the terms of the underlying debt instruments.

Revolving Line of Credit and Term Loan Facility—The Company's Credit Facility consisted of a $50.0 million Term Loan Facility as of December 31, 2019 and 2018 and a $130.0 million and a $70.0 million Revolving Line of Credit as of December 31, 2019 and 2018, respectively.

During 2019 and 2018, the Company's Credit Facility was used for working capital, capital expenditures and to fund acquisitions.

The Company's obligations under the Credit Facility are guaranteed by each of its existing and future direct and indirect subsidiaries, and such obligations are secured by substantially all of the assets of the Company.

Borrowings under the Credit Facility bear interest at either (i) LIBOR plus the applicable margin or (ii) a base rate (equal to the highest of (a) the federal funds rate plus 0.5%, (b) Lender A's prime rate and (c) Eurodollar Rate, which is based on LIBOR, (using a one-month period plus 1.0%), plus the applicable margin, as the Company elects. The applicable margin means a percentage per annum determined in accordance with the following table for December 31, 2019 and 2018:

Pricing Tier	Consolidated Leverage Ratio	Commitment Fee	Eurodollar Rate Loans and LIBOR Letter of Credit Fee	Daily Floating Rate Loans	Rate Loans
1	> 3.75 to 1.0	0.50%	4.00%	4.00%	3.00%
2	£ 3.75 to 1.0 but >3.00 to 1.0	0.50	3.50	3.50	2.50
3	£ 3.00 to 1.0 but >2.25 to 1.0	0.40	3.00	3.00	2.00
4	£ 2.25 to 1.0	0.30	2.50	2.50	1.50

As of December 31, 2019 and 2018, the Company fell within Pricing Tier 2.

As of December 31, 2019 and 2018 the Company was subject to a fixed charge coverage ratio of greater than 1.25. As of December 31, 2019 and 2018, the Company was subject to a consolidated total leverage ratio of lower than 4.00 and 3.75, respectively.

The Revolving Line of Credit is due and payable at maturity on October 19, 2021, the total outstanding amount as of December 31, 2019 and 2018 was $97.6 million and $20.0 million, respectively. Beginning on December 31, 2019 the $50.0 million Term Loan Facility requires quarterly repayments of $1.3 million. The remaining principal balance on the Term Facility will be due on the Term Loan maturity on October 19, 2021.

The Credit Facility contains mandatory prepayment features upon the following: 100% of the excess of the total revolving outstanding amount whenever it exceeds the aggregate revolving commitments then in effect; 100% of net cash proceeds of asset sales (to the extent not reinvested in eligible assets with 180 days and proceeds exceed $1.0 million in the aggregated in any fiscal year); 100% of the proceeds from the issuance of any debt; beginning with the fiscal year ending December 31, 2019, 50% of excess cash flow if the consolidated

total leverage ratio is greater than 2.0 times; and within five days of a qualifying IPO, but prior to or contemporaneously with any permitted redemption of the Redeemable Series A-1 Preferred Stock, the Company shall repay the loans in the aggregate amount required to cause the consolidated total leverage ratio to equal to 3.00 to 1.0 after giving effect to such prepayment on a pro-forma basis.

The Credit Facility also restricts the Company's ability (subject to certain exceptions) to incur indebtedness, prepay or amend other indebtedness, create liens, make certain fundamental changes including mergers or dissolutions, pay dividends and make other payments in respect of capital stock, make certain investments, sell assets, change its lines of business, enter into transactions with affiliates and other corporate actions.

In the event of a default, subject to varying cure periods and rights for certain events of default, the administrative agent may, at its option, declare the commitments to fund the Credit Facility to be terminated. Additionally, all amounts accrued under the Credit Facility would be accelerated causing such obligations to be due and payable immediately, which could materially and adversely affect the Company.

During the years ended December 31, 2019 and 2018, the Company made a number of amendments to the credit facility:

In October 2019, the Company's Credit Facility was amended to:

- Increase the Revolving Credit Facility to $130.0 million.

In July 2019, the Company's Credit Facility was amended to:

- Increase the Revolving Credit Facility to $110.0 million.
- Amend the quarterly Term Loan repayment provision to $1.3 million beginning on December 31, 2019 and each fiscal quarter thereafter.

In October 2018, the Company's Credit Facility was amended to:

- Decrease the Term Loan Facility capacity to $50.0 million;
- Defer the maturity date for the Revolving Credit Line from September 30, 2019 to October 19, 2021;
- Amend the quarterly Term Loan repayment rates to 2.50% beginning on December 31, 2019 and each fiscal quarter thereafter, and
- Amend the covenant ratios as follows: (i) remove the Consolidated Senior Leverage ratio; (ii) increase the Consolidated Fixed Charge Coverage ratio to greater than 1.25 from 1.125; and (iii) decrease the Consolidated Total Leverage ratio to below 3.75 times beginning with the first fiscal quarter ending September 30, 2018 and lower than 4.00 beginning with the first fiscal quarter during which a pro forma compliance certificate is delivered in accordance with the agreement's terms, from a 4.25 rate in 2017.

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The 2019 and 2018 amendments to the Term Loan Facility were treated as debt modifications for accounting purposes. For all amendments, the amended Revolving Credit Facility's borrowing capacity was determined to be greater than the borrowing capacity of the old arrangement. Previously unamortized deferred financing fees continued to be deferred and amortized until the instrument's maturity for syndicate lenders who remained the same and written off for syndicate lenders that exited the syndicate in 2018. Debt issuance costs written off in 2018 amounted to $0.2 million and were expensed in interest expense-net on the consolidated statements of operations. No debt issuance costs were written off in 2019. The Company incurred $0.5 million and $1.0 million in amendment fees associated with these modifications during 2019 and 2018, respectively. Of these amounts, $0.4 million and $0.9 million were treated as deferred debt issuance costs in 2019 and 2018, respectively, and $0.1 million were expensed in selling, general and administrative expenses on the consolidated statements of operations in both 2019 and 2018.

The weighted average interest rate on the Credit Facility as of December 31, 2019 and 2018 was 5.41% and 6.31%, respectively.

Second Lien Term Loan Facility—On September 29, 2017, the Company entered into a Second Lien Term Loan Credit Facility ("Second Lien Term Loan") for $40.0 million that was paid in full on October 19, 2018 through proceeds received from the issuance of the Redeemable Series A-1 Preferred Stock. The resulting loss on extinguishment amounted to $1.1 million, of which $0.4 million was related to transaction and prepayment penalty fees paid and $0.7 related to unamortized debt issuance costs. Total loss on extinguishment is recorded in interest expense-net within the consolidated statement of operations for the year ended December 31, 2018.

Equipment Line of Credit—On March 12, 2019, the Company renewed its equipment line of credit facility for the purchase of equipment and related freight, installation costs and taxes paid for an amount not to exceed $2.0 million. On May 16, 2019, the Company entered into a Canadian equipment line of credit facility for an amount not to exceed $1.0 million Canadian dollars. Interest on the line of credit is determined based on a three-year swap rate at the time of funding. As of December 31, 2019 and 2018, the equipment line of credit had a total outstanding amount of $3.1 million and $2.8 million, respectively.

Capital Lease Obligations—The assets and liabilities under capital lease agreements are recorded at the lower of the present value of the minimum lease payments or the fair value of the asset. The assets are being amortized over the shorter of their related lease terms or their estimated useful lives ranging from four to six years. The gross amount of assets under capital leases for the years ended December 31, 2019 and 2018 were $6.9 million and $5.5 million, respectively. The amortization of assets under capital leases for the years ended December 31, 2019 and 2018 were $1.5 million and $0.8 million, respectively and was included in depreciation and amortization on the consolidated statements of operations. All capital leases (including those purchased through the Company's equipment line of credit) mature by 2024 as follows:

	Payments	Interest	Principal
2020	$ 2,531	$ 372	$ 2,159
2021	2,230	298	1,932
2022	1,750	199	1,551
2023	1,041	73	968
2024	286	7	279
	$ 7,838	$ 949	$ 6,889

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Convertible Subordinated Debt—In March 2017, the Series A Convertible Preferred Stockholders funded the Subordinated Debt in advance of the Company achieving the requisite pro-forma $30.0 million adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA") for a trailing 12-month period, measurable from the end of the most recently completed fiscal quarter. The Convertible Subordinated Debt carried a 12.0% annual coupon, payable in-kind.

On October 19, 2018, the Convertible Subordinated Debt was paid out in full through funds received from the issuance of the Redeemable Series A-1 Preferred Stock. The fair value of the consideration paid to surrender the Convertible Subordinated Debt was determined to be $12.0 million, including interest of $2.0 million. The transaction resulted in an extinguishment gain of $0.7 million and is recorded within interest expense-net on the consolidated statement of operations for the year ended 2018.

The Convertible Subordinated Debt contained an automatic conversion feature which allowed for the conversion of the Subordinated Debt into shares of the Company's common stock upon the consummation of any IPO at a conversion price equal to a 30% discount to the IPO share price. This automatic conversion feature met the definition of a derivative. The derivative liability was fair valued at each reporting period until its related host instrument was paid in full. During 2018, the outstanding derivative liability was written off as the Convertible Subordinated Debt was paid in full. Fair value adjustments during 2018 were not significant.

The following is a schedule of the aggregate annual maturities of long-term debt presented on the consolidated statement of financial position, based on the terms of the Credit Facility, operating and capital lease obligations as of December 31, 2019:

2020	$ 7,143
2021	143,300
2022	1,551
2023	968
2024	279
Total	$ 153,241

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

As of December 31, 2019 and 2018, the following financial liabilities are measured at fair value on a recurring basis using significant unobservable inputs (Level 3).

	Liabilities at Fair Value			
2019	**Level 1**	**Level 2**	**Level 3**	**Total**
Contingent consideration payable (Note 7)	$	$	$ 8,993	$ 8,993
Warrant option (Note 12)			16,878	16,878
Contingent put option (Note 13)			7,100	7,100
Total	$	$	$ 32,971	$ 32,971

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	Liabilities at Fair Value			
2018	Level 1	Level 2	Level 3	Total
Contingent consideration payable (Note 7)	$	$	$ 2,754	$ 2,754
Warrant option (Note 12)			12,818	12,818
Total	$	$	$ 15,572	$ 15,572

The estimated fair value amounts shown above are not necessarily indicative of the amounts that the Company would realize upon disposition, nor do they indicate the Company's intent or ability to dispose of the financial instrument.

There were no changes in valuation techniques or inputs utilized or transfers between fair value measurement levels during the years ended December 31, 2019 and 2018. The following table sets forth the Company's financial instruments that were measured at fair value on a recurring basis at December 31, 2019 and 2018:

			Level 3		
	Contingent Consideration Current	Contingent Consideration Long Term	Derivative Financial Instruments	Warrant Option	Total
Balance—at January 1, 2018	$ 1,345	$	$ 2,647	$	$ 3,992
Acquisitions	2,951				2,951
Issuance of financial instruments				12,818	12,818
Change in fair value included in earnings	(158)		(352)		(510)
Payment of contingent consideration payable	(1,384)				(1,384)
Write off of financial instruments			(2,295)		(2,295)
Balance—at December 31, 2018	2,754			12,818	15,572
Acquisitions	5,022	379			5,401
Issuance of financial instruments					
Change in fair value included in earnings	1,392		7,100	4,060	12,552
Payment of contingent consideration payable	(554)				(554)
Balance—at December 31, 2019	$ 8,614	$ 379	$ 7,100	$16,878	$32,971

Quantitative Information about Assets and Liabilities Measured at Fair Value on a Recurring Basis Using Significant Unobservable Inputs (Level 3):

Contingent Consideration Payable—The fair values of the contingent consideration payables for acquisitions were calculated based on expected target achievement amounts, which are measured quarterly and then subsequently adjusted to actuals at the target measurement date. The method used to price these liabilities is considered Level 3 due to the subjective nature of the unobservable inputs used to determine the fair value. The input is the expected achievement of earnout thresholds.

Contingent Put Option—The fair value of the contingent put option associated with the issuance of the Redeemable Series A-1 Preferred Stock (Note 17) was estimated using a "with-and-without" method. The

"with-and-without" methodology involves valuing the whole instrument on an as-is basis and then valuing the instrument without the individual embedded contingent put option. The difference between the entire instrument with the embedded contingent put option compared to the instrument without the embedded contingent put option is the fair value of the derivative, recorded as the contingent put option liability. The unobservable inputs are based on probabilities that the instrument will convert upon (i) an IPO, (ii) the instrument is redeemed as a result of the exercise of the call option by the issuer and (iii) the instrument is held until maturity. The considerable quantifiable inputs in the contingent put option liability were: (i) the future value of the call put option, (ii) the fair value of the Redeemable Series A-1 Preferred Stock, (iii) the present value of the total instrument, as well as the present value of the contingent put option feature plus the fair value of the instrument, and (iv) the risk free and discount rates.

Warrant Option—The fair value of the warrant option associated with the issuance of the Redeemable Series A-1 Preferred Stock was calculated based on the Black-Sholes pricing model using the following assumptions:

Common stock value (per share)	$31.60
Expected volatility	47.51%
Risk-free interest rate	1.92%
Expected life (years)	10.00

The method used to price these liabilities is considered Level 3 due to the subjective nature of the unobservable inputs (common stock value and expected volatility) used to determine the fair value.

16. COMMITMENTS AND CONTINGENCIES

Operating Leases—The Company leases office facilities over various terms expiring through 2027. Certain of these operating leases contain rent escalation clauses. The Company also has office equipment leases that expire through 2024. The following is a schedule of the future minimum lease payments by year under the leases as of December 31, 2019:

	Rent	Office Equipment	Total
2020	$ 6,123	$ 299	$ 6,422
2021	4,983	252	5,235
2022	3,957	232	4,189
2023	2,567	96	2,663
2024 and thereafter	2,281	28	2,309
	$19,911	$ 907	$20,818

Total rent expense under operating leases for the years ended December 31, 2019 and 2018 was $7.6 million and $6.7 million, respectively.

Other Commitments—The Company has commitments under its loan facilities and capital lease obligations (Note 14).

Contingencies—The Company is subject to purchase price contingencies related to earn-outs associated with certain acquisitions (Note 7 and 9).

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Legal—In the normal course of business, the Company is at times subject to pending and threatened legal actions. In management's opinion, any potential loss resulting from the resolution of these matters is not expected to have a material effect on the consolidated results of operations, financial position or cash flows of the Company.

17. REDEEMABLE SERIES A-1 PREFERRED STOCK

On October 19, 2018, the Company issued 12,000 shares of Redeemable Series A-1 Preferred Stock with a par value of $0.0001 per share and a detachable warrant to purchase 534,240 shares of the Company's common stock (Note 12). Each preferred share was issued as part of a unit, which consisted of one share of the Redeemable Series A-1 Preferred Stock at $0.01 million per share.

In the event of the occurrence of (i) a change of control with respect to the Company, (ii) a sale of the Company, (iii) an IPO, (iv) any recapitalization of the Company or other similar transaction in each case to the extent financed by third party capital, (v) an event of noncompliance or (vi) the fifth anniversary of the closing date (each, a "Mandatory Redemption Event"), the Company shall, at the option of the holder(s) of a majority of the outstanding Redeemable Series A-1 Preferred Stock, redeem all shares of the Redeemable Series A-1 Preferred Stock, for cash, to the extent permitted by Law, at a price per share of Redeemable Series A-1 Preferred Stock equal to the applicable redemption price on such mandatory redemption date. The Company may, at its option ("Optional Redemption Event") on any one or more dates, redeem all or a portion of the outstanding Redeemable Series A-1 Preferred Stock in cash subject to certain terms and conditions.

The Redeemable Series A-1 Preferred Stock contains restrictive covenants. As of December 31, 2019 and 2018, the Company was subject to a consolidated total leverage ratio (including the outstanding principal and accrued dividend on the Redeemable Series A-1 Preferred Stock) to be lower than 10.0 times as of the end of any fiscal quarter ending until maturity. The Company was in compliance with the covenants as of December 31, 2019 and 2018. The Redeemable Series A-1 Preferred Stock has a liquidation preference of $0.01 million per share.

Total proceeds received and transaction costs incurred from the issuance of the Redeemable Series A-1 Preferred Stock in 2018 amounted to $120.0 million and $1.6 million, respectively. Proceeds received were allocated based on the fair value of the instrument without the warrant and of the warrant itself at the time of issuance. The portion of the proceeds allocated to the warrant was $12.8 million. Both the transaction costs and the value of the warrant were treated as a discount to the Redeemable Series A-1 Preferred Stock.

The Redeemable Series A-1 Preferred Stock accrues dividends quarterly at an annual rate of 15% with respect to any dividends paid in cash and at an annual rate of 14.2% with respect to dividends that are accrued. In the case of a mandatory redemption event, the holder is guaranteed a minimum of two years of dividends or in the event of an optional redemption event, the holder is guaranteed a minimum of three years of dividends. Total accrued and unpaid dividends as of December 31, 2019 and 2018 were $21.9 million and $3.4 million, respectively.

The Company classified the Redeemable Series A-1 Preferred Stock as mezzanine equity as the instrument is redeemable at the option of the holder majority. Since the mandatorily redeemable feature is probable of occurring, the Company accreted the instrument to its redemption value using the effective interest method and recognized any changes against additional paid in capital. The total accreted amount as of

December 31, 2019 and 2018 was $23.2 million and $3.6 million, respectively. At issuance the Company determined that the detachable warrant (Note 12) and the contingent put option (Note 13) were required to be accounted for separately.

18. CONVERTIBLE PREFERRED STOCK

Between May and June 2015, the Company issued 69,817 shares of Series A Convertible Preferred Stock. Each preferred share was issued as part of a unit, which consisted of one share of Series A Convertible Preferred Stock of $429.70 per share and a commitment to purchase $143.23 per share of convertible subordinated debt (see Note 14).

On March 16, 2017 the holders of the Series A Convertible Preferred Stock agreed to certain changes to the terms of the Series A Convertible Preferred Stock. The Company concluded that such modifications resulted in an extinguishment of the Series A Convertible Preferred Stock and a new issuance for accounting purposes. In making this assessment, the Company applied the qualitative value method. As such, the Company derecognized the carrying value of the Series A Convertible Preferred Stock within equity, recognized the modified Series A Convertible Preferred Stock at its fair value, and recorded the difference as a deemed dividend paid on preferred stock and reduced the income available to common shareholders.

The Company classified the Series A Preferred Stock as mezzanine equity as the Series A Convertible Preferred Stock contained a redemption feature (Deemed Liquidation Event) which was contingent upon certain change of control events, the occurrence of which was not solely within the control of the Company. These contingent events were not considered probable of occurring and as such the Company did not accrete the mezzanine equity to its redemption value each period. Furthermore, the Company determined that none of the features embedded in the Convertible Series A Preferred Stock were required to be accounted for separately as a derivative.

The Series A Preferred Stock was entitled to receive a 12% cumulative dividend, compounded annually, and payable only upon a liquidation event of the Company.

On October 19, 2018, the Company redeemed 48,074 shares of the Series A Convertible Preferred Stock for cash at a price of $644.55 per share and converted the remaining outstanding preferred shares into common stock at a 1:31 rate resulting in a total of 674,033 shares of common stock issued at a price of $22.20 per share. Total consideration transferred in cash and common stock amounted to $45.9 million. The Series A Convertible Preferred Stock was remeasured before the redemption transaction resulting in a mark to market adjustment of $3.2 million and a total carrying value of $48.1 million. Because the carrying value of the Series A Preferred Stock exceeded the fair value of the consideration transferred by $2.2 million, such excess was treated as a return from the holders. Both, the remeasurement and the carrying value excess adjustments, are presented net within additional paid in capital in the Company's statements of convertible preferred stock, redeemable series A-1 preferred stock and stockholders' equity (deficit). The Series A Convertible Preferred Shares redeemed in cash were funded through the issuance of the Redeemable Series A-1 Preferred Stock.

19. STOCKHOLDERS' EQUITY (DEFICIT)

Authorized Capital Stock—The Company was authorized to issue 25,000,000 shares of common stock, with a par value of $0.000004 per share as of December 31, 2019 and 2018.

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Warrants—In May 2015, the Company issued warrants to acquire 116,350 shares of Common Stock at a price of approximately $17.19 per share to the placement agent as consideration for backstopping the financing completed in May 2015. There were no changes related to these warrants during 2019 or 2018.

Common Stock Issuances and Repurchases—During the years ended December 31, 2019 and 2018, the Company issued common stock in connection with (i) business acquisitions, (ii) as part of the exercise of options by certain participants, (iii) as part of a common stock offering to certain employees, (iv) through the conversion of the convertible preferred stock into common stock and (v) the vesting of restricted stock. Details of common stock issuances are as follows:

2019	Number of Shares	Average Price per Share
Acquisitions	150,439	$ 26.90
Exercise of options	27,350	6.16
Shares sold	42,415	31.60
Release of restricted stock	12,132	18.82
	232,336	

2018	Number of Shares	Average Price per Share
Acquisitions	264,582	$ 20.26
Exercise of options	5,000	6.03
Release of restricted stock	184,400	13.64
	453,982	

Furthermore, during 2018, certain shares of common stock were repurchased from an investor. This repurchase transaction was accounted for as treasury stock by the Company and recorded as a reduction to additional paid in capital. The treasury stock is carried at cost at the purchase price of $9.80 per share. There are no commitments to repurchase capital stock nor any restrictions imposed by state law related to this transaction. Amounts paid to repurchase these shares were funded through the issuance of the Redeemable Series A-1 Preferred Stock.

Employee Equity Incentive Plans—The Company has two plans under which stock-based awards have been issued: (i) the Montrose 2017 Stock Incentive Plan (“2017 Plan”) and (ii) the Montrose Amended & Restated 2013 Stock Option Plan (“2013 Plan”) (collectively the “Plans”).

In October 2018, the Company offered to existing holders of stock options under the Plans to partially repurchase some of their options. As a result, on November 30, 2018, a total of 86,884 options were repurchased by the Company at the fair value price of $22.20 per option, less the aggregate applicable exercise price of each option for a total purchase price of $1.4 million. Total amount paid for these retired options was funded through the issuance of the Redeemable Series A-1 Preferred Stock.

Total stock-based compensation for the Plans was $4.3 million and $5.8 million for the years ended December 31, 2019 and 2018. Of this amount, $1.4 million ($1.0 million related to the 2017 Plan and $0.4 million related to the 2013 Plan) and $0.8 million ($0.2 million related to the 2017 plan and $0.6 million

related to the 2013 plan) was recorded in cost of revenues, $2.9 million ($1.1 million related to the 2017 Plan and $1.8 million related to the 2013 Plan) and $3.1 million ($0.2 million related to the 2017 plan and $2.9 million related to the 2013 plan) was recorded in selling, general and administrative expense and zero and $1.9 million (all related to the 2017 plan) was recorded in related party expense on the consolidated statements of operations for the years ended December 31, 2019 and 2018, respectively.

As of December 31, 2019, there was $6.3 million of total unrecognized stock compensation expense related to unvested options and restricted stock granted under the Plans. That expense is expected to be recognized over the next two years.

Montrose 2017 Stock Incentive Plan—On October 25, 2017, the Company adopted the 2017 Plan with the objective of attracting and retaining the best available employees and directors by providing stock-based and other performance-based compensation. The plan provides for the grant of Options, Stock Appreciation Rights, Restricted Stock Units and Restricted Stock, any of which may be performance based, as determined by the Company's Compensation Committee.

The Company was authorized to issue up to 997,785 and 600,900 shares as equity awards to participants under the 2017 Stock Incentive Plan as of December 31, 2019 and 2018, respectively. There were 137,908 and 131,113 shares available for grant at December 31, 2019 and 2018.

Restricted Stock—On October 25, 2017, the Company issued 175,625 shares of restricted stock with a fair market value of $13.64 per share to certain related-parties in connection with the settlement of services provided (Note 22). On September 30, 2018, these shares of restricted stock became fully vested and released as common stock.

As of December 31, 2019 and 2018, the Company issued 40,000 and 26,400 shares of restricted stock with a fair market value of $24.00 and $13.64 per share, respectively, to certain plan participants as Director's compensation. These shares of restricted stock vest over three years, in full upon a change in control, subject to the participant's continued service as a Director throughout such date, or upon retirement. Members of the Board of Directors that receive stock-based compensation are treated as employees for accounting purposes. During 2019 and 2018, a total of 12,132 and 8,775 of these restricted shares became fully vested and released as common stock. There were 239,893 and 212,025 restricted shares outstanding as of December 31, 2019 and 2018. There were no forfeitures, cancellations or expirations of restricted shares during 2019 or 2018.

Total stock compensation expense for restricted stock amounted to $0.4 million and $2.0 million for the years ended December 31, 2019 and 2018, respectively. In 2019, this amount consists of restricted stock granted to advisors of the Board. In 2018, this amount consists of $0.2 million pertaining to the restricted stock granted to Board Directors and $1.8 million pertaining to the restricted stock granted to advisors to the Board.

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Options—Options issued to all optionees under the Montrose 2017 Stock Incentive Plan vest over four years from the date of issuance (or earlier vesting start date, as determined by the Board of Directors) with the exception of certain annual grants to our named executive officers, which vest annually over a 3-year period, as follows: one half on the second anniversary of date of grant and the remaining half on the fourth anniversary of the date of grant. The following summarizes the options activity of the 2017 Stock Incentive Plan for the years ended December 31, 2019 and 2018:

	Options to Purchase Common Stock	Weighted-Average Exercise Price per Share	Weighted Average Grant Date Fair Value per Share	Weighted Average Remaining Contract Life (in Years)	Aggregate Intrinsic Value of In-The-Money Options (in Thousands)
Outstanding at January 1, 2018	49,875	$ 14	$ 7		$ 40
Granted	220,900	21	11		
Forfeitured/cancelled	(6,000)	18			
Expired	(7,013)	14			
Outstanding at December 31, 2018	257,762	20	10		1,151
Granted	380,820	27	14		
Forfeitured/cancelled	(20,730)	20			
Outstanding at December 31, 2019	617,852	24	12	7.82	4,696
Options vested and expected to vest	617,852	24		8.79	4,696

The following weighted-average assumptions were used in the Black-Sholes option-pricing model calculation for the years ended December 31, 2019 and 2018:

	2019	2018
Common stock value (per share)	$24.00–$31.60	$18.00–$24.00
Expected volatility	48.13%	48.69%
Risk- free interest rate	1.43%–2.63%	2.86%–2.89%
Expected life (years)	7.00	7.00
Forfeiture rate	None	None
Dividend rate	None	None

Total stock compensation expense for options granted under the Montrose 2017 Stock Incentive Plan was $2.1 million and $2.3 million for the years ended December 31, 2019 and 2018, respectively.

Montrose Amended & Restated 2013 Stock Option Plan—In July 2013, the Company adopted the 2013 Plan to grant certain equity incentive awards to the Company's management and employees.

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As of December 31, 2019 and 2018, the Company was authorized to issue up to 2,058,619 and 2,154,600 shares, respectively, as equity awards to employees and non-employee directors under the Montrose Amended & Restated 2013 Stock Option Plan. As of December 31, 2019 and 2018, 1,550 and 79,946 shares were available for grant, respectively. The following summarizes the activity of the Montrose Amended & Restated 2013 Stock Option Plan for the years ended December 31, 2019 and 2018:

	Options to Purchase Common Stock	Weighted-Average Exercise Price per Share	Weighted Average Grant Date Fair Value per Share	Weighted Average Remaining Contract Life (in Years)	Aggregate Intrinsic Value of In-The-Money Options (in Thousands)
Outstanding at January 1, 2018	2,066,000	$ 6	$ 1	7.83	$ 16,534
Forfeitured/cancelled	(43,225)	7			
Expired	(117,371)	6			
Exercised	(5,000)	6			60
Outstanding at December 31, 2018	1,900,404	6	1	7.30	33,290
Forfeitured/cancelled	(10,635)	8			
Expired	(6,950)	8			
Exercised	(27,350)	6			
Outstanding at December 31, 2019	1,855,469	6	1	6.40	46,617
Exercised at December 31, 2019	201,600	6		5.90	46,617
Options vested and expected to vest	1,855,494	6		5.86	46,617

Stock compensation expense related to the Montrose Amended & Restated 2013 Stock Option Plan was $2.2 million and $3.5 million for the years ended December 31, 2019 and 2018, respectively.

Key Assumptions Used by Management—Due to the absence of an active market for the Company's common stock, the fair value of the Company's common stock for purposes of determining the exercise price for stock option grants, and the fair value at grant date of stock options and restricted stock grants was estimated based on highly subjective and uncertain information (Note 2). The exercise price of stock options is set at least equal to the fair value of the Company's common stock on the date of grant.

Expected volatility represents the estimated volatility of the shares over the expected life of the options. The Company has estimated the expected volatility based on the weighted average historical volatilities of a pool of public companies that are comparable to Montrose since Montrose's common stock is not publicly traded and does not have a readily determinable fair value.

The Company uses an expected dividend yield of zero since no dividends are expected to be paid. The risk-free interest rate for periods within the expected life of the option is derived from the U.S. treasury interest rates in effect at the date of grant. The expected option life represents the period of time the option is expected to be outstanding. The simplified method is used to estimate the term since the Company does not have sufficient exercise history to calculate the expected life of the options.

Forfeitures are recognized when they occur. Previously recognized expense is reversed for the portion of awards forfeited prior to vesting as and when forfeitures occur.

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Unless otherwise approved by the Board of Directors, options must generally be exercised while the individual is an employee. The expiration date of newly issued options is ten years after grant date unless earlier terminated as provided for in the Plan.

Common Stock Reserved for Future Issuances—At December 31, 2019 and 2018, the Company has reserved certain stock of its authorized but unissued common stock for possible future issuance in connection with the following:

	2019	2018
Warrants	650,590	650,590
Montrose 2013 Stock Incentive Plan	2,058,619	2,154,600
Montrose 2017 Stock Incentive Plan	997,785	600,900
Common stock reserved for future issuance	3,706,994	3,406,090

20. NET LOSS PER SHARE

Basic net loss per share is computed by dividing net loss attributable to common stockholders by the weighted average number of common shares outstanding during each period. The Series A Convertible Preferred Stock, which was outstanding prior to its redemption and conversion on October 19, 2018, is considered a participating security. Therefore, the Company applies the two-class method in calculating its earnings per share for periods when the Company generates net income. Net losses are not allocated to the Series A Convertible Preferred Stockholders, as they were not contractually obligated to share in the Company's losses.

Diluted net loss per share is computed by dividing net loss attributable to common stockholders by the weighted average number of common and dilutive common equivalent shares outstanding for the period using the treasury-stock method or the as-converted method. Shares issued in connection with the warrant option (Note 12) are considered outstanding common shares for purposes of calculating net loss per share since they do not contain any conditions that must be satisfied for the holder to receive the shares. Potentially dilutive shares are comprised of Series A Convertible Preferred Stock, and restricted stock, and stock options outstanding under the Plans. For the years ended December 31, 2019 and 2018, there is no difference in the number of shares used to calculate basic and diluted shares outstanding due to the Company's net loss and potentially dilutive shares being anti-dilutive.

The following table summarizes the computation of basic and diluted net loss per share attributable to common stockholders of the Company for the years ended December 31, 2019 and 2018:

In thousands, except for net loss per share	2019	2018
Net loss	$ (23,557)	$ (16,491)
Convertible preferred stock deemed dividend, net of return from holders		(932)
Accretion of redeemable series A- 1 preferred stock	(19,616)	(3,605)
Net loss attributable to common stockholders—basic and diluted	(43,173)	(21,028)
Weighted- average common shares outstanding—basic and diluted	8,789	7,533
Net loss per share attributable to common stockholders—basic and diluted	$ (4.91)	$ (2.79)

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The following equity shares were excluded from the calculation of diluted net loss per share attributable to common stockholders because their effect would have been anti-dilutive for the years ended December 31, 2019 and 2018:

	2019	2018
Stock options	2,048,738	1,321,890
Restricted stock	153,352	112,637
Warrants	116,350	108,267

21. SEGMENT INFORMATION

The Company has three operating and reportable segments: Assessment, Permitting and Response, Measurement and Analysis and Remediation and Reuse. These segments are monitored separately by management for performance against budget and prior year and are consistent with internal financial reporting. The Company's operating segments are organized based upon primary services provided, the nature of the production process, their type of customers, methods used to distribute the products and the nature of the regulatory environment.

Segment Adjusted EBITDA is the primary measure of operating performance for all three operating segments. Segment Adjusted EBITDA is the sum of income (loss) from operations before income taxes, adjusted to exclude interest expense, depreciation and amortization, stock-based compensation, start-up losses and investment in new services, acquisition costs, fair value changes in the derivative and contingent liabilities, and expenses related to financing transactions. The CODM does not review segment assets as a measure of segment performance as segments are evaluated based on revenues and Adjusted EBITDA performance. As such, segment assets are not disclosed in the notes to the accompanying consolidated financial statements.

Corporate and other includes costs associated with general corporate overhead (including executive, legal, finance, safety, human resources, marketing and IT related costs) that are not directly related to supporting operations. Overhead costs that are directly related to supporting operations (such as insurance, software, licenses, shared services and payroll processing costs) are allocated to the operating segments on a basis that reasonably approximates an estimate of the use of these services.

Segment revenues and Adjusted EBITDA for the years ended December 31, 2019 and 2018 consisted of the following:

2019	Segment Revenues	Segment Adjusted EBITDA
Assessment, Permitting and Response	$ 21,071	$ 7,572
Measurement and Analysis	135,531	27,828
Remediation and Reuse	77,252	9,736
Total Operating Segments	233,854	45,136
Corporate and Other		(13,641)
Total	$233,854	$ 31,495

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2018	Segment Revenues	Segment Adjusted EBITDA
Assessment, Permitting and Response	$ 3,663	$ 1,339
Measurement and Analysis	117,373	20,779
Remediation and Reuse	67,769	11,400
Total Operating Segments	188,805	33,518
Corporate and Other		(11,701)
Total	$188,805	$ 21,817

Presented below is a reconciliation of the Company's segment measure to loss before benefit from income taxes for the years ended December 31, 2019 and 2018:

	2019	2018
Total	$ 31,495	$ 21,817
Interest expense, net	(6,755)	(11,085)
Income tax benefit	3,121	4,968
Depreciation and amortization	(27,705)	(23,915)
Stock-based compensation	(4,345)	(5,794)
Start-up losses and investment in new services	(1,874)	(999)
Acquisition costs	(3,474)	(1,595)
Fair value changes in financial instruments	(11,160)	352
Expenses related to financing transactions		(398)
Fair value changes in contingent liabilities	(1,392)	158
Short term purchase accounting fair value adjustments	(858)	
IPO preparation	(610)	
Net loss	$ (23,557)	$ (16,491)

22. RELATED-PARTY TRANSACTIONS

On July 5, 2013, the Company entered into an agreement with an entity owned and controlled by stockholders and directors of the Company to provide for the provision of certain advisory services (the "Monitoring Fee Agreement").

On October 25, 2017, the Company entered into an agreement to amend the terms of the existing Monitoring Fee Agreement. The amendment provided for the payment of services under the original Monitoring Fee Agreement through September 30, 2018 (or earlier, upon the occurrence of certain triggering events) to be settled through the issuance of shares under the 2017 Stock Incentive Plan.

As a result, during 2017 the Company issued 175,625 restricted shares at with a fair market value of $13.64 per share in order to settle all fees payable through September 30, 2018. These restricted shares became fully vested on September 30, 2018. Total amortization expense recorded for the years ended December 31, 2018 related to the management agreement was $1.8 million, and is included in related-party expense on the accompanying consolidated statements of operations.

Furthermore, the Company engages a related party to provide Quality of Earnings reports on acquisition targets. During 2019 and 2018, the Company paid this related party approximately $0.5 million and $0.4 million,

respectively, for its services. This expense is included within related-party expense on the consolidated statements of operations. As of December 31, 2018, the Company had $0.01 million, in unpaid invoices to this related party which are included in accounts payable and other accrued liabilities on the consolidated statements of financial position. As of December 31, 2019, there were no unpaid invoices. The related party used by the Company is partially owned through investment vehicles controlled by certain members of the Company's board of directors.

During 2019, the Company received payment for the notes receivable outstanding from stockholders amounting to $0.1 million.

23. DEFINED CONTRIBUTION PLAN

On January 1, 2014, the Company established the Montrose Environmental Group 401(k) Savings Plan. As of December 31, 2019 and 2018, plan participants may defer up to 85% and 100%, respectively, of their eligible wages for the year, up to the Internal Revenue Service dollar limit and catch up contribution allowed by law. The Company provides employer matching contributions equal to 100% of the first 3% of the participant's compensation and 50% of the participant's elective deferrals that exceed 3% but do not exceed 4% of the participant's compensation. Employer contributions for the years ended December 31, 2019 and 2018 were $2.6 million $2.1 million, respectively, and are included within selling, general, and administrative expenses on the consolidated statements of operations.

24. SUBSEQUENT EVENTS

COVID-19—The spread of COVID-19 around the world in the first quarter of 2020 has resulted in significant volatility in the U.S. and international markets. The Company is closely monitoring the impact of the COVID-19 pandemic on all aspects of its business. Thus far, certain responses to the COVID-19 outbreak have included mandates from federal, state and/or local authorities that required temporary closure of or imposed limitations on the operations of certain businesses and organizations. Montrose provides services classified as essential in most jurisdictions to the public's health, safety, and welfare through a range of services, from testing to remediation to proactive interventions. Montrose's clients, many of whom provide critical utilities and services, rely on the Company to ensure their facilities and operations remain in compliance with government mandated limits. They also rely on Montrose's technical expertise to ensure the safety and compliance with ongoing projects. As such, Montrose's facilities remain open and operational thus far. While COVID-19 did not have a material adverse effect on the Company's reported results for its first quarter, the Company did experience some changes to its business operations. The changes were primarily composed of client postponement of on-site environmental compliance testing, delays in project start dates, and postponement or reformatting of scientific presentations and sales visits. The Company believes these impacts are temporary and accordingly it has instituted temporary cost mitigation measures such as furloughs for a subset of its impacted workforce. The Company's businesses exposed to commercial food waste and non-specialized municipal water engineering projects also saw or are seeing more significant disruptions and, as a result, the Company exited those service lines. The Company has not experienced a significant slowdown in cash collections, and as a result cash flow from operations has not been materially and adversely impacted. The Company expects its sources of liquidity to be sufficient for its operating needs for the next twelve months from the issuance of these financial statements.

Series A-2 Preferred Stock—On April 13, 2020, the Company entered into an agreement to issue 17,500 shares of the Series A-2 Preferred Stock with a par value of $0.0001 per share and a detachable warrant to purchase shares of the Company's common stock with a value of $30.0 million and a 10-year life, in exchange for $175.0 million. Each share of Series A-2 Preferred Stock accrues dividends at the rate of 15% per annum,

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with respect to dividends that are paid in cash, and 14.2% per annum, with respect to dividends that are accrued. The Series A-2 Preferred Stock contains restrictive covenants that include: (i) maximum 4.0 times debt incurrence test and (ii) 10.0 times total leverage cap (inclusive of the outstanding balance on the Series A-2 Preferred Stock).

The Company may, at its option on any one or more dates, redeem all or a minimum portion (the lesser of (i) $50.0 million in aggregate stated value of the Series A-2 Preferred Stock and (ii) all of the Series A-2 Preferred Stock then outstanding) of the outstanding Series A-2 Preferred Stock in cash.

On the occurrence of (i)(x) before a private offering which results in a redemption in full of the Redeemable Series A-1 Preferred Stock, the four-and-a-half-year anniversary of the closing date or (y) after a private offering which results in a redemption in full of the Redeemable Series A-1 Preferred Stock, the five-year anniversary of the closing date, (ii) a change of control, (iii) a sale of the Company, (iv) a non-qualifying IPO, (v) any recapitalization of the Company (other than a redemption of the Redeemable Series A-1 Preferred Stock) or (vi) an event of noncompliance, as defined in the Series A-2 certificate of designation (each, a **"**mandatory redemption event"), the Company shall, at the option of the holders of a majority of the Series A-2 Preferred Stock, redeem all shares of the Series A-2 Preferred Stock, for cash, at a price per share of Series A-2 Preferred Stock equal to the applicable redemption price on such mandatory redemption date.

Upon a qualifying IPO, following which the Redeemable Series A-1 Preferred Stock is fully redeemed, the Series A-2 Preferred Stock terms automatically update to the following: (i) no maturity date, (ii) no principal cash repayment obligation, (iii) only redeemable at the Company's option, (iv) the instrument becomes convertible into common stock beginning on the fourth-year anniversary of issuance at a 15% discount to the common stock market price (with a limit of $60.0 million in stated value of Series A-2 Preferred Stock eligible to be converted in any 60-day period prior to the seventh anniversary of issuance and the amount of stated value of the Series A-2 Preferred Stock eligible for conversion limited to $60.0 million during year 5 and $120.0 million (which includes the aggregate amount of Stated Value of any shares of Series A-2 Preferred Stock converted in year 5) during year 6, (v) the dividend rate steps down to 9% per year with quarterly cash payments required, (vi) the debt incurrence test ratio increases to 4.5 times (unless the Redeemable Series A-1 Preferred Stock is partially repaid with debt but only for so long as such debt remains unpaid) and (vii) removal of the total leverage cap covenant.

With respect to any redemption of any share of the Series A-2 Preferred Stock prior to the third-year anniversary, the Company is subject to a make whole penalty in which the holders of the Series A-2 Preferred Stock are guaranteed a minimum repayment equal to outstanding redeemed principal plus three years of dividends accrued or accruable thereon.

Following a private offering, following which the Redeemable Series A-1 Preferred Stock is fully redeemed, the Series A-2 Preferred Stock terms automatically update to the following (i) maturity date extends to 5 years, (ii) the dividend rate steps down to 9% per year (payable in cash only) with quarterly cash payments required and (iii) the total leverage cap covenant is removed and (iv) the debt incurrence test ratio increases to 4.5 times (unless the Redeemable Series A-1 Preferred Stock is partially repaid with debt but only for so long as such debt remains unpaid).

Following a partial redemption of outstanding Redeemable Series A-1 Preferred Stock, the dividend rate of the Series A-2 Preferred Stock is reduced proportionally (between 15% and 9%) in relation to the proportion

of the Redeemable Series A-1 Preferred Stock redeemed, with the rate increasing by an additional 1% for dividends are accrued versus paid in cash.

Warrant Option—On April 13, 2020, in connection with the issuance of the Series A-2 Preferred Stock, the Company issued a detachable warrant with a fixed value of $30.0 million to acquire 1,351,960 shares of common stock at a price of $0.01 per share, with 949,367 being exercisable at any time and during a period of ten years beginning on the instrument's issuance date and the remaining balance subject to issuance, if at all, based on the valuation of certain pre-defined liquidation events, including an IPO.

Business Acquisition—In April 2020, the Company completed the business acquisition of The Center for Toxicology and Environmental Health, LLC ("CTEH") by acquiring 100% of their membership interest. CTEH is an environmental consulting company in Arkansas that specializes in environmental response and toxicology. The transaction qualified as an acquisition of a business and will be accounted for as a business combination. The following table summarizes the elements of the purchase price of CTEH:

	Cash	Common Stock	Other Purchase Price Component	Contingent(1) Consideration	Total Purchase Price
CTEH	$ 175,000	$ 25,000	$ (1,746)	$	$ 198,254

(1) The contingent consideration element of the purchase price of CTEH's acquisition is related to earn-outs which are based on the expected achievement of revenue or earnings thresholds as of the date of the acquisition and for which the maximum potential amount is limited. The first year earnout is to be calculated at twelve times CTEH's 2020 EBITDA (as defined in the purchase agreement) in excess of $18.3 million, with a maximum first year earn-out payment of $50.0 million. The second year earn-out is to be calculated at ten times CTEH's 2021 EBITDA in excess of actual 2020 EBITDA, with a maximum second year earn-out payment of $30.0 million. Estimated fair value of earn-out payments is still yet to be determined as the valuation process has not been finalized. The 2020 earn out is payable 100% in common stock unless the Company has consummated an IPO or a private placement of common stock where proceeds are no less than $75.0 million, in which event 50% of the 2020 earn out is payable in common stock and 50% in cash. The 2021 earn out, if any, is payable in cash.

The cash portion of the CTEH purchase price was funded via the proceeds from the issuance of the Series A-2 Preferred Stock.

The common stock component was paid through the issuance of 791,139 shares of common stock valued at $31.60 per share.

The other purchase price component of the CTEH purchase price consists of a target working capital amount. CTEH's resulting working capital at closing did not meet the target amount, therefore resulting in a working capital deficit due to the Company.

The Company has not yet completed the initial purchase price allocation for this acquisition, including obtaining all of the information required for the valuation of the acquired intangible assets, goodwill, assets and liabilities assumed, due to the timing of the close of the transaction.

MONTROSE ENVIRONMENTAL GROUP, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In thousands, except where otherwise indicated)

Supplemental Unaudited Pro-Forma—The unaudited consolidated financial information summarized in the following table gives effect to the CTEH acquisition assuming it occurred on January 1, 2020. These unaudited consolidated pro forma operating results do not assume any impact from revenue, cost or other operating synergies that are expected as a result of the acquisitions, nor do they reflect any impact of the issuance of the Series A-2 Preferred Stock or the entry into UniTranche Credit Facility described below. These unaudited consolidated pro forma operating results are presented for illustrative purposes only and are not indicative of the operating results that would have been achieved had the acquisitions occurred on January 1, nor does the information purport to reflect results for any future period.

	As reported	Acquisitions Pro-Forma (Unaudited)	Consolidated Pro-Forma (Unaudited)
Revenues	$ 233,854	$ 110,119	$ 343,973
Net (loss) income	(23,557)	34,928	11,371

Redeemable Series A-1 Preferred Stock—On April 13, 2020, the Company amended and restated the certificate of designation of the Company's Redeemable Series A-1 Preferred Stock. The most significant changes in the amendment included (i) the Redeemable Series A-1 Preferred Stock becomes pari passu with the Series A-2 Preferred Stock, (ii) the maturity was extended to be 4.5 years from the closing date of the Series A-2 Preferred Stock; (iii) the Company may use up to $50.0 million of indebtedness or cash on hand to redeem the Redeemable Series A-1 Preferred Stock, and (iv) upon an IPO, up to 50% of accumulated dividends may be paid in common shares and (v) the Company may elect to reduce the three year make whole penalty to a two year make whole penalty if the warrants issued in connection with the issuance of the Redeemable Series A-1 Preferred Stock are exercised in full. Following a partial redemption of outstanding Redeemable Series A-1 Preferred Stock, the dividend rate of the remaining Redeemable Series A-1 Preferred Stock is reduced proportionally (between 15% and 9%) in relation to the proportion of Redeemable Series A-1 Preferred Stock redeemed, with the rate increasing by an additional 1% for dividends are accrued versus paid in cash.

UniTranche Credit Facility—On April 13, 2020, the Company entered into a UniTranche Credit Agreement for a $225.0 million credit facility, comprised of a Term Loan of $175.0 million and a Revolver of $50.0 million. The facility matures in April 2025 unless the Redeemable Series A-1 Preferred Stock has not been redeemed in full, in which case the maturity date is April 2024 (180 days before the maturity date of the Redeemable Series A-1 Preferred Stock). The Term Loan and the Revolver bear interest at Libor plus 5.0% with a 1.0% LIBOR floor and Libor plus 3.5%, respectively. The Term Loan has quarterly repayments starting on September 30, 2020 of $0.5 million, increasing to $1.2 million on September 30, 2021 and further increasing to $1.6 million on September 30, 2022, with the remaining outstanding principal amount due on the maturity date. The majority of the proceeds received from the UniTranche Credit Facility were used to fully repay the Company's existing Revolving Line of Credit and Term Loan Facility.

The Company has evaluated subsequent events through June 3, 2020, which is the date the consolidated financial statements were available to be issued. There have been no additional subsequent events, other than those described above, that management believes would have a material impact on the Company or its consolidated financial statements.

Independent Auditor's Report

To the Board of Directors and Shareholders of Montrose Environmental Group, Inc.
Emerging Compounds Treatment Technologies, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Emerging Compounds Treatment Technologies, Inc. (the "Company"), a wholly-owned subsidiary of Haley & Aldrich, Inc., which comprise the balance sheet as of August 30, 2019, and the related statements of income, changes in stockholder's equity, and cash flows for the period then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"); this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

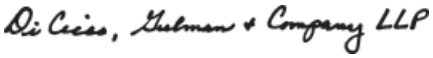
Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of August 30, 2019, and the results of its operations and its cash flows for the period then ended in accordance with U.S. GAAP.

Emphasis of Matters

As discussed in Note 1 to the financial statements, on January 1, 2019, the Company adopted Accounting Standards Codification Topic 606, Revenue from Contracts with Customers, including the subsequent accounting standard updates that amended and clarified the related guidance. Our opinion is not modified with respect to this matter.

As discussed in Note 8 to the financial statements, on August 30, 2019, the Company was acquired by Montrose Environmental Group, Inc. Our opinion is not modified with respect to this matter.



Boston, Massachusetts
February 12, 2020

EMERGING COMPOUNDS TREATMENT TECHNOLOGIES, INC.

BALANCE SHEET

August 30,	2019
ASSETS	
Current assets:	
Cash	$ 3,343,081
Accounts receivable	1,234,225
Revenue in excess of billings, net	803,759
Restricted cash	434,864
Prepaid expenses and other	499,627
Total current assets	6,315,556
Equipment:	
Equipment	1,343,838
Less accumulated depreciation	(568,046)
Equipment, net	775,792
Total assets	$ 7,091,348
LIABILITIES AND STOCKHOLDER'S EQUITY	
Current liabilities:	
Accounts payable	$ 337,231
Billings in excess of revenue	4,538,929
Accrued income taxes due to Parent	1,074,441
Accrued expenses and other	426,933
Total current liabilities	6,377,534
Deferred income taxes	33,000
Total liabilities	6,410,534
Stockholder's equity:	
Common stock, no par value	50,000
Retained earnings	630,814
Total stockholder's equity	680,814
Total liabilities and stockholder's equity	$ 7,091,348

The accompanying notes are an integral part of the financial statements

EMERGING COMPOUNDS TREATMENT TECHNOLOGIES, INC.

STATEMENT OF INCOME

For the period ended August 30,	2019
Net revenue	$ 17,706,692
Direct expenses	8,219,377
Gross profit	9,487,315
General and administrative expenses	4,844,871
Operating income	4,642,444
Other expenses	45,832
Income before income tax expense	4,596,612
Income tax expense	1,142,000
Net income	$ 3,454,612

The accompanying notes are an integral part of the financial statements

EMERGING COMPOUNDS TREATMENT TECHNOLOGIES, INC.

STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY
FOR THE PERIOD ENDED AUGUST 30, 2019

	Class A Common stock*		Retained Earnings	Total Stockholder's Equity
	Shares	Amount		
Balance at January 1, 2019	50,000	$ 50,000	$ 2,409,156	$ 2,459,156
Forgiveness of receivable due from Parent (See Note 4)	—	—	(5,232,954)	(5,232,954)
Net income	—	—	3,454,612	3,454,612
Balance at August 30, 2019	50,000	$ 50,000	$ 630,814	$ 680,814

* 200,000 shares authorized, no par value

The accompanying notes are an integral part of the financial statements

EMERGING COMPOUNDS TREATMENT TECHNOLOGIES, INC.

STATEMENT OF CASH FLOWS

For the period ended, August 30,	2019
Cash flows from operating activities:	
Net income	$ 3,454,612
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	126,835
Provision for allowances	17,396
Deferred income taxes	(7,000)
Changes in operating assets and liabilities:	
Accounts receivable	1,970,211
Revenue in excess of billings	3,261
Prepaid expenses and other	(344,004)
Accounts payable	(1,792,513)
Billings in excess of revenue	(631,387)
Accrued income taxes due to Parent	1,081,441
Accrued expenses and other	(390,426)
Total adjustments	33,814
Net cash provided by operating activities	3,488,426
Cash flows from investing activities:	
Purchases of equipment	(467,305)
Cash paid to Parent from centralized cash management arrangement	(2,219,158)
Net cash used in investing activities	(2,686,463)
Net increase in cash and restricted cash	801,963
Cash and restricted cash, beginning of period	2,975,982
Cash and restricted cash, end of period	$ 3,777,945

The accompanying notes are an integral part of the financial statements

EMERGING COMPOUNDS TREATMENT TECHNOLOGIES, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1—Nature of Operations and Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements of Emerging Compounds Treatment Technologies, Inc. (the "Company") include operations for the period from January 1, 2019 through August 30, 2019. The Company is a wholly-owned subsidiary of Haley & Aldrich, Inc. (the "Parent") and was incorporated in 2013.

Description of Business

The Company is engaged principally in the research, design, manufacture, installation, and operation of systems to address environmental contamination that is difficult to treat with other commercially available equipment and processes. The Company delivers these systems and services to government and private customers throughout the United States of America ("U.S.") and internationally. The principal office of the Company is located in Portland, Maine.

Subsequent Events

The Company has evaluated subsequent events through February 12, 2020, the date the financial statements were approved and authorized for issuance by management, and determined that there have been no subsequent events, except as disclosed in Note 8, that would require recognition in the financial statements or disclosure in the notes to financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Accounts Receivable and Revenue in Excess of Billings

Accounts receivable and revenue in excess of billings are presented in the balance sheet at amounts invoiced and expected to be invoiced, net of estimated uncollectible or unbillable amounts, if applicable. The Company records allowances for doubtful accounts and unbillable revenue in amounts approximating anticipated losses based upon historical experience and management's evaluation of outstanding amounts as of the balance sheet date. Individual uncollectible amounts are written off against the respective allowance when collection of the individual accounts appears doubtful. No allowance for doubtful accounts was deemed necessary at August 30, 2019. See Note 2 for further information on the allowance for unbillable revenue.

Concentration of Credit Risk

The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash, restricted cash, and accounts receivable. The Company's cash and restricted cash are maintained at high quality U.S. and Australian financial institutions. Cash held with those financial institutions may occasionally exceed the amount of insurance provided on such accounts. The Company has not experienced any losses in such accounts and management does not believe the Company is exposed to any significant credit risk relating to its

EMERGING COMPOUNDS TREATMENT TECHNOLOGIES, INC.

NOTES TO FINANCIAL STATEMENTS

balances of cash or restricted cash in either the U.S. or Australia. At August 30, 2019, the value of the Company's cash denominated in the Australian dollar in an Australian financial institution converted to U.S. dollars is approximately $3,139,000.

The Company extends credit to its customers in the ordinary course of business. The Company routinely assesses the financial strength of its customers, and consequently, believes that its accounts receivable credit risk exposure is limited.

Equipment

Equipment is recorded at cost and depreciated using the straight-line method over the estimated useful lives of the assets. Maintenance and repair costs are expensed as incurred. Costs of significant renewals and betterments are capitalized and charged to the cost of assets.

Impairment of Long-Lived Assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Recoverability of these assets is measured by comparison of their carrying amount to the future undiscounted cash flows the assets are expected to generate over their remaining economic lives. In cases when the Company does not expect to recover its carrying value, for example when the asset is no longer in use, an impairment loss will be recognized. As of August 30, 2019, the Company did not believe that there were any factors or circumstances indicating impairment of long-lived assets. The Company has not recognized any impairment charges on its long-lived assets to date.

Restricted Cash

Effective January 1, 2019, the Company adopted a new standard, which enhances and clarifies the classification and presentation of restricted cash in the statement of cash flows. The following table provides a reconciliation of cash and restricted cash reported within the balance sheet that sum to the total of the same such amounts shown in the statement of cash flows as of August 30, 2019:

Cash	$ 3,343,081
Restricted cash	434,864
Cash and restricted cash, end of period	$ 3,777,945

Restricted cash represents security deposits at an Australian financial institution pursuant to meeting certain contract terms with a customer. This amount is denominated in Australian dollars and was converted to U.S. dollars using the foreign exchange rate as of August 30, 2019. The customer will release the cash back to the Company in accordance with the schedule outlined in the contract. At August 30, 2019, the restricted cash earns interest at a rate of 1.65%.

Revenue and Cost Recognition

Effective January 1, 2019, the Company adopted a comprehensive new revenue recognition standard that requires it to recognize revenue in a manner that depicts the transfer of goods or services to a customer at an amount that reflects the consideration it expects to receive in exchange for those goods or services. The new standard became effective for the Company on January 1, 2019. The Company adopted this new standard using

the modified retrospective approach to all contracts that were not completed as of the beginning of 2019. The Company elected to reflect the aggregate effect of all contract modifications occurring prior to January 1, 2019 when identifying satisfied and unsatisfied performance obligations, determining the transaction price, and allocating the transaction price to the satisfied and unsatisfied performance obligations. Adoption of the new standard did not have an impact on the Company's net income, financial position, and cash flows; however, it has resulted in expanded disclosures.

A significant amount of the Company's revenues are derived under multi-year contracts. The Company recognizes revenue from long-term fixed-price contracts on the percentage of completion method, measured by the percentage of total contract costs incurred to date compared to the estimated total contract costs for each contract (an input method). This method is used because management considers total contract costs to be the best available measure of progress on the contracts. The Company recognizes revenue from time and material contracts are recognized when the related costs are incurred (an input method).

Contract costs include all direct material, subcontractor, and labor costs and those indirect costs related to contract performance. General and administrative costs are charged to expense as incurred. Contract losses are provided for in their entirety in the period they become known. As contracts can extend over one or more years, changes in job performance, job conditions, and estimated profitability, including those arising from contract penalty provisions and final contract settlements, may result in revisions in costs and income and are recognized in the period in which the facts which require the revision become known.

In the course of providing its services, the Company routinely subcontracts for services and incurs other direct costs on behalf of its customers. These costs are passed through to customers and, in accordance with U.S. GAAP, are included in the Company's net revenue and direct expenses. The Company controls the services performed by subcontractors and acts as principal because the Company is ultimately responsible to its customers and have full discretion in establishing prices.

Disaggregation of Revenue

Revenue from goods and services transferred to customers over time accounted for all of the Company's net revenues for the period ended August 30, 2019.

Certain services provided by the Company are indirectly impacted by present or future environmental legislation and compliance with environmental laws and other regulatory requirements. Accordingly, a relaxation or repeal of these regulations could in turn negatively impact revenue and cash flows.

Demand for services is cyclical and vulnerable to economic downturns, which may result in customers delaying, curtailing, or canceling proposed and existing projects. Additionally, the Company's governmental customers may face budget deficits that prohibit them from funding new or existing projects. If the economy weakens or customer spending declines, then revenue, profits, and overall financial condition may deteriorate.

The Company's international business exposes it to geopolitical and economic factors, regulatory requirements, increasing competition, and other risks associated with doing business in foreign countries. These risks differ from, and may be greater than, those associated with the Company's domestic business. Any significant impairment of the Company's ability to conduct business outside of the U.S. could negatively impact the Company's results of operations, financial condition, and liquidity.

EMERGING COMPOUNDS TREATMENT TECHNOLOGIES, INC.

NOTES TO FINANCIAL STATEMENTS

Performance Obligations

Performance obligations are satisfied as work progresses (over time). To determine the proper revenue recognition method, the Company evaluates whether two or more contracts should be combined and accounted for as one single contract and whether the combined or single contract should be accounted for as more than one performance obligation. This evaluation requires significant judgment and the decision to combine a group of contracts or separate a single contract into multiple performance obligations could change the amount of revenue and profit recorded in a given period.

Contracts are considered to have a single performance obligation if the promise to transfer the individual goods or services is not separately identifiable from other promises in the contracts, resulting from providing a significant service of integrating a set of tasks and components into a single project. The majority of the Company's contracts have a single performance obligation as the promise to transfer the individual goods or services is not separately identifiable from other promises in the contracts and therefore, is not distinct. The Company may also promise to provide distinct goods or services within a contract in which case the Company separates the contract into multiple performance obligations. In instances where contracts are determined to have multiple performance obligations, the Company allocates the contract transaction price to each performance obligation using the best estimate of the standalone selling price of each distinct good or service in the contract. Typically, the Company sells a customer a specific service and, in these cases, the expected cost plus a margin approach is used to estimate the standalone selling price of each performance obligation.

In some cases, the Company has a master service agreement with a customer under which each task order releases the Company to perform specific portions of the overall scope in the service contract. Each task order is typically accounted for as a separate contract because the task order establishes the enforceable rights and obligations, and payment terms.

Contracts are often modified to account for changes in contract specifications and requirements. The Company considers contract modifications to exist when the modification either creates new rights or obligations or changes the existing enforceable rights or obligations. Most of the Company's contract modifications are for services that are not distinct from existing contracts due to the significant integration provided in the context of the contract and are accounted for as if they were part of the original contract. The effect of a contract modification that is not distinct from the existing contract on the transaction price and measurement of progress for the performance obligation to which it relates is recognized as an adjustment to revenue (either as an increase in or a reduction of revenue) on a cumulative catch-up basis. For contract modifications that result in the promise to provide services that are distinct from the existing contract and the increase in price of the contract is for the same amount as the standalone selling price of the additional goods or services included in the modification, the Company accounts for such contract modifications as a separate contract.

Under the typical payment terms of the Company's contracts, amounts are billed as work progresses in accordance with agreed-upon contractual terms at periodic intervals (e.g., monthly, milestone-based) and customer payments are typically due within 30 days of billing.

The Company generally provides limited warranties for work performed under its contracts. The warranty periods typically extend for a limited duration following substantial completion of the Company's work on a project. These warranties are not priced or sold separately or do not provide customers with a service in addition to assurance of compliance with agreed-upon specifications and industry standards. The Company does not consider these types of warranties to be separate performance obligations. Historically, warranty claims have not resulted in material costs incurred, and any estimated costs for warranties are included in the individual project cost estimates for purposes of accounting for long-term contracts.

EMERGING COMPOUNDS TREATMENT TECHNOLOGIES, INC.

NOTES TO FINANCIAL STATEMENTS

Sales and other related taxes are excluded from the transaction price. Shipping and handling costs associated with outbound freight after control over a product has transferred are accounted for as a fulfillment cost and are included in cost of sales.

Contract Balances

The timing of revenue recognition, billings, and cash collections results in accounts receivable (contract asset), revenue in excess of billings (contract asset), and billings in excess of revenue (contract liability) on the balance sheet. The asset "revenue in excess of billings" represents revenues recognized in excess of amounts billed. The liability "billings in excess of revenue" represents amounts billed in excess of revenue recognized.

Judgements and Estimates

Due to the inherent uncertainties in estimating costs, it is at least reasonably possible that the Company's estimated costs and revenues will change in the near term. Because subcontractor services and other direct costs can change significantly from project to project and period to period, changes in net revenue may not be indicative of business trends. If estimated total costs on contracts indicate a loss or reduction to the percentage of total contract revenues recognized to date, these losses or reductions are recognized in the period in which the revisions are known. The effect of revisions to revenues, estimated costs to complete contracts, including penalties, change orders, claims, anticipated losses, and others are recorded on the cumulative catchup basis in the period in which the revisions are identified and the loss can be reasonably estimated. Such revisions could occur in any year and the effects on the results of operations for that reporting period may be material depending on the size of the project or the adjustment. During the period ended August 30, 2019, the cumulative catch-up adjustment for contract modifications was not material.

Foreign Currency Transactions

Assets and liabilities from foreign currency-based transactions with foreign customers and vendors are measured in U.S. dollars using the exchange rate in effect at the transaction date. These assets and liabilities are adjusted at the balance sheet date to reflect the current exchange rate. These transaction gains and losses are recorded in the statement of income in the period in which the transaction occurs. Transaction losses amounted to approximately $50,000 for the period ended August 30, 2019.

Income Taxes

The Company is a C Corporation for income tax purposes and files its United States federal income tax return and certain state tax returns on a consolidated basis with the Parent. Additional state income tax returns are filed on a stand-alone basis in certain states. The Company also files a stand-alone tax return in Australia. Taxes owed by the Company are paid on its behalf by the Parent and recorded in accrued income taxes due to Parent on the accompanying balance sheet.

U.S. GAAP requires each member of a group that files a consolidated tax return to receive an allocation of current and deferred income tax expense. However, U.S. GAAP does not specify a single allocation methodology. Accordingly, management has elected to follow the separate return method. Under the separate return method, the Company is assumed to file all of its income tax returns with taxing authorities as if it was a stand-alone entity and not part of a consolidated group. Accordingly, the Company follows the rules to calculate its income taxes in these financial statements using the separate return method in the relevant tax jurisdictions.

EMERGING COMPOUNDS TREATMENT TECHNOLOGIES, INC.

NOTES TO FINANCIAL STATEMENTS

U.S. GAAP prescribe the threshold a tax position is required to meet before being recognized in the financial statements. An additional liability for uncertain tax positions ("UTPs") is recognized and recorded as a component of current income tax expense for differences between financial and income tax reporting positions which do not meet this threshold. Any interest and penalties related to UTPs are recorded as a component of income tax expense. The Company has reviewed its income tax positions that remain subject to examination by tax authorities and has not identified any material UTPs and thus, has not recorded any additional liability at August 30, 2019.

The Company's income tax returns are subject to examination by taxing authorities. Because the application of tax laws and regulations for many types of transactions is susceptible to varying interpretations, amounts reported could be changed at a later date upon final determination by taxing authorities. The Company is generally no longer subject to examinations by federal and state tax authorities for years prior to 2016. The Company's initial tax filing in Australia was for the period ended July 31, 2017. As a result, all of the Company's tax returns in Australia remain subject to examination by the Australian Taxation Office. Currently, there are no income tax audits in process.

Note 2—Revenue in Excess of Billings, Net

Revenue in excess of billings, net consists of the following as of August 30, 2019:

Revenue in excess of billings	$ 821,417
Less allowance for unbillable revenue	17,658
	$ 803,759

Note 3—Accrued Expenses and Other

Accrued expenses and other consists of the following as of August 30, 2019:

Accrued subcontractor and other	$ 377,339
Salary and wages	33,087
Vacation	16,507
	$ 426,933

Note 4—Related Party Transactions

The Company has no employees. The Parent hires employees (the "assigned employees") on behalf of the Company. The Company is charged with an expense for the actual salary for each assigned employee, either to direct expenses if the assigned employee is working on a project, or to general and administrative expenses if the assigned employee is not working on a project. Additionally, other payroll related costs for the assigned employees are charged to the Company, including bonus and payroll tax expense.

The Parent allocates charges to the Company related to corporate expenses through a shared services allocation consisting of such items as accounting, facilities, human resources, legal, information technology, health and safety, and executive management. For the period ended August 30, 2019, the shared services allocation amounted to approximately $517,000 and is included in general and administrative expenses.

EMERGING COMPOUNDS TREATMENT TECHNOLOGIES, INC.

NOTES TO FINANCIAL STATEMENTS

Other employee related benefits consisting of medical, dental, workers compensation, and life and disability insurance are charged to the Company by the Parent based on a percentage of labor cost for the assigned employees to all employees of the Parent. For the period ended August 30, 2019, the benefit allocation amounted to approximately $277,000 and is included in general and administrative expenses.

At times, the Company borrows an employee from the Parent to perform project work. In these instances, an overhead charge is allocated to the Company by the Parent. Similarly, when assigned employees are loaned by the Company to the Parent, the Company receives an overhead credit from the Parent. For the period ended August 30, 2019, the net overhead charge on shared labor allocation was not material.

Included in net revenue for the period ended August 30, 2019 are subcontractor services the Company provided to the Parent and to an entity that is wholly owned by the Parent for two projects, amounting to approximately $1,100,000. At August 30, 2019, approximately $14,000 of accounts receivable related to these services. At August 30, 2019, approximately $83,000 of revenue in excess of billings related to these services. At August 30, 2019, approximately $13,000 of billings in excess of revenue related to these services. At August 30, 2019, there are no amounts due to the Parent or to the entity that is wholly owned by the Parent.

On August 30, 2019, immediately prior to the closing of the sale of the Company, and pursuant to the stock purchase agreement, the Company forgave $5,232,954 of a non-interest bearing receivable due from the Parent, representing accumulated unsecured advances made between the Company and the Parent for start-up costs, working capital purposes, payroll and payroll related costs, allocations of shared services, overhead on shared labor and benefits, income taxes, and receipts from the Company's customers that are remitted to the Parent.

Note 5—Income Taxes

The deferred tax liability relates primarily to different tax and financial reporting methods for depreciation. The Company is taxed at a 21% federal statutory rate as a qualified personal service corporation for the period ended August 30, 2019. In addition, the average effective tax rate in the states which the Company files income tax returns is approximately 8%. The Company pays taxes on its foreign income at a tax rate of 30%.

The income tax expense consisted of the following, for the period ended August 30, 2019:

Current expense	
Federal	$ 681,000
Foreign	422,000
State	46,000
	1,149,000
Deferred expense (benefit)	
Federal	(4,000)
State	(3,000)
	(7,000)
Income tax expense	$ 1,142,000

EMERGING COMPOUNDS TREATMENT TECHNOLOGIES, INC.

NOTES TO FINANCIAL STATEMENTS

Note 6—Employee Benefit Plan

Eligible assigned employees participate in a combined 401(k) and profit sharing plan (the "Plan") sponsored by the Parent. Under the terms of the 401(k) portion of the Plan, eligible assigned employees may elect to contribute a limited percentage of their salary, as defined, to the Plan, and the Company matches one half of each eligible employee's contribution. The Company's matching contribution is limited to 3% of each eligible employee's compensation, as defined. There were no discretionary profit sharing or 401(k) match contributions to the Plan for the period ended August 30, 2019.

Note 7—Concentrations

Transactions with one customer accounted for approximately 80% of net revenue for the period ended August 30, 2019. This customer was located in Australia. At August 30, 2019, three customers represented approximately 77% of accounts receivable. At August 30, 2019, the Company had approximately $461,000 of accounts receivable due from two customers in a foreign country.

Note 8—Subsequent Events

Subsequent to the close of business on August 30, 2019, the Company's outstanding common stock was acquired by Montrose Environmental Group, Inc. No adjustments have been made to these financial statements from this acquisition.

CTEH HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
March 31, 2020 and December 31, 2019

	March 31, 2020 (unaudited)	December 31, 2019 (audited)
Assets		
Current assets:		
Cash	$ 14,908,940	$ 1,152,137
Accounts receivable, net of allowance for doubtful accounts of $1,070,988 and $1,331,666, respectively (including unbilled of $6,405,751 and $7,762,823, respectively)	18,590,284	32,330,755
Prepaid expenses and other assets	1,265,133	390,282
Notes receivable from members	2,126,810	—
Total current assets	36,891,167	33,873,174
Property and equipment, net	6,097,856	6,164,108
Total assets	$ 42,989,023	$ 40,037,282
Liabilities and Members' Equity		
Current liabilities:		
Accounts payable	$ 2,581,070	$ 5,023,920
Accrued liabilities	4,969,626	6,497,786
Deferred revenue	398,200	778,578
Line of credit	—	—
Current portion of notes payable	944,764	330,966
Total current liabilities	8,893,660	12,631,250
Long-term liabilities:		
Accrued liability for Class C Profit Units	821,640	885,591
Notes payable, net of current portion	2,198,576	2,283,595
Total long-term liabilities	3,020,216	3,169,186
Total liabilities	11,913,876	15,800,436
Members' equity:		
Members' equity—Preferred units, 253,371 units authorized, issued, and outstanding, liquidation preference of $6,334,275; Class A units, 496,629 units authorized, 375,000 units issued and outstanding; Class B units, 200,000 units authorized, 190,450 and 163,500 units issued and outstanding at March 31, 2020 and December 31, 2019, respectively	31,075,147	24,236,846
Total liabilities and members' equity	$ 42,989,023	$ 40,037,282

See notes to consolidated financial statements.

CTEH HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
Three-month periods ended March 31, 2020 and 2019

	March 31, 2020	March 31, 2019
Revenues	$ 31,253,484	$ 18,056,004
Operating expenses:		
Compensation	8,517,358	6,110,269
Subcontractor labor	3,473,956	1,403,137
Laboratory analysis	663,877	446,463
Travel, meals, and entertainment	2,532,468	1,357,424
Other operating expenses	5,797,765	4,395,229
Total operating expenses	20,985,424	13,712,522
Net operating income	10,268,060	4,343,482
Other income (expense):		
Interest expense	(32,509)	(176,360)
Other	52,347	—
Other income (expense), net	19,838	(176,360)
Net income	$ 10,287,898	$ 4,167,122

See notes to consolidated financial statements.

CTEH HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY
Three-month periods ended March 31, 2020 and 2019

	Members' Equity
Balance, December 31, 2018	$ 8,876,678
Net income	4,167,122
Distributions to members	(1,901,349)
Balance, March 31, 2019	$ 11,142,451
Balance, December 31, 2019	$ 24,236,846
Net income	10,287,898
Distributions to members	(5,764,532)
Issuance of member units (26,950 Class B Units)	2,314,935
Balance, March 31, 2020	$ 31,075,147

See notes to consolidated financial statements.

CTEH HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
Three-month periods ended March 31, 2020 and 2019

	March 31, 2020	March 31, 2019
Cash Flows from Operating Activities		
Net income	$ 10,287,898	$ 4,167,122
Adjustments to reconcile net income to net cash provided by operating activities:		
Bad debts	156,956	91,013
Depreciation	234,757	162,972
Equity based compensation	67,375	—
Changes in operating assets and liabilities:		
Accounts receivable	13,583,515	(3,206,750)
Prepaid expenses and other assets	(874,851)	(824,448)
Accounts payable	(2,442,850)	569,589
Accrued liabilities	(1,592,111)	1,979,855
Interest payable	—	143,010
Deferred revenue	(380,378)	137,222
Net cash provided by operating activities	19,040,311	3,219,585
Cash Flows from Investing Activities		
Purchase of property and equipment	(168,505)	(268,209)
Cash Flows from Financing Activities		
Proceeds from notes payable	866,915	—
Principal payments on notes payable	(338,136)	(78,543)
Distributions to members	(5,643,782)	(1,901,349)
Net cash used in financing activities	(5,115,003)	(1,979,892)
Net change in cash	13,756,803	971,484
Cash, beginning of period	1,152,137	4,070,482
Cash, end of period	$ 14,908,940	$ 5,041,966
Supplemental Cash Flow Information		
Noncash financing activities:		
Issuance of member units by issuance of promissory notes receivable	$ 2,247,560	$ —
Distributions to members by reduction of promissory notes receivable	$ 120,750	$ —

See notes to consolidated financial statements.

CTEH HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2020, December 31, 2019, and March 31, 2019

Note 1—Summary of Significant Accounting Policies

Organization

The accompanying consolidated financial statements as of March 31, 2020, and for the three months ended March 31, 2020, and 2019, include the accounts of CTEH Holdings, LLC and its wholly owned subsidiaries (collectively, the Company). The wholly owned subsidiaries include The Center for Toxicology and Environmental Health, L.L.C.; CTEH Properties, L.L.C.; CTEH Leasing, L.L.C.; CTEH IT Services, LLC; and CTEH Government Services, LLC. CTEH Holdings, LLC was organized as a limited liability company on October 30, 2014. The Center for Toxicology and Environmental Health, L.L.C. was organized as a limited liability company on March 7, 1997, and has offices in Arkansas, Louisiana, California, Mississippi, Texas, Colorado, New York, and Oregon. The Center for Toxicology and Environmental Health, L.L.C. engages in professional services in areas related to toxicology, risk assessment, occupational health, industrial hygiene, emergency response, business process management, and litigation support. CTEH Properties, L.L.C. owns the Company's primary office building and land, which are leased to The Center for Toxicology and Environmental Health, L.L.C., and services the related debt. CTEH Leasing, L.L.C. owns an aircraft that is leased to The Center for Toxicology and Environmental Health, L.L.C., and services the related debt. CTEH IT Services, LLC was organized as a limited liability company on October 30, 2014, for the primary purpose of selling, leasing, and holding the intellectual property rights to the Company's developed software. CTEH Government Services, LLC was organized as a limited liability company on April 7, 2017, to provide construction management related services for projects that are designed to help those who have lost their homes or businesses as a result of a disaster, natural or otherwise. The Company shall exist from the date of filing of its articles of organization with the Secretary of State of Arkansas until December 31, 2022. All significant intercompany transactions have been eliminated in consolidation.

Basis of presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Accounts receivable

The Company extends credit to its customers in the normal course of business. The Company performs ongoing credit evaluations and generally does not require collateral. The Company uses the allowance method to estimate for uncollectible receivables and maintains reserves for potential credit losses.

Management uses significant judgment in estimating uncollectible amounts, considering such factors as current overall economic conditions, industry-specific economic conditions, historical customer perfor- mance, and anticipated customer performance. The Company determines the past due status of accounts based upon contractual terms. While management believes the Company's processes effectively address its exposure to doubtful accounts, changes in economic, industry, or specific customer conditions may require adjustment to the allowance recorded by the Company. Such losses have been within management's expectations.

Notes receivable from members

Notes receivable from members are measured at their unpaid principal balance. No allowance for credit losses has been recorded as of March 31, 2020.

CTEH HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2020, December 31, 2019, and March 31, 2019

Property and equipment

Property and equipment are recorded at cost with such cost depreciated using the straight-line method. Furniture and equipment, computer equipment, and automobiles are depreciated over three to five years, the building is depreciated over 39 years with leasehold improvements depreciated over ten years, and the aircraft is depreciated over 20 years with a 25% residual value with the related avionics depreciated over ten years. The Company accounts for planned major maintenance activities of its aircraft by recognizing expenses in the period in which they occur. Other repair and maintenance activities are expensed as incurred while improvements are capitalized. Gains and losses on disposals of property and equipment are recognized in the year of disposal.

Revenue recognition

The Company adopted Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers*, effective January 1, 2019, utilizing the retrospective with cumulative effect transition method applied only to uncompleted contracts at the date of initial application. In determining the appropriate amount of revenue to recognize, the Company applies the following five-step model: (i) identify contracts with customers; (ii) identify performance obligations in the contracts; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations per the contracts; and (v) recognize revenue when (or as) the Company satisfies a performance obligation. The Company accounts for a contract with a customer when it has written approval, the contract is committed, the rights of the parties, including payment terms, are identified, the contract has commercial substance and consideration is probable of collection. Binding master service arrangements and other time and material contracts or agreements with customers together with agreement to the Company's terms and conditions are considered the contract with a customer. The Company recognizes revenue as control of services is transferred to customers, which is generally as time is incurred related to services performed and upon use of materials. Customer project terms are generally one year or less. The Company invoices a customer monthly or as work progresses and as authorized by management. Payments are due as per contract terms and do not contain a significant financing component. Deferred revenue represents the initial billings made upon commencing a contract, which is recognized as income over the life of the related contract, if applicable.

Significant judgments:

- *Principal versus agent considerations*—The Company is the principal for sales of services in all cases. The Company considers itself the principal in these transactions as it has control of the service before it is transferred to the customer. The Company recognizes the revenue on a gross basis.

- *Methods, inputs and assumptions used*—The Company recognizes revenue over time as the promised services are delivered to customers for an amount that reflects the consideration to which the Company is entitled in exchange for those services. The Company determines whether the services performed during the initial phases of an arrangement are distinct. In most cases, the arrangement is a single performance obligation comprised of a series of distinct services that are substantially the same and that have the same pattern of transfer (i.e., distinct days of service). The Company applies a measure of progress (typically time and material-based) to any fixed consideration and allocates variable consideration to the distinct periods of service based on usage. As a result, revenue is generally recognized over the period the services are provided on a usage basis. This results in revenue recognition that corresponds with the benefit to the customer of the

services transferred to date relative to the remaining services promised. Revenue on fixed price contracts is recognized on a straight-line basis over the term of the contract as services are provided. Revenue on unit-price transactions is recognized using an objective measure of output including staffing hours.

Practical expedients and accounting policy elections:

- *Incremental costs of obtaining a contract*—These costs are included in operating expenses as the amortization period is generally one year or less. The Company expenses costs associated with obtaining and fulfilling contracts as incurred.

- *Significant financing components*—The Company has elected not to adjust the promised amount of consideration for the effects of a significant financing component as the Company expects, at contract inception, that the period between when the entity transfers a promised service to a customer and when the customer pays for that service will generally be one year or less.

Income taxes

As a limited liability company, treated as a partnership, the Company's taxable income or loss is allocated to members in accordance with their respective ownership. Therefore, no provision or liability for income taxes has been included in the consolidated financial statements. Distributions are paid in order to be used by the members to assist in paying personal income taxes.

Recent accounting pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in *Topic 840, Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. In November 2019, the FASB issued ASU 2019-10, *Financial Instruments – Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842),* which defers the effective date of ASU 2016-02 one year, making it effective for fiscal years beginning after December 15, 2020. A modified retrospective transition approach is required for lessees with capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the consolidated financial statements, with certain practical expedients available. The Company is currently evaluating the impact of adopting this new standard on its consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*. ASU 2016-15 provides guidance on how certain cash receipts and cash payments should be presented and classified in the statement of cash flows with the objective of reducing existing diversity in practice with respect to these items. ASU 2016-15 is effective for annual periods beginning after December 15, 2018. Early adoption is permitted. ASU 2016-15 requires a retrospective transition method. However, if it is impracticable to apply the amendments retrospectively for some of the issues, the amendments for those issues would be applied prospectively as of the earliest date practicable. Adoption of ASU 2016-15 did not have a material effect on the Company's consolidated financial statements.

CTEH HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2020, December 31, 2019, and March 31, 2019

Share-based compensation

All share-based payments to employees are recognized in the financial statements based on the grant date. The Company recognizes compensation cost net of estimated forfeitures and recognizes the compensation cost for only those awards expected to vest. The Company records share-based compensation cost as compensation expense.

Use of estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Note 2—Property and Equipment

Property and equipment consisted of the following as of March 31, 2020, and December 31, 2019:

	March 31, 2020 (unaudited)	December 31, 2019 (audited)
Land	$ 616,639	$ 616,639
Building and leasehold improvements	3,381,412	3,372,652
Furniture and equipment	5,799,765	5,709,297
Aircraft	1,819,538	1,819,538
Automobiles	901,234	899,734
Computer equipment	1,284,708	1,216,933
Total property and equipment	13,803,296	13,634,793
Less accumulated depreciation	(7,705,440)	(7,470,685)
Property and equipment, net	$ 6,097,856	$ 6,164,108

Note 3—Operating Leases

The Company leases certain vehicles, office equipment, and office space under noncancelable operating leases. These leases have monthly payments ranging from approximately $210 to $12,540 with maturities ranging from April 2020 through February 2025. Future minimum rentals under these leases as of March 31, 2020, are as follows:

2021	$ 480,947
2022	376,921
2023	159,392
2024	100,775
2025	91,375
Total	$ 1,209,410

Total rent expense incurred under these leases during the three-month periods ended March 31, 2020 and 2019, was approximately $127,700 and $124,400, respectively, and is included in other operating expenses on the accompanying consolidated statements of income.

CTEH HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2020, December 31, 2019, and March 31, 2019

Note 4—Employee Compensation Plans

The Company has an employee incentive compensation plan that is designed to compensate eligible employees through cash bonuses based on the achievement of business and individual performance goals during the year. All regular, full-time employees are eligible to participate in the plan, unless the employee is not employed full-time at the time of the payout of the compensation, worked less than 90 days during the year, or received an unsatisfactory individual performance rating during the period. For the three-month periods ended March 31, 2020 and 2019, the Company incurred approximately $1,050,000 and $707,000, respectively, of employee incentive-based compensation, which is included in compensation expense on the accompanying consolidated statements of income and accrued liabilities on the accompanying consolidated balance sheets.

In addition, the Company has 50,000 Class C Profit Units authorized as of March 31, 2020 (unaudited) and December 31, 2019 (audited). Class C Profit Unit holders have no voting rights and are profits participating only. As of March 31, 2020 (unaudited), and December 31, 2019 (audited), the Company recorded a liability of $821,640 and $885,591, respectively, for undistributed profits to Class C Profit Unit holders, which was reflected in compensation expense on the accompanying consolidated statements of income. The Class C Profit Units are subject to a five-year vesting period. As of March 31, 2020 (unaudited), and December 31, 2019 (audited), there were 25,800 and 19,200 Class C Profit Units issued and outstanding, respectively, of which 13,500 and 8,800 units were nonvested, respectively. The Company has a Call Option whereby it has the right to repurchase the Class C Profit Units. The Call Option becomes exercisable upon termination of employment or certain triggering events as defined in the agreement. The Call Option will expire if not exercised by the Company within 24 months of the event giving rise to the right to exercise the Call Option. The Call Option is deferred for 60 months, as defined in the agreement. Holders of Class C Profit Units have a Put Option whereby they have the right to require the Company to repurchase the Class C Profit Units. The Put Option becomes exercisable upon certain triggering events as defined in the agreement. The Put Option will expire if not exercised by the holders within 24 months of the event giving rise to the right to exercise the Put Option. For Class C Profit Units, the Call Option and Put Option purchase prices are based on the then current account balance of such units. Upon sale of substantially all assets of the Company, all units outstanding become fully vested by the holders.

Note 5—Line of Credit

The Center for Toxicology and Environmental Health, L.L.C. has a revolving line of credit arrangement with a bank, under which it can borrow up to $4,000,000. The line of credit bears interest at a fixed rate per annum with principal balance outstanding, together with all accrued and unpaid interest, due and payable in full upon maturity. The line of credit was set to mature in June 2019 and had an interest rate of 4%. In June 2019, the line of credit agreement was renewed with an extended maturity date of June 2020 and a fixed interest rate of 5.5%. In connection with this revolving line of credit arrangement, The Center for Toxicology and Environmental Health, L.L.C. has a line of credit purchasing card (the purchasing card) arrangement, under which up to $2,000,000 can be borrowed. The purchasing card has the same terms as the revolving line of credit. The line of credit and purchasing card are collateralized by substantially all assets of The Center for Toxicology and Environmental Health, L.L.C. The credit agreement contains certain restrictive covenants, including those concerning the maintenance of certain financial statement ratios. As of March 31, 2020 (unaudited), and December 31, 2019 (audited), there were outstanding borrowings on the purchasing card of approximately $475,200 and $661,700, respectively, which is included in accounts payable on the accompanying consolidated balance sheets.

CTEH HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2020, December 31, 2019, and March 31, 2019

Note 6—Notes Payable

Notes payable consisted of the following at March 31, 2020 and December 31, 2019:

Description	Maturity Date	Principal Balance March 31, 2020 (unaudited)	Principal Balance December 31, 2019 (audited)
Note payable to bank(1)	February 15, 2022	$ 2,060,959	$ 2,109,345
Note payable to bank(2)	October 13, 2024	319,708	328,441
Note payable to bank(3)	September 25, 2021	152,321	176,775
Note payable to bank(4)	November 1, 2020	610,352	—
Total notes payable		3,143,340	2,614,561
Less: current portion		(944,764)	(330,966)
Notes payable, net of current portion		$ 2,198,576	$ 2,283,595

(1) Note payable to a bank with an original amount of $2,625,000, which bears interest at 3.95% per annum. Installments of principal and interest are based on a 12-year amortization of the original note balance and are due monthly in the amount of $22,988, with a final payment of all principal and interest due February 2022. The note is collateralized by the land and building owned by CTEH Properties, L.L.C. and has certain financial statement covenants.

(2) Note payable to a bank with an original amount of $400,000, which bears interest at a rate equal to 4.75% per annum. Beginning on October 14, 2022, until the maturity date, the unpaid principal balance which is not past due will bear interest at a rate equal to the *Wall Street Journal* prime rate plus 0.5%. Installments of principal and interest are based on a ten-year amortization of the original note balance and are due monthly in the amount of $4,194, with a final payment of all principal and interest due October 2024. The note is collateralized by the aircraft and all components and attachments related to the aircraft owned by CTEH Leasing, L.L.C.

(3) Note payable to a bank with an original amount of $385,000, which bears interest at a rate equal to 4.35% per annum. Installments of principal and interest are based on a four-year amortization of the original note balance and are due monthly in the amount of $8,764, with a final payment of all principal and interest due September 2021. The note is collateralized by certain vehicles owned by The Center for Toxicology and Environmental Health, L.L.C.

(4) Note payable to a bank with an original amount of $866,915, which bears interest at a rate equal to 4.65% per annum. Installments of principal and interest are based on a ten-month amortization of the original note balance and are due monthly in the amount of $88,550, with a final payment of all principal and interest due November 2020. The note is collateralized by the insurance policies and unearned premiums, dividend payments, and all payments on accounts of loss which results in reduction of any unearned premiums in accordance with the terms of the policies held by The Center for Toxicology and Environment Health, L.L.C.

CTEH HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2020, December 31, 2019, and March 31, 2019

As of March 31, 2020, the future maturities of notes payable are as follows:

2021	$ 944,764
2022	293,392
2023	1,698,483
2024	41,362
2025	165,339
Total	$ 3,143,340

During the three-month periods ended March 31, 2020 and 2019, the Company paid interest on these notes in addition to notes that were paid off prior to December 31, 2019, totaling approximately $32,500 and $176,400, respectively.

Note 7—Concentrations of Credit Risk

The Company maintains cash deposits which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. Management believes the Company is not exposed to any significant credit risk on cash and that its policies are adequate to minimize potential credit risks.

Approximately 67% and 41% of the Company's revenues for the three-month periods ended March 31, 2020 and 2019, respectively, were from one customer. Approximately 34% and 48% of the Company's total accounts receivable as of March 31, 2020 (unaudited), and December 31, 2019 (audited), respectively, were due from one customer.

The Company maintains an allowance for losses based upon the expected collectibility of accounts receivable. Changes in this allowance during the three-month periods ended March 31, are as follows:

	March 31, 2020	March 31, 2019
Balance at beginning of three-month period	$ 1,331,666	$ 691,779
Provision for uncollectible accounts	156,956	91,013
Write-offs, net of recoveries	(417,634)	—
Balance at end of three-month period	$ 1,070,988	$ 782,792

Note 8—Defined Contribution Plan

The Center for Toxicology and Environmental Health, L.L.C. sponsors a defined contribution 401(k) profit sharing plan. Employees of The Center for Toxicology and Environmental Health, L.L.C. are eligible to participate in the plan on the first day of the month after completing one year of service. The Center for Toxicology and Environmental Health, L.L.C. makes a safe-harbor contribution equal to 100% of the participants' salary deferrals that do not exceed 3% of their compensation plus 50% of their salary deferrals between 3% and 5% of their compensation. The Center for Toxicology and Environmental Health, L.L.C. may make an additional discretionary profit-sharing contribution. The total amount contributed for the three-month periods ended March 31, 2020 and 2019, was approximately $490,400 and $254,300, respectively.

CTEH HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2020, December 31, 2019, and March 31, 2019

Note 9—Commitments and Contingencies

The Center for Toxicology and Environmental Health, L.L.C. is a party to various lawsuits or claims related to its operations. This includes a lawsuit filed by individuals related to an oil spill where employees of The Center for Toxicology and Environmental Health, L.L.C. or employees of subcontractors hired by The Center for Toxicology and Environmental Health, L.L.C. were providing emergency response services.

Gulf of Mexico oil spill in April 2010: This lawsuit was filed by individuals alleging that while providing services primarily during the months of May through December 2010, exposure to chemicals led to later developing medical conditions. As of June 3, 2020, management is unable to estimate the possible loss or range of loss. In the opinion of the Company's management, such proceedings are not expected to have a material adverse effect on the Company's consolidated financial position, results of operations, or cash flows. However, litigation is subject to inherent uncertainties. If an unfavorable ruling were to occur, there exists the possibility of a material adverse impact on the Company's operations in the period in which the ruling occurs; however, the Company believes that the risks associated with the claims are sufficiently covered by insurance. The estimate of the potential impact from the various legal proceedings on the Company's consolidated financial position or overall results of operations could change in the future.

Note 10—Members' Equity

The following table shows the activity for Preferred, Class A, and Class B Units for the three-month periods ended March 31, 2020 and 2019:

	Preferred Units	Class A Units	Class B Units	Total
Units, January 1, 2019	253,371	375,000	138,500	766,871
Granted units	—	—	—	—
Units, March 31, 2019	253,371	375,000	138,500	766,871
Units, January 1, 2020	253,371	375,000	163,500	791,871
Granted units	—	—	26,950	26,950
Units, March 31, 2020	253,371	375,000	190,450	818,821

All Preferred Units and 200,000 Class A Units were fully vested as of October 1, 2013, their initial grant date. The remaining Class A Units and Class B Units are subject to a five-year vesting period. All Class A Units were fully vested as of March 31, 2020 (unaudited) and December 31, 2019 (audited). There were 56,950 and 30,000 Class B Units unvested as of March 31, 2020 (unaudited) and December 31, 2019 (audited). Upon sale of substantially all assets of the Company, all Units outstanding become fully vested to the holders.

No Member, defined as any Initial Member, Substituted Member, or Additional Member, holding Preferred Units, Class A or B Units shall be liable, as such, for the liabilities of the Company. Preferred Unit and Class A Unit holders have voting rights while Class B Unit holders have no voting rights.

The Company has a Call Option whereby it has the right to repurchase the Preferred Units, Class A Units, and Class B Units. The Call Option becomes exercisable upon termination of employment or certain triggering events as defined in the agreement, and the purchase price may be paid in up to 60 months in monthly or five annual installments with interest at the applicable federal rate as published by the Internal Revenue

CTEH HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2020, December 31, 2019, and March 31, 2019

Service on the date of the call. The Call Option will expire if not exercised by the Company within 24 months of the event giving rise to the right to exercise the Call Option. However, the Call Option may be deferred for 60 months, as defined in the agreement.

The Members have a Put Option whereby they have the right to require the Company to repurchase the Preferred Units, Class A Units, and Class B Units. The Put Option becomes exercisable upon certain triggering events as defined in the agreement. The Put Option will expire if not exercised by the Members within 24 months of the event giving rise to the right to exercise the Put Option.

For Preferred Units, the Call Option and Put Option purchase prices are based on the greater of the Preferred Unit liquidation preference or the then current capital account balances of such Preferred Units. The Preferred Unit liquidation preference is based on the valuation of $25 per Preferred Unit for a valuation of $6,334,275. For Class A Units and Class B Units, the Call Option and Put Option purchase prices are based on the then current capital account balance of such units.

Note 11—Related Party Transactions

As of March 31, 2020, the Company has notes receivable from members totaling $2,126,810. Effective January 1, 2020, the Company entered into promissory notes receivable with three members in the original amount of $2,247,560 in exchange for granting 23,000 Class B Units. The notes are noninterest bearing and mature the earlier of December 31, 2029 or upon the sale of substantially all of the assets of the Company, any merger, consolidation or reorganization of the Company. The notes are secured by the pledged 23,000 Class B Units, and the unpaid principal balance of the notes are due at maturity.

Note 12—Subsequent Events

The Company has evaluated subsequent events for recognition and disclosure through June 3, 2020. In March 2020, the pandemic outbreak of a novel coronavirus known as COVID-19 began to spread throughout the world, resulting in emergency declarations by national, state and local governments and municipalities. As a result, many industries are experiencing disruptions to business operations and reduced consumer spending. While the disruption is currently expected to be temporary, there is uncertainty surrounding the duration. These economic uncertainties could negatively impact revenue and bad debts. Other financial impacts could occur, though such impacts are unknown at this time.

Effective March 28, 2020, the Company entered into a Membership Interest Purchase Agreement to sell 100% of membership interests of the Company's wholly owned subsidiaries to Montrose Environmental Group, Inc. (the Transaction). The Transaction was closed and funded on April 13, 2020, with an effective date of April 1, 2020. Immediately prior to the April 13, 2020 transaction closing, the Company contributed all of the outstanding membership interests in CTEH Leasing, L.L.C.; CTEH Properties, L.L.C.; CTEH IT Services, LLC; and CTEH Government Services, LLC (each a subsidiary) to The Center for Toxicology and Environmental Health, L.L.C., and those subsidiaries became wholly owned subsidiaries of The Center for Toxicology and Environmental Health, L.L.C. The total sales price is comprised of $175 million in cash and $25 million in common stock at closing, less $1.75 million of a net working capital short fall. Additional sales price amounts of $50 million and $30 million can be earned based on The Center for Toxicology and Environmental Health, L.L.C. performance for 2020 and 2021, respectively.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
CTEH Holdings, LLC and Subsidiaries

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of CTEH Holdings, LLC and its subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2019 and 2018, the related consolidated statements of income, members' equity and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CTEH Holdings, LLC and its subsidiaries as of December 31, 2019 and 2018, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Little Rock, Arkansas
February 27, 2020

CTEH HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
December 31, 2019 and 2018

	2019	2018
Assets		
Current assets:		
Cash	$ 1,152,137	$ 4,070,482
Accounts receivable, net of allowance for doubtful accounts of $1,331,666 and $691,779, respectively (including unbilled of $7,762,823 and $3,609,028, respectively)	32,330,755	16,731,497
Prepaid expenses and other assets	390,282	218,848
Total current assets	33,873,174	21,020,827
Property and equipment, net	6,164,108	5,111,364
Total assets	$ 40,037,282	$ 26,132,191
Liabilities and Members' Equity		
Current liabilities:		
Accounts payable	$ 5,023,920	$ 906,088
Accrued liabilities	6,497,786	2,756,166
Interest payable	—	157,956
Deferred revenue	778,578	648,736
Line of credit	—	—
Current portion of notes payable	330,966	2,076,599
Total current liabilities	12,631,250	6,545,545
Long-term liabilities:		
Accrued liability for Class C Profit Units	885,591	718,505
Notes payable, net of current portion	2,283,595	9,991,463
Total long-term liabilities	3,169,186	10,709,968
Total liabilities	15,800,436	17,255,513
Members' equity:		
Members' equity—Preferred units, 253,371 units authorized, issued, and outstanding, liquidation preference of $6,334,275; Class A units, 496,629 units authorized, 375,000 units issued and outstanding; Class B units, 200,000 units authorized, 163,500 and 138,500 units issued and outstanding at December 31, 2019 and 2018, respectively	24,236,846	8,876,678
Total liabilities and members' equity	$ 40,037,282	$ 26,132,191

See notes to consolidated financial statements.

CTEH HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
Years ended December 31, 2019 and 2018

	2019	2018
Revenues	$ 110,118,798	$ 58,346,624
Operating expenses:		
Compensation	28,606,369	20,610,486
Subcontractor labor	12,657,034	6,200,378
Laboratory analysis	5,112,563	2,203,244
Travel, meals, and entertainment	8,793,857	6,299,439
Other operating expenses	19,625,690	12,506,048
Total operating expenses	74,795,513	47,819,595
Net operating income	35,323,285	10,527,029
Other income (expense):		
Interest expense	(413,384)	(758,859)
Interest income	14,388	—
Other	3,324	137,695
Other expense, net	(395,672)	(621,164)
Net income	$ 34,927,613	$ 9,905,865

See notes to consolidated financial statements.

CTEH HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY
Years ended December 31, 2019 and 2018

	Members' Equity
Balance, January 1, 2018	$ 1,860,444
Net income	9,905,865
Distributions to members	(2,889,631)
Balance, December 31, 2018	8,876,678
Net income	34,927,613
Distributions to members	(19,667,555)
Issuance of member units (25,000 Class B Units)	100,110
Balance, December 31, 2019	$ 24,236,846

See notes to consolidated financial statements.

CTEH HOLDINGS, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended December 31, 2019 and 2018

	2019	2018
Cash Flows from Operating Activities		
Net income	$ 34,927,613	$ 9,905,865
Adjustments to reconcile net income to net cash provided by operating activities:		
Bad debts	654,849	253,959
Depreciation	822,275	620,586
Equity based compensation	100,110	—
Net gain on disposal of property and equipment	(500)	(17,725)
Changes in operating assets and liabilities:		
Accounts receivable	(16,254,107)	(277,328)
Prepaid expenses and other assets	(171,434)	(53,240)
Accounts payable	4,117,832	(962,784)
Accrued liabilities	3,908,706	269,776
Interest payable	(157,956)	(528,972)
Deferred revenue	129,842	636,736
Net cash provided by operating activities	28,077,230	9,846,873
Cash Flows from Investing Activities		
Proceeds from sale of property and equipment	3,500	17,722
Purchase of property and equipment	(1,878,019)	(698,926)
Net cash used in investing activities	(1,874,519)	(681,204)
Cash Flows from Financing Activities		
Borrowings on line of credit	—	3,150,000
Payments on line of credit	—	(3,150,000)
Principal payments on notes payable	(9,453,501)	(2,883,277)
Distributions to members	(19,667,555)	(2,889,631)
Net cash used in financing activities	(29,121,056)	(5,772,908)
Net change in cash	(2,918,345)	3,392,761
Cash, beginning of year	4,070,482	677,721
Cash, end of year	$ 1,152,137	$ 4,070,482

See notes to consolidated financial statements.

CTEH HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2019 and 2018

Note 1—Summary of Significant Accounting Policies

Organization

The accompanying consolidated financial statements as of and for the years ended December 31, 2019 and 2018, include the accounts of CTEH Holdings, LLC and its wholly owned subsidiaries (collectively, the Company). The wholly owned subsidiaries include The Center for Toxicology and Environmental Health, L.L.C.; CTEH Properties, L.L.C.; CTEH Leasing, L.L.C.; CTEH ITServices, LLC; and CTEH Government Services, LLC. CTEH Holdings, LLC was organized as a limited liability company on October 30, 2014. The Center for Toxicology and Environmental Health, L.L.C. was organized as a limited liability company on March 7, 1997, and has offices in Arkansas, Louisiana, California, Mississippi, Texas, Colorado, New York, and Oregon. The Center for Toxicology and Environmental Health, L.L.C. engages in professional services in areas related to toxicology, risk assessment, occupational health, industrial hygiene, emergency response, business process management, and litigation support. CTEH Properties, L.L.C. owns the Company's primary office building and land, which are leased to The Center for Toxicology and Environmental Health, L.L.C., and services the related debt. CTEH Leasing, L.L.C. owns an aircraft that is leased to The Center for Toxicology and Environmental Health, L.L.C., and services the related debt. CTEH IT Services, LLC was organized as a limited liability company on October 30, 2014, for the primary purpose of selling, leasing, and holding the intellectual property rights to the Company's developed software. CTEH Government Services, LLC was organized as a limited liability company on April 7, 2017, to provide construction management related services for projects that are designed to help those who have lost their homes or businesses as a result of a disaster, natural or otherwise. The Company shall exist from the date of filing of its articles of organization with the Secretary of State of Arkansas until December 31, 2022. All significant intercompany transactions have been eliminated in consolidation.

Basis of presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Accounts receivable

The Company extends credit to its customers in the normal course of business. The Company performs ongoing credit evaluations and generally does not require collateral. The Company uses the allowance method to estimate for uncollectible receivables and maintains reserves for potential credit losses.

Management uses significant judgment in estimating uncollectible amounts, considering such factors as current overall economic conditions, industry-specific economic conditions, historical customer performance, and anticipated customer performance. The Company determines the past due status of accounts based upon contractual terms. While management believes the Company's processes effectively address its exposure to doubtful accounts, changes in economic, industry, or specific customer conditions may require adjustment to the allowance recorded by the Company. Such losses have been within management's expectations.

Property and equipment

Property and equipment are recorded at cost with such cost depreciated using the straight-line method. Furniture and equipment, computer equipment, and automobiles are depreciated over three to five years, the

building is depreciated over 39 years with leasehold improvements depreciated over ten years, and the aircraft is depreciated over 20 years with a 25% residual value with the related avionics depreciated over ten years. The Company accounts for planned major maintenance activities of its aircraft by recognizing expenses in the period in which they occur. Other repair and maintenance activities are expensed as incurred while improvements are capitalized. Gains and losses on disposals of property and equipment are recognized in the year of disposal.

Revenue recognition

The Company adopted Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers*, effective January 1, 2019, utilizing the retrospective with cumulative effect transition method applied only to uncompleted contracts at the date of initial application. In determining the appropriate amount of revenue to recognize, the Company applies the following five-step model: (i) identify contracts with customers; (ii) identify performance obligations in the contracts; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations per the contracts; and (v) recognize revenue when (or as) the Company satisfies a performance obligation. The Company accounts for a contract with a customer when it has written approval, the contract is committed, the rights of the parties, including payment terms, are identified, the contract has commercial substance and consideration is probable of collection. Binding master service arrangements and other time and material contracts or agreements with customers together with agreement to the Company's terms and conditions are considered the contract with a customer. The Company recognizes revenue as control of services is transferred to customers, which is generally as time is incurred related to services performed and upon use of materials. Customer project terms are generally one year or less. The Company invoices a customer monthly or as work progresses and as authorized by management. Payments are due as per contract terms and do not contain a significant financing component. Deferred revenue represents the initial billings made upon commencing a contract, which is recognized as income over the life of the related contract, if applicable.

Significant judgments:

- *Principal versus agent considerations*—The Company is the principal for sales of services in all cases. The Company considers itself the principal in these transactions as it has control of the service before it is transferred to the customer. The Company recognizes the revenue on a gross basis.

- *Methods, inputs and assumptions used*—The Company recognizes revenue over time as the promised services are delivered to customers for an amount that reflects the consideration to which the Company is entitled in exchange for those services. The Company determines whether the services performed during the initial phases of an arrangement are distinct. In most cases, the arrangement is a single performance obligation comprised of a series of distinct services that are substantially the same and that have the same pattern of transfer (i.e., distinct days of service). The Company applies a measure of progress (typically time and material-based) to any fixed consideration and allocates variable consideration to the distinct periods of service based on usage. As a result, revenue is generally recognized over the period the services are provided on a usage basis. This results in revenue recognition that corresponds with the benefit to the customer of the services transferred to date relative to the remaining services promised. Revenue on fixed price contracts is recognized on a straight-line basis over the term of the contract as services are provided. Revenue on unit-price transactions is recognized using an objective measure of output including staffing hours.

Practical expedients and accounting policy elections:

- *Incremental costs of obtaining a contract*—These costs are included in operating expenses as the amortization period is generally one year or less. The Company expenses costs associated with obtaining and fulfilling contracts as incurred.

- *Significant financing components*—The Company has elected not to adjust the promised amount of consideration for the effects of a significant financing component as the Company expects, at contract inception, that the period between when the entity transfers a promised service to a customer and when the customer pays for that service will generally be one year or less.

Income taxes

As a limited liability company, treated as a partnership, the Company's taxable income or loss is allocated to members in accordance with their respective ownership. Therefore, no provision or liability for income taxes has been included in the consolidated financial statements. Distributions are paid in order to be used by the members to assist in paying personal income taxes.

Recent accounting pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing U.S. GAAP revenue recognition guidance when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU 2015-14, which deferred the effective date of ASU 2014-09 one year, making it effective for annual periods beginning after December 15, 2018. The Company adopted the standard on January 1, 2019, using the retrospective with cumulative effective transition method. The adoption of this standard had no material impact on the Company's consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in *Topic 840, Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. In November 2019, the FASB issued ASU 2019-10, *Financial Instruments—Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842)*, which defers the effective date of ASU 2016-02 one year, making it effective for fiscal years beginning after December 15, 2020. A modified retrospective transition approach is required for lessees with capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the consolidated financial statements, with certain practical expedients available. The Company is currently evaluating the impact of adopting this new standard on its consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*. ASU 2016-15 provides guidance on how certain cash receipts and cash payments should be presented and classified in the statement of cash flows with the objective of reducing existing diversity in practice with respect to these items. ASU 2016-15 is effective for annual periods beginning

after December 15, 2018. Early adoption is permitted. ASU 2016-15 requires a retrospective transition method. However, if it is impracticable to apply the amendments retrospectively for some of the issues, the amendments for those issues would be applied prospectively as of the earliest date practicable. Adoption of ASU 2016-15 did not have a material effect on the Company's consolidated financial statements.

Share-based compensation

All share-based payments to employees are recognized in the financial statements based on the grant date. The Company recognizes compensation cost net of estimated forfeitures and recognizes the compensation cost for only those awards expected to vest on a straight-line basis over the requisite service period of the award, which is generally the vesting term. The Company records share-based compensation cost as compensation expense.

Use of estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Note 2—Property and Equipment

Property and equipment consisted of the following as of December 31:

	2019	2018
Land	$ 616,639	$ 616,639
Building and leasehold improvements	3,372,652	3,338,071
Furniture and equipment	6,932,454	5,529,862
Aircraft	1,819,538	1,819,538
Automobiles	899,734	789,892
Computer equipment	1,216,933	916,845
Total property and equipment	14,857,950	13,010,847
Less accumulated depreciation	(8,693,842)	(7,899,483)
Property and equipment, net	$ 6,164,108	$ 5,111,364

CTEH HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2019 and 2018

Note 3—Operating Leases

The Company leases certain vehicles, office equipment, and office space under noncancelable operating leases. These leases have monthly payments ranging from approximately $330 to $12,540 with maturities ranging from April 2020 through February 2025. Future minimum rentals under these leases as of December 31, 2019, are as follows:

2020	$ 519,964
2021	454,533
2022	185,591
2023	102,922
2024	99,120
Thereafter	16,973
Total	$ 1,379,103

Total rent expense incurred under these leases during the years ended December 31, 2019 and 2018, was approximately $541,000 and $413,000, respectively, and is included in rent and utilities expense and equipment expense on the accompanying consolidated statements of income.

Note 4—Employee Compensation Plans

The Company has an employee incentive compensation plan that is designed to compensate eligible employees through cash bonuses based on the achievement of business and individual performance goals during the year. All regular, full-time employees are eligible to participate in the plan, unless the employee is not employed full-time at the time of the payout of the compensation, worked less than 90 days during the year, or received an unsatisfactory individual performance rating during the year. For the years ended December 31, 2019 and 2018, the Company authorized approximately $2,923,000 and $1,550,000, respectively, of employee incentive-based compensation, which is included in compensation expense on the accompanying consolidated statements of income and accrued expenses on the accompanying consolidated balance sheets.

In addition, the Company has 50,000 Class C Profit Units authorized as of December 31, 2019 and 2018. Class C Profit Unit holders have no voting rights and are profits participating only. As of December 31, 2019 and 2018, the Company recorded a liability of $885,591 and $718,505, respectively, for undistributed profits to Class C Profit Unit holders, which was reflected in compensation expense on the accompanying consolidated statements of income. The Class C Profit Units are subject to a five-year vesting period. As of December 31, 2019 and 2018, there were 20,900 and 18,400 Class C Profit Units issued and outstanding, respectively, of which 9,300 and 9,000 units were nonvested, respectively. The Company has a Call Option whereby it has the right to repurchase the Class C Profit Units. The Call Option becomes exercisable upon termination of employment or certain triggering events as defined in the agreement. The Call Option will expire if not exercised by the Company within 24 months of the event giving rise to the right to exercise the Call Option. The Call Option is deferred for 60 months, as defined in the agreement. Holders of Class C Profit Units have a Put Option whereby they have the right to require the Company to repurchase the Class C Profit Units. The Put Option becomes exercisable upon certain triggering events as defined in the agreement. The Put Option will expire if not exercised by the holders within 24 months of the event giving rise to the right to exercise the Put Option. For Class C Profit Units, the Call Option and Put Option purchase prices are based on the then current account balance of such units.

CTEH HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2019 and 2018

Note 5—Line of Credit

The Center for Toxicology and Environmental Health, L.L.C. has a revolving line of credit arrangement with a bank, under which The Center for Toxicology and Environmental Health, L.L.C. can borrow up to $4,000,000. The line of credit bears interest at a fixed rate per annum with principal balance outstanding, together with all accrued and unpaid interest, due and payable in full upon maturity. The line of credit was set to mature in June 2019 and had an interest rate of 4%. In June 2019, the line of credit agreement was renewed with an extended maturity date of June 2020 and a fixed interest rate of 5.5%. In connection with this revolving line of credit arrangement, The Center for Toxicology and Environmental Health, L.L.C. has a line of credit purchasing card (the purchasing card) arrangement, under which up to $2,000,000 can be borrowed. The purchasing card has the same terms as the revolving line of credit. The line of credit and purchasing card are collateralized by substantially all assets of The Center for Toxicology and Environmental Health, L.L.C. The credit agreement contains certain restrictive covenants, including those concerning the maintenance of certain financial statement ratios. As of December 31, 2019 and 2018, there were outstanding borrowings on the purchasing card of approximately $661,700 and $175,000, respectively, which is included in accounts payable on the accompanying consolidated balance sheets.

Note 6—Notes Payable

Notes payable consisted of the following at December 31:

Description	Maturity Date	Principal Balance 2019	Principal Balance 2018
Note payable to bank(1)	February 15, 2022	$ 2,109,345	$ 2,297,824
Note payable to bank(2)	October 13, 2024	328,441	362,288
Note payable to bank(3)	September 25, 2021	176,775	271,866
Notes payable to related parties(4)	August 31, 2023	—	7,634,025
Note payable to unrelated entity(5)	August 31, 2023	—	1,502,059
Total notes payable		2,614,561	12,068,062
Less: current portion		(330,966)	(2,076,599)
Notes payable, net of current portion		$ 2,283,595	$ 9,991,463

(1) Note payable to a bank with an original amount of $2,625,000, which bears interest at 3.95% per annum. Installments of principal and interest are based on a 12-year amortization of the original note balance and are due monthly in the amount of $22,988, with a final payment of all principal and interest due February 2022. The note is collateralized by the land and building owned by CTEH Properties, L.L.C. and has certain financial statement covenants.

(2) Note payable to a bank with an original amount of $400,000, which bears interest at a rate equal to 4.75% per annum. Beginning on October 14, 2022, until the maturity date, the unpaid principal balance which is not past due will bear interest at a rate equal to the *Wall Street Journal* prime rate plus 0.5%. Installments of principal and interest are based on a ten-year amortization of the original note balance and are due monthly in the amount of $4,194, with a final payment of all principal and interest due October 2024. The note is collateralized by the aircraft and all components and attachments related to the aircraft owned by CTEH Leasing, L.L.C.

CTEH HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2019 and 2018

(3) Note payable to a bank with an original amount of $385,000, which bears interest at a rate equal to 4.35% per annum. Installments of principal and interest are based on a four-year amortization of the original note balance and are due monthly in the amount of $8,764, with a final payment of all principal and interest due September 2021. The note is collateralized by certain vehicles owned by The Center for Toxicology and Environmental Health, L.L.C.

(4) Notes payable to three members with an original amount totaling $15,596,914, which bore interest at a rate equal to the *Wall Street Journal* prime rate determined as of each adjustment date (the first day of October of each year in which any amount remains unpaid under these notes) plus 1%, not to exceed 10% (6.25% as of October 1, 2018). Installments of principal and interest were based on 75% of annual net available cash flows as defined in the agreements. These notes were subordinate to the notes payable to a bank listed above. The notes were paid in full June 2019.

(5) Note payable to an entity with an original amount of $3,068,819, which bore interest at a rate equal to the *Wall Street Journal* prime rate determined as of each adjustment date (the first day of October of each year in which any amount remains unpaid under this note) plus 1%, not to exceed 10% (6.25% as of October 1, 2018). Installments of principal and interest were based on 75% of annual net available cash flows as defined in the agreement. This note was subordinate to the notes payable to a bank listed above. The note was paid in full June 2019.

As of December 31, 2019, the future maturities of notes payable are as follows:

2020	$ 330,966
2021	318,479
2022	1,748,326
2023	40,903
2024	175,887
Total	$ 2,614,561

The Company paid interest on these notes during the years ended December 31, 2019 and 2018, totaling approximately $571,000 and $1,288,000, respectively.

Note 7—Concentrations of Credit Risk

The Company maintains cash deposits which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. Management believes the Company is not exposed to any significant credit risk on cash and that its policies are adequate to minimize potential credit risks.

Approximately 56% of the Company's revenues for the year ended December 31, 2019, was from two customers. Approximately 48% and 22% of the Company's total accounts receivable as of December 31, 2019 and 2018, respectively, was due from one customer.

CTEH HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2019 and 2018

The Company maintains an allowance for losses based upon the expected collectibility of accounts receivable. Changes in this allowance for the years ended December 31 are as follows:

	2019	2018
Balance at beginning of year	$ 691,779	$ 921,323
Provision for uncollectible accounts	654,849	253,959
Write-offs, net of recoveries	(14,962)	(483,503)
Balance at end of year	$ 1,331,666	$ 691,779

Note 8—Defined Contribution Plan

The Center for Toxicology and Environmental Health, L.L.C. sponsors a defined contribution 401(k) profit sharing plan. Employees of The Center for Toxicology and Environmental Health, L.L.C. are eligible to participate in the plan on the first day of the month after completing one year of service. The Center for Toxicology and Environmental Health, L.L.C. makes a safe-harbor contribution equal to 100% of the participants' salary deferrals that do not exceed 3% of their compensation plus 50% of their salary deferrals between 3% and 5% of their compensation. The Center for Toxicology and Environmental Health, L.L.C. may make an additional discretionary profit-sharing contribution. The total amount contributed for the years ended December 31, 2019 and 2018, was approximately $1,304,000 and $705,000, respectively.

Note 9—Commitments and Contingencies

The Center for Toxicology and Environmental Health, L.L.C. is a party to various lawsuits or claims related to its operations. This includes a lawsuit filed by individuals related to an oil spill where employees of The Center for Toxicology and Environmental Health, L.L.C. or employees of subcontractors hired by The Center for Toxicology and Environmental Health, L.L.C. were providing emergency response services.

Gulf of Mexico oil spill in April 2010: This lawsuit was filed by individuals alleging that while providing services primarily during the months of May through December 2010, exposure to chemicals led to later developing medical conditions. As of June 3, 2020, management is unable to estimate the possible loss or range of loss. In the opinion of the Company's management, such proceedings are not expected to have a material adverse effect on the Company's consolidated financial position, results of operations, or cash flows. However, litigation is subject to inherent uncertainties. If an unfavorable ruling were to occur, there exists the possibility of a material adverse impact on the Company's operations in the period in which the ruling occurs; however, the Company believes that the risks associated with the claims are sufficiently covered by insurance. The estimate of the potential impact from the various legal proceedings on the Company's consolidated financial position or overall results of operations could change in the future.

CTEH HOLDINGS, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2019 and 2018

Note 10—Members' Equity

The following table shows the activity for Preferred, Class A, and Class B Units for the years ended December 31, 2019 and 2018:

	Preferred Units	Class A Units	Class B Units	Total
Units, January 1, 2018	253,371	375,000	138,500	766,871
Granted units	—	—	—	—
Units, December 31, 2018	253,371	375,000	138,500	766,871
Granted units	—	—	25,000	25,000
Units, December 31, 2019	253,371	375,000	163,500	791,871

All Preferred Units and 200,000 Class A Units were fully vested as of October 1, 2013, their initial grant date. The remaining Class A Units and Class B Units are subject to a five-year vesting period. There were 30,000 and 21,000 Class B Units unvested as of December 31, 2019, and 2018, respectively.

No Member, defined as any Initial Member, Substituted Member, or Additional Member, holding Preferred Units, Class A or B Units shall be liable, as such, for the liabilities of the Company. Preferred Unit and Class A Unit holders have voting rights while Class B Unit holders have no voting rights.

The Company has a Call Option whereby it has the right to repurchase the Preferred Units, Class A Units, and Class B Units. The Call Option becomes exercisable upon termination of employment or certain triggering events as defined in the agreement, and the purchase price may be paid in up to 60 months in monthly or five annual installments with interest at the applicable federal rate as published by the Internal Revenue Service on the date of the call. The Call Option will expire if not exercised by the Company within 24 months of the event giving rise to the right to exercise the Call Option. However, the Call Option may be deferred for 60 months, as defined in the agreement.

The Members have a Put Option whereby they have the right to require the Company to repurchase the Preferred Units, Class A Units, and Class B Units. The Put Option becomes exercisable upon certain triggering events as defined in the agreement. The Put Option will expire if not exercised by the Members within 24 months of the event giving rise to the right to exercise the Put Option.

For Preferred Units, the Call Option and Put Option purchase prices are based on the greater of the Preferred Unit liquidation preference or the then current capital account balances of such Preferred Units. The Preferred Unit liquidation preference is based on the valuation of $25 per Preferred Unit for a valuation of $6,334,275. For Class A Units and Class B Units, the Call Option and Put Option purchase prices are based on the then current capital account balance of such units.

Note 11—Subsequent Events

Management has evaluated subsequent events for recognition and disclosure through February 27, 2020, the date the consolidated financial statements were available to be issued.

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Through and including , 2020, (the 25th day after the date of this prospectus), all dealers effecting transactions in our common stock, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

Shares

Montrose Environmental Group, Inc.

Common Stock

PROSPECTUS

BofA Securities **William Blair**

BNP PARIBAS **Capital One Securities** **Stifel**

Needham & Company

, 2020

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table shows the costs and expenses, other than underwriting discounts and commissions, payable in connection with the sale and distribution of the securities being registered. Except as otherwise noted, we will pay all of these amounts. All amounts except the SEC registration fee, the FINRA fee and the stock exchange listing fee are estimated.

SEC Registration Fee	$ 20,768
FINRA Filing Fee	24,500
NYSE Listing Fee	*
Printing and Engraving Costs	*
Legal Fees and Expenses	*
Accounting Fees and Expenses	*
Transfer Agent and Registrar Fees and Expenses	*
Miscellaneous Expenses	*
Total	$ *

* To be provided by amendment.

Item 14. Indemnification of Directors and Officers.

Our amended and restated certificate of incorporation will provide that, to the fullest extent permitted by the Delaware General Corporate Law, or the DGCL, no director shall be personally liable to our company or its stockholders for monetary damages for breach of fiduciary duty as a director. Our amended and restated bylaws will provide that each person who was or is party or is threatened to be made a party to, or was or is otherwise involved in, any threatened, pending or completed proceeding by reason of the fact that he or she is or was a director or officer of our company or was serving at the request of our company as a director, officer, employee, agent or trustee of another entity shall be indemnified and held harmless by us to the full extent authorized by the DGCL against all expense, liability and loss actually and reasonably incurred in connection therewith, subject to certain limitations.

Section 145(a) of the DGCL authorizes a corporation to indemnify any person who was or is a party, or is threatened to be made a party, to a threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation), by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding, if the person acted in good faith and in a manner the person reasonably believed to be in, or not opposed to, the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe the person's conduct was unlawful.

Section 145(b) of the DGCL provides in relevant part that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit if the person acted in good faith and in a manner the person

reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

The DGCL also provides that indemnification under Sections 145(a) and (b) can only be made upon a determination that indemnification of the present or former director, officer or employee or agent is proper in the circumstances because such person has met the applicable standard of conduct set forth in Sections 145(a) and (b). Such determination shall be made, with respect to a person who is a director or officer at the time of such determination, (1) by a majority vote of directors who are not a party to the action at issue (even though less than a quorum), (2) by a majority vote of a designated committee of these directors (even though less than a quorum), (3) if there are no such directors, or these directors authorize, by the written opinion of independent legal counsel or (4) by the stockholders.

Section 145(g) of the DGCL also empowers a corporation to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the corporation would have the power to indemnify such person against such liability under Section 145 of the DGCL.

Section 102(b)(7) of the DGCL permits a corporation to provide for eliminating or limiting the personal liability of one of its directors for any monetary damages related to a breach of fiduciary duty as a director, as long as the corporation does not eliminate or limit the liability of a director for acts or omissions which (1) were in bad faith, (2) were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated, (3) the director derived an improper personal benefit from (such as a financial profit or other advantage to which such director was not legally entitled) or (4) breached the director's duty of loyalty.

We have entered into indemnification agreements with each of our executive officers and directors that provide, in general, that we will indemnify them to the fullest extent permitted by law in connection with their service to us or on our behalf.

The proposed form of Underwriting Agreement to be filed as Exhibit 1.1 to this registration statement on Form S-1 will provide for indemnification of our directors and officers by the underwriters against certain liabilities.

Item 15. Recent Sale of Unregistered Securities.

We have not sold any securities, registered or otherwise, within the past three years, except:

- On July 12, 2017, the Company issued 7 shares (or 175 shares after adjusted for our 25:1 stock split in December 2017) of common stock to one investor at a purchase price of $1,993. This issuance was exempt from the registration requirements of the Securities Act pursuant to Section 4(a)(2) thereof as a transaction by an issuer not involving any public offering.

- On July 31, 2017, the Company issued an aggregate of 2,024 shares (or 50,600 shares after adjusting for our 25:1 stock split in December 2017) of common stock to two investors at an aggregate purchase price of $574,816. This issuance was exempt from the registration requirements of the Securities Act pursuant to Section 4(a)(2) thereof as a transaction by an issuer not involving any public offering.

- On July 31, 2017, the Company issued an aggregate of 879 shares (or 21,975 shares after adjusting for our 25:1 stock split in December 2017) of common stock to one investor at an aggregate purchase price of $249,636. This issuance was exempt from the registration requirements of the Securities Act pursuant to Section 4(a)(2) thereof as a transaction by an issuer not involving any public offering.

- On October 3, 2017, the Company issued an aggregate of 733 shares (or 18,325 shares after adjusting for our 25:1 stock split in December 2017) of common stock to three investors at an aggregate purchase price of $249,953. This issuance was exempt from the registration requirements of the Securities Act pursuant to Section 4(a)(2) thereof as a transaction by an issuer not involving any public offering.

- On October 31, 2017, the Company issued an aggregate of 3,274 shares (or 81,850 shares after adjusting for our 25:1 stock split in December 2017) of common stock to one investor at an aggregate purchase price of $1,181,914. This issuance was exempt from the registration requirements of the Securities Act pursuant to Section 4(a)(2) thereof as a transaction by an issuer not involving any public offering.

- On December 22, 2017, the Company issued an aggregate of 16,620 shares of common stock to one investor at an aggregate purchase price of $239,993. This issuance was exempt from the registration requirements of the Securities Act pursuant to Section 4(a)(2) thereof as a transaction by an issuer not involving any public offering.

- On January 31, 2018, the Company issued an aggregate of 52,857 shares of common stock to twelve investors at an aggregate purchase price of $924,998. This issuance was exempt from the registration requirements of the Securities Act pursuant to Section 4(a)(2) thereof as a transaction by an issuer not involving any public offering.

- On February 9, 2018, the Company issued an aggregate of 35,050 shares of common stock to three investors at an aggregate purchase price of $630,900. This issuance was exempt from the registration requirements of the Securities Act pursuant to Section 4(a)(2) thereof as a transaction by an issuer not involving any public offering.

- On April 2, 2018, the Company issued an aggregate of 24,166 shares of common stock to two investors at an aggregate purchase price of $434,988. This issuance was exempt from the registration requirements of the Securities Act pursuant to Section 4(a)(2) thereof as a transaction by an issuer not involving any public offering.

- On October 19, 2018, the Company issued an aggregate of 12,000 shares of Series A-1 preferred stock and a warrant to purchase 534,240 shares of common stock to an accredited investor at an aggregate purchase price of $120.0 million. The issuance of the Series A-1 preferred stock and the warrant to purchase common stock was exempt from the registration requirements of the Securities Act pursuant to Section 4(a)(2) thereof as a transaction by an issuer not involving any public offering.

- On November 9, 2018, the Company issued an aggregate of 85,201 shares of common stock to one investor at an aggregate purchase price of $2,027,784. This issuance was exempt from the registration requirements of the Securities Act pursuant to Section 4(a)(2) thereof as a transaction by an issuer not involving any public offering.

- On November 30, 2018, the Company issued an aggregate of 67,308 shares of common stock to four investors at an aggregate purchase price of $1,615,392. This issuance was exempt from the

registration requirements of the Securities Act pursuant to Section 4(a)(2) thereof as a transaction by an issuer not involving any public offering.

- On April 30, 2019, the Company issued an aggregate of 125,031 shares of common stock to six investors at an aggregate purchase price of $3,041,395. This issuance was exempt from the registration requirements of the Securities Act pursuant to Section 4(a)(2) thereof as a transaction by an issuer not involving any public offering.

- On July 31, 2019, the Company issued an aggregate of 25,408 shares of common stock to five investors at an aggregate purchase price of $899,973. This issuance was exempt from the registration requirements of the Securities Act pursuant to Section 4(a)(2) thereof as a transaction by an issuer not involving any public offering.

- Between October 31, 2019 and November 8, 2019, the Company issued an aggregate of 42,415 shares of common stock to nine investors at an aggregate purchase price of $1,340,314. This issuance was exempt from the registration requirements of the Securities Act pursuant to Section 4(a)(2) thereof as a transaction by an issuer not involving any public offering.

- On April 13, 2020, the Company issued an aggregate of 17,500 shares of Series A-2 preferred stock with a par value of $0.0001 per share and a detachable warrant to purchase up to 1,351,960 shares of the Company's common stock with a 10-year life, in exchange for $175.0 million. The issuance of the Series A-2 preferred stock and the warrant to purchase common stock was exempt from the registration requirements of the Securities Act pursuant to Section 4(a)(2) thereof as a transaction by an issuer not involving any public offering.

- On April 13, 2020, the Company issued an aggregate of 791,139 shares of common stock to an accredited investor as consideration for the acquisition of The Center for Toxicology and Environmental Health, L.L.C. This issuance was exempt from the registration requirements of the Securities Act pursuant to Section 4(a)(2) thereof as a transaction by an issuer not involving any public offering.

Item 16. Exhibits and Financial Data Schedules.

(a) Exhibit Index

See the Exhibit Index immediately preceding the signature page hereto for a list of exhibits filed as part of this registration statement on Form S-1, which Exhibit Index is incorporated herein by reference.

(b) Financial Statement Schedule

None. Financial statement schedules have been omitted because the information called for is not required or is shown either in the audited consolidated financial statements or in the notes thereto included elsewhere in this registration statement on Form S-1.

Item 17. Undertakings.

(a) The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreements, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

(b) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the

registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(c) The undersigned registrant hereby undertakes that:

(i) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act of 1933 shall be deemed to be part of this registration statement as of the time it was declared effective.

(ii) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

EXHIBIT INDEX

Exhibit No.	Description of Exhibit
1.1*	Form of Underwriting Agreement.
2.1	Membership Interest Purchase Agreement among CTEH Holdings, LLC, Montrose Planning & Permitting, LLC, Montrose Environmental Group, Inc., The Center for Toxicology and Environmental Health, L.L.C. and the Seller Indemnifying members dated March 28, 2020.
3.1	Certificate of Incorporation of the Registrant.
3.2	Certificate of Amendment of Certificate of Incorporation of the Registrant dated December 6, 2017.
3.3	Certificate of Amendment of Certificate of Incorporation of the Registrant dated April 13, 2020.
3.4	Amended and Restated Certificate of Designation of Cumulative Series A-1 Preferred Stock.
3.5	Certificate of Designation of Cumulative Series A-2 Preferred Stock.
3.6	Bylaws of the Registrant.
3.7*	Amended and Restated Certificate of Incorporation of the Registrant to be adopted.
3.8*	Amended and Restated Bylaws of the Registrant to be adopted.
4.1	Third Amended and Restated Investor Rights Agreement dated April 13, 2020 by and among Montrose Environmental Group, Inc., OCM Montrose Holdings, L.P., OCM Montrose II Holdings, L.P. and the common stockholders party thereto.
4.2	Third Amended and Restated Right of First Refusal and Co-Sale Agreement dated April 13, 2020, by and among Montrose Environmental Group, Inc., OCM Montrose Holdings, L.P., OCM Montrose II Holdings, L.P. and the common stockholders party thereto.
4.3	Third Amended and Restated Voting and Drag Along Agreement dated April 13, 2020 by and among Montrose Environmental Group, Inc., OCM Montrose Holdings, L.P., OCM Montrose II Holdings, L.P. and the common stockholders party thereto.
4.4*	Form of Stock Purchase Warrant.
4.5	Stock Purchase Warrant issued to OCM Montrose Holdings, L.P. dated October 19, 2018.
4.6	Stock Purchase Warrant issued to OCM Montrose II Holdings, L.P. dated April 13, 2020.
5.1	Opinion of Gibson, Dunn & Crutcher LLP.
10.1#	Form of Indemnification Agreement entered into with Directors and Executive Officers.
10.2	Fifth Amended and Restated Credit Facility dated July 24, 2019 with Bank of America, N.A. as administrative agent and the lenders party thereto.
10.3	Revolving Commitment Increase Agreement, dated as of October 22, 2019, by and among Montrose Environmental Group, Inc., as the parent borrower, 1203524 B.C. Ltd., as the Canadian Borrower, the Guarantors, Bank of the West, and Bank of America, N.A., as administrative agent, swing line lender and L/C issuer.
10.4	Credit Agreement dated as of April 13, 2020 by and among Montrose Environmental Group, Inc., as the parent borrower, 1203524 B.C. Ltd., as the Canadian borrower, certain subsidiaries of the parent borrower, as the guarantors, Capital One, National Association, as administrative agent, revolver agent, swing line lender and L/C issuer, and the lenders party thereto.
10.5#	Offer Letter by and between Montrose Environmental Group, Inc. and Vijay Manthripragada, dated July 13, 2015.
10.6#	Executive Compensation Letter by and between Montrose Environmental Group, Inc. and Vijay Manthripragada, dated June 23, 2016.
10.7#	Offer Letter by and between Montrose Environmental Group, Inc. and Allan Dicks, dated August 8, 2016.

Exhibit No.	Description of Exhibit
10.8#	Executive Compensation Letter by and between Montrose Environmental Group, Inc. and Allan Dicks, dated August 8, 2016.
10.9#	Offer Letter by and between Montrose Environmental Group, Inc. and Nasym Afsari, dated October 14, 2014.
10.10#	Executive Compensation Letter by and between Montrose Environmental Group, Inc. and Nasym Afsari, dated June 23, 2016.
10.11#	Amendment to the Executive Compensation Letter by and between Montrose Environmental Group, Inc. and Nasym Afsari, dated September 14, 2017.
10.12#	Offer Letter by and between Montrose Environmental Group, Inc. and Joshua M. LeMaire, dated July 2, 2015.
10.13#	Executive Compensation Letter by and between Montrose Environmental Group, Inc. and Joshua M. LeMaire, dated June 23, 2016.
10.14#	Offer Letter by and between Montrose Environmental Group, Inc. and Jose M. Revuelta, dated March 4, 2014.
10.15#	Executive Compensation Letter by and between Montrose Environmental Group, Inc. and Jose M. Revuelta, dated June 23, 2016.
10.16#	Montrose Environmental Group, Inc. Amended and Restated 2013 Stock Option Plan.
10.17#	Amendment No. 1 to Montrose Environmental Group, Inc. Amended and Restated 2013 Stock Option Plan.
10.18#	Amendment No. 2 to Montrose Environmental Group, Inc. Amended and Restated 2013 Stock Option Plan.
10.19#	Amendment No. 3 to Montrose Environmental Group, Inc. Amended and Restated 2013 Stock Option Plan.
10.20#	Amendment No. 4 to Montrose Environmental Group, Inc. Amended and Restated 2013 Stock Option Plan.
10.21#	Amendment No. 5 to Montrose Environmental Group, Inc. Amended and Restated 2013 Stock Option Plan.
10.22#	Amendment No. 6 to Montrose Environmental Group, Inc. Amended and Restated 2013 Stock Option Plan.
10.23#	Amendment No. 7 to Montrose Environmental Group, Inc. Amended and Restated 2013 Stock Option Plan.
10.24#	Amendment No. 8 to Montrose Environmental Group, Inc. Amended and Restated 2013 Stock Option Plan.
10.25#	Form of Option Award Agreement under the Montrose Environmental Group, Inc. Amended and Restated 2013 Stock Option Plan.
10.26#	Montrose Environmental Group, Inc. Amended and Restated 2017 Stock Incentive Plan.
10.27#	Amendment No. 1 to Montrose Environmental Group, Inc. Amended and Restated 2017 Stock Incentive Plan.
10.28#	Form of Grant Notice and Standard Terms and Conditions for Stock Options under the Montrose Environmental Group, Inc. Amended and Restated 2017 Stock Incentive Plan.

Exhibit No.	Description of Exhibit
10.29#	Form of Grant Notice and Standard Terms and Conditions for Restricted Stock under the Montrose Environmental Group, Inc. Amended and Restated 2017 Stock Incentive Plan.
10.30#	Form of Confidential Information, Non-Solicitation and Non-Compete Agreement (California).
10.31#	Form of Confidential Information, Non-Solicitation and Non-Compete Agreement (Ohio).
10.32#	Montrose Environmental Group, Inc. Executive Severance Policy.
21.1	Subsidiaries of the Registrant.
23.1	Consent of Deloitte & Touche LLP.
23.2	Consent of DiCicco, Gulman & Company LLP.
23.3	Consent of HoganTaylor LLP.
23.4	Consent of Gibson, Dunn & Crutcher LLP (to be included in Exhibit 5.1).
23.5*	Consent of Environmental Business International, Inc.
24.1	Powers of Attorney (included on the signature page hereto).

* To be filed by amendment.

\# Denotes management compensatory plan or arrangement

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Irvine, state of California, on June 29, 2020.

Montrose Environmental Group, Inc.

By: /s/ Vijay Manthripragada
Name: Vijay Manthripragada
Title: President and Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Vijay Manthripragada, Allan Dicks and Nasym Afsari, and each of them, his true and lawful attorneys-in-fact and agents, each with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments, including post-effective amendments, to this Registration Statement, and any registration statement relating to the offering covered by this Registration Statement and filed pursuant to Rule 462 under the Securities Act of 1933, as amended, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that each of said attorneys-in-fact and agents or their substitute or substitutes may lawfully so or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, the following persons have signed this Registration Statement in the capacities and on the date indicated.

/s/ Vijay Manthripragada Vijay Manthripragada	President, Chief Executive Officer and Director (Principal Executive Officer)	June 29, 2020
/s/ Allan Dicks Allan Dicks	Chief Financial Officer (Principal Financial Officer, Principal Accounting Officer)	June 29, 2020
/s/ J. Miguel Fernandez de Castro J. Miguel Fernandez de Castro	Director	June 29, 2020
/s/ Peter M. Graham Peter M. Graham	Director	June 29, 2020
/s/ Brook Hinchman Brook Hinchman	Director	June 29, 2020
/s/ Richard E. Perlman Richard E. Perlman	Director	June 29, 2020
/s/ J. Thomas Presby J. Thomas Presby	Director	June 29, 2020
/s/ James K. Price James K. Price	Director	June 29, 2020
/s/ Robin Newmark Robin Newmark	Director	June 29, 2020
/s/ Peter Jonna Peter Jonna	Director	June 29, 2020

Exhibit 2.1

Execution Version

MEMBERSHIP INTEREST PURCHASE AGREEMENT

by and among

CTEH HOLDINGS, LLC,

MONTROSE PLANNING & PERMITTING, LLC

MONTROSE ENVIRONMENTAL GROUP, INC.,

THE CENTER FOR TOXICOLOGY AND ENVIRONMENTAL HEALTH, L.L.C.

and

THE SELLER INDEMNIFYING MEMBERS
(solely for purposes of Article XI)

DATED March 28, 2020

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MEMBERSHIP INTEREST PURCHASE AGREEMENT

THIS MEMBERSHIP INTEREST PURCHASE AGREEMENT (this "Agreement") is made as of March 28, 2020 by and among The Center for Toxicology and Environmental Health, L.L.C., an Arkansas limited liability company (the "Company"), Montrose Planning & Permitting, LLC, a Delaware limited liability company (the "Purchaser"), Montrose Environmental Group, Inc., a Delaware corporation ("Parent"), CTEH Holdings, LLC, an Arkansas limited liability (the "Seller"), and, solely for purposes of Article XI, the Seller Indemnifying Members.

RECITALS:

A. The Seller owns and controls 100% of the issued and outstanding membership interests of the Company (the "Interests").

B. Seller wishes to sell to Purchaser, and Purchaser wishes to purchase from Seller, the Interests on the terms and subject to the conditions set forth herein.

C. Prior to the Closing, Seller shall contribute the Other Seller Subsidiaries to the Company (the "Reorganization").

NOW, THEREFORE, in consideration of the premises and mutual covenants contained in this Agreement, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

ARTICLE I

DEFINITIONS

Capitalized terms used but not defined herein shall have the meanings ascribed to them in Appendix A attached hereto.

ARTICLE II

AUTHORIZATION; PURCHASE AND SALE; CLOSING

2.1 Purchase and Sale. Subject to the terms and conditions hereof, at the Closing, the Seller shall sell, assign, transfer and deliver to the Purchaser, and the Purchaser shall purchase and acquire from the Seller, all right, title and interest in and to the Interests, free and clear of all Encumbrances.

2.2 Purchase Price. Subject to adjustment pursuant to Section 2.7 of this Agreement, the aggregate amount to be paid for the Interests shall be Two Hundred Million Dollars and No Cents ($200,000,000) (the "Purchase Price"), of which One Hundred Seventy-Five Million Dollars and No Cents ($175,000,000) shall be payable at the Closing in cash in accordance with Section 2.4 (the "Cash Purchase Price"), subject to adjustments set forth in Section 2.4(a)(ii), and Twenty-Five Million Dollars and No Cents ($25,000,000) shall be paid in shares of Parent Common Stock in accordance with Section 2.4 (the "Stock Consideration"). The Cash Purchase Price and Stock Consideration shall be adjusted at Closing based on the Issuance Price in order to avoid the issuance of fractional shares, with the sum being equal to the Purchase Price.

2.3 Preliminary Closing Statement. Not less than three (3) Business Days prior to the Closing Date, the Company shall deliver to the Purchaser the Preliminary Closing Statement.

2.4 Payment of Purchase Price.

(a) On the Closing Date, the Purchaser shall:

(i) pay, repay or cause to be repaid the Closing Date Indebtedness and Closing Date Expenses, each as set forth in the Preliminary Closing Statement and the applicable Payoff Letters and invoices;

(ii) pay or cause to be paid to the Seller an aggregate cash amount equal to the Estimated Cash Purchase Price *minus* the Escrow Cash *minus* the USVI Tax Escrow (the resulting amount, the "Closing Date Payment");

(iii) cause to be issued in the name of the Seller a number of shares of Parent Common Stock, calculated in accordance with Section 2.5, constituting the Non-Escrow Stock;

(iv) deposit a portion of the Stock Consideration equal to an aggregate amount of Fifteen Million Dollars and No Cents ($15,000,000.00) (the "Escrow Stock", with the remaining portion of the Stock Consideration being referred to herein as the "Non-Escrow Stock") with the SunTrust Bank, a Georgia banking corporation (the "Escrow Agent") to hold in escrow in accordance with Section 2.6 and the Escrow Agreement;

(v) deposit Nine Hundred Thousand Dollars and No Cents ($900,000) (the "Escrow Cash") with the Escrow Agent to hold in escrow in accordance with the terms of the Escrow Agreement; and

(vi) deposit One Hundred Twenty-Four Thousand Dollars and No Cents ($124,000) (the "USVI Tax Escrow") with the Escrow Agent to hold in escrow in accordance with the terms of the Escrow Agreement.

(b) All cash payments required under this Section 2.4 or any other provision of this Agreement shall be made by wire transfer of immediately available funds to such bank account as shall be designated in writing by the Person to which the applicable payment is due.

(c) Upon payment to the Seller of any amounts required to be paid to the Seller or Escrow Agent under this Section 2.4 or any other provision of this Agreement, such payment will be deemed to have been delivered to the Seller. The parties hereto acknowledge and agree that the Purchaser shall be relieved of all liability for such amounts once such payments have been delivered to the Seller or Escrow Agent (as applicable).

2.5 Issuance of Parent Common Stock.

(a) The number of shares of Parent Common Stock to be issued pursuant to Section 2.4(a)(iii)–(iv) above shall be rounded down to the nearest whole share and the value of the Stock Consideration shall be rounded down to reflect the issuance of a whole number of shares and any remaining cash balance for fractional shares not issued shall be paid in cash in lieu of Parent Common Stock to the Seller.

(b) For all purposes under this Agreement, each share of Parent Common Stock issued at Closing shall be deemed to have a value of Thirty-One Dollars and Sixty Cents ($31.60) per share (the determined value of a share of the Parent Common Stock at Closing, the "Issuance Price").

(c) For purposes of any Parent Common Stock issued in connection with the payment of the 2020 Earnout Amount to the extent earned, each share of Parent Common Stock issued shall be deemed to have the following value:

(i) If payment of the 2020 Earnout Amount occurs prior to Parent consummating an IPO, the value of each share of Parent Common Stock issued as part of the 2020 Earnout Amount shall be equal to the most recent valuation determined by a third-party valuation company engaged by Parent, prepared on a consistent basis with prior valuations of Parent Common Stock and taking into account the acquisition of the Company; provided, if Seller provides written notice to Purchaser that it disagrees with such valuation within five (5) Business Days of delivery of such valuation to Seller, Purchaser and Seller shall mutually agree upon an independent third party valuation firm to determine the value of a share of Parent Common Stock, and the EBITDA and financial contribution of the Company included in the valuation of the Parent Common Stock shall be the lesser of (x) the Company's actual 2020 EBITDA or (y) $22,466,667, and the determination of such third-party valuation company shall be final and biding upon the parties, and the fees, costs and expenses of such third-party valuation company shall be paid fifty percent (50%) by Purchaser and fifty percent (50%) by Seller;

(ii) If payment of the 2020 Earnout Amount occurs following consummation of an IPO of Parent, the value of each share of Parent Common Stock shall be equal to the average of the daily volume weighted average closing sale price of one share of Parent Common Stock as reported on the New York Stock Exchange (or the exchange on which the shares of Parent Common Stock are then listed) (the "Volume Weighted Average Price") for the five trading days immediately prior to the date of valuation.

(d) At the Closing, pursuant to Section 9.2(c), Seller shall deliver to the Purchaser executed joinders to each of Parent's Investor Rights Agreement, Voting and Drag-Along Agreement, Right of First Refusal and Co-Sale Agreement, including all amendments thereto (collectively, the "Stockholder Agreements" and each, a "Stockholder Agreement").

2.6 Escrow Amount.

(a) The Escrow Agent shall hold the Escrow Stock, Escrow Cash and USVI Tax Escrow in accordance with the terms and conditions of an escrow agreement, by and among the Parent, the Seller, and the Escrow Agent, in substantially the form attached hereto as Exhibit 2.6 (the "Escrow Agreement"). The Escrow Stock and Escrow Cash shall remain in escrow following the Closing to cover any indemnification claims in accordance with the terms of the Escrow Agreement and Section 11.7 hereof. The USVI Tax Escrow shall remain in escrow following the Closing to cover any indemnification claim related to USVI Exposure.

(b) The Escrow Agreement shall provide that the Escrow Stock shall be released as follows (each date of escrow release, an "Escrow Release Date") and the value of each share of Parent Common Stock for purposes of this Section 2.6(b) equal to the Issuance Price:

(i) twenty-five percent (25%) of the Escrow Stock then remaining in escrow *less* a number of shares of Parent Common Stock with a value equal to the amount of any outstanding claims will be released to Seller on the nine (9) month anniversary of the Closing Date (the "First Escrow Release Date");

(ii) thirty-three and one-third percent (33.33%) of the Escrow Stock then remaining in escrow *less* a number of shares of Parent Common Stock with a value equal to the amount of any outstanding claims will be released to Seller on the twelve (12) month anniversary of the Closing Date;

(iii) fifty percent (50%) of the Escrow Stock then remaining in escrow *less* a number of shares of Parent Common Stock with a value equal to the amount of any outstanding claims will be released to Seller on the fifteen (15) month anniversary of the Closing Date; and

(iv) any Escrow Stock then remaining in escrow *less* a number of shares of Parent Common Stock with a value equal to the amount of any outstanding claims will be released to Seller on the eighteen (18) month anniversary of the Closing Date (the "Final Escrow Release Date".

2.7 Purchase Price Adjustment.

(a) Within ninety (90) days following the Closing Date, the Purchaser shall prepare and deliver to the Seller a written statement (the "Final Closing Statement") that shall include and set forth (i) a consolidated balance sheet of the Company and its Subsidiaries as of the Measurement Date (the "Closing Balance Sheet") and (ii) a calculation of the actual (A) Net

Working Capital (the "Closing Net Working Capital"), (B) Closing Date Indebtedness (the "Closing Indebtedness"), (C) Cash (the "Closing Cash"), and (D) Closing Date Expenses (the "Closing Transaction Expenses") (with Closing Transaction Expenses determined as of immediately prior to the Closing and each of Closing Net Working Capital, Closing Indebtedness, and Closing Cash determined as of the Measurement Date and, except for Closing Transaction Expenses, without giving effect to the transactions contemplated herein). Closing Net Working Capital, Closing Indebtedness and Closing Cash shall be calculated in accordance with the Applicable Accounting Principles.

(b) The Final Closing Statement shall become final and binding on the fifteenth (15th) day following delivery thereof, unless prior to the end of such period, the Seller delivers to Purchaser written notice of its disagreement (a "Notice of Disagreement") specifying the nature and amount of any dispute as to the Closing Net Working Capital, Closing Indebtedness, Closing Cash and/or Closing Transaction Expenses, as set forth in the Final Closing Statement. The Seller shall be deemed to have agreed with all items and amounts of Closing Net Working Capital, Closing Indebtedness, Closing Cash and/or Closing Transaction Expenses not specifically referenced in the Notice of Disagreement, and such items and amounts shall not be subject to review in accordance with Section 2.7(c). Any Notice of Disagreement may reference only disagreements based on mathematical errors or based on amounts of the Closing Net Working Capital, Closing Indebtedness, Closing Cash and/or Closing Transaction Expenses as reflected on the Final Closing Statement not being calculated in accordance with this Section 2.7.

(c) During the 15-day period following delivery of a Notice of Disagreement by the Seller to the Purchaser, the parties in good faith shall seek to resolve in writing any differences that they may have with respect to the computation of the Closing Net Working Capital, Closing Indebtedness, Closing Cash and/or Closing Transaction Expenses as specified therein. Any disputed items resolved in writing between the Seller and Purchaser within such 15-day period shall be final and binding with respect to such items, and if the Seller and the Purchaser agree in writing on the resolution of each disputed item specified by the Seller in the Notice of Disagreement and the amount of the Closing Net Working Capital, Closing Indebtedness, Closing Cash and Closing Transaction Expenses, the amounts so determined shall be final and binding on the parties for all purposes hereunder. If the Seller and the Purchaser have not resolved all such differences by the end of such 15-day period, the Seller and the Purchaser shall submit, in writing, to the Accounting Referee, their briefs detailing their views as to the correct nature and amount of each item remaining in dispute and the amounts of the Closing Net Working Capital, Closing Indebtedness, Closing Cash and Closing Transaction Expenses, and the Accounting Referee shall make a written determination as to each such disputed item and the amount of the Closing Net Working Capital, Closing Indebtedness, Closing Cash and Closing Transaction Expenses, which determination shall be final and binding on the parties for all purposes hereunder and shall not be subject to appeal or further review. The Accounting Referee shall consider only those items and amounts in the Seller's and the Purchaser's respective calculations of the Closing Net Working Capital, Closing Indebtedness, Closing Cash and Closing Transaction Expenses that are identified as being items and amounts to which the Seller and the Purchaser have been unable to agree. In resolving any disputed item, the Accounting Referee may not assign a value to any item greater than the greatest value for such item claimed by either party or less than the smallest value for such item claimed by either party. The Seller and the Purchaser shall use their commercially reasonable efforts to cause the Accounting Referee to render a written decision resolving the matters

submitted to it as promptly as practicable, and in any event within 30 days following the submission thereof. Judgment may be entered upon the written determination of the Accounting Referee in accordance with Section 12.7. In acting under this Agreement, the Accounting Referee will be entitled to the powers, privileges and immunities of an arbitrator.

(d) All fees and expenses of the Accounting Referee shall be borne by the party whose determination of the Net Adjustment Amount is furthest from that finally determined by the Accounting Referee. The fees and disbursements of the Representatives of each party incurred in connection with the preparation or review of the Final Closing Statement and preparation or review of any Notice of Disagreement, as applicable, shall be borne by such party.

(e) The Purchaser and the Seller will, and will cause the Company (in the case of the Seller, prior to the Closing and, in the case of the Purchaser, during the period from and after the date of delivery of the Final Closing Statement through the resolution of any adjustment to the Purchase Price contemplated by this Section 2.7) to afford the other party and its Representatives reasonable access, during normal business hours and upon reasonable prior notice, to the personnel, properties, books and records of the Company and its Subsidiaries (including the Other Seller Subsidiaries) and to any other information reasonably requested for purposes of preparing and reviewing the calculations contemplated by this Section 2.7. Each party shall authorize its accountants to disclose work papers generated by such accountants in connection with preparing and reviewing the calculations of the Net Working Capital, Cash and Closing Date Indebtedness as specified in this Section 2.7; provided, that such accountants shall not be obligated to make any work papers available except in accordance with such accountants' disclosure procedures and then only after the non-client party has signed an agreement relating to access to such work papers in form and substance acceptable to such accountants.

(f) The Estimated Cash Purchase Price shall be adjusted, upwards or downwards, as follows:

(i) For purposes of this Agreement, the "Net Adjustment Amount" means an amount, which may be positive or negative, equal to (A) the Closing Net Working Capital as finally determined pursuant to this Section 2.7 *minus* the Estimated Net Working Capital, *plus* (B) the Estimated Indebtedness *minus* the Closing Indebtedness as finally determined pursuant to this Section 2.7, *plus* (C) the Closing Cash as finally determined pursuant to this Section 2.7 *minus* the Estimated Cash, plus (D) the Estimated Transaction Expenses minus the Closing Transaction Expenses as finally determined pursuant to this Section 2.7;

(ii) If the Net Adjustment Amount is positive, the Closing Date Payment shall be adjusted upwards in an amount equal to the Net Adjustment Amount. In such event, the Purchaser shall pay to the Seller an amount in cash equal to the Net Adjustment Amount within five (5) Business Days following determination of such Net Adjustment Amount; and

(iii) If the Net Adjustment Amount is negative (in which case the "Net Adjustment Amount" for purposes of this clause (iii) shall be deemed to be equal to the absolute value of such amount), the Closing Date Payment shall be adjusted downwards in an amount equal to the Net Adjustment Amount. In such event, the Seller shall pay to the Purchaser an amount equal to the Net Adjustment Amount within five (5) Business Days following determination of the Net Adjustment Amount. If elected by Purchaser, such payment shall be made, in whole or in part, from a release of Escrow Cash and/or Escrow Stock (valued using the applicable valuation method set forth in Section 2.5(b))by the Escrow Agent to Parent or Purchaser, in accordance with the Escrow Agreement.

(g) For purposes of calculating Net Working Capital and the Net Adjustment Amount, the following adjustments shall be made to the Net Working Capital: Seller shall only receive credit for Receivables actually collected through such date of calculation. For the avoidance of doubt, any uncollected Receivables at the time of the calculation shall not be included in the calculation of Net Working Capital or the Net Adjustment Amount and any Receivables actually collected in excess of the net Receivables used in the calculation of the Net Working Capital on the Preliminary Closing Statement shall be included, without duplication, in the Closing Balance Sheet and the calculation of the Closing Net Working Capital .

(h) In the event any Receivables that had not been collected at the time of calculating the Net Working Capital and the Net Adjustment Amount, as applicable, are collected within sixty (60) days following delivery of the Final Closing Statement (such sixty (60) day period, the "First Receivables True-up Period"), Purchaser shall provide the Seller with an additional statement showing the additional Receivables collected from the Measurement Date through such date and, subject to Seller's agreement with the calculations thereof, pay to the Seller such additional collected Receivables. In the event any Receivables that had not been collected at the time of calculating the Net Working Capital and the Net Adjustment Amount, as applicable, nor during the First Receivables True-Up Period, are collected within sixty (60) days following the expiration of the First Receivables True-up Period (such period, the "Second Receivables True-up Period"), Purchaser shall provide the Seller with an additional statement showing the additional Receivables collected during the Second Receivables True-up Period and, subject to Seller's agreement with the calculations thereof, pay to the Seller such additional collected Receivables. Any Receivables uncollected following the expiration of the Second Receivables True-up Period shall be assigned to Seller at no value; provided, however, that Seller shall have no right to, and shall not, pursue any Legal Proceeding to collect any of such Receivables if such Receivables are collectible from a current customer of Purchaser or its Subsidiaries without the prior written consent of Purchaser which shall not be unreasonably withheld, conditioned or delayed.

(i) Any payments made pursuant to this Section 2.7 shall be treated as an adjustment to the Purchase Price by the parties for Tax purposes, unless otherwise required by Law.

2.8 Calculation of Earnout Amounts. In addition to the Purchase Price, Purchaser shall pay to the Seller the earnout amounts set forth below (together, the "Earnout Amounts") in accordance with the terms and conditions of this Section 2.8.

(a) **2020 Earnout Amount**. Seller shall be entitled to a 2020 Earnout Amount if the Business EBITDA achieved by the Business in the twelve (12)-month period ending on December 31, 2020 (the "2020 Earnout Period" and the Business EBITDA during such period, the "2020 EBITDA") exceeds Eighteen Million Three Hundred Thousand Dollars ($18,300,000) (the "Base EBITDA"). The "2020 Earnout Amount," if any, shall equal the product of twelve (12) *multiplied by* the amount by which the 2020 EBITDA exceeds the Base EBITDA; provided, that the 2020 Earnout Amount shall in no event exceed $50,000,000. For the avoidance of doubt, if the 2020 EBITDA is less than the Base EBITDA, then the Seller shall not be entitled to any 2020 Earnout Amount. If Parent has consummated an IPO or sale of Parent Common Stock in a private placement offering following the date hereof but prior to payment of the 2020 Earnout Amount, the proceeds of which are no less than Seventy-Five Million Dollars ($75,000,000) (a "Qualifying Equity Raise"), the 2020 Earnout Amount shall be payable fifty percent (50%) in cash and the remaining fifty percent (50%), at Purchaser's election, in cash or Parent Common Stock, with the Parent Common Stock valued in accordance with Section 2.5(c). If Parent has not consummated a Qualifying Equity Raise following the date hereof and prior to the payment of the 2020 Earnout Amount, the 2020 Earnout Amount shall be paid one hundred percent (100%) in Parent Common Stock, with the Parent Common Stock valued in accordance with Section 2.5(c).

(b) **2021 Earnout Amount**. Seller shall be entitled to a 2021 Earnout Amount if the Business EBITDA achieved by the Business in the twelve (12)-month period ending on December 31, 2021 (the "2021 Earnout Period" and the Business EBITDA during such period, the "2021 EBITDA") exceeds the 2020 EBITDA. The "2021 Earnout Amount," if any, shall equal the product of ten (10) *multiplied by* the amount by which the 2021 EBITDA exceeds the 2020 EBITDA; provided, however, that (i) if the 2020 EBITDA is less than the Base EBITDA, the 2021 Earnout Amount shall be equal to the product of ten (10) *multiplied by* the amount by which the 2021 EBITDA exceeds the Base EBITDA and (ii) if the 2020 EBITDA was greater than $22,466,667, then the 2021 Earnout Amount shall be equal to the product of ten (10) multiplied by the amount by which the 2021 EBITDA exceeds $22,466,667; provided, further, that the 2021 Earnout Amount shall in no event exceed $30,000,000. For the avoidance of doubt, if the 2021 EBITDA is less than (x) the lesser of $22,466,667 and the 2020 EBITDA or (y) the Base EBITDA, then the Seller shall not be entitled to any 2021 Earnout Amount. The 2021 Earnout Amount shall be payable in cash.

(c) No later than fifteen (15) Business Days following the date on which the Purchaser's audited financial statements for the twelve (12) month periods ending December 31, 2020 and December 31, 2021 are completed, the Purchaser shall prepare and deliver to the Seller a report (the "Earnout Report") in the form of Exhibit 2.8(c) attached hereto, setting forth the Management's calculation of 2020 EBITDA or 2021 EBITDA, as applicable, and the resulting Earnout Amount, if any, payable to the Seller. If the Seller has any objections to the calculation of the 2020 EBITDA or 2021 EBITDA, as applicable, and the resulting Earnout Amount, as reflected in the Earnout Report, then the Seller shall deliver a written letter setting forth the disagreement and the basis therefor in reasonable particularity (the "Earnout Objections Statement") to the Purchaser within thirty (30) days after Purchaser's delivery of the Earnout

Report. If the Seller fails to deliver an Earnout Objections Statement within such thirty (30)-day period, then the calculation of 2020 EBITDA or 2021 EBITDA, as applicable, and the resulting Earnout Amount, if any, set forth in the Earnout Report shall become final, binding and conclusive on all parties hereto. If the Seller delivers an Earnout Objections Statement within such thirty (30)-day period, then the Seller and the Purchaser shall attempt promptly to resolve such disagreement in good faith. During such period, and upon receiving reasonable advance written notice, Purchaser and the Company shall give the Seller and its representatives reasonable access during business hours to all relevant books and records (including work papers) of the Business to the extent required to complete Seller's review of the Earnout Report. If a final resolution is not obtained within thirty (30) days after the Seller has submitted the Earnout Objections Statement, any remaining matters which are in dispute shall be submitted to, and all issues having a bearing on such dispute shall be resolved by the Accounting Referee. The Accounting Referee will prepare and deliver a written report to the Purchaser and the Seller and will submit a resolution of such unresolved disputes promptly, but in any event within thirty (30) days after the dispute is submitted to the Accounting Referee. The Accounting Referee's determination of such unresolved disputes will be final, binding and conclusive upon all parties hereto. The costs, expenses and fees of the Accounting Referee shall be borne by the party whose calculation of the Earnout Amount has the greatest difference from the final Earnout Amount as determined by the Accounting Referee pursuant to this Section 2.8(c). Within five (5) Business Days after each of the Earnout Amounts become final and binding in accordance with this Section 2.8(c), the Purchaser shall pay to the Seller any additional Earnout Amounts, if any, owed to the Seller. Judgment may be entered upon the written determination of the Accounting Referee in any court referred to in Section 12.7.

(d) In addition to the annual Earnout Report described in subparagraph (c) above, no later than forty (45) days following the end of each calendar quarter during the Earnout Period, Management shall prepare and deliver to the Purchaser an estimated Earnout Report setting forth Management's calculation of year-to-date 2020 EBITDA or 2021 EBITDA, as applicable. For the avoidance of doubt, the interim year-to-date 2020 EBITDA or 2021 EBITDA, as applicable, delivered to Purchaser pursuant to this subparagraph (d) shall be for informational purposes only and shall not be binding and conclusive on the parties.

(e) Notwithstanding anything to the contrary in this Agreement, the amounts owed to the Seller pursuant to this Section 2.8 will be subordinate to the Purchaser's obligations under that certain Fifth Amended and Restated Credit Agreement, dated as of July 24, 2019, as may be amended, restated, refinanced, extended, or replaced by and among the Borrower and the Guarantors named therein, Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer, Capital One Bank National Association and Fifth and Third Bank, as Co-Syndication Agents, Fifth Third Bank, as Documentation Agent, and the Lenders named therein (as amended, restated, refinanced, extended or replaced from time to time, the "Credit Agreement"). The Seller shall enter into a subordination agreement in the form attached hereto as Exhibit 2.8(e) (the "Subordination Agreement") at the Closing.

(f) The Earnout Amount shall represent only a right to receive cash and/or Parent Common Stock from the Purchaser, subject to the terms set forth herein. The Earnout Amount shall not be deemed an interest in any security, nor shall it possess any attributes of shareholder interests and shall not entitle the holders thereof to any rights of any kind other than as specifically set forth herein, including, without limitation, any rights as a security holder or

owner in the Company; provided, that the foregoing shall not limit the rights of any Parent Common Stock to the extent Parent Common Stock is issued in full or partial satisfaction of the 2020 Earnout Amount. Except for the Parent Common Stock, if any, issued as full or partial satisfaction of the 2020 Earnout Amount, the Earnout Amount shall not be represented by any form of certificate or any other instrument. Except as set forth in Section 2.8(k), no interest is payable with respect to the Earnout Amount. Seller may not sell, exchange, transfer or otherwise dispose of its right to receive any portion of the Earnout Amount, other than (A) by the laws of descent and distribution or succession or (B) by assignment of all rights thereto after the Closing Date to a transferee with the prior written consent of Purchaser.

(g) The parties hereto acknowledge that there is no assurance that the Seller will receive any Earnout Amount, and Purchaser has not projected any Earnout Amount or promised any Earnout Amount except to the extent the Purchaser is bound hereby to pay such Earnout Amount according to the terms set forth herein. The Earnout Amounts are speculative and are subject to numerous factors outside the control of Purchaser and its Affiliates and, accordingly, there is no assurance that Seller will receive the Earnout Amounts.

(h) Unless otherwise agreed to in writing by Purchaser and Seller, during the 2020 Earnout Period and the 2021 Earnout Period, Purchaser shall, and shall cause its controlled Affiliates to:

(i) Allow the Management of the Company to operate the Business consistent with past practice and in their reasonable discretion, for so long as, and only for so long as, all of the following criteria are satisfied (in each case, subject to any written waiver by Purchaser of compliance with any such criteria or any written consent granted by Purchaser that allows the Company to operate outside of any such criteria):

(A) the EBITDA of the Company is not twenty percent (20.0%) or more below the applicable quarterly budget, for two (2) consecutive fiscal quarters, measured quarterly commencing with January 1st, 2020;

(B) unless at any point it is projected by Seller that the maximum Earnout Amount payable pursuant to Section 2.8(b) and Section 2.8(c) for either 2020 or 2021, as applicable, will be earned, then Seller will not spend more than $100,000 in excess of the budget for Account Code 61510 – Marketing Expense, nor incur more than $100,000 of personnel costs (specifically—salary, taxes, benefits) related to the Major Projects Team in excess of what is set forth in the Applicable Budget, nor offer pricing discounts greater than twenty-five percent (>25%) off of Sellers historical pricing practices or rate sheet, without prior written approval from Purchaser;

(C) except as may otherwise be agreed by Purchaser, the Company does not enter into any Contracts with customers, suppliers, employees, independent contractors or other third parties with terms that are inconsistent with past practice or that would create liabilities beyond the 2021 Earnout Period, except for such liabilities that arise in the ordinary course of business and are a result of the amendment, renewals or extension of any Contract in effect on the Closing Date so long as the terms of the amendment or extension are materially consistent with the existing terms of such Contract;

(D) the Company is fulfilling its obligation under all contracts and is in compliance with all Laws to which it is subject;

(E) there are no changes to base compensation, employee benefits or bonus eligibility for employees of the Business other than those included in the Applicable Budget or in the ordinary course of business;

(F) the Company does not enter into any new long term commitments (including real estate leases) or renew the terms of any long term commitments; and

(G) the Company does not make any capital expenditure except as budgeted in the Applicable Budget or otherwise consistent with the existing Schedule of Authorities;

provided, however, that the following changes to the Company or the Business shall be expressly permitted in the discretion of Purchaser and shall not be deemed to be inconsistent with the operation of the Business by Management in accordance with past practices and in the reasonable discretion of Management:

(ii) replacement of directors, managers or officers of the Company;

(iii) replacement of any employee of the Company (A) for performance reasons, (B) with good reason in accordance with any violation of Purchaser's or any Affiliates' employee handbook policies and procedures (C) or after discussion with Management in the event Management has not satisfied one of the covenants set forth in clauses (A) through (G) above;

(iv) implementation of Parent's policies and procedures, to the extent the purpose of such policy or procedure is not to negatively impact the EBITDA of the Company;

(v) changes in legal structure;

(vi) changes in Company bank accounts and treasury functions; and

(vii) any other changes that (A) may be required by Law (including securities regulations and exchange requirements), (B) are necessary or advisable in order to comply with contracts to which Purchaser or the Company is party, (C) are necessary or advisable in order to comply with Purchaser accounting and control policies and security protocols and/or (D) the Purchaser (and/or its board of directors) determines in good faith are advisable in order to comply with its fiduciary duties to its stockholders or are otherwise in the best interests of its stockholders.

Purchaser acknowledges that the results and impact of any changes above shall be subject to the provisions of Section 2.8(j) below and any positive or negative impacts to EBITDA resulting from actions by Purchaser in breach of Section 2.8(h)(i) shall not be included in the calculations to ensure that the performance targets are measured against a comparable Base EBITDA.

Except as otherwise set forth in any separate written agreement with any employee, officer, director or consultant of the Company, nothing in this Agreement shall confer upon any employee, officer, director or consultant of the Company or any of its Affiliates any right to continued employment, or shall interfere with or restrict in any way the rights of the Company, Purchaser or any of their respective Affiliates to discharge or terminate the services of any employee, officer, director or consultant of the Company or any of its Affiliates at any time for any reason whatsoever, with or without cause.

(i) The parties understand and agree that the Purchaser shall be able to freely run the Business in its sole discretion following a breach by Management of any of the covenants set forth in Section 2.8(h)(i)(A)–(G). Following such breach by Management, Purchaser shall have no obligation to operate, or otherwise take action in respect of, the Business in order to cause the achievement the Earnout Amounts or the maximizing of any Earnout Amounts; provided, that Purchaser shall not take any action the purpose of which is to impair the ability of the Business to achieve the Earnout Amounts; and provided, further, that the Purchaser shall act in good faith and consult with Management prior to making any material decisions affecting the Business. Neither Purchaser nor any of its Affiliates shall owe any fiduciary duty or express or implied duty to the Seller in respect of the Earnout Amounts or otherwise (and the Seller hereby waives any such duties) and the parties solely intend for the express provisions of this Agreement, including the covenants set forth in Section 2.8(h), and the other agreements contemplated hereby to govern their contractual relationship. Management shall not take any action to manipulate the financial results of the Business or otherwise take any action outside the ordinary course of business the primary purpose of which is to enhance the ability of the Business to achieve the Earnout Amounts.

(j) For the avoidance of doubt, the maximum Earnout Amounts payable to the Seller for the 2020 Earnout Amount and the 2021 Earnout Amount are $50,000,000 and $30,000,000, respectively. In calculating the 2020 EBITDA and the 2021 EBITDA, the parties agree that any positive or negative impacts to EBITDA resulting from integration with Purchaser's systems, processes, and/or policies (i.e. software license costs/savings, health benefits costs/savings, etc.), loss of any Customers due to conflicts or terminations required as a

consequence of, and directly resulting from, the consummation of the transactions contemplated hereby or any allocation of corporate overhead, corporate travel expenses for Purchaser's executives or other similar expenses shall not be included in the calculations to ensure that the performance targets are measured against a comparable Base EBITDA.

(k) In the event Purchaser is restricted or prohibited under the terms of the Credit Agreement from making payment of any portion of the 2020 Earnout Amount and the 2021 Earnout Amount earned and payable to Seller, then such amount(s) shall be represented by one or more promissory notes dated as of the date payment was otherwise due under this Agreement due and payable immediately upon the earlier of (i) the waiver, release or termination of the prohibition or restriction on the ability to make such payment under the Credit Agreement or (ii) any termination of the Credit Agreement. Such note(s) shall be subject to the terms of the Subordination Agreement, bear interest at the rate of ten percent (10%) per annum until paid in full; provided, that the issuance of the note(s) shall not constitute a waiver or cure of Purchaser's breach of its covenant(s) to pay the Earnout Amounts or preclude Seller from pursuing any remedy available as a result of such breach; provided, further, however, Seller shall not be entitled to declare a breach or pursue any remedy as a result of such breach until the date following the later of (i) the date that is 90 days following the issuance of the note(s) and (ii) the expiration of the terms of the Subordination Agreement.

(l) To the extent that Purchaser pays one hundred percent (100%) of the 2020 Earnout Amount in Parent Common Stock, Seller shall be entitled to cause fifty percent (50%) of such Parent Common Stock to be included as part of the Parent Common Stock being offered in any subsequent IPO or private placement offering of Parent Common Stock the purpose of which is to raise capital.

(m) All payments made pursuant to this Section 2.8 shall be treated by the parties for tax purposes as adjustments to the Purchase Price, unless otherwise required by applicable Law.

2.9 Withholding. Each of Purchaser, the Escrow Agent and their respective agents shall be entitled to deduct and withhold from any amounts otherwise payable to any Person pursuant to this Agreement or any ancillary agreements such amounts as it determines it is required to deduct and withhold with respect to the making of any amount payable to any Person pursuant to this Agreement or any ancillary agreements under the Code, the rules and regulations promulgated thereunder or any provision of applicable Tax Law. Any such deducted and withheld amounts shall be treated for all purpose of this Agreement and the ancillary agreements as having been paid to the applicable Person in respect of whom such deduction and withholding was made.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE COMPANY AND THE SELLER

Except as set forth on the Seller Disclosure Schedule, the Company and Seller hereby represents and warrants to the Purchaser, as of the date hereof, and as of the Closing Date, as set forth below. Any reference to the term "the Company" in this ARTICLE III shall refer to the Company, its Subsidiaries, any predecessor entity, and (i) CTEH Leasing, LLC, (ii) CTEH

Properties, LLC, (iii) CTEH Government Services, LLC, and (iv) CTEH IT Services, LLC (clause (i)–(iv) collectively, together with all of their respective Subsidiaries, the "Other Seller Subsidiaries"). The parties hereto acknowledge and agree that although each disclosure set forth in the Seller Disclosure Schedule is identified by reference to, or has been grouped under a heading referring to, a specific individual Section or Subsection of this Agreement and such disclosure shall also constitute disclosure on any other Section or Subsection on which such disclosure is applicable as is reasonably apparent on its face.

3.1 Organization; Standing and Power; Subsidiaries.

(a) The Company is a limited liability company duly organized, validly existing and in good standing under the Laws of Arkansas, has all requisite limited liability company power and authority to own, lease and operate its properties and assets and to carry on the Business as now being conducted, and is duly qualified to do business and is in good standing as a foreign limited liability company in each jurisdiction listed in Section 3.1(a) of the Seller Disclosure Schedule, which jurisdictions constitute as of the date hereof the only jurisdictions in which the character of the properties it owns, operates or leases or the nature of its activities makes such qualification necessary or advisable.

(b) The Company has not conducted any business under or otherwise used, for any purpose or in any jurisdiction, any fictitious name, assumed name, trade name or other name, other than the names "CTEH", "Center for Toxicology and Environmental Health, LLC" and "The Center for Toxicology and Environmental Health, LLC".

(c) Section 3.1(c) of the Seller Disclosure Schedule accurately sets forth (i) the names of the managers of the Company, (ii) the names of the members of the Company and the Seller and (iii) the FEIN of the Company.

(d) Section 3.1(d) of the Seller Disclosure Schedule sets forth, as of the date hereof, all Subsidiaries of the Company and all Subsidiaries of Seller, together with the jurisdiction of organization of each such Subsidiary. All the membership interests in each Subsidiary of the Company have been duly authorized and validly issued and are fully paid and nonassessable and are owned directly or indirectly by the Company free and clear of all Encumbrances. Except as set forth in Section 3.1(d) of the Seller Disclosure Schedule, the Company does not currently have, and has never had, any Subsidiaries or a minority investment in any entity.

3.2 Articles of Organization and Operating Agreement; Records. The Company has delivered to the Purchaser true, correct and complete copies of: (a) the articles of organization and operating agreement (or comparable governing documents), including all amendments thereto; (b) the membership interest records of the Company (or comparable records of equity interests) and (c) the minutes and other records of the meetings and other proceedings (including any actions taken by written consent or otherwise without a meeting) of the managers and/or members (or equivalent governing body), of the Company (the items described in (a), (b) and (c) above, collectively, the "Company Constituent Documents"). There has not been any violation of the Company Constituent Documents, and the Company has not taken any action that is inconsistent with the Company Constituent Document. For each Subsidiary of the Company, the Company has delivered to the Purchaser true, correct and complete copies of (a) such Subsidiary's articles of

organization and operating agreement (or comparable governing documents), including all amendments thereto (b) such Subsidiary's membership records (or comparable records of equity interests) and (c) any existing minutes and other records of the meetings and other proceedings (including any actions taken by written consent or otherwise without a meeting) of such Subsidiary's members and/or directors (or comparable governing body) (the items described in (a), (b) and (c) above, collectively, the "Subsidiary Constituent Documents"). There has not been any violation of the Subsidiary Constituent Documents, and the Company, directly or through its Subsidiary, has not taken any action that is inconsistent with the Subsidiary Constituent Documents."

3.3 Authority; Binding Nature of Agreement. Seller and the Company have the absolute and unrestricted, right, power, authority and capacity to enter into and perform his, her or its respective obligations under this Agreement and Seller Related Agreement to which he, she or it is a party. This Agreement and Seller Related Agreement constitute the legal, valid and binding obligation of Seller and the Company, as applicable, enforceable against Seller and the Company, as applicable, in accordance with its (or their respective) terms.

3.4 Absence of Restrictions and Conflicts; Required Consents. Neither the execution, delivery or performance by any of the Seller or the Company of this Agreement or any of the Seller Related Agreements, nor the consummation of the transactions contemplated by this Agreement or any of the Seller Related Agreement, will directly or indirectly (with or without the giving of notice or the lapse of time or both): (a) violate or conflict with any Company Constituent Document or Subsidiary Constituent Document; (b) violate or conflict with any judgment, order, decree, statute, law, ordinance, rule or regulation applicable to the Company, Seller, or any asset owned or used by the Company; (c) conflict with, or result in any violation of, or default under, or give rise to a right of termination, acceleration or modification of any obligation or loss of any benefit under, or result in any fee, penalty or similar payment under, any permit, authorization, obligation, , Company Contract or other instrument to which the Company or Seller is a party or to which any asset owned or used by the Company is subject; or (d) result in the creation or imposition of any Encumbrance on any asset owned or used by the Company. No consent, approval, waiver or authorization is required to be obtained from any Person in connection with the execution, delivery and performance by Seller or the Company of this Agreement or any of the Seller Related Agreements, or the consummation of any of the other transactions contemplated hereby or thereby, except for such filings as may be required under the HSR Act. No "fair price," "interested shareholder," "business combination" or similar provision of any state takeover Law is applicable to the transactions contemplated by this Agreement or the Related Agreements.

3.5 Capitalization.

(a) All of the authorized limited liability interests of the Company have been issued to and are outstanding in the name of Seller and constitute the Interests. All of the Interests have been duly authorized and validly issued, and are fully paid and non-assessable and are owned of record and beneficially by the Seller, free and clear of all Encumbrances. All of the Interests have been issued and granted in compliance with (i) all applicable securities laws and other applicable Laws, and (ii) all requirements set forth in the Company Constituent Documents and applicable Contracts.

(b) There are no outstanding or authorized options, warrants, convertible securities or other rights, agreements, arrangements or commitments of any character relating to the membership interests of the Company or obligating Seller or the Company to issue or sell any membership interests of, or any other interest in, the Company. The Company does not have outstanding or authorized any stock appreciation, phantom stock, profit participation or similar rights. There are no voting trusts, stockholder agreements, proxies or other agreements or understandings in effect with respect to the voting or transfer of any of the Interests.

3.6 Company Financial Statements; Undisclosed Liabilities.

(a) Section 3.6(a) of the Seller Disclosure Schedule includes true, correct and complete copies of the Seller's and the Company's (i) consolidated audited financial statements consisting of the balance sheet of the Company as of December 31 in each of the years 2019, 2018 and 2017 and the related statements of income and retained earnings, members' equity and cash flow for the years then ended (the "Financial Statements") and (ii) internally prepared financial statements consisting of the balance sheet of the Company as at February 29, 2020 and the related statements of income for the period then ended (the "Interim Financial Statements" and together with the Financial Statements, the "Company Financial Statements"). The Company Financial Statements have been prepared in accordance with GAAP, applied on a consistent basis throughout the period involved, subject, in the case of the Interim Financial Statements, to normal and recurring year-end adjustments (the effect of which will not be materially adverse). The Company Financial Statements are based on the books and records of the Company, fairly present the financial condition of the Company as of the respective dates they were prepared and the results of the operations of the Company for the periods indicated and are in all material respects complete and correct. The balance sheet of the Company as of December 31, 2019 is referred to herein as the "Balance Sheet" and the date thereof as the "Balance Sheet Date" and the balance sheet of the Company as of February 29, 2020 is referred to herein as the "Interim Balance Sheet" and the date thereof as the "Interim Balance Sheet Date."

(b) There are no liabilities or obligations of the Company of any kind whatsoever (absolute, accrued, contingent, determined, determinable or otherwise) and there is no existing condition, situation or set of circumstances that could reasonably be expected to result in such a liability or obligation, except such liabilities or obligations (i) that are fully reflected or provided for in the Balance Sheet or the Interim Balance Sheet or the notes thereto, or (ii) that have arisen in the ordinary course of business, consistent with past practice, since the date of the Balance Sheet and which are not, individually or in the aggregate, material in amount.

(c) Since the Balance Sheet Date, the Company has managed its working capital (including the timing of collection of accounts receivable and of the payment of accounts payable and the management of inventory) in the ordinary course of business consistent with past practice.

3.7 Absence of Changes. Except as set forth on Section 3.7 of the Seller Disclosure Schedule, since the Balance Sheet Date:

(a) no Material Adverse Effect has occurred, and no event, occurrence, development or state of circumstances or facts has occurred that will, or could reasonably be expected to have a Material Adverse Effect;

(b) there has not been any material loss, damage or destruction to, or any material interruption in the use of, any of the assets of the Company (whether or not covered by insurance);

(c) no party to any Company Contract has given notice to the Company of any intention, and neither the Company nor Seller has Knowledge of any such intention, not to renew, not to extend, to cancel or otherwise terminate or to materially modify its business relationship with the Company;

(d) the Company has not (i) entered into any Company Contract other than in the ordinary course of business, consistent with past practice, or (ii) amended or prematurely terminated, or waived any right or remedy under, any Company Contract;

(e) the Company has not (i) written off as uncollectible, or established any extraordinary reserve with respect to any indebtedness, or (ii) increased any reserves for contingent liabilities (excluding any adjustment to bad debt reserves in the ordinary course of business consistent with past practices);

(f) there has not been any (i) grant of any severance or termination pay to (or amendment to any existing arrangement with) any current or former director, manager, officer or Employee, (ii) increase in, or acceleration of, the compensation or benefits payable under any existing severance or termination pay policies or employment agreements, (iii) entry into any employment, deferred compensation or other similar agreement (or any amendment to any such existing agreement) with any Employee or manager, director or officer of the Company, (iv) establishment, adoption or amendment (except as required by applicable Laws) of any collective bargaining, equity option, restricted unit, bonus, insurance, severance, deferred compensation, pension, retirement, profit sharing, or any other benefit plan or arrangement covering any Employees or officers, consultants, managers or directors of the Company, or (v) increase in, or acceleration of, compensation, bonus or other benefits payable to any Employees or officers, consultants, managers or directors of the Company;

(g) the Company has not changed any of its methods of accounting or accounting practices in any respect;

(h) there has not been any (i) Tax election made, revoked or changed, (ii) annual tax accounting period changed, (iii) method of tax accounting adopted or changed, (iv) Tax Returns or claims for Tax refunds filed (other than in the ordinary course consistent with past practice), (v) closing, Tax allocation, Tax sharing, Tax receivable, Tax indemnity or any similar agreement entered into, (vi) Tax claim, audit, Legal Proceeding or assessment commenced, settled or compromised, (vii) any extension or waiver of the limitation period applicable to any claim or assessment in respect of Taxes consented to (other than any automatic extension of a due date of a Tax Return), (viii) any power of attorney with respect to Taxes granted or (ix) right to claim a Tax refund, offset or other reduction in Tax liability surrendered;

(i) the Company has not threatened, commenced or settled any Legal Proceeding;

(j) the Company has not entered into any transaction or taken any other action outside the ordinary course of business or inconsistent with its past practices, other than entering into this Agreement and the agreements and transactions contemplated hereby; and

(k) the Company has not agreed to take, or committed to take, any of the actions referred to in clauses "(b)" through "(j)" above.

3.8 Title to and Sufficiency of Assets. The Company has good, valid, insurable, transferable and marketable (and, in the case of Owned Real Property, good, valid, insurable, transferable and marketable fee simple) title to, or valid leasehold interests in, all of its properties and assets, in each case free and clear of all Encumbrances, except for Permitted Encumbrances. The property and other assets owned by the Company or used under enforceable Contracts constitute all of the properties and assets (whether real, personal, or mixed and whether tangible or intangible) necessary and sufficient to permit the Company to conduct its business after the Closing in accordance with its past practice and as presently planned to be conducted.

3.9 Bank Accounts; Receivables.

(a) Section 3.9(a) of the Seller Disclosure Schedule provides accurate information with respect to each account maintained by or for the benefit of the Company or any Subsidiary at any bank or other financial institution including the name of the bank or financial institution, the account number, the names of all signatories and the balance as of the date hereof.

(b) Except as set forth in Section 3.9(b) of the Seller Disclosure Schedule, all Receivables (i) are valid, existing and collectible in a manner consistent with the Company's past practices, without resort to legal proceedings or collection agencies, (ii) represent monies due for goods sold and delivered or services rendered in each case in the ordinary course of the Business and (iii) are current and, to the Knowledge of the Company and the Seller, will be collected in full when due (or within the allowances or reserves for doubtful accounts set forth on the Financial Statements) and are not subject to any refund or adjustment or any defense, right of set-off, assignment, restriction, security interest or other Encumbrance. Except as set forth in Section 3.9(b) of the Seller Disclosure Schedule, there are no disputes regarding the collectability of the Receivables.

3.10 Real Property.

(a) Section 3.10(a) of the Seller Disclosure Schedule sets forth a true, correct and complete list of the Owned Real Property. Except as set forth on Section 3.10(a) of the Seller Disclosure Schedule, neither the Company nor any of its Subsidiaries are a lessor or sublessor with respect to any real property lease or similar occupancy agreement with respect to the Owned Real Property. The Seller has provided Purchaser with true, correct and complete copies of all leases and subleases, including all amendments and modifications thereto, that the Company or any of its Subsidiaries is a party to with respect to the Owned Real Property.

(b) There are (A) no agreements entered into by Seller, the Company, or any of its Subsidiaries affecting the Owned Real Property that would be binding on a third party purchaser of such Owned Real Property other than those shown on Schedule B of the Owner's Title Commitment, and (B) no uncured defaults or event(s) that with the passage of time or the giving of notice or both would constitute a breach of or default with respect to Seller, the Company, or the Owned Real Property with respect to any such agreements. For purposes of this Agreement, "Owner's Title Commitment" means a current commitment to issue an owner's policy of title insurance with respect to the Owned Real Property issued by a title company acceptable to Purchaser.

(c) Seller has not received any written notice of any change contemplated in any laws or restrictions materially affecting the Owned Real Property, or any judicial or administrative action with respect to any of the foregoing that would not constitute a Permitted Encumbrance.

(d) As of the date hereof, Seller has caused all outstanding amounts due to contractors, suppliers, vendors, consultants and similar third parties with respect to work performed on or for the benefit of the Owned Real Property on or prior to the date hereof on behalf and at the direction of Seller or the Company or any Subsidiaries, to be paid in full to the extent failure to pay same would not constitute a Permitted Encumbrance.

(e) Section 3.10(e) of the Seller Disclosure Schedule includes a true, correct and complete list of the Leased Real Property. Seller has provided Purchaser with true, correct and complete copies of all leases and subleases, including all amendments and modifications thereto, that the Company or any of its Subsidiaries is a party to with respect to the Leased Real Property. The Company is not a party to any lease, sublease, license, assignment or similar arrangement under which it is a lessor, sublessor, licensor or assignor of, or otherwise makes available for use by any third party of, any portion of the Leased Real Property, and the Company is not in violation, in any material respect, of any material zoning, building, safety or environmental ordinance, acquisition or requirement or Law applicable to any Leased Real Property. The Company does not owe any brokerage commissions or finder's fees with respect to any Lease which is not paid or accrued in full.

(f) No material damage or destruction has occurred with respect to any of the Leased Real Property for which the Company may be liable. The improvements and fixtures at the Leased Real Property are in good operating condition and in a state of good maintenance and repair, ordinary wear and tear excepted, and are adequate and suitable for the purposes for which they are presently being used by the Company and the Seller.

(g) The premises leased pursuant to each Lease are supplied with utilities and other services necessary for the operation of such premises to conduct the Business of the Company as presently conducted.

(h) Except for the Permitted Encumbrances and real estate loans and mortgages held in the name of the Company's landlords, none of the Leased Real Property is (i) to the Knowledge of the Company or Seller, subject to (A) any Encumbrances, (B) any decree or order of a Governmental Body (or threatened or proposed decree or order of a Governmental Body), or

(C) any rights of way, building use restrictions, exceptions, variances, reservations or limitations of any nature whatsoever, or (ii) subject to (A) any Encumbrances, (B) any decree or order of a Governmental Body (or threatened or proposed decree or order of a Governmental Body), or (C) any rights of way, building use restrictions, exceptions, variances, reservations or limitations of any nature whatsoever that would reasonable be expected individually or in the aggregate, (1) interfere in any material respect with the present use of or occupancy of the affected parcel by the Company or its Subsidiaries, (2) have more than an immaterial effect on the value thereof or its use, or (3) would impair the ability of such parcel to be sold for its present use.

(i) Neither the Company nor Seller with respect to any Lease has, as of the date hereof, either received or provided any written notice of termination or cancellation, or of any default or event that with notice or lapse of time, or both, would constitute a default by the lessee or lessor under any Lease, that remains unresolved.

3.11 Personal Property.

(a) Except as otherwise noted on Section 3.11(b) of the Seller Disclosure Schedule, and except as would not be material to the Company, all items of tangible personal property and assets of the Company (i) are free of material defects and in good operating condition and in a state of good maintenance and repair, subject to ordinary wear and tear and (ii) were acquired and are usable in the regular and ordinary course of business. All of the tangible personal property and assets of the Company are located at the Leased Real Property.

(b) Section 3.11(b) of the Seller Disclosure Schedule sets forth a true, correct and complete list, general description, general condition, book value and replacement value of each item of tangible personal property of the Company having a replacement value of more than $10,000.00.

3.12 Intellectual Property.

(a) Section 3.12(a) of the Seller Disclosure Schedule contains a true, correct and complete list of all Company Registered Intellectual Property and all material unregistered Company Intellectual Property. The licensing by the Company of any Company Registered Intellectual Property has been subject to commercially reasonable quality control. The Company's rights in the Company Registered Intellectual Property are valid, subsisting and enforceable. The Company has not received any notice or claim challenging the validity, enforceability, registrability or ownership of any Company Registered Intellectual Property or alleging any misuse of such Company Registered Intellectual Property. The Company will, prior to the Closing Date, provide to Purchaser a list of any actions that are required to be taken within 180 days of the date hereof with respect to the Company Registered Intellectual Property or the prosecution of applications or registrations relating thereto, including the payment of any registration, maintenance or renewal fees or the filing of any response to any Governmental Body, actions, documents, applications or certificates for the purposes of obtaining, maintaining, perfecting or preserving or renewing any Company Registered Intellectual Property.

(b) The Company owns, or is licensed or otherwise has the right to use, free and clear of any Encumbrances (other than Permitted Encumbrances), all Intellectual Property used in connection with the operation and conduct of the Business. The Company has not received any notice or claim challenging the Company's ownership of or rights in any of the Intellectual Property owned or purported to be owned (in whole or in part) by or licensed to the Company, nor to the Knowledge of the Company or Seller is there a reasonable basis for any claim that the Company does not so own any of such Intellectual Property.

(c) Section 3.12(c) of the Seller Disclosure Schedule sets forth a true, correct and complete list of the Company Proprietary Software. The Company has all right, title and interest in and to all intellectual property rights in the Company Proprietary Software, free and clear of all Encumbrances, except Permitted Encumbrances. Except as set forth on Schedule 3.12(c) of the Seller Disclosure Schedules, no portion of the Company Proprietary Software contains, embodies, uses, copies, comprises or requires the work of any third party, including any Software that is distributed as open source Software or under any similar licensing or distribution models ("Publicly Available Software"). Neither the Company Proprietary Software nor any other products distributed or services provided by or on behalf of the Company contains proprietary Software owned by or exclusively licensed to the Company that integrates, incorporates or links to any Publicly Available Software in a manner that obligates the Company to (i) disclose or distribute such proprietary Software in source code form, (ii) license such proprietary Software for the purpose of making derivative works, or (iii) redistribute such proprietary Software at no charge or minimal charge.

(d) All Company Intellectual Property that the Company purports to own was developed by (i) an Employee working within the scope of his or her employment at the time of such development, or (ii) agents, consultants, contractors, founders, officers or other Persons who have executed appropriate instruments of assignment in favor of the Company as assignee that have irrevocably conveyed to the Company ownership of all such Intellectual Property rights. To the extent that any Company Intellectual Property has been developed or created by a third party for the Company, the Company has a written agreement with such third party with respect thereto and the Company thereby either (i) has obtained ownership of and is the exclusive owner of, or (ii) has obtained an irrevocable license (sufficient for the conduct of the Business as currently conducted and proposed to be conducted) to, all of such third party's Intellectual Property in such work, material or invention by operation of law or by valid assignment.

(e) Neither the Company, including the conduct of the Business as currently conducted or proposed to be conducted, nor any of its products or services has infringed upon or otherwise violated, or, except as would not be material to the Company, are infringing upon or otherwise violating, the Intellectual Property of any third party. To the Knowledge of the Company and Seller, no Person has infringed upon or violated, or is infringing upon or violating, any Company Intellectual Property.

(f) The Company is not subject to any proceeding or outstanding decree, order, judgment, agreement or stipulation (i) restricting in any manner the use, transfer or licensing by the Company of any of the Company Intellectual Property or (ii) that may affect the validity, use or enforceability of the Company Intellectual Property or any product or service of the Company related thereto.

(g) The Company has taken reasonable steps to protect its rights in the Confidential Information and any trade secret or confidential information of third parties used by the Company, and, except under confidentiality obligations, there has not been any disclosure by the Company of any Confidential Information or any such trade secret or confidential information of third parties. The current standard form of non-disclosure agreement used by the Company, if any, has been provided to the Purchaser prior to the date of this Agreement.

(h) The Company has at all times taken commercially reasonable steps to ensure that the Company Proprietary Software is and remains free of, any virus or other intentionally created, malicious, contaminant, that may, or may be used to, access, modify, delete, damage or disable any features or functionality of Company Proprietary Software or the internal computer, networking and information technology systems (including hardware, software, databases and embedded control systems) of the Company.

(i) The Company has taken commercially reasonable measures to protect the privacy and security of personally identifiable information and data in its possession, which measures are in compliance with applicable Law and the policies of the Company with respect thereto. There have been no security incidents or unauthorized intrusions into the Company's IT systems that have comprised, or reasonably would be expected to compromise, the confidentiality of the Company Intellectual Property or data or personally identifiable information of third parties used or held for use in the Business.

3.13 Contracts.

(a) Section 3.13(a) of the Seller Disclosure Schedule sets forth a true, correct and complete list of the following Contracts currently in force to which the Company is a party or under which the Company or any Subsidiary has continuing liabilities, rights and/or obligations:

(i) each Contract relating to the employment of any Person, including any Employee, consultant or independent contractor, by the Company, or the performance of services by Person, including any Employee, consultant or independent contractor, for the Company;

(ii) each Contract relating to the acquisition, transfer, use, development, sharing, license of, or covenant not to sue with respect to, any technology or any Intellectual Property;

(iii) all Contracts that (A) limit, or purport to limit, the ability of Seller, the Company, or any officers, managers, directors, Employees, members or other equity holders, agents or representatives of the Company (in their capacities as such) to compete in any line of business or with any Person or in any geographic area or during any period of time, (B) would by their terms purport to be binding upon or impose any obligation upon the Purchaser or any of its Affiliates (other than the Company), (C) contain any so called "most favored nation" provisions or any similar provision requiring the Company to offer a third party terms or concessions (including levels of service or content offerings) at least as favorable as offered to one or more other parties or (D) provide for "exclusivity," preferred treatment or any similar requirement or under which the Company is restricted with respect to distribution, licensing, marketing, co-marketing or development;

(iv) each Contract creating or involving a relationship with a Governmental Body;

(v) each Contract relating to the acquisition, issuance or transfer of any securities;

(vi) bonds, debentures, notes, credit or loan agreements or loan commitments, mortgages or other similar Contracts relating to the borrowing of money or the deferred purchase price of property or binding upon any properties or assets (real, personal or mixed, tangible or intangible) of the Company;

(vii) each Contract relating to the creation of any Encumbrance with respect to any asset of the Company;

(viii) each Contract involving or incorporating any guaranty, any pledge, any performance or completion bond, any indemnity or any surety arrangement;

(ix) each Contract creating or relating to any partnership or joint venture or any sharing of revenues, profits, losses, costs or liabilities;

(x) each Contract relating to the purchase or sale of any product or other asset by or to, or the performance of any services by or for, any Related Party;

(xi) each Contract providing for "earn outs," "performance guarantees" or other similar contingent payments, by or to the Company, involving an annual payment to or from the Company of more than $100,000.00;

(xii) Contracts for capital expenditures or the acquisition or construction of fixed assets requiring the payment by the Company of an amount in excess of $100,000.00;

(xiii) Contracts for the cleanup, abatement, removal, management or other actions in connection with any Materials of Environmental Concern, the remediation of any existing environmental condition, relating to the performance of any environmental audit or study, or providing for indemnification for any customer in connection with any Materials of Environmental Concern;

(xiv) Contracts granting any Person an option or a right of first refusal, first-offer or similar preferential right to purchase or acquire any assets of the Company;

(xv) Contracts for the granting or receiving of a license, sublicense or franchise or under which any Person is obligated to pay or has the right to receive a royalty, license fee, franchise fee or similar payment;

(xvi) Contracts with Customers or Suppliers, involving an annual payment to or from the Company of more than $100,000.00, in the case of Customers, and $100,000.00, in the case of Suppliers;

(xvii) Contracts concerning the occupancy, management or operation of any real property, including the Leases;

(xviii) Contracts concerning the operation, maintenance or possession (including the charter or lease) of the Aircraft;

(xix) outstanding powers of attorney empowering any Person to act on behalf of the Company;

(xx) each Contract that was entered into outside the ordinary course of business or was inconsistent with the Company's past practice; and

(xxi) any other Contract that (A) contemplates or involves (x) the payment or delivery of cash or other consideration in an amount or having a value in excess of $100,000.00 in the aggregate, or (y) the purchase or sale of any product, or performance of services by or to the Company having a value in excess of $100,000.00 in the aggregate, (B) has a term of more than sixty (60) days and that may not be terminated by the Company (without penalty) within sixty (60) days after the delivery of a termination notice by the Company, or (C) is material to the Company, individually or in the aggregate.

(b) The Company has delivered to the Purchaser true, correct and complete copies of all written Company Contracts. Section 3.13(b) of the Seller Disclosure Schedule provides a true, correct and complete description of the terms of each Company Contract that is not in written form. Each Company Contract is valid and in full force and effect, is enforceable by the Company in accordance with its terms, and after the Closing will continue to be legal, valid, binding and enforceable on identical terms. The consummation of the transactions contemplated hereby shall not (either alone or upon the occurrence of additional acts or events) result in any payment or payments becoming due from the Company, the Purchaser or any of its Affiliates to any Person or give any Person the right to terminate or alter the provisions of any Company Contract.

(c) The Company has not authorized, nor is there any term, obligation, understanding or agreement that would modify any term of a written Company Contract or any right or obligation of a party thereunder which is not reflected on the face of such Company Contract.

(d) The Company has not violated or breached, or committed any default under, any Company Contract, and, to the Knowledge of the Company and Seller, no other Person has violated or breached, or committed any default under, any Company Contract.

(e) No event has occurred, and no circumstance or condition exists, that (with or without notice or lapse of time) will, or could reasonably be expected to, (i) result in a violation or breach of any of the provisions of any Company Contract, (ii) give any Person the right to declare a default or exercise any remedy under any Company Contract, (iii) give any Person the right to accelerate the maturity or performance of any Company Contract or (iv) give any Person the right to cancel, terminate or modify any Company Contract.

(f) Neither the Company nor Seller has received any notice or other communication regarding any actual or possible violation or breach of, or default under, any Company Contract.

(g) The Company has not waived any of its rights under any Company Contract.

(h) No Person is renegotiating, or, to the Knowledge of the Company or Seller, has a right pursuant to the terms of any Company Contract to renegotiate, any amount paid or payable to the Company under any Company Contract or any other material term or provision of any Company Contract.

(i) The Company Contracts collectively constitute all of the material Contracts necessary to enable the Company to conduct the Business in the manner in which such business is currently being conducted.

(j) To the Company's Knowledge, no Company Contract is a contract or agreement in which, in the Company's best estimate, the direct labor cost, direct materials cost and applied overhead (calculated on a basis consistent with past practice) incurred or to be incurred in connection therewith (but excluding selling, general and administrative expenses) exceed the revenues derived or to be derived therefrom.

(k) Section 3.13(k) of the Seller Disclosure Schedule identifies and provides a brief description of each proposed Contract as to which any bid, offer, award, written proposal, term sheet or similar document has been submitted or received by the Company but not yet executed, involving an annual payment to or from the Company of more than $100,000.00.

3.14 Compliance with Laws; Governmental Authorizations.

(a) Except as would not be material to the Company, the Company is, and has at all times been, in compliance with all applicable Laws in all material respects. The Company has not received any notice or other communication from any Governmental Body regarding any actual or possible violation of, or failure to comply with, any Law.

(b) Section 3.14(b) of the Seller Disclosure Schedule identifies each Governmental Authorization held by the Company, and Seller has delivered, or caused to be delivered, to the Purchaser true, correct and complete copies of all such Governmental Authorizations. The Governmental Authorizations held by the Company are valid and in full force and effect, and collectively constitute all Governmental Authorizations necessary and required to enable the Company to conduct the Business in the manner in which it is currently being conducted and as presently planned to be conducted. The Company is in compliance in all material respects with the terms and requirements of the respective Governmental Authorizations held by it. The Company has not received any notice or other communication from any Governmental Body regarding (i) any actual or possible violation of or failure to comply with any term or requirement of any Governmental Authorization, or (ii) any actual or possible revocation, withdrawal, suspension, cancellation, termination or modification of any Governmental Authorization. Section 3.14(b) of the Seller Disclosure Schedule identifies with an asterisk each Governmental Authorization set forth therein which by its terms cannot be transferred to the Purchaser at Closing.

3.15 Tax Matters.

(a) The Company has timely filed or caused to be timely filed, or shall timely file or cause to be timely filed, with the appropriate Governmental Body all Tax Returns required to be filed by the Company on or prior to the Closing Date (taking into account any applicable extension of time within which to file that has been duly perfected). Each such Tax Return (i) has been prepared in compliance with all applicable Laws, and (ii) is true, correct, and complete. The Company has paid all Taxes required to have been paid by or in respect of it (whether or not shown or reportable on any Tax Return).

(b) The Pre-Closing Taxes accrued as of the Interim Balance Sheet Date do not exceed the accruals for current Taxes set forth on the balance sheet included in the Interim Financial Statements, and no Tax has been incurred since the Interim Balance Sheet Date other than in the ordinary course of business of Company consistent with amounts previously paid with respect to such Taxes for similar periods in prior years, adjusted for changes in ordinary course operating results.

(c) The Company has not requested or been granted an extension of time for filing any Tax Return which has not yet been filed.

(d) The Company has not (i) sought or entered into any agreement or waiver extending any statute of limitations relating to the payment or collection of Taxes that has not expired, or (ii) sought or obtained a private letter ruling of the IRS (or comparable rulings of any other Governmental Body).

(e) No deficiency or proposed adjustment which has not been timely settled in full or otherwise resolved for any amount of Tax has been proposed, asserted or assessed by any Governmental Body against the Company.

(f) There is no action, suit, Legal Proceeding or audit now in progress, pending or threatened against or with respect to the Taxes or Tax Returns of the Company. There are no matters under discussion with any Tax authority with respect to the liability of Company with respect to Taxes. All deficiencies asserted or assessments made or proposed against Company with respect to Taxes have been paid in full and no rationale underlying a claim for Taxes has been asserted previously by any Governmental Body that reasonably could be expected to be asserted in any other period.

(g) There are no Encumbrances for Taxes (other than Encumbrances described in clause (a) of the definition of "Permitted Encumbrances") upon the assets of, or equity interests in, the Company.

(h) The Company has never been a member of an affiliated, combined, consolidated or unitary Tax group for tax purposes. The Company has no liability for Taxes of any Person (other than the Company) under Treasury Regulations Section 1.1502-6 (or any corresponding provisions of state, local or foreign law), as a transferee or successor, by contract or otherwise.

(i) The Company is not, and has never been, a party to or bound by (i) any Tax indemnity, Tax sharing, Tax allocation, Tax receivable or similar agreement, (ii) any other express or implied agreement under which it could have liability for any other Person's Taxes, or (iii) any closing agreement, gain recognition agreement, offer in compromise or any other agreement with any Governmental Body.

(j) The Purchaser will not be required to deduct and withhold any amount pursuant to Section 1445(a) or 1446 of the Code (or any corresponding provision of state, local or foreign Tax Law) as a result of any transfer pursuant to this Agreement.

(k) The Company has complied with all applicable Laws pertaining to Taxes, including all applicable Laws relating to the withholding of Taxes and the remittance of withheld Taxes, all applicable Laws relating to allocations, accruals and other Tax treatments in respect of the Aircraft, all applicable Laws relating to information reporting and record retention (including, without limitation, to the extent necessary to claim any exemption from sales Tax collection and maintaining adequate and current resale certificates to support any such claimed exemptions), and all applicable transfer pricing Laws.

(l) (i) The Seller has been properly classified at all times since its formation as a partnership, (ii) The Center for Toxicology and Environmental Health, L.L.C. is properly classified as a disregarded entity and has been properly classified at all times since its formation as either a partnership or as a "disregarded entity", and (iii) each Other Seller Subsidiary has been properly classified at all times since its formation as a "disregarded entity", in each case, for US federal and applicable state income tax purposes and no election has been made pursuant to Treasury Regulation Section 301.7701-3(c) to treat any such entity as an association taxable as a corporation. The Company has (x) not elected to apply the rules set forth in Title XI of the Bipartisan Budget Act of 2015 to Tax periods beginning prior to December 31, 2017 and (y) made the election "out" under Section 6221(b) of the Code for each Tax year beginning after December 31, 2017. The Company has in effect an election under Section 754 of the Code (and any analogous or similar election under applicable state or local Tax Law).

(m) Section 3.15(m) of the Seller Disclosure Schedule lists the federal and state income tax classification of The Center for Toxicology and Environmental Health, L.L.C. and each of the Other Seller Subsidiaries and such classification has not changed (and each entity has been at all times been treated as such) since the formation of each such entity. The Company has not made an election or taken any other action to change its federal and state income tax classification from such classification.

(n) Except as set forth on Section 3.15(n) of the Seller Disclosure Schedule, the Company (i) has never been a party to any partnership or other arrangement or contract that could be treated as a partnership for federal income Tax purposes, and (ii) does not hold any asset that is co-owned with any third party in a joint venture or partnership within the meaning of Section 761(a) of the Code.

(o) Section 3.15(o) of the Seller Disclosure Schedule lists all jurisdictions in which the Company files Tax Returns. No claim has ever been made by any Governmental Body in a jurisdiction in which the Company does not file Tax Returns asserting that the Company is required to file, or may be subject to taxation, in such jurisdiction and the Company does not reasonably expect any Governmental Body to claim or assess any amount of additional Taxes against the Company.

(p) The Company has not agreed to and will not be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of any: (i) change in (or use of improper) method of accounting for Tax purposes for any taxable period (or portion thereof) ending on or prior to the Closing Date (including, without limitation, by reason of Section 481 or 263A of the Code or any similar provisions of state, local or foreign Law); (ii) prepaid amount or advance payments received (or deferred revenue accrued) on or prior to the Closing Date, (iii) election made prior to the Closing (including an election under Section 108(i) of the Code); (iv) installment sale or open transaction made, or any other transaction or event that occurred, on or prior to the Closing Date, or (v) closing agreement as described in Section 7121 of the Code (or any corresponding or similar provision of state, local or foreign income Tax law) executed on or prior to the Closing Date.

(q) There is no taxable income of the Company that, pursuant to an election or under applicable Law or otherwise, is required to be reported by the Company for a taxable period beginning after the Closing Date which taxable income was realized (or reflects economic income arising) prior to the Closing Date or relates to a transaction that occurred prior to the Closing Date.

(r) The Company has never engaged in any transaction that would constitute a "reportable transaction" within the meaning of Section 6707A(c)(1) of the Code (or any similar provision of state, foreign or local Tax Law) and Treasury Regulations Section 1.6011-4(b).

(s) The Company has never (i) been subject to Tax in a jurisdiction outside of the jurisdiction in which it is organized, (ii) had a permanent establishment (as defined in any applicable tax treaty) or other fixed place of business in a country other than the country in which it is organized, or (iii) been a party to or the beneficiary of any Tax exemption, Tax holiday or other Tax reduction Contract or order.

(t) The Seller filed with the U.S. Virgin Islands Bureau of Internal Revenue (the "BIR") Forms 8832 on March 16, 2020, requesting late entity classification relief under Rev. Proc. 2009-41, with respect to the Seller, the Company and the Other Seller Subsidiaries, to obtain classification as (i) a partnership for the Seller and (ii) a disregarded entity, for the Company and each of the Other Seller Subsidiaries, in each case, for U.S. Virgin Islands Tax purposes as of the "date of relevance", as defined under Treasury Regulations Section 301.7701-3(d) (the "Requested Relief") and has provided copies of such filings to the Purchaser prior to the date hereof. The Seller filed with the BIR (i) on March 27, 2020, a closing agreement and the amended Form 1065 for the Seller for the Tax year ending December 31, 2018, and (ii) on March 17, 2020, a Form 1065 for Seller for the Tax Year ending December 31, 2019, showing that the Seller was a "foreign partnership" (organized outside of the U.S. Virgin Islands) earning U.S. Virgin Islands sourced income, in each case, in accordance with all requirements under the Code, as mirrored by the U.S. Virgin Islands and has provided copies of such filing to the Purchaser prior to the date hereof ("Amended Tax Returns"). The Seller, the Company, and the Other Seller Subsidiaries have each agreed to provide the BIR with any additional information, and to take any additional action, requested or required by the BIR in order to enable the BIR to grant the Requested Relief.

(u) For purposes of this Section 3.15, where the context permits, each reference to the Company shall include a reference to Seller, each Subsidiary of the Company (including each of the Other Seller Subsidiaries) and any Person for whose Taxes the Company is or could be held liable under Law.

3.16 Employee Benefit Plans.

(a) Section 3.16(a) of the Seller Disclosure Schedule contains a true, correct and complete list of each Company Benefit Plan.

(b) With respect to each Company Benefit Plan identified on Section 3.16(a) of the Seller Disclosure Schedule, the Company has heretofore delivered to the Purchaser true, correct and complete copies of the plan documents and any amendments thereto (or, in the event the plan is not written, a written description thereof), any related trust, insurance contract or other funding vehicle, any reports or summaries required under all applicable Laws, including ERISA or the Code, the most recent determination or opinion letter received from the Internal Revenue Service (the "IRS") with respect to each current Company Benefit Plan intended to qualify under Section 401 of the Code, nondiscrimination and coverage tests for the most recent three (3) full plan years, the three (3) most recent annual reports (Form 5500) filed with the IRS and financial statements (if applicable), the three (3) most recent actuarial reports or valuations (if applicable) and such other documentation with respect to any Company Benefit Plan (whether current or not) as is reasonably requested by the Purchaser. Neither the Company nor any of its Subsidiaries has any express or implied commitment (A) to create, incur liability with respect to or cause to exist any other employee benefit plan, program or arrangement, (B) to enter into any Contract to provide compensation or benefits to any individual or (C) to modify, change or terminate any Company Benefit Plan, other than with respect to a modification, change or termination required by ERISA or the Code.

(c) Neither the Company nor any ERISA Affiliate has ever maintained, sponsored, contributed to or otherwise incurred any liability (contingent or otherwise) with respect to any "employee benefit plan" within the meaning of Section 3(3) of ERISA that (i) is or was subject to Title IV of ERISA, Section 302 of ERISA or Section 412 of the Code, or (ii) is or was a "multiemployer plan" (as defined in Section 3(37) of ERISA), a "multiple employer plan" (within the meaning of Section 413(c) of the Code), or a "multiple employer welfare arrangement" (as defined in Section 3(40)(A) of ERISA).

(d) Each Company Benefit Plan has been established, registered, qualified, invested, operated and administered in all respects in accordance with its terms and in compliance with all Applicable Benefit Laws. The Company has performed and complied in all respects with all of its obligations under or with respect to the Company Benefit Plans. The Company has not incurred, and no fact exists that reasonably could be expected to result in, any liability to the Company with respect to any Company Benefit Plan, including any liability, tax, penalty or fee under any Applicable Benefit Law (other than to pay future premiums, contributions or benefits in the ordinary course of business consistent with past practice). To the Knowledge of the Company, no fact or event has occurred that could jeopardize the compliance of each Company Benefit Plan with all Applicable Benefit Laws.

(e) Each Company Benefit Plan intended to be "qualified" within the meaning of Section 401(a) of the Code has received a favorable determination or opinion letter from the IRS, and nothing has occurred subsequent to the date of such favorable determination letter that could adversely affect the qualified status of any such plan.

(f) There has not been any prohibited transaction, within the meaning of Section 406 of ERISA or Section 4975 of the Code, with respect to any Company Benefit Plan other than a transaction that is exempt under a statutory or administrative exemption.

(g) All contributions, premiums or payments required to be made with respect to any Company Benefit Plan have been made on or before their due dates. All such contributions have been fully deducted for income tax purposes. No such deduction has been challenged or disallowed by any Governmental Body and no fact or event exists that would give rise to any such challenge or disallowance.

(h) Section 3.16(h) of the Seller Disclosure Schedule set forth any Company Benefit Plan that provides for or promises post-employment medical, disability or life insurance benefits to any current or former employee, officer or director of the Company or any of its Subsidiaries.

(i) With respect to each Company Benefit Plan that is a "nonqualified deferred compensation plan" (as defined for purposes of Section 409A(d)(1) of the Code), (i) such plan or arrangement has been operated since January 1, 2005 in compliance with Section 409A of the Code and all applicable IRS guidance promulgated thereunder to the extent such plan or arrangement is subject to Section 409A of the Code and so as to avoid any tax, interest or penalty thereunder; and (ii) the document or documents that evidence each such plan or arrangement have conformed to the provisions of Section 409A of the Code and the final regulations under Section 409A of the Code since December 31, 2008.

(j) The consummation of the transactions contemplated by this Agreement will not, either alone or in combination with any other event, (i) entitle any current or former employee, officer, director, consultant or independent contractor of the Company to any severance pay, retention bonuses, parachute payments, non-competition payments, or other compensation or benefits, (ii) accelerate the time of payment, vesting, or funding, or increase the amount of any compensation or benefit due with respect to any such employee, director, consultant, independent contractor or officer, (iii) result in any forgiveness of indebtedness or obligation to fund benefits with respect to any such employee, director, consultant, independent contractor or officer, or (iv) limit or restrict the right of the Company to merge, amend or terminate any Company Benefit Plan. The Company is not obligated to make any payments in connection with the transactions contemplated by this Agreement (either alone or in combination with any other event), including under any Company Benefit Plan, that reasonably could be expected to be "excess parachute payments" pursuant to Section 280G of the Code and there is no agreement between the Company or Seller and any person to make any reimbursement or payment in respect to any penalty taxes under Sections 280G or 4999 of the Code.

(k) There is no pending or, to the Knowledge of the Company or Seller, threatened complaint, claim, charge, suit, proceeding, audit, inquiry, citation, investigation, examination or other action of any kind with respect to any Company Benefit Plan, or with respect to the Company or any ERISA Affiliate as the sponsor or fiduciary of any Company Benefit Plan or related trust or other funding medium.

3.17 Employee Matters.

(a) Section 3.17(a)(1) of the Seller Disclosure Schedule contains a true, correct and complete list of all Employees (whether full time, part-time or otherwise), and accurately reflects their salaries, any other compensation payable to them (including compensation payable pursuant to bonus, deferred compensation or commission arrangements), their dates of employment, their positions, their work location and the employee benefits selected. All of the Employees are "at will" employees. All Employees are lawfully authorized to work in the United States for the Company in accordance with applicable immigration Laws. The Company is in compliance, in all material respects, with all applicable Laws relating to the documentation and record-keeping of Employees' work authorization status. Section 3.17(a)(2) of the Seller Disclosure Schedule lists all Employees who are not citizens of the United States and identifies the visa or other similar permit under which such Employee is working and the dates of issuance and expiration of such visa or other similar permit. Section 3.17(a)(3) of the Seller Disclosure Schedule contains a true, correct and complete list of all independent contractors used by the Company as of the date hereof, specifying the name of the independent contractor, type of labor, fees paid to such independent contractor for calendar year 2019 and from January 1, 2020 through the date of this Agreement, work location and address. Each Employee and independent contractor that is required to be licensed under applicable Law holds all Governmental Authorizations required to practice or perform his or her work or services in the state(s) where he or she provides such work or services for the Company and has held such a valid and unrestricted license at all times while employed or contracted by the Company. Each such Governmental Authorization held by an Employee or independent contractor is valid and unrestricted.

(b) Section 3.17(b) of the Seller Disclosure Schedule identifies each full-time Employee who is not fully available to perform work because of disability or other leave and sets forth the basis of such leave and the anticipated date of return to full service.

(c) The Company is, and has at all times been, in compliance in all material respects with all applicable Laws and Contracts relating to employment, application for employment, classification of employment, employment practices, wages and hours, bonuses and terms and conditions of employment, leaves of absence, collective bargaining, equal opportunity, occupational health and safety, workers' compensation, sexual harassment, immigration, individual and collective consultation, notice of termination and redundancy and the payment of social security and other taxes. Neither the Seller nor the Company has any liability under any applicable laws related to employment and attributable to an event occurring or a state of facts existing prior to the date hereof, including any liability which has been incurred by Seller or the Company, but remains to be discharged, for breach of an employment contract with an employee or breach of any statutory employment right under applicable law, in each case with respect to the Employees or the conduct or operation of the Company. None of the Employees who are members of the management team of the Company have known criminal histories or allegations of any serious legal infringement on their personnel records including, but not limited to, Fraud, embezzlement, workplace violence or sexual harassment.

(d) Except as disclosed on Section 3.17(d) of the Seller Disclosure Schedule, neither the Company nor Seller has made any written or verbal commitments to any officer, employee, former employee, consultant or independent contractor of the Company with respect to compensation, promotion, retention, termination, severance or similar matter in connection with the transactions contemplated hereby or otherwise.

(e) No Employee of the Company has threatened or, to the Knowledge of the Company, made plans to leave the Company or requested that the Company modify the terms of his or her employment. The Company has no reason to believe that any of the Employees intends to terminate his or her employment with the Company.

(f) In the last five (5) years, (i) no allegations of workplace sexual harassment have been made against any Employee in their capacity as such, (ii) to the Knowledge of the Company or Seller, no incidents of any such workplace sexual harassment have occurred, and (iii) the Company has not entered into any settlement agreement related to allegations of sexual harassment or misconduct by any Employee.

3.18 Labor Matters.

(a) No Employee, since becoming an Employee, has been, or currently is (or is attempting to be), represented by a labor organization or group that was either certified or voluntarily recognized by any labor relations board or certified or voluntarily recognized by any other Governmental Body.

(b) The Company is and has been in compliance with all Labor Laws. No citations, claims, complaints, grievances, charges, disputes, proceedings, examinations, audits, inquiries, investigations or other actions have been issued or filed or are pending or threatened under the Labor Laws with respect to the Company.

(c) The Company has maintained and currently maintains adequate insurance as required by applicable Law with respect to workers' compensation claims and unemployment benefits claims.

(d) Since January 1, 2019, there has been no "mass layoff" or "plant closing" as defined by the Worker Adjustment and Retraining Notification Act of 1998 (the "WARN Act") in respect of the Company and the has not been affected by any transactions or engaged in layoffs or employment terminations sufficient in number to trigger application of any state or local Law which is similar to the WARN Act.

3.19 Environmental Matters.

(a) The Company is in compliance with all applicable Environmental Laws, which compliance includes the possession by the Company of all Governmental Authorizations required under applicable Environmental Laws, and compliance with the terms and conditions thereof. All Governmental Authorizations currently held by the Company pursuant to Environmental Laws are identified in Section 3.19(a) of the Seller Disclosure Schedule. To the Knowledge of the Company or Seller, the Company has not received any written notice regarding the revocation, suspension or material amendment of any material Governmental Authorization required under Environmental Laws.

(b) The Company has not received, nor to the Knowledge of the Seller, has any current or prior owner of any property owned or leased by the Company received, any notice or other communication (in writing or otherwise), whether from a Governmental Body, citizens group, Employee or otherwise, that alleges that the Company is not in compliance with any Environmental Law, and, to the Knowledge of the Company or Seller, there are no circumstances that may prevent or interfere with the Company's compliance with any Environmental Law in the future.

(c) No Materials of Environmental Concern have been discharged or released (i) on premises, either currently or previously owned or operated by the Company, Seller or, to the Knowledge of the Company or Seller, by other Persons or (2) by the Company, Seller or any Other Seller Subsidiary on other premises during the provision of Company's services for Customers, in both cases other than in compliance in all material respects with Environmental Laws and as would not reasonably be expected to result in material liability to the Company. To the Knowledge of the Company or Seller, no Materials of Environmental Concern at any real properties to which the Company or its agents have sent Materials of Environmental Concern for disposal would reasonably be expected to result in material liability to the Company.

(d) Section 3.19(d) of the Seller Disclosure Schedule sets forth a true, correct and complete list of all documents (whether in hard copy or electronic form) that contain any environmental (including occupational health and safety) reports, investigations and/or audits relating to premises currently or previously owned or operated by the Company (whether conducted by or on behalf of the Company or a third party, and whether done at the initiative of

the Company or directed by a Governmental Body or other third party) which were issued or conducted during the past five years and which the Company has possession of or access to. A complete and accurate copy of each such document has been provided to the Purchaser. The Company has provided to the Purchaser true, correct and complete copies of all reports, correspondence, memoranda, computer data and the complete files relating to environmental matters.

(e) The Company has not assumed, undertaken or provided an indemnity to any third party relating to liability under or otherwise assumed the liability of a third party under Environmental Laws except for those set forth in any of the Company Contracts set forth in Section 3.13 of the Seller Disclosure Schedule and such indemnities as may be imposed by Law, including, without limitation, indemnities for implied warranties of merchantability and fitness for a particular purpose as set forth under any applicable Law or not excluded in any customer contract.

(f) The Company has not imported, received, manufactured, produced, processed, labeled, or shipped, stored, used, managed, operated, transported, treated or disposed of any Materials of Environmental Concern other than in compliance with all Environmental Laws.

3.20 Insurance. Section 3.20 of the Seller Disclosure Schedule sets forth a true, correct and complete list of all insurance policies and fidelity bonds for the current policy year relating to the Company and its Employees, officers, managers and directors. The Company maintains, and has maintained, without interruption during its existence, policies of insurance covering such risk and events, including personal injury, property damage and general liability, in amounts that are adequate, in light of prevailing industry practices, for its business and operations and for the operation of the Aircraft. The Company has not received notice of termination or cancellation of any such policy. All premiums required to be paid with respect thereto covering all periods up to and including the Closing Date have been or will be paid in a timely fashion. There has been no lapse in coverage under such policies or failure of payment that will cause coverage to lapse during any period for which the Company has conducted its operations. All such policies are in full force and effect and will remain in full force and effect up to and including the Closing Date, unless replaced with comparable insurance policies having comparable or more favorable terms and conditions. Except as set forth on Section 3.20 of the Seller Disclosure Schedule, no insurer has put the Company on notice that coverage will be denied with respect to any claim submitted to such insurer by the Company. Except as set forth on Section 3.20 of the Seller Disclosure Schedule, there are no claims by the Company pending under any of such policies or bonds as to which coverage has been questioned, denied or disputed by the underwriters of such policies or bonds or in respect of which such underwriters have reserved their rights.

3.21 Related Party Transactions. Except as set forth in Section 3.21 of the Seller Disclosure Schedule, no Related Party: (a) has, or has at any time had, any direct or indirect interest in any asset used in or otherwise relating to the business of the Company; (b) is, or has been, indebted to the Company; (c) has entered into, or has had any direct or indirect financial interest in, any Company Contract, transaction or business dealing involving the Company; (d) is competing, or has at any time competed, directly or indirectly, with the Company or (e) has any claim or right against the Company (other than rights to receive compensation for services performed as an Employee). Related Party has paid to the Company all amounts owed to the Company by Related Party. All amounts owed to the Company by any Related Party has been paid to the Company and all amounts owed by the Company to any Related Party has been paid from the Company to such Related Party. At and as of the Closing Date, any debts of the Company owed to Seller or to any Related Party has been canceled, except ongoing obligations owed to Seller or such Related Party in respect of his or her employment with the Company.

3.22 Legal Proceedings; Orders.

(a) Except as set forth on Section 3.22 of the Seller Disclosure Schedule, there is no pending Legal Proceeding, and to the Knowledge of the Company and Seller, no Person has threatened to commence any Legal Proceeding (i) against the Company or Seller, (ii) in connection with the Company's services for Customers for its Suppliers, (iii) that involves the Company or any of the assets owned, used or controlled by the Company or any Person whose liability the Company has or may have retained or assumed, either contractually or by operation of law, (iv) that challenges, or that may have the effect of preventing, delaying, making illegal or otherwise interfering with, the transactions contemplated by this Agreement or any of the Seller Related Agreements, or (v) that relates to any wrongful discharge, retaliation, libel, slander or other claim, complaint, charge or investigation that arises out of the employment relationship between the Company and any of its employees. Except as set forth on Section 3.22 of the Seller Disclosure Schedule, and except as would not be material to the Company, no event has occurred, and no claim, dispute or other condition or circumstance exists, that will, or that could reasonably be expected to, give rise to or serve as a basis for the commencement of any such Legal Proceeding.

(b) There is no order, writ, injunction, ruling, verdict, judgment or decree to which the Company, or any of the assets owned or used by the Company, is subject. To the Knowledge of the Company and Seller, no officer or other Employee is subject to any order, writ, injunction, judgment or decree that prohibits such officer or other Employee from engaging in or continuing any conduct, activity or practice relating to the business of the Company.

3.23 Customers and Suppliers. Section 3.23 of the Seller Disclosure Schedule contains a true, correct and complete list of the names and addresses of all of the Customers and Suppliers. No Customer or Supplier during the prior twelve (12) months has canceled, terminated or made any threat to cancel or otherwise terminate, nor does the Company or Seller have any reason to believe that a Customer or Supplier will cancel or otherwise terminate within the next twelve (12) months, any of such Customer's or Supplier's Contracts with the Company or materially decrease such Customer's usage of the Company's services or products or such Supplier's supply of services or products to the Company.

3.24 Finder's Fee. Except as provided in Section 3.24 of the Seller Disclosure Schedule, no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with this Agreement or any of the other transactions contemplated hereby based upon arrangements made by or on behalf of the Company.

3.25 Accounts Receivable. All accounts receivable reflected on the Balance Sheet or to be reflected on the Closing Balance Sheet represent or will represent bona fide and valid obligations arising from sales actually made or services actually performed in the ordinary course of business. Unless paid prior to the Closing, as of the Closing Date, all accounts receivable will be current and collectible net of the respective reserves shown on the Balance Sheet or to be shown

on the Closing Balance Sheet (which reserves (a) are adequate and calculated consistent with past practice, (b) in the case of reserves on the Closing Balance Sheet, will not represent a greater percentage of accounts receivable as of the Closing than the reserve reflected on the Balance Sheet represented of the accounts receivable reflected therein and (c) will not represent a change in the composition of such accounts receivable in terms of aging). Subject to such reserves, each account receivable either has been or will be collected in full, without any set-off, within 90 days after the day on which it first becomes due and payable. There is no contest, claim or right of set-off, other than returns in the ordinary course of business, under any Contract with any obligor of any accounts receivable related to the amount or validity of such accounts receivable, and no bankruptcy, insolvency or similar proceedings have been commenced by or against any such obligor.

3.26 Service Warranties. Except as provided in Section 3.26 of the Seller Disclosure Schedule, the Company does not make any warranty or guaranty as to services provided by the Company. All services provided by the Company have been in conformity with all applicable contractual commitments.

3.27 Certain Payments.

(a) Neither the Company, nor any manager, officer, Employee, agent, Seller or other Person acting for or on behalf of the Company, has at any time, directly or indirectly:

(i) used any corporate funds (i) to make any unlawful political contribution or gift or for any other unlawful purpose relating to any political activity, (ii) to make any unlawful payment to any governmental official or employee, or (iii) to establish or maintain any unlawful or unrecorded fund or account of any nature;

(ii) intentionally made any false or fictitious entry, or failed to make any entry that should have been made, in any of the books of account or other records of the Company;

(iii) made any payoff, influence payment, bribe, rebate, kickback or unlawful payment to any Person;

(iv) except as provided in Section 3.27(a)(iv) of the Seller Disclosure Schedule, performed any favor or given any gift which was not deductible for federal income tax purposes;

(v) made any unlawful payment to any Person, or unlawfully provided any favor or anything of value (whether in the form of property or services, or in any other form) to any Person, for the purpose of obtaining or paying for (i) favorable treatment in securing business, or (ii) any other special concession; or

(vi) agreed, committed, offered or attempted to take any of the actions described in clauses “(i)” through “(vi)” above.

(b) The Company and, to the Knowledge of the Seller and the Company, all entities acting on behalf of the Company, have developed and implemented internal controls, policies, and procedures designed to ensure compliance with any applicable national, regional or local anti-corruption Law. The books of account and other financial records of the Company (i) are accurate, complete, and correct, (ii) represent actual, bona fide transactions and (iii) have been maintained in accordance with sound business practices, including the maintenance of adequate internal accounting controls.

3.28 Aircraft.

(a) The manufacturer, make, model, serial number, date of manufacture and registration mark of the airframe and the manufacturer, make, model, and serial number of each engine and propeller is set forth in Section 3.28 of the Seller Disclosure Schedule.

(b) Except as set forth in Section 3.28 of the Seller Disclosure Schedule, the Aircraft has no damage or damage history. For purposes of this Agreement, the term "damage" shall mean damage (i) beyond manufacturer's maintenance manual tolerances or limits, (ii), the repair of which constitutes a "Major Repair" as such term is defined in 14 C.F.R., Part 43, Appendix A and recorded in a manner prescribed by 14 C.F.R., Part 43, Appendix B, or (iii) which required or requires the issuance of an FAA Form 337 to return the Aircraft to service.

(c) Except for any Permitted Encumbrances set forth in Section 3.28 of the Seller Disclosure Schedule, the Aircraft shall be free and clear of any and all Encumbrances.

(d) The Aircraft is in an airworthy condition suitable for operations under 14 CFR Part 91 of the Federal Aviation Regulations and has a current and valid United States Certificate of Airworthiness in the standard category, without exceptions or deviations. All equipment, systems, avionics, components, accessories and other installed equipment shall be operating in accordance with manufacturers' specifications, tolerances and limitations on the date of Closing.

(e) All necessary consents, licenses, authorizations or approvals of any Governmental Body which are required to operate the Aircraft in the manner and for all the purposes for which it has from time to time been operated have been duly obtained and are in full force and effect.

(f) The Aircraft has been operated in accordance with all applicable Laws and solely in connection with the business of the Company and CTEH Leasing, LLC ("CTEH Leasing").

(g) The Aircraft has not been operated in any manner contrary to the recommendation of its manufacturers or any recommendation or regulation of the FAA or any other Governmental Body having jurisdiction over the Aircraft or its operator, or for any purpose for which the Aircraft is not designated or reasonably suitable or in a manner which might invalidate or render void all or part of the insurances in respect of the Aircraft;.

(h) The crew and engineers employed or under service agreements in connection with the operation and maintenance of the Aircraft have the qualifications and hold the licenses required by the FAA, any other Governmental Body having jurisdiction over the Aircraft or its operator and applicable Law.

(i) The Aircraft has been maintained by a maintenance provider approved by the applicable manufacturer, in good operating condition, in accordance with a maintenance program approved by the FAA, in full compliance with the FAA's requirements and those of any other Governmental Body having jurisdiction over the Aircraft or its operator and applicable Law; and in such condition as has enabled the airworthiness certification of the Aircraft to be maintained in good standing at all times under applicable Law. The Aircraft is current on all maintenance programs and inspection schedules (including all calendar and hourly inspections) with no extensions or deferrals, and in compliance with all applicable FAA airworthiness directives and mandatory service bulletins (or manufacturers' equivalent) that have been issued with respect to the Aircraft and its systems, components, accessories or equipment which are have been issued or require completion on or before the date of Closing.

(j) Accurate, complete and current records of all flights made by the Aircraft and of all maintenance and repairs carried out on the Aircraft have been kept and form part of the Aircraft Records.

(k) The Aircraft Records are the property of the CTEH Leasing and have been kept in accordance with the approved procedures and practices of applicable Laws, the FAA, any applicable manufacturers or suppliers and prudent industry practice.

3.29 Inventory. Schedule 3.29 of the Seller Disclosure Schedule sets forth a true and complete list of all inventory as of Interim Balance Sheet Date, the value thereof and the address at which such inventory is located. Such inventory has not been consigned to, or held on consignment from, any third person. Such inventory and additional items of inventory arising since the Interim Balance Sheet Date was acquired and has been maintained in accordance with the regular business practices of the Company and its Subsidiaries, consists of new and unused items of a quality and quantity substantially all of which is usable or saleable in the ordinary course of business, and is valued at prices equal to the lower of cost or realizable value and in accordance with the internal accounting practices of the Company and its Subsidiaries applied on a basis consistent with the Financial Statements, each consistently applied throughout the periods covered by the Financial Statements, with adequate provisions or adjustments for excess inventory, slow-moving inventory, spoilage and inventory obsolescence and shrinkage. The inventory (including items of inventory acquired or manufactured subsequent to the date of the Balance Sheet) consists, and will as of the Closing Date consist, of products of quality and quantity commercially usable and salable at not substantially less than cost in the ordinary course of business, except for any items of obsolete material or material below standard quality, substantially all of which have been written down to realizable market value, or for which adequate reserves have been provided, and the present quantities of all inventory are reasonable in the present circumstances of the Company and its Subsidiaries and consistent with the average level of inventory in the past 24 months.

3.30 Absence of Operations and Assets. Neither the Seller nor any of its Affiliates (other than the Company and the Other Seller Subsidiaries) conduct any business or operations, are party to any Contract relating to the business or operations of the Company or have any assets other than the Interests and equity interests in the Other Seller Subsidiaries held by Seller.

3.31 Privacy and Security.

(a) The Company complies (and requires and monitors the compliance of applicable third parties) with all applicable U.S., state, foreign and multinational Laws relating to privacy or data security, and reputable industry practice, standards, self-governing rules and policies and their own published, posted and internal agreements and policies (which are in conformance with reputable industry practice) (all of the foregoing collectively, "Privacy Laws") with respect to: (i) personally identifiable information, personal information, or personal data as defined in applicable Privacy Laws (including but not limited to name, address, telephone number, electronic mail address, social security number, bank account number or credit card number), sensitive personal information and any special categories of personal information regulated thereunder or covered thereby ("Personal Information") (including such Personal Information of visitors who use the Company's Websites, suppliers, clients, employees, contractors, and distributors), whether any of same is accessed or used by the Company or any of its business partners; (ii) non-personally identifiable information (including such Personal Information of visitors who use the Company's Websites, suppliers, clients, employees, contractors, and distributors), whether any of same is accessed or used by the Company or any of its business partners; (iii) spyware and adware; (iv) the procurement or placement of advertising from or with reputable Persons and Websites; (v) the use of Internet searches associated with or using particular words or terms; (vi) the sending of solicited or unsolicited electronic mail messages; and (vii) privacy generally.

(b) The Company post all policies with respect to the matters set forth in Section 3.31(a) on their respective Websites in conformance with Privacy Laws.

(c) (i) To the Company's knowledge, the advertisers and other Persons with which the Company has contractual relationships have not breached any agreements or any Privacy Laws pertaining to Personal Information and to non-personally identifiable information (including Privacy Laws regarding spyware and adware), (ii) the Company does not serve advertisements into advertising inventory created by downloadable Software that launches without a user's express activation, and (iii) the Company has not received (and does not have knowledge of) a material volume of consumer complaints relative to Software downloads that resulted in the installation of the Company's tracking technologies.

(d) The Company takes all commercially reasonable steps to protect the operation, confidentiality, integrity and security of their respective Software, Systems and Websites and all information and transactions stored or contained therein or transmitted thereby against any unauthorized or improper use, access, transmittal, interruption, modification or corruption, and there have been no breaches of same. Without limiting the generality of the foregoing, the Company (i) uses adequate-strength encryption technology of at least 128-bit and (ii) has implemented a comprehensive security plan that (A) identifies internal and external risks to the security of the Company's confidential information and Personal Information and (B) implements, monitors and improves adequate and effective safeguards to control those risks.

(e) The Company and its businesses, products and services, is in compliance with and has at all times complied with all applicable requirements contained in the Payment Card Industry Data Security Standards ("PCI DSS") relating to "cardholder data" (as such term is

defined in the PCI DSS, as amended from time to time) with respect to all (if any) such cardholder data that has come into its possession. The Company has not received notice that it is in non-compliance with any PCI DSS standards. The Company has never experienced a security breach involving any such cardholder data. No claims have been asserted or are threatened against the Company by any Person alleging a violation of any of the foregoing and there have been no known incidents of breach of any of the foregoing by the Company. For purposes of this Section 3.31, "Software" shall mean any and all computer programs, software (in object and source code), firmware, middleware, applications, API's, web widgets, code and related algorithms, models and methodologies, files, documentation and all other tangible embodiments thereof.

3.32 Investment Representations.

(a) Seller hereby makes the investment representations and warranties set forth on Exhibit 3.32(a).

(b) Seller understands that the transfer of the Parent Common Stock is restricted by applicable state and Federal securities laws and by the provisions of the Stockholder Agreements, and that the certificates representing the Stock Consideration will be imprinted with legends restricting transfer except in compliance therewith. All certificates for the Stock Consideration shall bear the legends set forth below or legends substantially equivalent thereto, together with any other legends that may be required by any state, local or foreign law governing such securities, with appropriate changes, if any, to reflect the consummation of an IPO by the Purchaser:

"THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. THE SHARES MAY NOT BE SOLD, TRANSFERRED OR PLEDGED IN THE ABSENCE OF SUCH REGISTRATION OR AN EXEMPTION THEREFROM UNDER SAID ACT OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED OR UNLESS SOLD PURSUANT TO RULE 144 OF SUCH ACT. IN ADDITION, THE SHARES REPRESENTED BY THIS CERTIFICATE MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF CERTAIN AGREEMENTS BETWEEN THE COMPANY AND THE ORIGINAL STOCKHOLDER, INCLUDING A CERTAIN INVESTORS' RIGHTS AGREEMENT, A CERTAIN RIGHT OF FIRST REFUSAL AND CO-SALE AGREEMENT AND A CERTAIN VOTING AND DRAG ALONG AGREEMENT, EACH AS MAY BE AMENDED FROM TIME TO TIME IN ACCORDANCE WITH THE TERMS THEREOF COPIES OF WHICH ARE ON FILE WITH THE SECRETARY OF THE COMPANY. BY ACCEPTING ANY INTEREST IN THESE SHARES THE PERSON ACCEPTING SUCH INTEREST SHALL BE DEEMED TO AGREE TO AND SHALL BECOME BOUND BY ALL THE PROVISIONS OF SAID AGREEMENTS."

3.33 Full Disclosure. Neither this Agreement nor the Seller Disclosure Schedule (i) contains any representation, warranty or information that is false or misleading with respect to any material fact, or (ii) omits to state any material fact necessary in order to make the representations, warranties and information contained herein and therein, in the light of the circumstances under which such representations, warranties and information were or will be made or provided, not false or misleading.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser represents and warrants to the Seller, as of the date hereof and as of the Closing Date (except as to such representations and warranties made as of a specific date, which are being made as of such date), as set forth below.

4.1 Corporate Existence and Power. Parent is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, and has all corporate power required to conduct its business as now conducted. Purchaser is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of Delaware, and has all limited liability company power required to conduct its business as now conducted.

4.2 Authorization; Binding Nature of Agreement. Each of Purchaser and Parent has the absolute and unrestricted right, power and authority to perform its obligations under this Agreement and under each Purchaser Related Agreement to which it is a party. This Agreement and any Purchaser Related Agreement constitute the legal, valid and binding obligation of the Purchaser and Parent, as applicable, enforceable against the Purchaser in accordance with its terms.

4.3 Absence of Restrictions; Required Consents. Neither the execution, delivery or performance by the Purchaser or Parent of this Agreement or any of the Purchaser Related Agreements, nor the consummation of the transactions contemplated by this Agreement or any of the Purchaser Related Agreements, will directly or indirectly (with or without the giving of notice or the lapse of time or both): (a) violate or conflict with any Purchaser Constituent Document or Parent Constituent Document or (b) violate or conflict with any judgment, order, decree, statute, law, ordinance, rule or regulation applicable to the Purchaser or Parent.

4.4 Investment Intent. The Purchaser is acquiring the Interests for its own account and not with a view to its distribution within the meaning of the Securities Act or any successor law, and regulations and rules issued pursuant to the Securities Act or any successor law. Parent is an accredited investor under Rule 501 of the Securities Act.

4.5 Capitalization. The authorized capital stock of the Parent consists of: (i) 25,000,000 shares of common stock, par value $0.000004 per share, of which 8,331,044 shares have been issued and are outstanding as of the date hereof; and (ii) 100,000 shares of preferred stock, par value $0.0001 per share, of which 12,000 shares have been issued and are outstanding as of the date hereof. All of the shares of Parent Common Stock have been duly authorized and validly issued, are fully paid and non-assessable. All of the shares of Parent Common Stock have been issued and granted in compliance with (i) all applicable securities laws and other applicable Laws, and (ii) all requirements set forth in the Parent Constituent Documents and applicable Contracts. All shares of Stock Consideration to be issued pursuant to this Agreement have been duly authorized and, when issued pursuant to this Agreement, will be validly and legally issued, fully paid and nonassessable, and will be, at the time of their delivery, free and clear of all Encumbrances, except as provided in this Agreement, the Escrow Agreement and the Stockholder Agreements.

4.6 Financial Statements. Complete copies of Parent's and its Subsidiaries' (i) audited financial statements consisting of the balance sheet of Parent as of December 31 in each of the years 2018 and 2019 and the related statements of income and retained earnings, stockholders' equity and cash flow for the years then ended (the "Parent Annual Financial Statements"), (ii) internally prepared financial statements consisting of the balance sheet of Parent as at December 31, 2019 and the related statements of income and retained earnings, stockholders' equity and cash flow for the period then ended (the "Parent Interim Financial Statements", and together with the Parent Annual Financial Statements, the "Parent Financial Statements") have been delivered to the Seller. The Parent Financial Statements have been prepared in accordance with GAAP, applied on a consistent basis throughout the period involved, subject, in the case of the Parent Interim Financial Statements, to normal and recurring year-end adjustments (the effect of which will not be materially adverse). The Parent Financial Statements are based on the books and records of Parent, and fairly present in all material respects the financial condition of Parent and its Subsidiaries as of the respective dates they were prepared and the results of the operations of Parent and its Subsidiaries for the periods indicated. The balance sheet of Parent as of December 31, 2019 is referred to herein as the "Parent Balance Sheet" and the date thereof as the "Parent Balance Sheet Date" and the balance sheet of Parent as of December 31, 2019 is referred to herein as the "Parent Interim Balance Sheet" and the date thereof as the "Parent Interim Balance Sheet Date."

4.7 No Material Adverse Effect. Since the Parent Interim Balance Sheet Date, no Material Adverse Effect has occurred, and no event, occurrence, development or state of circumstances or facts has occurred that will, or could reasonably be expected to have a Material Adverse Effect.

4.8 Legal Proceedings. There are no Legal Proceedings or investigations pending or, to the Knowledge of Purchaser, threatened against Parent or its Subsidiaries, other than those brought or existing in the ordinary course of business, which are not likely, either individually or in the aggregate, to give rise to a Material Adverse Effect.

4.9 SEC Filings. No filing of Parent with the SEC (each an "SEC Filing") contains any untrue statement of a material fact or omits to state a material fact required to be stated in such SEC Filings or necessary in order to make the statements, in light of the circumstances under which they were made, not misleading.

4.10 Equity Financing. Purchaser shall have at the Closing sufficient equity and funds to permit the Purchaser to consummate the transactions contemplated by this Agreement and the transactions contemplated hereby.

4.11 No Knowledge of Breach of Seller's Warranties or Representations. As of the date hereof, Purchaser has no actual knowledge of the existence of a breach of any warranty or representation of Seller made under ARTICLE III which has not been disclosed to Seller in writing.

ARTICLE V

CERTAIN COVENANTS AND AGREEMENTS

5.1 Access and Investigation. During the Interim Period, the Company and the Other Seller Subsidiaries shall, and Seller shall cause the Company and the Other Seller Subsidiaries to: (a) provide the Purchaser and the Purchaser's Representatives with reasonable access to the Company's and the Other Seller Subsidiaries' Representatives, personnel, Customers, Suppliers, properties and assets and to all existing books, records, Tax Returns, work papers and other documents and information relating to the Company and the Other Seller Subsidiaries and (b) provide the Purchaser and the Purchaser's Representatives with copies of such books, records, Tax Returns, work papers and other documents and information and such additional financial, operating and other data and information regarding the Company and the Other Seller Subsidiaries as the Purchaser may reasonably request.

5.2 Operation of the Company's Business. During the Interim Period, unless Purchaser shall otherwise agree in writing, the Company and the Other Seller Subsidiaries shall, and Seller shall cause the Company and the Other Seller Subsidiaries to ensure that the Company and the Other Seller Subsidiaries conduct the Business and operations (i) in the ordinary course and consistent with past practice and shall cause the Company and the Other Seller Subsidiaries to (i) preserve substantially intact their business organization and assets; (ii) keep available the services of the current officers, employees and consultants of the Company and the Other Seller Subsidiaries; (iii) preserve the current relationships of the Company and the Other Seller Subsidiaries with customers, suppliers and other persons with which the Company or any of the Other Seller Subsidiaries has significant business relations; and (iv) keep and maintain their assets and properties in good repair and normal operating condition, wear and tear excepted. By way of amplification and not limitation, during the Interim Period, the Seller, in respect of the Company or any of the Other Seller Subsidiaries, shall not, and shall cause each of the Company and the Other Seller Subsidiaries not to, do or propose to do, directly or indirectly, any of the following without the prior written consent of Purchaser:

(a) amend or otherwise change its certificate of incorporation or bylaws or equivalent organizational documents;

(b) issue, sell, pledge, transfer, dispose of or otherwise subject to any Encumbrance (i) any membership interests, profits interests or other equity interests in the Company or any of the Other Seller Subsidiaries, or any options, warrants, convertible securities or other rights of any kind to acquire any such membership interest, equity interests or profits interests in the Company or any of the Other Seller Subsidiaries or (ii) any properties or assets of the Company or any of the Other Seller Subsidiaries, other than sales or transfers of inventory in the ordinary course of business consistent with past practice;

(c) except as provided in Section 5.2(c) of the Seller Disclosure Schedule, declare, set aside, make or pay any non-cash dividend or other distribution on or with respect to any of its membership interests, profits interests or other equity interests and, following the Measurement Date, make or pay any cash dividend or other distribution on or with respect to any of its membership interests, profits interests or other equity interests;

(d) reclassify, combine, split, subdivide or redeem, or purchase or otherwise acquire, directly or indirectly, any of its membership interest or other equity or ownership interest, or make any other change with respect to its capital structure;

(e) acquire any corporation, partnership, limited liability company, other business organization or division thereof or any material amount of assets, or enter into any joint venture, strategic alliance, exclusive dealing, noncompetition or similar contract or arrangement;

(f) adopt a plan of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization of the Company or any of the Other Seller Subsidiaries, or otherwise alter the Company's or an Other Seller Subsidiary's structure;

(g) incur any indebtedness or issue any debt securities or assume, guarantee or endorse, or otherwise become responsible for, the obligations of any Person, or make any loans or advances; provided, that, prior to the Measurement Date, the Company and Other Seller Subsidiaries may incur indebtedness or issue debt securities or assume, guarantee or endorse, or otherwise become responsible for, the obligations of a Person, or make loans or advances in the ordinary course of business consistent with past practice *provided*, *further*, that in no event shall the Company or any of the Other Seller Subsidiaries (i) incur, assume or guarantee any long-term indebtedness for borrowed money or (ii) make any optional repayment of any indebtedness for borrowed money;

(h) amend, waive, modify or consent to the termination of any Company Contract, or amend, waive, modify or consent to the termination of the Company's or any of the Other Seller Subsidiaries' rights thereunder, or enter into any Contract other than in the ordinary course of business consistent with past practice;

(i) authorize, or make any commitment with respect to, any unbudgeted single capital expenditure that is in excess of $50,000 or capital expenditures that are, in the aggregate, in excess of $100,000 for the Company and the Other Seller Subsidiaries taken as a whole;

(j) enter into any lease of real or personal property or any renewals thereof involving a term of more than one year or rental obligation exceeding $50,000 per year in any single case;

(k) except in the ordinary course of business and consistent with past practice and within the limitation of the Applicable Budget for 2020, increase the compensation payable or to become payable or the benefits provided to its directors, officers or employees, except for normal merit and cost-of-living increases consistent with past practice in salaries or wages of employees of the Company or the Other Seller Subsidiaries, or grant any severance or termination payment to, or pay, loan or advance any amount to, any director, officer or employee of the Company or any of the Other Seller Subsidiaries, or establish, adopt, enter into or amend any Company Benefit Plan;

(l) enter into any Contract with any Related Party of the Company or any of the Other Seller Subsidiaries;

(m) make any change in any method of accounting or accounting practice or policy, except as required by GAAP;

(n) make, revoke or modify any Tax election, settle or compromise any Tax liability, file any Tax Return (other than on a basis consistent with past practice and consistent with Section 5.9), change any annual Tax accounting period; adopt or change any material method of accounting for Tax purposes, file any amended Tax Return; enter into any Tax allocation, indemnity, sharing or similar agreement or any closing agreement within the meaning of Section 7121 of the Code (or any similar provision of U.S. Law) or other agreement relating to Taxes with a Governmental Body; surrender any right to claim a refund, seek any Tax ruling from any Governmental Body, consent to any extension or waiver of the limitation period applicable to any claim or assessment in respect of Taxes or take any action that would change the classification of any Company or the Other Seller Subsidiaries for U.S. federal (and any applicable state) Tax purposes to an entity other than an entity that is disregarded as separate from its owner pursuant to Treasury Regulations Section 301.7701-3 (and comparable provisions of state and local Law) or take any action relating to Taxes that could shift Taxes from periods prior to the Measurement Date to periods after the Measurement Date;

(o) pay, discharge or satisfy any claim, liability or obligation (absolute, accrued, asserted or unasserted, contingent or otherwise), other than the payment, discharge or satisfaction, in the ordinary course of business consistent with past practice, of liabilities reflected or reserved against on the Balance Sheet or subsequently incurred in the ordinary course of business consistent with past practice;

(p) cancel, compromise, waive or release any right or claim other than, prior to the Measurement Date, in the ordinary course of business consistent with past practice;

(q) permit the lapse of any existing policy of insurance relating to the business or assets of the Company and the Other Seller Subsidiaries;

(r) transfer, assign, waive, abandon or permit the lapse of any Intellectual Property or right relating to Intellectual Property or any other intangible asset used or held for use in the Business as currently conducted or proposed to be conducted or grant any licenses, covenants not to sue or other rights with respect to any such Intellectual Property;

(s) accelerate the collection of or discount any accounts receivable, delay the payment of accounts payable or defer expenses, reduce inventories or otherwise increase cash on hand, except in the ordinary course of business consistent with past practice;

(t) pay or become liable to pay any costs or expenses arising out of or related to the transactions contemplated by this Agreement or the Ancillary Agreements;

(u) commence or settle any Legal Proceeding;

(v) take any action, or intentionally fail to take any action, that would cause any representation or warranty made by the Seller in this Agreement or any Related Agreement to be untrue or result in a breach of any covenant made by the Seller in this Agreement or any Related Agreement, or that has or would reasonably be expected to have a Material Adverse Effect;

(w) take any action that would require disclosure on Section 3.7(h) of the Seller Disclosure Schedule if taken after the Balance Sheet Date but prior to the date hereof;

(x) following the Measurement Date, make any gift to the Seller or any of its Affiliates or Related Parties, or make any contractual or gratuitous payment (including any "single-trigger" cash change in control payment, sale bonuses, retention bonuses or success or similar bonuses or amounts in connection with the transactions contemplated by this Agreement) by the Company or any Other Seller Subsidiary to any director, officer, employee or consultant of the Company or any Other Seller Subsidiary (or any of their related parties); or

(y) announce an intention, enter into any formal or informal agreement, or otherwise make a commitment to do any of the foregoing.

5.3 Notification. During the Interim Period, the Company and the Seller shall promptly notify the Purchaser in writing of:

(a) the discovery by the Company or Seller of any event, condition, fact or circumstance that occurred or existed on or prior to the date hereof and that caused or constitutes an inaccuracy in or breach of any representation or warranty made by the Company or Seller in this Agreement;

(b) any event, condition, fact or circumstance that occurs, arises or exists after the date hereof and that would cause or constitute an inaccuracy in or breach of any representation or warranty made by the Company or Seller in this Agreement if (i) such representation or warranty had been made as of the time of the occurrence, existence or discovery of such event, condition, fact or circumstance, or (ii) such event, condition, fact or circumstance had occurred, arisen or existed on or prior to the date hereof;

(c) any breach of any covenant or obligation of the Company or Seller;

(d) any event, condition, fact or circumstance that has made or could reasonably be expected to make the timely satisfaction of any condition set forth in ARTICLE VI, ARTICLE VII or ARTICLE VIII impossible or unlikely or that has had or could reasonably be expected to have a Material Adverse Effect; and

(e) (i) any notice or other communication from any Person alleging that the consent or approval of such Person is or may be required in connection with the transactions contemplated by this Agreement, and (ii) any Legal Proceeding or material claim threatened, commenced or asserted against or with respect to the Company, the Other Seller Subsidiaries or the transactions contemplated by this Agreement;

provided, *however*, that no notification given to the Purchaser pursuant to this Section 5.3 shall limit or otherwise affect any of the representations, warranties, covenants or obligations of the Company or Seller, or any of the rights of the Purchaser, contained in this Agreement.

5.4 No Negotiation.

(a) Until the earlier of the Closing or the termination of this Agreement pursuant to ARTICLE X, Seller shall not, directly or indirectly, and shall not authorize or permit the Company or the Other Seller Subsidiaries or any Representative of the foregoing directly or indirectly to, (i) solicit, initiate, encourage, induce or facilitate the making, submission or announcement of any proposal relating to an Acquisition Transaction (an "Acquisition Proposal") or take any action that could reasonably be expected to lead to an Acquisition Proposal, (ii) furnish any information regarding the Company or the Other Seller Subsidiaries to any Person in connection with or in response to an Acquisition Proposal or an inquiry or indication of interest that could reasonably be expected to lead to an Acquisition Proposal, (iii) engage in discussions or negotiations with any Person with respect to a potential Acquisition Transaction or an Acquisition Proposal, (iv) approve, endorse or recommend any Acquisition Proposal, or (v) enter into any letter of intent or similar document or any Contract contemplating or otherwise relating to any Acquisition Transaction. Without limiting the generality of the foregoing, Seller acknowledges and agrees that any violation of or the taking of any action inconsistent with any of the restrictions set forth in the preceding sentence by any Representative of the Company or the Other Seller Subsidiaries, whether or not such Representative is purporting to act on behalf of the Company or the Other Seller Subsidiaries, shall be deemed to constitute a breach of this Section 5.4 by Seller.

(b) The Seller shall promptly (and in no event later than forty-eight (48) hours after receipt of any Acquisition Proposal, any inquiry or indication of interest that could lead to an Acquisition Proposal or any request for nonpublic information) advise the Purchaser orally and in writing of any Acquisition Proposal, any inquiry or indication of interest that could lead to an Acquisition Proposal or any request for nonpublic information relating to the Company or the Other Seller Subsidiaries (including the identity of the Person making or submitting such Acquisition Proposal, inquiry, indication of interest or request, and the terms thereof) that is made or submitted by any Person during the Interim Period. The Seller shall keep the Purchaser fully informed with respect to the status of any such Acquisition Proposal, inquiry, indication of interest or request and any modification or proposed modification thereto.

(c) The Seller shall, and shall cause the Company and the Other Seller Subsidiaries to, immediately cease and cause to be terminated any existing discussions with any Person (other than the Purchaser) that relate to any Acquisition Proposal.

5.5 Employee Matters.

(a) Prior to the Closing Date, the Company shall, and Seller shall cause the Company to make, or cause to be made, all contributions and pay all premiums under each Company Benefit Plan with respect to periods ending on or prior to the Closing Date. Immediately prior to the Closing Date, the Company shall, and Seller shall cause the Company to, if and as requested by the Purchaser, terminate certain or all of the Company Benefit Plans and shall bear all the expenses of terminating such plans.

(b) Neither the Company nor Seller nor any Representative of the Company shall make any communication to employees of the Company regarding any 401(k), group health, life insurance, disability, accidental death and dismemberment insurance or employee stock purchase plan maintained by the Purchaser or any of its Affiliates or any compensation or benefits to be provided after the Closing Date without the advance approval of the Purchaser.

(c) Purchaser shall not, and shall cause the Company not to, prior to the expiration of the 2021 Earnout Period, reduce the base salary or annual cash incentive compensation opportunity of any Employee that would result in such Employee's total annual cash compensation opportunity (which includes overtime, on call, chargeability, 401(k) match and 401(k) discretionary contribution opportunities) to fail to be substantially similar in the aggregate with such Employee's total annual cash compensation opportunity immediately prior to Closing.

(d) Purchaser shall make the appropriate adjustments, as determined by Purchaser in its sole discretion, to any Employee's compensation, including appropriate gross-ups for Tax burdens, to account for any reduction in employer contributions in connection with the transfer of Employee from the Company's 401(k) and/or group health plans to plans maintained by the Purchaser or any of its Affiliates for the plan year in which such transfers occur.

5.6 Related Party Transactions. Seller shall, prior to the Closing, pay to the Company and the Other Seller Subsidiaries all amounts owed to the Company or the Other Seller Subsidiaries by Seller and shall cause the Company and the Other Seller Subsidiaries to cause to be paid to the Company and the Other Seller Subsidiaries all amounts owed to the Company or the Other Seller Subsidiaries by any Related Party and from the Company or the Other Seller Subsidiaries all amounts owed by the Company or the Other Seller Subsidiaries to any Related Party. At and as of the Closing Date, any debts of the Company or the Other Seller Subsidiaries owed to Seller or to any Related Party shall be canceled, except those obligations owed to Seller or such Related Party in respect of his or her employment with the Company.

5.7 Public Announcements. During the Interim Period, neither the Company, the Other Seller Subsidiaries nor Seller (nor any of their respective Representatives) shall, without the Purchaser's prior written consent: (a) issue any press release or make any public statement regarding this Agreement, or regarding any of the transactions contemplated by this Agreement or (b) disclose to any Person the fact that this Agreement has been entered into or any of the terms of this Agreement other than to such parties' advisors whom the Company or Seller, as applicable, reasonably determines needs to know such information for the purpose of advising the Company or Seller, it being understood that such advisor will be informed of the confidential nature of this Agreement and the terms of this Agreement and will be directed to treat such information as confidential in accordance with the terms of this Agreement.

5.8 Reasonable Efforts; Further Assurances; Cooperation.

(a) Subject to the other provisions hereof, each party shall use its reasonable, good faith efforts to perform its obligations hereunder and to take, or cause to be taken, and do, or cause to be done, all things necessary, proper or advisable under applicable Law to cause the transactions contemplated herein to be effected as soon as practicable, but in any event on or prior to the Expiration Date, in accordance with the terms hereof and shall cooperate fully with each other party and its Representatives in connection with any step required to be taken as a part of its obligations hereunder.

(b) The Company, and the Seller shall cause the Company and the Other Seller Subsidiaries to, and following the Closing, the Seller shall, reasonably cooperate with Purchaser so that Purchaser may produce any and all documents and information regarding or related to the Company and the Other Seller Subsidiaries (i) needed to satisfy the Purchaser's (or an Affiliate of the Purchaser's) reporting obligations under the Securities Act, the Securities and Exchange Act of 1934, as amended, or any applicable stock exchange requirements, including the preparation of audited and interim financial statements or (ii) needed in connection with the preparation of pro forma financial information of the Purchaser (or an Affiliate of the Purchaser).

5.9 Tax Matters.

(a) **Preparation of Flow-Through Income Tax Returns and Seller Prepared Returns**.

(i) The Seller shall, at the expense of the Seller, prepare or cause to be prepared and timely file or cause to be timely filed any Flow-Through Income Tax Returns of the Company and the Other Seller Subsidiaries with respect to any Tax period ending on or before the Measurement Date. Each such Tax Return shall be prepared consistent with past practices, except as otherwise required by applicable Law. The Seller shall provide the Purchaser with a copy of each such Tax Return, for its review, comment, and approval, no later than thirty (30) days prior to the due date for filing such Tax Return. The Seller and the Purchaser shall consult with each other and attempt in good faith to resolve any issues with respect to such Tax Returns and, if they are unable to do so, the disputed items shall be submitted to a nationally recognized accounting firm for resolution (within a reasonable time, taking into account the deadline for filing such Tax Return), which such resolution shall be final and binding on the parties.

(ii) Any Tax Returns of the Company and the Other Seller Subsidiaries that are filed after the date hereof and prior to the Closing Date ("Seller Prepared Tax Returns") shall be prepared in a manner consistent with past practices of the Company and Other Seller Subsidiaries. At least ten (10) days prior to the filing of any Seller Prepared Tax Return, the Seller shall submit, or shall cause to be submitted a draft of such Tax Return to Purchaser (together with schedules, statements, and supporting documentation) for its review, comment, and approval. The Seller and the Purchaser shall consult with each other and attempt in good faith to resolve any issues arising as a result of such Seller Prepared Tax Return and, if they are unable to do so, the disputed items shall be submitted to a nationally recognized accounting firm for resolution (within a reasonable time, taking into account the deadline for filing such Tax Return), which such resolution shall be final and binding on the parties.

(b) **Other Tax Returns**. The Purchaser shall be entitled to prepare and file or cause to be prepared and filed all Tax Returns of the Company and its Subsidiaries for any taxable period ending on or prior to the Closing Date that are due after the Closing Date (including any Straddle Tax Period Tax Returns and taking account of extensions of time to file Tax Returns) ("Purchaser Prepared Tax Returns"), other than Flow-Through Income Tax Returns that are prepared by Seller pursuant to Section 5.9(a). Each Purchaser Prepared Tax Return shall be prepared consistent with past practices, except as otherwise required by applicable Law. The Purchaser shall provide the Seller with a copy of each such Purchaser Prepared Tax Return that includes Pre-Closing Taxes for which the Seller is liable under this Agreement, for its review, comment, and approval, no later than thirty (30) days (or, in the case of a Purchaser Prepared Tax Return that is not an income Tax Return, no later than seven (7) days) prior to the due date for filing such Tax Return, provided that if any such Tax Return is due less than thirty (30) days (or less than seven (7) days, in the case of a Tax Return that is not an income Tax Return) after the Closing, then the Purchaser shall deliver a draft of such Tax Return as soon as practicable after the Closing; provided that failure to so deliver any such Tax Return shall not affect any liability of the Seller for Taxes pursuant to this Agreement. The Seller and the Purchaser shall consult with each other and attempt in good faith to resolve any issues arising as a result of such Purchaser Prepared Tax Return and, if they are unable to do so, the disputed items shall be submitted to a nationally recognized accounting firm for resolution (within a reasonable time, taking into account the deadline for filing such Tax Return), which such resolution shall be final and binding on the parties.

(c) **Payment of Taxes**. Within five (5) days prior to the due date for the payment of any Pre-Closing Taxes shown as due on any Tax Return described in Section 5.9(a) or 5.9(b), the Seller shall make a payment to the Company in amount equal to such Pre-Closing Taxes.

(d) **Straddle Tax Period Taxes**. To the extent it is necessary for purposes of this Agreement to determine the allocation of Taxes among a Straddle Tax Period, (i) in the case of any property Taxes or other such ad valorem Taxes that are imposed on a periodic basis and are payable for a Straddle Tax Period, the portion of such Tax which relates to the portion of such Taxable period ending on the Measurement Date shall be deemed to be the amount of such Tax for the entire Tax period multiplied by a fraction the numerator of which is the number of days in the Tax period ending on the Measurement Date and the denominator of which is the number of days in the entire Tax period, and (ii) in the case of any other Tax (such as Taxes based upon or related to income or receipts) be deemed equal to the amount which would be payable if there were a closing of the books as of the close of business on the Measurement Date and the relevant Tax period ended on the Measurement Date (and for such purpose, the taxable period of any partnership or other pass-through entity in which the Company or any of its Subsidiaries holds a beneficial interest shall be deemed to terminate at such time), provided, however, that the term "Closing Date" shall be substituted for the term "Measurement Date" for any Taxes incurred after the Measurement Date that are not incurred in the ordinary course of business and consistent with past practices of the Company and its Subsidiaries (including any the Other Seller Subsidiaries). The cost of preparing any Tax Returns for any Straddle Tax Period shall be prorated between the Seller and the Purchaser in accordance with this subsection (d).

(e) **Cooperation on Tax Matters**. The Purchaser and the Seller shall use commercially reasonable efforts to cooperate as and to the extent reasonably requested by the other

party (at the requesting party's sole cost and expense), in connection with the filing of Tax Returns pursuant to this Section 5.9 and any audit, litigation or other proceeding with respect to Taxes. Such cooperation shall include the retention and (upon the other party's request) the provision of records and information which are reasonably relevant to any such audit, litigation or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder.

(f) **Transfer Taxes**. Any Taxes or transfer, recording, registration and other similar fees payable as a result of the purchase and sale of the Interests or any other action contemplated hereby (other than any federal, state, local or foreign Taxes measured by or based upon income or gains imposed upon the Purchaser) ("Transfer Taxes") shall be paid by the Seller. The party customarily responsible under applicable Law shall file all necessary Tax Returns and other documentation with respect to all such Transfer Taxes. The parties shall cooperate in the preparation, execution and filing of all Tax Returns, questionnaires, applications and other documents regarding Transfer Taxes that become payable in connection with the transactions contemplated hereby that are required or permitted to be filed at or prior to the Closing.

(g) **Termination of Tax Sharing Agreements**. Notwithstanding any other provision in the Agreement to the contrary, any Tax allocation, Tax sharing, Tax indemnity, Tax reimbursement or similar Contract or arrangement involving the Company or any of its Subsidiaries (including the Other Seller Subsidiaries) ("Tax Agreement") shall be terminated prior to the Measurement Date (including any obligation to make a distribution with respect to Taxes pursuant to the operating agreement of the Company or any of the Other Seller Subsidiaries) and, after the Measurement Date, neither the Company nor any of its Subsidiaries (including the Other Seller Subsidiaries) shall be bound thereby or have any liability thereunder. Neither the Company nor any of its Subsidiaries (including the Other Seller Subsidiaries) shall enter into any Tax Agreement after the date hereof.

(h) **Partnership Audit Matters**. Notwithstanding anything to the contrary in this Agreement or otherwise, in connection with any tax proceeding for any taxable period (or portion thereof) ending on or prior to the Closing with respect to the Company or any of its Subsidiaries that is treated as a partnership for U.S. federal or state income tax purposes, the parties shall, to the extent permitted under applicable Law, make, or shall cause to be made, in respect of the Company or such Subsidiary (as applicable) an election "out" under Section 6221(b) of the Code or, if such election is not available, an election to "push out" adjustments under Section 6226 of the Code (or any comparable provision in any state, local or foreign Tax Law) in respect of any taxable period (or portion thereof) ending on or prior to the Closing (and the Seller shall take any actions necessary to give effect to this sentence).

(i) **Tax Treatment**. The Seller and the Purchaser intend that, for U.S. federal income tax purposes, the transactions contemplated by this Agreement shall be treated as a purchase of the assets of the Company and its Subsidiaries (including the Other Seller Subsidiaries) by the Purchaser. The Seller shall not, and shall not permit any of its Affiliates to, make any election to cause the Company and its Subsidiaries (including the Other Seller Subsidiaries) to be classified (or otherwise treated) as an entity other than an entity that is disregarded as separate from its owner pursuant to Treasury Regulations Section 301.7701-3 (and comparable provisions of state and local Law) for any period ending on or prior to the Closing Date. As soon as

practicable following the determination of the Final Closing Statement or such earlier time as determined by the Purchaser, the Purchaser shall deliver to the Seller a proposed allocation of the Purchase Price and any other items that are treated as additional consideration for Tax purposes determined in a manner consistent with Section 1060 of the Code and the Treasury Regulations promulgated thereunder and any other relevant provision of applicable Law (the "Allocation") among the assets of the Company and its Subsidiaries (including the Other Seller Subsidiaries) for Tax purposes. The Seller shall respond within ten (10) days of receipt of the draft Allocation, by providing either (i) its acceptance of the draft Allocation or (ii) any reasonable objections to the methodology utilized by the Purchaser. The Seller and the Purchaser shall use commercially reasonable efforts to resolve any differences between them for ten (10) days. If the Purchaser and the Seller are unable to reach a timely resolution of any dispute regarding the Allocation, the dispute shall be resolved by an independent nationally recognized accounting firm acceptable to the Purchaser and the Seller. The parties hereto and their Affiliates shall (x) report the federal, state and local income and other Tax consequences of the transactions contemplated hereby in a manner consistent with the Allocation (as determined pursuant to this Section 5.9(i)) and shall not take any position inconsistent therewith (whether on any Tax Return or before any Governmental Body), unless otherwise required by applicable Law, and (y) if, subsequent to the Closing, there is an increase or decrease in the Purchase Price or other consideration paid by the Purchaser to the Seller, the parties shall allocate such increase or decrease among the assets of the Company in a reasonable manner reflecting such adjustment within forty-five (45) days of such adjustment.

(j) **USVI Tax Forms**. The Purchaser shall have the right to participate in any proceedings relating to the USVI Tax Forms (as defined below) or the Requested Relief (including participating in conferences with the Taxing authorities and reviewing and commenting on material prior to submission to submission to the Taxing authorities). The Seller shall not, without the prior written consent of the Purchaser, enter into any settlement or compromise or consent to the entry of any judgment in respect of the foregoing. If (i) the BIR grants the Requested Relief and (ii) the Purchaser determines that none of the Purchaser, its Affiliates (including the Company or the Other Seller Subsidiaries) or the Seller may have any liability for Taxes (including interest or penalties or related costs and expenses) in respect of the matters covered by the Requested Relief or the Amended Tax Returns ("USVI Tax Forms"), then the USVI Tax Escrow shall be released to the Seller. If (x) the BIR does not grant the Requested Relief or (y) the Purchaser determines that the Purchaser, the Seller or any of their Affiliates (including Company or the Other Seller Subsidiaries) may have any liability for Taxes (including interest, penalties, or related costs and expenses) in respect of the matters covered by the USVI Tax Forms (including any Taxes, costs or expense that may be incurred by such parties as a result of the BIR not granting the Requested Relief) ("USVI Exposure"), the USVI Exposure shall first be satisfied out of the USVI Tax Escrow, and (A) if the USVI Tax Escrow exceeds the USVI Exposure, any amount remaining in the USVI Tax Escrow after the full satisfaction of the USVI Exposure shall be released to the Seller or (B) if the USVI Exposure exceeds the USVI Tax Escrow, the remaining USVI Exposure shall be satisfied in accordance with the provisions set forth in Article XI.

5.10 Customer Visits. During the Interim Period, at the Purchaser's request and upon reasonable notice, the Seller shall, in a manner agreed to by the parties, permit the Purchaser to discuss and meet, and shall cooperate in such discussions and meetings, with any Customer or Supplier of the Company or Other Seller Subsidiaries that the Purchaser so requests. Furthermore, Seller shall (and shall cause the Company and the Other Seller Subsidiaries to) cooperate with the

Purchaser in the preparation of a presentation to such Customers and/or Suppliers with respect to the transactions contemplated hereby. The Seller shall promptly notify the Purchaser if a commercial relationship and/or agreement the Company or an Other Seller Subsidiary has with a Customer or Supplier terminates during the period commencing on the date hereof and ending on the Closing Date.

5.11 Restrictive Covenants.

(a) **Confidential Information**. Except to comply with its obligations or to the extent strictly necessary to enforce its rights under this Agreement, Seller shall hold in confidence at all times following the date hereof all Confidential Information and shall not disclose, publish or make use of Confidential Information at any time following the date hereof without the prior written consent of the Purchaser.

(b) **Noncompetition**. (i) Seller hereby acknowledges that (A) the Company and the Other Seller Subsidiaries conduct the Business in the Territory and/or have current plans to expand the Business throughout the Territory and (B) to protect adequately the interest of the Purchaser in the business and goodwill of the Company and the Other Seller Subsidiaries, it is essential that any noncompetition covenant with respect thereto cover all of the Business and the entire Territory. (ii) The Seller shall not, during the Non-compete Period, in any manner, either directly, indirectly, individually, in partnership, jointly or in conjunction with any Person, (A) engage in or assist others in engaging in the Business within the Territory (other than Purchaser), or (B) have an equity or profit interest in, advise or render services (of an executive, marketing, manufacturing, research and development, administrative, financial, consulting, employment, independent contracting nature) or lend money to any Person that engages in the Business within the Territory (other than Purchaser) provided that this Agreement shall not prevent the beneficial ownership for investment purposes of, two percent (2%) or less of any class of equity securities of any such Person which are registered under Section 12 of the Exchange Act.

(c) **Nonsolicitation**. The Seller shall not, during the Non-compete Period, in any manner, directly, indirectly, individually, in partnership, jointly or in conjunction with any Person, (i) (A) recruit or solicit or attempt to recruit or solicit, on his or her behalf or on behalf of any other Person, any current or former employee of the Company or the Other Seller Subsidiaries whose employment with the Company the Other Seller Subsidiaries, as applicable, terminated within the six (6) month period ending on the date of such action by the Seller, (B) encourage any Person (other than the Purchaser or one of its Affiliates) to recruit or solicit any current or former employee of the Company or the Other Seller Subsidiaries, or (C) otherwise encourage any employee of the Company or the Other Seller Subsidiaries to discontinue his or her employment with the Company or one of its Affiliates, (ii) solicit any customer who currently is a customer of the Company or the Other Seller Subsidiaries or has been a customer of the Company or the Other Seller Subsidiaries on or prior to the Closing Date for the purpose of providing, distributing or selling products or services similar to those sold or provided by the Company or the Other Seller Subsidiaries or (iii) persuade or attempt to persuade any customer or supplier of the Purchaser (or any of its Affiliates) to terminate or modify such customer’s or supplier’s relationship with the Purchaser (or any of its Affiliates).

(d) **Severability**. In the event a judicial or arbitral determination is made that any provision of this Section 5.11 constitutes an unreasonable or otherwise unenforceable restriction against the Seller, the provisions of this Section 5.11 shall be rendered void only to the extent that such judicial or arbitral determination finds such provisions to be unreasonable or otherwise unenforceable with respect to the Seller. In this regard, any judicial authority construing this Agreement shall be empowered to sever any portion of the Territory, any prohibited business activity or any time period from the coverage of this Section 5.11 and to apply the provisions of this Section 5.11 to the remaining portion of the Territory, the remaining business activities and the remaining time period not so severed by such judicial or arbitral authority. Moreover, notwithstanding the fact that any provision of this Section 5.11 is determined not to be specifically enforceable, the Purchaser shall nevertheless be entitled to seek to recover monetary damages as a result of the breach of such provision by the Seller. The time period during which the prohibitions set forth in this Section 5.11 shall apply shall be tolled and suspended for a period equal to the aggregate time during which the Seller violates such prohibitions in any respect.

(e) **Injunctive Relief**. Any remedy at law for any breach of the provisions contained in this Section 5.11 shall be inadequate and the Purchaser shall be entitled to seek injunctive relief in addition to any other remedy the Purchaser might have hereunder. The Seller shall not oppose the granting of such relief on the basis that Purchaser has an adequate remedy at law.

5.12 Release.

(a) In consideration for the Purchase Price, as of and following the Closing Date, Seller, on behalf of itself, its predecessors and assigns and its Affiliates (which shall not include the Company and the Other Seller Subsidiaries) (collectively, the "Releasing Parties") knowingly, voluntarily, irrevocably and unconditionally releases, forever discharges, and covenants not to sue the Purchaser and its Affiliates (including Parent, the Company and the Other Seller Subsidiaries) (collectively, the "Released Parties") from or for any and all claims, causes of action, demands, suits, debts, obligations, liabilities, damages, losses, costs and expenses (including attorneys' fees) of every kind or nature whatsoever, known or unknown, actual or potential, suspected or unsuspected, fixed or contingent, that such Releasing Party has or may have, now or in the future, arising out of, relating to, or resulting from any act or omission, error, negligence, breach of contract, tort, violation of law, matter or cause whatsoever from the beginning of time to the Closing Date ("Released Causes of Action"); provided, however, that none of the releases in this Section 5.12 shall limit or otherwise affect the respective rights and obligations of the parties hereto with regard to any rights, claims, demands, actions or causes of action arising out of this Agreement or any Related Agreement.

(b) It is further agreed and understood that the release set forth in this Section 5.12 is a full and final release of all Released Causes of Action whether known or unknown, fixed or contingent, manifested or unmanifested. Each Releasing Party hereby irrevocably covenants to refrain from, directly or indirectly, asserting any Released Causes of Action, or commencing, instituting, or causing to be commenced, any suit, action, claim, investigation or proceeding of any kind against any Released Party, based upon any matter released hereby. Each Releasing Party hereby waives the protection of any provision of any law that would operate to preserve claims that are unknown as of the Closing Date or at any other time. Each Releasing Party specifically waives the benefit of the provisions of Section 1542 of the Civil Code of California which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

(c) As to each and every Released Causes of Action released hereunder, each Releasing Party also waives the benefit of each other similar provision of applicable Law, if any, pertaining to general releases after having been advised by its legal counsel with respect thereto. Each Releasing Party acknowledges that the release made in this Section 5.12 is a material inducement to each Released Party's decision to enter into this Agreement and to consummate the transactions contemplated hereby. Each Releasing Party represents that it has not made any assignment or transfer of any Released Causes of Action.

5.13 Working Capital. Through the Closing Date, the Company shall, and Seller shall cause the Company and the Other Seller Subsidiaries to, manage its working capital (including the timing of collection of accounts receivable and of the payment of accounts payable and the management of inventory) in the ordinary course of business consistent with past practice.

5.14 Interim Financials.

(a) As promptly as practicable following each calendar month prior to the Closing Date, the Company shall, and Seller shall cause the Company to, deliver to the Purchaser periodic financial reports in the form that the Company customarily prepares for its internal purposes and, if available, unaudited consolidated statements of the financial position of the Company as of the last day of such calendar month and statements of income and changes in financial position of such entities for the calendar month then ended. Seller and the Company covenant that such interim statements (a) shall present fairly in all material respects, the financial condition of the Company and the Other Seller Subsidiaries as of their respective dates and the related results of their respective operations for the respective calendar month then ended and (b) shall be prepared on a basis consistent with prior interim periods.

(b) During the Interim Period, Purchaser shall deliver to Seller a copy of any compliance certificates it or Parent delivers to the lenders under its Credit Agreement promptly following delivery thereof.

5.15 R&W Insurance Policy. At the Closing, Purchaser shall bind the R&W Insurance Policy to be issued through the R&W Insurer. At the Closing, all costs and expenses of obtaining the R&W Insurance Policy, including the premium, underwriting fee, commissions and taxes, will be paid one-half (1/2) by Seller and one-half (1/2) by Purchaser.

5.16 Financing. Purchaser shall use commercially reasonable efforts to (a) cause the equity financing necessary for the Purchaser to consummate the transactions contemplated hereby to be available to Purchaser at Closing and (b) obtain financing to the extent necessary to enable the Company to make any Earnout Amounts, if and when due and payable, at the time such Earnout Amounts are due and owing.

5.17 Cooperation with Financing. The Company shall, and the Seller shall cause the Company and the Other Seller Subsidiaries, and its and their respective Representatives, to provide to Purchaser all cooperation reasonably requested by Purchaser and/or its financing sources that is necessary, proper or advisable in connection with Purchaser's financing of the transactions contemplated hereby, including (a) furnishing Purchaser and its financing sources with financial and other pertinent information regarding the Company and the Other Seller Subsidiaries as may be reasonably requested by Purchaser, including (i) audited consolidated balance sheets and related statements of income of the Company and the Other Seller Subsidiaries for the 2018 and 2019 fiscal years of the Company, (ii) in respect of the fiscal quarters of the Company ending on June 30, 2019 and September 30, 2019 and, within 60 days after the end thereof, any subsequent fiscal quarter, unaudited consolidated balance sheets and related statements of income of the Company and the Other Seller Subsidiaries for such fiscal quarter, in each case prepared in accordance with GAAP (subject to the absence of footnotes and year-end adjustments, in the case of unaudited financial statements), and (iii) other diligence materials, and (b) otherwise reasonably facilitating the Purchaser's financing of the transactions contemplated hereby.

5.18 Consents and Filings.

(a) The Seller and Purchaser shall use all commercially reasonable efforts to take, or cause to be taken, all appropriate action to do, or cause to be done, all things necessary, proper or advisable under applicable Law or otherwise to consummate and make effective the transactions contemplated by this Agreement and the Related Agreements as promptly as practicable, including to (i) obtain from Governmental Bodies and other Persons all consents, approvals, authorizations, qualifications and orders as are necessary for the consummation of the transactions contemplated by this Agreement and the Related Agreements, (ii) promptly make all necessary filings, and thereafter make any other required submissions, with respect to this Agreement required under the HSR Act or any other applicable Law and (iii) have vacated, lifted, reversed or overturned any order, decree, ruling, judgment, injunction or other action (whether temporary, preliminary or permanent) that is then in effect and that enjoins, restrains, conditions, makes illegal or otherwise restricts or prohibits the consummation of the transactions contemplated by this Agreement and the Related Agreements. In furtherance and not in limitation of the foregoing, the Seller shall permit Purchaser to reasonably to participate in the defense and settlement of any claim, suit or cause of action relating to this Agreement or the transactions contemplated hereby, and the Seller shall not settle or compromise any such claim, suit or cause of action without Purchaser's written consent. The cost of the HSR filing fees for both parties' filings shall be paid by Purchaser at the time of submission; provided, that fifty percent (50%) of such fees shall be included in Closing Date Expenses.

(b) The Seller shall, or shall cause the Company and the Other Seller Subsidiaries to, give promptly such notice to third parties and obtain such third party consents and estoppel certificates as Purchaser may in its sole discretion deem necessary or desirable in connection with the transactions contemplated by this Agreement and the Related Agreements. Purchaser shall cooperate with and assist the Seller in giving such notices and obtaining such consents and estoppel certificates; provided, however, that Purchaser shall have no obligation to give any guarantee or other consideration of any nature in connection with any such notice, consent or estoppel certificate or consent to any change in the terms of any agreement or arrangement that Purchaser in its sole discretion may deem adverse to the interests of Purchaser or the Company or any of the Other Seller Subsidiaries.

(c) The Seller and Purchaser agree that, in the event that any consent, approval or authorization necessary or desirable to preserve for the Company or any of the Other Seller Subsidiaries any right or benefit under any lease, license, commitment or other Contract to which the Company or any of the Other Seller Subsidiaries is a party is not obtained prior to the Closing, the Seller will, subsequent to the Closing, cooperate with Purchaser, the Company or any such Other Seller Subsidiaries in attempting to obtain such consent, approval or authorization as promptly thereafter as practicable.

(d) Notwithstanding anything herein to the contrary, Purchaser shall not be required by this Section 5.18 to take or agree to undertake any action, including entering into any consent decree, hold separate order or other arrangement, that would (A) require the divestiture of any assets of Purchaser, the Company or any of their respective Affiliates, (B) limit Purchaser's freedom of action with respect to, or its ability to consolidate and control, the Company and the Other Seller Subsidiaries or any of their assets or businesses or any of Purchaser's or its Affiliates' other assets or businesses or (C) limit Purchaser's ability to acquire or hold, or exercise full rights of ownership with respect to, the Interests.

5.19 Operating Assets. For six (6) years following the Closing Date, Seller shall execute and cause its Affiliates (other than the Company and the Other Seller Subsidiaries) to, at the written request of Purchaser, execute and deliver to the Purchaser such instruments of sale, transfer, conveyance, assignment, consent, assurance, power of attorney, and other such instruments as may be reasonably requested by the Purchaser in order to vest in Purchaser or any of its Subsidiaries (including any of the Company and the Other Seller Subsidiaries) all right, title, and interest in (i) any assets (together with any related liabilities, if any) used or held for use in the business or operations of the Company and the Other Seller Subsidiaries that is held by the Seller or any of its Affiliates (other than the Company and the Other Seller Subsidiaries) and (ii) any Contracts which the Seller or any of its Affiliates (other than the Company and the Other Seller Subsidiaries) are party to relating to the customers, suppliers, employees or service providers of the Company and the Other Seller Subsidiaries, in either case except for this Agreement, the Related Agreements and any other certificate, agreement or other document in respect of the transactions contemplated hereby and by the Related Agreements; provided that to the extent the transfer of any such asset requires the approval, consent or waiver of any Person, the assignment of any such asset shall not occur until such approval, consent or waiver shall have been obtained and the parties will cooperate in good faith to obtain, any such approvals, consents or waivers as may be requested by Purchaser.

5.20 Existence and Name Change. Seller shall, and the Seller Indemnifying Members shall cause Seller to, (i) remain in existence for six (6) years following the Closing and (ii) change its name promptly, but in no event later than five (5) Business Days following the Closing, to a name that does not include "CTEH", "Center for Toxicology and Environmental Health" or any derivation thereof, nor anything substantially similar to the foregoing.

5.21 Maintenance of Insurance. For eighteen (18) months following the Closing Date, Purchaser shall cause the Company to maintain in existence policies of insurance covering such risk and events, including personal injury, property damage and general liability, with coverages and associated deductibles no less favorable to the Company in the aggregate than those described in Section 3.20 of the Seller Disclosure Schedule, for the Company, any Subsidiary and their respective business and operations and for the operation of the Aircraft, with the cost of such coverages and deductibles being an expense for purposes of determining the Earnout Amounts. During the period the indemnification obligations of Seller under Section 11.1(c) survive, Purchaser shall cause the Company to (i) act in good faith with respect to making any claims against such insurance policies, and (ii) not take any action with the intent of reducing coverage under such policies.

5.22 Cash. Seller shall cause the Cash, as of the Closing, to be no less than $1,500,000.

5.23 Tail Insurance. Prior to the Closing Date, Seller shall cause the Company to obtain run-off (tail) coverage, for a period of six (6) years under its directors and officers liability policy, for any claims first made against any entity or person affiliated with the Company, whether reported to the insurer before or after the Closing Date, relating to any acts, omissions or events occurring prior to the Closing Date (collectively, the "Tail Insurance"), and Seller shall not take any action to amend or terminate the Tail Insurance during such six (6) year period. All costs and premiums of the Tail Insurance shall constitute Closing Date Expenses.

ARTICLE VI

GENERAL CONDITIONS TO CLOSING

The respective obligations of the Purchaser and the Seller to consummate the transactions contemplated by this Agreement and the Purchaser Related Agreements, in the case of Purchaser, and the Seller Related Agreements, in the case of Seller, are subject to the satisfaction (or written waiver by either party in its sole discretion (provided, that such waiver shall only be effective as to the obligations of such party):

6.1 No Injunction or Prohibition. No Governmental Body shall have enacted, issued, promulgated, enforced or entered any Law (whether temporary, preliminary or permanent), including any Law that may be administered by the U.S. Department of Treasury's Office of Foreign Assets Controls (OFAC), that is then in effect and that enjoins, restrains, conditions, makes illegal or otherwise prohibits the consummation of the transactions contemplated by this Agreement or the Related Agreements.

6.2 HSR Act. Any waiting period (and any extension thereof) under the HSR Act applicable to the transactions contemplated by this Agreement and the Related Agreements shall have expired or shall have been terminated.

ARTICLE VII

CONDITIONS PRECEDENT TO THE OBLIGATIONS OF THE PURCHASER

The obligations of the Purchaser to consummate the transactions contemplated by this Agreement and the Purchaser Related Agreements are subject to the satisfaction (or written waiver by the Purchaser), at or prior to the Closing, of each of the following conditions:

7.1 Accuracy of Representations. Each of the representations and warranties made by the Company and Seller in this Agreement shall have been accurate in all material respects as of the date hereof and shall be accurate in all material respects as of the Closing Date as if made on the Closing Date (except as to such representations and warranties made as of a specific date, which shall have been accurate in all material respects as of such date); provided, however, that for determining the satisfaction of the condition set forth in this Section 7.1: (a) no effect shall be given to any materiality qualifications contained in such representations and warranties; and (b) the representations and warranties set forth in Sections 3.1, 3.2, 3.3, 3.5, 3.7(a), 3.8 and 3.24 shall be true and correct in all respects as of the date hereof and as of the Closing Date.

7.2 Performance of Covenants. Each of the covenants and obligations set forth herein that the Company, Seller or Seller is required to comply with or perform at or prior to the Closing shall have been complied with or performed in all material respects.

7.3 Seller Compliance Certificate. The Seller shall have delivered, or caused to be delivered, to the Purchaser a certificate executed by the Seller and the chief executive officer or chief financial officer of the Company as to compliance with the conditions set forth in Sections 7.1 and 7.2 (the "Seller Compliance Certificate");

7.4 Consents. All consents, approvals, orders or authorizations of, or registrations, declarations or filings with any Person required in connection with the execution, delivery or performance hereof shall have been obtained or made and shall be in full force and effect, in each case in form and substance reasonably satisfactory to the Purchaser.

7.5 Ancillary Agreements and Deliveries. The Seller shall have delivered, or caused to be delivered, to the Purchaser the documents listed in Section 9.2, each of which shall be in full force and effect as of the Closing.

7.6 Preliminary Closing Statement and Payoff Letters. The Company shall have delivered to the Purchaser, not less than three (3) Business Days prior to the Closing Date, the Preliminary Closing Statement, which shall include payoff letters (the "Payoff Letters"), in form and substance reasonably satisfactory to the Purchaser, in which the payee shall agree that upon payment of the amount specified in such payoff letter: (i) all outstanding obligations of the Company and its Subsidiaries arising under or related to the applicable Closing Date Indebtedness shall be repaid, discharged and extinguished in full; (ii) all Encumbrances in connection therewith shall be released; (iii) the payee shall take all actions reasonably requested by Purchaser to evidence and record such discharge and release as promptly as practicable, including filing UCC-3 termination statements (drafts of which shall be provided to Purchaser at least two (2) Business Days prior to Closing); and (iv) the payee shall return to the Company and its Subsidiaries all instruments evidencing the applicable Closing Date Indebtedness (including all notes) and all collateral securing the applicable Closing Date Indebtedness.

7.7 Release of Encumbrances. The Seller shall have delivered, or caused to be delivered, to the Purchaser evidence reasonably satisfactory to the Purchaser that all Encumbrances (other than Permitted Encumbrances) affecting any of the assets of the Company have been released, or will be released upon repayment of the Closing Date Indebtedness pursuant hereto.

7.8 Stockholder Agreements. Seller shall have delivered to the Purchaser executed versions of the Stockholder Agreements or joinders thereto, as applicable, such joinders in substantially the forms attached hereto as Exhibit 7.8, executed by Seller.

7.9 No Material Adverse Effect. There shall not have occurred a Material Adverse Effect, and no event shall have occurred or circumstance exist that, in combination with any other events or circumstances, could reasonably be expected to have a Material Adverse Effect.

7.10 No Restraints. No temporary restraining order, preliminary or permanent injunction or other Order preventing the consummation of the transactions contemplated hereby shall have been issued by any Governmental Body, and there shall not be any Law enacted or deemed applicable that makes the Closing illegal.

7.11 No Litigation. There shall not be pending or threatened any Legal Proceeding by or before any Governmental Body against the Purchaser, Seller, the Company or any of the Other Seller Subsidiaries (a) seeking to restrain or prohibit the Purchaser's direct or indirect ownership or operation of all or a significant portion of the business and assets of the Company or the Other Seller Subsidiaries, or to compel the Purchaser or any of its Subsidiaries or Affiliates to dispose of or hold separate any significant portion of the business or assets of the Company or the Other Seller Subsidiaries, (b) seeking to restrain or prohibit or make materially more costly the consummation of the transactions contemplated by this Agreement, or seeking to obtain from the Purchaser or the Company any material damages, (c) seeking to impose limitations on the ability of the Purchaser to acquire or hold, or exercise full rights of ownership of the Interests, (d) challenging the transactions contemplated by this Agreement or any Related Agreement or otherwise seeking damages, or (e) which otherwise could reasonably be expected to have a Material Adverse Effect.

7.12 R&W Insurance. Great American E&S Insurance Company, as insurer (the "R&W Insurer"), has bound, the R&W Insurance Policy for Purchaser's benefit as of the Closing, as described in Section 5.15.

7.13 Third Party Expense Statements and Releases. Prior to the Closing, the Seller shall have delivered to Purchaser an invoice duly executed by each payee referred to in the Preliminary Closing Statement in form and substance reasonably satisfactory to Purchaser in which the payee shall agree that upon payment of the amounts specified in the Preliminary Closing Statement, all obligations of the Company and the Other Seller Subsidiaries to such payee to date shall be repaid, discharged and extinguished in full.

7.14 Subordination Agreement. The Seller shall have entered into the Subordination Agreement at the Closing.

7.15 Evidence of Title. (i) The Purchaser shall have received one or more ALTA 2006 Form B Owner's Policy(s) of Title Insurance for the real property owned by the Company or any of the Other Seller Subsidiaries, all in form and substance reasonably satisfactory to the Purchaser, together with the following endorsements to the extent commercially available in the applicable jurisdictions: non-imputation, reverter, tax parcel, tie-in, water rights and such other endorsements and affirmative coverages reasonably requested by the Purchaser as are usual and customary with respect to similar transactions in the applicable jurisdictions. The cost of such title reports, title policies, endorsements and affirmative coverages shall be "Closing Date Expenses" hereunder; and (ii) appropriate officers and directors of the Company, the Other Seller Subsidiaries and the Seller shall have executed and delivered to the title company(s) selected by the Purchaser such reasonable affidavits, indemnification agreements and bonds as may be necessary to cause the title company(s) to issue the endorsements and affirmative coverages reasonably requested by the Purchaser, including, without limitation, a non-imputation endorsement, with respect to the above referenced Owner's Policy(s) of Title Insurance.

7.16 Reorganization. The Reorganization shall have been consummated pursuant to documentation in form and substance satisfactory to the Purchaser.

7.17 Restrictive Covenant Agreements. Seller shall have delivered to Purchaser (i) restrictive covenant agreements in form and substance acceptable to Purchaser (the "Employee Restrictive Covenant Agreements") executed by each of the Persons set forth on Schedule 3.1(c) of the Seller Disclosure Schedule under the heading "Profits Participation Class C Units and Unit Holders" and (ii) restrictive covenant agreements in the form attached hereto as Exhibit 7.17(b) (the "Investor Restrictive Covenant Agreements") executed by each of the ultimate beneficial owners of each of the Persons set forth on Schedule 3.1(c) of the Seller Disclosure Schedule under the headings "Preferred Units and Unit Holders", "Class A Units and Unit Holders", and "Class B Units and Unit Holders".

7.18 Employment Agreements. Seller shall have delivered to Purchaser, employment agreements in the forms attached hereto as Exhibits 7.18 (the "Employment Agreements"), executed by Phillip Goad, W. Cory Davis, John Kind and Dick Fletcher, respectively.

7.19 Cash. Cash, as of the Closing, shall be no less than $1,500,000.

7.20 Invention Assignment Agreements. The Seller shall have caused each employee and independent contractor involved in the development of any Intellectual Property relating to the Business of the Company to sign a proprietary invention and assignment agreement in form and substance acceptable to the Purchaser, pursuant to which all such Intellectual Property is irrevocably assigned to the Company.

7.21 Stephens Agreement. The Company shall have assigned the Engagement Letter, dated May 17, 2019, by and between the Company and Stephens Inc. to Seller pursuant to documentation in form and substance acceptable to the Purchaser.

ARTICLE VIII

CONDITIONS PRECEDENT TO OBLIGATIONS OF SELLER

The obligations of the Seller to consummate the transactions contemplated by this Agreement and the Seller Related Agreements are subject to the satisfaction (or written waiver by the Seller, at or prior to the Closing) of the following conditions:

8.1 Accuracy of Representations. Each of the representations and warranties made by the Purchaser in this Agreement shall have been accurate in all material respects as of the date hereof and shall be accurate in all material respects as of the Closing Date as if made on the Closing Date (except as to such representations and warranties made as of a specific date, which shall have been accurate in all material respects as of such date); provided, however, that for determining the satisfaction of the condition set forth in this Section 8.1: (a) no effect shall be given to any materiality qualifications contained in such representations and warranties; and (b) the representations and warranties set forth in Sections 4.1 and 4.2 shall be true and correct in all respects as of the date hereof and as of the Closing Date.

8.2 Performance of Covenants. Each of the covenants and obligations set forth herein that the Purchaser is required to comply with or perform at or prior to the Closing shall have been complied with or performed in all material respects.

8.3 Purchaser Compliance Certificate. The Purchaser shall have delivered, or caused to be delivered, to the Seller a certificate executed by an officer of the Purchaser as to compliance with the conditions set forth in Sections 8.1 and 8.2.

8.4 Ancillary Agreements and Deliveries. The Purchaser shall have delivered, or caused to be delivered, to the Seller the items listed in Section 9.3, each of which, in the case of agreements and documents, shall be in full force and effect.

8.5 No Restraints. No temporary restraining order, preliminary or permanent injunction or other Order preventing the consummation of the transactions contemplated hereunder shall have been issued by any Governmental Body and shall remain in effect, and there shall not be any Law enacted or deemed applicable to the transactions contemplated hereunder that makes the Closing illegal.

8.6 Consents. All consents approvals, orders or authorizations of, or registrations, declarations or filings with, any Governmental Body shall have been obtained or made on terms and conditions reasonably satisfactory to the Seller.

ARTICLE IX

CLOSING

9.1 Closing. Subject to a party's right to terminate this Agreement pursuant to ARTICLE X, the satisfaction or waiver of the conditions set forth in ARTICLE VI, ARTICLE VII and ARTICLE VIII and the deliveries required by this ARTICLE IX, and unless otherwise mutually agreed in writing between the Purchaser and the Seller, the Closing shall occur at 9:00 A.M. (Pacific Time) on March 31, 2020, subject to all of the conditions set forth in ARTICLE VI, ARTICLE VII and ARTICLE VIII having been satisfied or waived in accordance with this Agreement (other than those conditions that by their terms are to be satisfied at the Closing, it being understood that the occurrence of the Closing shall remain subject to the satisfaction or waiver of such conditions at the Closing); provided, that if all such conditions (other than those conditions that by their terms are to be satisfied at the Closing, it being understood that the occurrence of the Closing shall remain subject to the satisfaction or waiver of such conditions at the Closing) are not satisfied or waived by 9:00 A.M. (Pacific Time) on March 31, 2020, then Closing shall occur no more than five (5) Business Days following the date on which all such conditions are satisfied or waived. The Closing shall take place by the email transmission of executed documents and via wire transfer of the funds, which shall be coordinated by the Purchaser's and the Seller' respective legal counsel.

9.2 Seller and Company Closing Deliveries. At the Closing, the Seller shall deliver, or cause to be delivered, to the Purchaser the following:

(a) one or more membership interests certificates evidencing the Interests, free and clear of Encumbrances, duly endorsed in blank or accompanied by membership interest powers or other instruments of transfer reasonably satisfactory to the Purchaser duly executed in blank;

(b) the organizational record books, minute books and seal of the Company, to the extent available;

(c) Stockholder Agreements or joinders thereto, as applicable, executed by the Seller;

(d) the Employee Restrictive Covenant Agreements and Investor Restrictive Covenant Agreements;

(e) a certificate for the Company, dated as of the Closing Date, signed by the Secretary of the Company (i) attaching copies of the articles of organization and operating agreement, and any amendments thereto, of the Company, (ii) attaching a true, correct and complete copy of the membership interest ledger of the Company from the date of its incorporation through the Closing Date, (iii) certifying that attached thereto are true complete copies of all resolutions adopted by the board of directors and members of the Company authorizing the execution, delivery and performance of this Agreement and the Seller Related Agreements and the consummation of the transactions contemplated hereby and thereby and that all such resolutions are in full force and effect, and (iv) certifying the good standing of the Company in its jurisdiction of incorporation and in each other jurisdiction in which it is qualified to do business, and that there are no proceedings for the dissolution or liquidation of the Company;

(f) executed resignation letters from the directors and officers of the Company and the Other Seller Subsidiaries, in form and substance reasonably satisfactory to the Purchaser;

(g) the Escrow Agreement, duly executed by the Seller;

(h) the Employment Agreements, duly executed by Phillip Goad, W. Cory Davis and John Kind;

(i) A copy of the Aircraft's:

(i) current certificate of registration showing the Aircraft is registered in the name of CTEH Leasing;

(ii) bill of sale pursuant to which the CTEH Leasing took title to the Aircraft and evidence of a search of the FAA register and the International Registry (established for the purposes of the Convention on International Interests in Mobile Equipment and the Protocol on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment, in each case, signed at Cape Town on 16 November 2001) immediately prior to Closing evidencing that CTEH Leasing has good and marketable title to the Aircraft free of any Encumbrances;

(iii) Certificate of Airworthiness;

(iv) current certificate of insurance in respect of the Aircraft; and

(v) copies of all lease agreements, operating agreement, management agreements or similar that relate to any transfer of rights in and to the Aircraft.

(j) (i) a properly completed and duly executed IRS Form W-9 from Seller, (ii) a duly authorized and executed certificate, dated as of the Closing Date and sworn under penalties of perjury, in the form and substance of Treasury Regulations promulgated under Code Section 1445, certifying that fifty percent (50%) or more of the value of the gross assets of the Company do not consist of U.S. real property interests, or that ninety percent (90%) or more of the value of the gross assets of the Company do not consist of U.S. real property interests plus cash or cash equivalents in accordance with Treasury Regulations Section 1.1445-11T and (iii) such other documentation as permitted by the Code, Treasury Regulations or IRS guidance in effect as of the Closing Date to establish an exemption from withholding under Section 1446(f) of the Code; and

(k) all other documents required to be entered into by the Company and Seller pursuant hereto or reasonably requested by the Purchaser to convey the Interests to the Purchaser or to otherwise consummate the transactions contemplated hereby.

9.3 Purchaser Closing Deliveries. At the Closing, the Purchaser shall deliver, or cause to be delivered, the following:

(a) to the Seller, the Closing Date Payment, in accordance with Section 2.4(a)(ii);

(b) to the Seller, the Escrow Agreement, duly executed by the Purchaser;

(c) to the Seller, the Employment Agreements, duly executed by Purchaser or one of its Affiliates, as applicable;

(d) to the Seller, the stock certificate evidencing the Non-Escrow Stock, free and clear of Encumbrances, except as provided in the Stockholder Agreements;

(e) to the Escrow Agent, the stock certificate evidencing the Escrow Stock; provided, that the Seller shall deliver to the Escrow Agent accompanying stock powers or other instruments of transfer reasonably satisfactory to the Purchaser duly executed in blank; and

(f) all other documents required to be entered into or delivered by the Purchaser at or prior to the Closing pursuant hereto.

ARTICLE X

TERMINATION

10.1 Termination Events. This Agreement may be terminated prior to the Closing:

(a) by mutual written consent of the Purchaser and the Seller;

(b) by written notice from the Seller to the Purchaser (a "Seller Notice") or from the Purchaser to the Seller (a "Purchaser Notice"), as the case may be, if there has been a breach of any representation, warranty, covenant or agreement by the Company or Seller, in the case of a Purchaser Notice, or by the Purchaser, in the case of Seller Notice, or any such representation or warranty shall become untrue after the date hereof, and such breach is not curable or, if curable, is not cured within the earlier of (i) thirty(30) days after written notice thereof is given by the Purchaser or the Seller, as applicable, and (ii) the Expiration Date;

(c) by a Purchaser Notice or a Seller Notice, as the case may be, in the event the Closing has not occurred on or prior to April 15, 2020 (the "Expiration Date") for any reason other than delay or nonperformance of or breach by the party seeking such termination; provided, *however*, that if Closing shall not have occurred due to a failure to satisfy the closing condition contained in Section 7.4 (Consents) or Section 6.2 (HSR Act) hereof, the Purchaser shall be entitled, but not obligated, to extend the Expiration Date for up to sixty (60) days upon written notice of such extension to the Seller, which notice shall specify a new Expiration Date, which shall then be the Expiration Date for all purposes under this Agreement;

(d) by Purchaser Notice, if between the date hereof and the Closing, an event or condition occurs that has or is reasonably likely to have a Material Adverse Effect; and

(e) by Purchaser Notice or Seller Notice in the event that any Governmental Body shall have issued an order, decree or ruling or taken any other action restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement and such order, decree, ruling or other action shall have become final and nonappealable; provided, that the party so requesting termination shall have used its commercially reasonable efforts, in accordance with Section 5.18, to have such order, decree, ruling or other action vacated.

10.2 Effect of Termination. In the event of termination of this Agreement pursuant to this ARTICLE X, this Agreement shall forthwith become void and there shall be no liability on the part of any party to this Agreement or its partners, officers, directors or members, except for obligations under Section 5.7 (Public Announcements), Section 12.3 (Fees and Expenses), Section 12.4 (Waiver; Amendment), Section 12.7 (Governing Law; Dispute Resolution), Section 12.11 (Notices), Section 12.13 (Enforcement of Agreement), Section 12.14 (Severability), Section 12.15 (No Third Party Beneficiaries) and this Section 10.2, all of which shall survive the Termination Date. Notwithstanding the foregoing, nothing contained in this Section 10.2 shall relieve any party from liability for any breach hereof.

ARTICLE XI

INDEMNIFICATION

11.1 Indemnification Obligations of Seller. Subject to the other terms and conditions of this Article XI, from and after the Closing, the Seller, and, subject to the limitations set forth in Section 11.3(c), the Persons set forth on Exhibit 11.1 (the "Seller Indemnifying Members") shall jointly and severally indemnify and hold harmless the Purchaser Indemnified Parties from and against, and compensate, reimburse and pay the Purchaser Indemnified Parties for, any and all Losses arising out of or relating to:

(a) any inaccuracy in or breach of any representation or warranty of the Company or Seller set forth in this Agreement (in the case of Taxes, without regard to any materiality qualifiers or disclosure in the Seller Disclosure Schedule), the Seller Compliance Certificate or any other Seller Related Agreement;

(b) any breach of any covenant, agreement or undertaking made by the Company, Seller Indemnifying Member or Seller in this Agreement or in any Seller Related Agreement; provided, that to the extent such breach is a breach of a pre-Closing covenant and also constitutes an indemnifiable claim under Section 11.1(a) or (c) through (f), then Section 11.1(a) or (c) through (f), as applicable, shall govern the indemnification rights of the Purchaser Indemnified Parties with respect to such breach;

(c) pending suits, actions, investigations or other legal, governmental or administrative proceedings set forth on, or required to be set forth on, Section 3.22 of the Seller Disclosure Schedule, subject to Section 11.3(d);

(d) any Pre-Closing Taxes;

(e) the Closing Date Indebtedness and Closing Date Expenses;

(f) fifty percent (50%) of any Losses that result in the application and erosion of any retention or deductible under the R&W Insurance Policy; provided that such Losses pursuant to this clause (f) shall not exceed the Escrow Cash remaining in escrow with the Escrow Agent;

(g) Intentionally omitted.

(h) any claim by Seller, the members of Seller or their respective Affiliates asserting that any calculations or determinations or payment calculations or instructions provided by Seller to Purchaser, are inaccurate; and

(i) any matter set forth on Exhibit 11.1(i).

The Losses of the Purchaser Indemnified Parties described in this Section 11.1 as to which the Purchaser Indemnified Parties are entitled to indemnification are collectively referred to as "Purchaser Losses."

11.2 Indemnification Obligations of the Purchaser. The Purchaser shall indemnify and hold harmless the Seller Indemnified Parties from and against, and compensate, reimburse and pay the Seller Indemnified Parties for, any and all Losses arising out of or relating to:

(a) any inaccuracy in or breach of any representation or warranty of the Purchaser set forth in this Agreement or in any Purchaser Related Agreement; or

(b) any breach of any covenant, agreement or undertaking made by the Purchaser in this Agreement or in any Purchaser Related Agreement; provided, that to the extent such breach is a breach of a pre-Closing covenant and also constitutes an indemnifiable claim under Section 11.2(a), then Section 11.2(a) shall govern the indemnification rights of the Purchaser Indemnified Parties with respect to such claim.

The Losses of the Seller Indemnified Parties described in this Section 11.2 as to which the Seller Indemnified Parties are entitled to indemnification are collectively referred to as "Seller Losses."

11.3 Limitations on Seller Indemnification Liability. Notwithstanding anything to the contrary contained in this Agreement:

(a) **Priority of Recovery**. In respect of any Purchaser Losses, Purchaser hereby agrees that it shall first seek a remedy from the Escrow Cash to cover such Purchaser Losses. To the extent recovery from Escrow Cash is insufficient to completely cover such Purchaser Losses, Purchaser shall then seek recovery from the R&W Insurance Policy to the extent available to cover such remaining Purchaser Losses. To the extent recovery from the R&W Insurance Policy is unavailable or insufficient to completely cover such Purchaser Losses, Purchaser shall then seek remedy from the Escrow Stock pursuant to the terms of the Escrow Agreement before seeking to recover any Purchaser Losses from Seller or the Seller Indemnifying Members. To the extent recovery from the Escrow Stock is unavailable or insufficient to completely cover such Purchaser Losses, and subject to the limitations on indemnifiable Losses under Section 11.3(b), Purchaser shall be entitled to seek remedy through offset of any such Purchaser Losses against any Earnout Amounts earned by and payable to Seller, if any, and thereafter, directly from Seller and the Seller Indemnifying Members. In respect of any Purchaser Losses arising out of or related to USVI Exposure, Purchaser shall first seek recovery from the USVI Tax Escrow, and the USVI Tax Escrow shall only be available for such Purchaser Losses arising out of or related to USVI Exposure.

(b) **Limitations on Indemnifiable Losses**. The parties agree that the first $1,800,000 of indemnifiable Losses pursuant to claims made pursuant to Section 11.1(a) shall be split evenly by Purchaser and Seller (and in the case of Seller, first from the Escrow Cash, to the extent it is available); provided, that this shall not apply to Losses arising out of or relating to the inaccuracy or breach of any Fundamental Representation, Special Representations or to any representation or warranty in the event of Fraud, willful misconduct or intentional misrepresentation. Purchaser shall not be liable for any claim for indemnification pursuant to Section 11.2(a) unless and until the aggregate amount of indemnifiable Losses which may be recovered from Purchaser exceeds $900,000.00 (the "Basket"), in which case Purchaser shall be liable for all Losses in excess of the Basket. The maximum aggregate amount of indemnifiable Losses which may be recovered from the Seller and the Seller Indemnifying Members (not including Losses recovered from the R&W Insurance Policy) arising out of or relating to the causes set forth in Section 11.1(a), (c) or (i) and from the Purchaser arising out of or relating to the causes set forth in Section 11.2(a), shall be an amount equal to $15,000,000 (the "Cap"); provided, that the Basket and the Cap shall not apply to Losses arising out of or relating to the inaccuracy or breach of any Fundamental Representation, Special Representations or to any representation or warranty in the event of Fraud, willful misconduct or intentional misrepresentation. In the case of indemnifiable Losses which may be recovered from Seller and the Seller Indemnifying Members arising out of or relating to Fraud, willful misconduct or intentional misrepresentation, the inaccuracy or breach of any Fundamental Representation, Special Representation, breach of covenant, agreement or undertaking under Section 11.1(b), Pre-Closing Taxes under Section 11.1(d), Closing Date Indebtedness and Closing Date Expenses under Section 11.1(e), any claim by Seller, the member of Seller or their respective Affiliates under Section 11.1(h), the maximum aggregate amount of indemnifiable Losses which may be recovered Seller and the Seller Indemnifying Members shall be the Purchase Price *plus* any Earnout Amounts actually paid or then due and owing by Purchaser. Except in the case of Fraud, willful misconduct or intentional misrepresentation, the maximum aggregate amount of indemnifiable Losses which may be recovered from Purchaser arising out of or relating to the inaccuracy or breach of any Fundamental Representation, or breach of covenant, agreement or undertaking under Section 12.1(b) shall be the Purchase Price *plus* any Earnout Amounts actually paid or then due and owing by Purchaser.

(c) **Limitation on Seller Indemnifying Member's Liability**. Notwithstanding the joint and several liability of the Seller Indemnifying Members under this Article XI, no individual Seller Indemnifying Member's liability for indemnifiable Purchaser Losses not covered by the R&W Insurance Policy, the Escrow Cash, the Escrow Stock or Purchaser's right of offset against the Earnout Amounts shall exceed such Seller Indemnifying Member's pro rata share (each of which is set forth on Exhibit 11.1) of the lesser of (i) the Cap (to the extent such Losses are subject to the Cap) and (ii) such indemnifiable Purchaser Losses; and in the case of such Purchaser Losses not subject to the Cap or arising out of or relating to Fraud, willful misconduct or intentional misrepresentation, no individual Seller Indemnifying Member's liability for such indemnifiable Purchaser Losses shall exceed such Seller Indemnifying Member's pro rata share of the lesser of (i) the Purchase Price *plus* any Earnout Amounts actually received by such Seller Indemnifying Member and (ii) such indemnifiable Purchaser Losses. In no event shall any Seller Indemnifying Member be liable for Losses attributable to any breach by another Person of such Person's obligations under such Person's Investor Restrictive Covenant Agreement or Employee Restrictive Covenant Agreement, as applicable.

(d) **Calculation of Losses**. Losses shall be calculated net of actual recoveries under available insurance policies (net of any actual collection costs and reserves and deductibles and premium increases (but only to the extent the incremental premium charged as a result of the Loss can be separately identified)); provided, however, that the Indemnified Party shall have the right, in good faith, to determine in the case of a denial of coverage or liability or issuance of reservation of rights, whether to challenge such denial or issuance; and provided, further, that an Indemnified Party shall not be required to institute or threaten any litigation or other dispute resolution procedures against any insurer. In the event an insurance recovery relating to an indemnification payment is received after the Indemnifying Party has made an indemnification payment under this Agreement that did not take into account such insurance recovery (net of all costs and expenses (including Taxes) relating to such recovery), the Indemnified Party shall promptly pay the Indemnifying Party an amount equal to the lesser of such insurance recovery and the amount of the related indemnification payment. To the extent Purchaser breaches Section 5.21, or following the eighteen (18) month anniversary of the Closing Date but prior to the three (3) year anniversary of the Closing Date, makes changes to the insurance coverages available to the Company, and if not for such breach or change of coverage, all or a portion of Purchaser Loss would have been recoverable by a Purchaser Indemnified Party pursuant to Purchaser or its Affiliates' insurance policies, then the amount of indemnification due from the Indemnifying Party shall be reduced by the recovery that would have been available from such insurance policies absent such breach or change of coverage.

(e) **Waiver of Subrogation**. Except in the case of Fraud, Purchaser and Seller hereby waive any and all rights of recovery against the other, or against their respective Affiliates, any Indemnifying Party, stockholders, members, officers, directors, employees, agents, and representatives of the other, for any Losses or damages to Purchaser or Seller, as the case may be, or the property of others under its control to the extent such loss or damage is insured against under the R&W Insurance Policy; provided, the R&W Insurer actually makes payment for such Losses and damages pursuant to the R&W Insurance Policy. At Closing, Purchaser shall have given notice to the R&W Insurer that the foregoing waiver of subrogation is contained in this Agreement.

11.4 Indemnification Procedure.

(a) Promptly following receipt by an Indemnified Party of notice by a third party (including any Governmental Body) of any complaint, dispute or claim or the commencement of any audit, investigation, action or proceeding with respect to which such Indemnified Party may be entitled to indemnification pursuant hereto (a "Third-Party Claim"), such Indemnified Party shall provide written notice thereof (a "Claim Notice") to the party obligated to indemnify under this Agreement (the "Indemnifying Party"). The failure to deliver a Claim Notice, however, shall not release the Indemnifying Party from any of its obligations under this Article XI except to the extent that the Indemnifying Party is materially prejudiced by such failure.

(b) If the Indemnifying Party acknowledges in writing its obligation to indemnify the Indemnified Party against any and all Losses that may result from a Third-Party Claim that is exclusively for civil monetary damages at law pursuant to the terms of this Agreement, the Indemnifying Party shall have the right, upon written notice to the Indemnified Party within 15 days of receipt of a Claim Notice from the Indemnified Party in respect of such

Third-Party Claim, to assume the defense thereof at the expense of the Indemnifying Party (which expenses shall not be applied against any indemnity limitation herein) with counsel selected by the Indemnifying Party and satisfactory to the Indemnified Party. Notwithstanding the foregoing, the Indemnifying Party shall not be entitled to assume the defense of any Third-Party Claim for equitable or injunctive relief or any claim that would impose criminal liability or damages, and the Indemnified Party shall have the right to defend, at the expense of the Indemnifying Party (subject to the indemnity limitations herein), any such Third-Party Claim. The Indemnifying Party shall be liable for the fees and expenses of counsel employed by the Indemnified Party for any period during which the Indemnifying Party has failed to assume the defense thereof prior to the Indemnifying Party providing written notice that the Indemnifying Party does not expressly elect to assume the defense. If the Indemnifying Party does not expressly elect to assume the defense of such Third-Party Claim within the time period and otherwise in accordance with the first sentence of this Section 11.4(b), the Indemnified Party shall have the sole right to assume the defense of and to settle such Third-Party Claim (subject to the indemnity limitations herein). If the Indemnifying Party assumes the defense of such Third-Party Claim, the Indemnified Party shall have the right to employ separate counsel and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of the Indemnified Party unless (i) the employment of such counsel shall have been specifically authorized in writing by the Indemnifying Party or (ii) the named parties to the Third-Party Claim (including any impleaded parties) include both the Indemnified Party and the Indemnifying Party, and the Indemnified Party reasonably determines that representation by counsel to the Indemnifying Party of both the Indemnifying Party and such Indemnified Party may present such counsel with a conflict of interest. If the Indemnifying Party assumes the defense of any Third-Party Claim, the Indemnified Party shall, at the Indemnifying Party's expense, cooperate with the Indemnifying Party in such defense and make available to the Indemnifying Party all witnesses, pertinent records, materials and information in the Indemnified Party's possession or under the Indemnified Party's control relating thereto as is reasonably required by the Indemnifying Party. If the Indemnifying Party assumes the defense of any Third-Party Claim, the Indemnifying Party shall not, without the prior written consent of the Indemnified Party, enter into any settlement or compromise or consent to the entry of any judgment with respect to such Third-Party Claim if such settlement, compromise or judgment (i) involves a finding or admission of wrongdoing, (ii) does not include an unconditional written release by the claimant or plaintiff of the Indemnified Party from all liability in respect of such Third-Party Claim, (iii) imposes equitable remedies or any obligation on the Indemnified Party other than solely the payment of money damages for which the Indemnified Party will be indemnified hereunder, or (iv) relates to Taxes of the Company.

(c) In the event the Indemnified Party assumes the defense of a Third-Party Claim, the Indemnified Party shall at all times use reasonable efforts to keep the Indemnifying Party reasonably apprised of the status of the defense of any matter the defense of which it is maintaining. No Indemnified Party may settle or compromise any Third-Party Claim or consent to the entry of any judgment with respect to which indemnification is being sought hereunder without the prior written consent of the Indemnifying Party (which may not be unreasonably withheld or delayed), unless such settlement, compromise or consent includes an unconditional release of the Indemnifying Party and its officers, directors, employees and Affiliates from all liability arising out of, or related to, such Third-Party Claim.

(d) In the event an Indemnified Party claims a right to payment pursuant hereto with respect to any matter not involving a Third-Party Claim (a "Direct Claim"), such Indemnified Party shall send a Claim Notice in respect of such claim to the appropriate Indemnifying Party (a "Notice of Claim"). The failure to deliver a Claim Notice, however, shall not release the Indemnifying Party from any of its obligations under this Article XI except to the extent that the Indemnifying Party is materially prejudiced by such failure and shall not relieve the Indemnifying Party from any other obligation or liability that it may have to the Indemnified Party or otherwise than pursuant to this Article XI. In the event the Indemnifying Party does not notify the Indemnified Party within thirty (30) days following its receipt of such Notice of Claim that the Indemnifying Party disputes its liability to the Indemnified Party under this ARTICLE XI or the amount thereof, the Direct Claim specified by the Indemnified Party in such Notice of Claim shall be conclusively deemed a liability of the Indemnifying Party under this ARTICLE XI, and the Indemnifying Party shall pay the amount of such liability to the Indemnified Party on demand or, in the case of any notice in which the amount of the Direct Claim (or any portion of the Direct Claim) is estimated, on such later date when the amount of such Direct Claim (or such portion of such Direct Claim) becomes finally determined. If the Indemnifying Party agrees that it has an indemnification obligation but asserts that it is obligated to pay a lesser amount than that claimed by the Indemnified Party, the Indemnifying Party shall pay such lesser amount promptly to the Indemnified Party, without prejudice to or waiver of the Indemnified Party's claim for the difference.

(e) For purposes of Section 11.1, any breach of any representation or warranty of the Company or Seller pursuant to this Agreement, the Seller Compliance Certificate or any other Seller Related Agreement and the Losses related thereto shall be determined without regard to any materiality, Material Adverse Effect or other similar qualification contained in or otherwise applicable to such representation or warranty.

(f) Notwithstanding the provisions of Section 12.7, each Indemnifying Party hereby consents to the nonexclusive jurisdiction of any court in which a Legal Proceeding in respect of a Third-Party Claim is brought against any Indemnified Party for purposes of any claim that an Indemnified Party may have under this Agreement with respect to such Legal Proceeding or the matters alleged therein and agrees that process may be served on each Indemnifying Party with respect to such claim anywhere.

11.5 Survival Period. The representations and warranties, covenant and agreements made by the parties herein shall not be extinguished by the Closing, but shall survive the Closing as follows:

(a) **Representations and Warranties Generally**. Except as otherwise expressly set forth in this Section 11.5, the representations and warranties made by the parties herein shall survive the Closing for, and all claims for indemnification in connection therewith shall be asserted not later than, eighteen (18) months following the Closing Date.

(b) **Fundamental Representations and Special Representations**. Notwithstanding Section 11.5(a), each of the representations and warranties contained in Section 3.1 (Organization; Standing and Power; Subsidiaries), Section 3.3 (Authority; Binding Nature of Agreement), Section 3.5 (Capitalization), Section 3.8 (Title to and Sufficiency of Assets), Section

3.21 (Related Party Transactions), Section 3.24 (Finder's Fee), Section 4.1 (Corporate Existence and Power) and Section 4.2 (Authorization; Binding Nature of Agreement) (collectively, the "Fundamental Representations"), and each of the representations and warranties contained in Section 3.15 (Tax Matters), Section 3.16 (Employee Benefit Plans), Section 3.17 (Employee Matters), and Section 3.18 (Labor Matters) (collectively, the "Special Representations") shall survive the Closing until, and all claims for indemnification in connection therewith shall be asserted not later than, sixty (60) days following the expiration of any statute of limitations applicable to (x) the rights of any Person to bring any claim with respect to such matters and (y) in the case of Taxes, the assessment of the applicable Tax (giving effect to any waiver, mitigation or extension thereof).

(c) **Claims for Indemnification Pursuant to Sections 11.1(c)–11.1(i)**. All claims for indemnification with respect to claims made under Sections 11.1(c) through 11.1(i) shall survive the Closing and must be asserted not later than sixty (60) days following the expiration of any statute of limitations applicable to (x) the rights of any Person to bring any claim with respect to such matters, not to exceed six (6) years following the Closing Date, and (y) in the case of Taxes, the assessment of the applicable Tax (giving effect to any waiver, mitigation or extension thereof).

(d) **Claims for Indemnification Pursuant to Sections 11.1(b) and 12.(b)**. The respective covenants and agreements of the Seller and the Purchaser contained in this Agreement shall survive the Closing until the expiration of the statute of limitations following the date all performance thereunder was due to be performed; provided, however, that the indemnification obligations with respect to such covenant and agreements set forth in this Article XI shall survive for a period of six (6) years following the Closing Date.

(e) **Survival of Pending Claims**. Notwithstanding the foregoing, if, prior to the close of business on the last day a claim for indemnification may be asserted hereunder, an Indemnifying Party shall have been properly notified of a claim for indemnity hereunder and such claim shall not have been finally resolved or disposed of at such date (a "Pending Claim"), such Pending Claim shall continue to survive and shall remain a basis for indemnity hereunder until such Pending Claim is finally resolved or disposed of in accordance with the terms hereof.

11.6 Investigations. The respective representations and warranties of the parties contained in this Agreement or any certificate or other document delivered by any party at or prior to the Closing and the rights to indemnification set forth in this ARTICLE XI shall not be deemed waived or otherwise affected by any investigation made, or knowledge acquired, by a party.

11.7 Manner of Payment and Sources of Recovery. Except as otherwise provided herein, including Section 11.3(a), any indemnification of the Purchaser Indemnified Parties or the Seller Indemnified Parties pursuant to this ARTICLE XI shall be effected by wire transfer of immediately available funds from the Seller or Purchaser, as the case may be, to an account(s) designated by the applicable Purchaser Indemnified Party or Seller Indemnified Party, as the case may be, within ten (10) days after the determination thereof. The Purchaser Indemnified Parties shall be entitled, but not required, to set-off any amount or right it may be entitled to pursuant to this Agreement (including, without limitation, payments for indemnification obligations), against any amount, right or obligation owed to the Seller under this Agreement or Seller Related Agreement, including but not limited to the Earnout Amounts, as determined in such Purchaser Indemnified Party's sole discretion. The value of each share of Escrow Stock for purposes of this Article XI shall be equal to the Issuance Price.

11.8 Tax Treatment. Any payments made pursuant to this ARTICLE XI shall be treated as an adjustment to the Purchase Price by the parties for Tax purposes, unless otherwise required by Law.

ARTICLE XII

MISCELLANEOUS PROVISIONS

12.1 Parent Guarantee. Parent hereby guarantees to Seller the complete payment of Purchaser's payment obligations at and following the Closing, including all indemnification payments made pursuant to Article XI, if any, subject in all respects to the terms, conditions and limitations set forth in the Agreement.

12.2 Further Assurances. Each party hereto shall execute and cause to be delivered to each other party hereto such instruments and other documents, and shall take such other actions, as such other party may reasonably request (prior to, at or after the Closing) for the purpose of carrying out or evidencing any of the transactions contemplated by this Agreement.

12.3 Fees and Expenses. Each party to this Agreement shall bear and pay all fees, costs and expenses (including legal fees and accounting fees) that have been incurred or that are incurred by such party in connection with the transactions contemplated by this Agreement, except where specifically provided otherwise herein; provided, however, that the Seller shall be responsible for all Closing Date Expenses.

12.4 Waiver; Amendment. Any agreement on the part of a party to any extension or waiver of any provision hereof shall be valid only if set forth in an instrument in writing signed on behalf of such party. A waiver by a party of the performance of any covenant, agreement, obligation, condition, representation or warranty shall not be construed as a waiver of any other covenant, agreement, obligation, condition, representation or warranty. A waiver by any party of the performance of any act shall not constitute a waiver of the performance of any other act or an identical act required to be performed at a later time. This Agreement may not be amended, modified or supplemented except by written agreement of the parties.

12.5 Entire Agreement. This Agreement constitutes the entire agreement among the parties to this Agreement and supersedes all other prior agreements and understandings, both written and oral, among or between any of the parties with respect to the subject matter hereof and thereof.

12.6 Execution of Agreement; Counterparts; Electronic Signatures.

(a) This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument, it being understood that all parties need not sign the same counterparts.

(b) The exchange of copies of this Agreement and of signature pages by electronic mail in "portable document format" (".pdf") form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, or by combination of such means, shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes.

12.7 Governing Law; Dispute Resolution. This Agreement shall be construed in accordance with, and governed in all respects by, the internal laws of the State of Delaware (without giving effect to principles of conflicts of laws). Each of the parties irrevocably agrees that any legal action or proceeding arising out of or relating to this Agreement brought by any party or its successors or assigns against the other party shall be brought and determined in the Court of Chancery of the State of Delaware, provided, that if jurisdiction is not then available in the Court of Chancery of the State of Delaware, then any such legal action or proceeding may be brought in any federal court located in the State of Delaware or any other Delaware state court, and each of the parties hereby irrevocably submits to the exclusive jurisdiction of the aforesaid courts for itself and with respect to its property, generally and unconditionally, with regard to any such action or proceeding arising out of or relating to this Agreement and the transactions contemplated hereby. Each of the parties agrees not to commence any action, suit or proceeding relating thereto except in the courts described above in Delaware, other than actions in any court of competent jurisdiction to enforce any judgment, decree or award rendered by any such court in Delaware as described herein. Each of the parties further agrees that notice as provided herein shall constitute sufficient service of process and the parties further waive any argument that such service is insufficient. Each of the parties hereby irrevocably and unconditionally waives, and agrees not to assert, by way of motion or as a defense, counterclaim or otherwise, in any action or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby, (a) any claim that it is not personally subject to the jurisdiction of the courts in Delaware as described herein for any reason, (b) that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) and (c) that (i) the suit, action or proceeding in any such court is brought in an inconvenient forum, (ii) the venue of such suit, action or proceeding is improper or (iii) this Agreement, or the subject matter hereof, may not be enforced in or by such courts. Notwithstanding the foregoing, the parties agree that disputes with respect to the matters referenced in Section 2.7 and Section 2.8 shall be resolved by the Accounting Referee as provided therein.

12.8 WAIVER OF JURY TRIAL. EACH OF THE PARTIES IRREVOCABLY WAIVES ANY AND ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BETWEEN THE PARTIES ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

12.9 Assignment and Successors. No party may assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of the other parties, except that the Purchaser may assign any of its rights and delegate any of its obligations under this Agreement to any Affiliate of the Purchaser. Subject to the preceding sentence, this Agreement will apply to, be binding in all respects upon and inure to the benefit of the successors and permitted assigns of the parties.

12.10 Parties in Interest. Except for the provisions of ARTICLE XI, none of the provisions of this Agreement is intended to provide any rights or remedies to any Person other than the parties hereto and their respective successors and assigns (if any).

12.11 Notices. All notices, consents, waivers and other communications required or permitted by this Agreement shall be in writing and shall be deemed given to a party when (a) delivered to the appropriate address by hand or by nationally recognized overnight courier service (costs prepaid), or (b) sent by e-mail with confirmation of transmission by the transmitting equipment confirmed with a copy delivered as provided in clause (a), in each case to the following addresses or e-mail addresses and marked to the attention of the person (by name or title) designated below (or to such other address, e-mail address or person as a party may designate by notice to the other parties):

Seller:
CTEH Holdings, LLC
44 Germay
Little Rock, AR 72223
Attention: W. Cory Davis
Email: ***

with a mandatory copy to (which copy shall not constitute notice):
Friday, Eldredge & Clark, LLP
400 West Capitol Ave, Suite 2000
Little Rock, AR 72201
Attention: Price C. Gardner
Email: ***

The Purchaser or Parent:

Montrose Environmental Group, Inc.
1 Park Plaza, Suite 1000
Irvine, CA 92614
Attention: Nasym Afsari / Jose Revuelta
Email: ***

with a mandatory copy to (which copy shall not constitute notice):

Gibson Dunn & Crutcher LLP
333 South Grand Avenue
Los Angeles, California 90071
Attention: Peter W. Wardle; Candice S. Choh
E-mail: ***

12.12 Construction; Usage.

(a) Interpretation. In this Agreement, unless a clear contrary intention appears:

(i) the singular number includes the plural number and vice versa;

(ii) reference to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are not prohibited by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity or individually;

(iii) reference to any agreement, document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof and all addenda, exhibits, schedules or amendments thereto;

(iv) except as otherwise expressly provided herein, a reference to any section, schedule, appendix or exhibit is intended to refer to a Section, Schedule, Appendix or Exhibit of or to this Agreement;

(v) reference to any Law means such Law as amended, modified, codified, replaced or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder, and reference to any section or other provision of any Law means that provision of such Law from time to time in effect and constituting the substantive amendment, modification, codification, replacement or reenactment of such section or other provision;

(vi) "hereunder," "hereof," "hereto," and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article, Section or other provision hereof; and

(vii) "including" means including without limiting the generality of any description preceding such term.

(b) Legal Representation of the Parties. This Agreement was negotiated by the parties with the benefit of legal representation and any rule of construction or interpretation otherwise requiring this Agreement to be construed or interpreted against any party shall not apply to any construction or interpretation hereof.

(c) Headings. The headings contained in this Agreement are for the convenience of reference only, shall not be deemed to be a part of this Agreement and shall not be referred to in connection with the construction or interpretation of this Agreement.

(d) Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with GAAP.

12.13 Enforcement of Agreement. The parties acknowledge and agree that the Purchaser or Seller, as the case may be, would be irreparably damaged if any of the provisions of this Agreement are not performed in accordance with their specific terms and that any breach of this Agreement by the Purchaser or Company, Seller Indemnifying Members or the Seller, as the case may be, could not be adequately compensated in all cases by monetary damages alone.

Accordingly, in addition to any other right or remedy to which the Purchaser or Seller may be entitled, at law or in equity, it shall be entitled to enforce any provision of this Agreement by a decree of specific performance and temporary, preliminary and permanent injunctive relief to prevent breaches or threatened breaches of any of the provisions of this Agreement, without posting any bond or other undertaking; provided, however, that Seller shall be entitled to seek specific performance of the obligation of Purchaser and Parent to consummate the transactions contemplated hereby only in the event that each of the following conditions have been satisfied: (i) all of Seller's and Purchaser's conditions to closing set forth in Article VI, Article VII and Article VIII have been and continue to be satisfied or waived (other than those conditions that by their terms are to be satisfied at the Closing, but subject to the satisfaction or waiver of those conditions assuming a Closing would occur), (ii) Purchaser fails to complete the Closing pursuant to and in accordance with Section 9.1, and (iii) Seller irrevocably confirms in writing to the Purchaser that if the Purchaser otherwise complies with its obligations hereunder, then the Closing will occur. Notwithstanding anything to the contrary in this Agreement, under no circumstances will Seller be entitled to both (i) a grant of specific performance or other equitable remedies pursuant to this Section 12.13 and (ii) monetary damages in the event Purchaser fails to consummate the Closing pursuant to and in accordance with Section 9.1.

12.14 Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

12.15 No Third-Party Beneficiaries. Except as provided in ARTICLE XI, nothing in this Agreement, express or implied, is intended to or shall confer upon any Person other than the parties and their respective successors and permitted assigns any legal or equitable right, benefit or remedy of any nature under or by reason of this Agreement.

12.16 Time of Essence. With regard to all dates and time periods set forth or referred to in this Agreement, time is of the essence.

12.17 Appendices, Schedules and Exhibits. The Appendices, Schedules and Exhibits (including the Seller Disclosure Schedule) are hereby incorporated into this Agreement and are hereby made a part hereof as if set out in full herein.

* * *

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

PURCHASER:

Montrose Planning & Permitting, LLC

By: /s/ Vijay Manthripragada
Name: Vijay Manthripragada
Title: President

PARENT:

Montrose Environmental Group, Inc.

By: /s/ Vijay Manthripragada
Name: Vijay Manthripragada
Title: Chief Executive Officer

[SIGNATURES CONTINUE ON NEXT PAGE]

COMPANY:

The Center for Toxicology and Environmental Health, L.L.C.

By: /s/ Phillip T. Goad
Name: Phillip T. Goad
Title: CEO

SELLER:

CTEH Holdings, LLC

By: /s/ Phillip T. Goad
Name: Phillip T. Goad
Title: CEO

[SIGNATURES CONTINUE ON NEXT PAGE]

SELLER INDEMNIFYING MEMBERS:
(Solely for Purposes of ARTICLE XI)

Goad Family Holdings, LLC

By: /s/ Phillip T. Goad
Philip T. Goad, Manager

G&L Holdings, LLC

By: /s/ Glen Millner
Glenn Millner, Manager

WCD Consulting, Inc.

By: /s/ Corey Davis
Cory Davis, President

Brendon D. Bailey Living Trust

By: /s/ Brendon Bailey
Brendon Bailey, Trustee

Fletcher Family Revocable Trust

By: /s/ Dick Fletcher
Dick Fletcher, Trustee

Kind Joint Trust

By: /s/ John Kind
John Kind, Trustee

/s/ David Watts
David Watts

Snider Holdings, LLC

By: /s/ Ted L. Snider, Jr.
Ted L. Snider, Jr., Manager

[SIGNATURES END]

Appendix A

Definitions

"Accounting Referee" means a nationally recognized accounting firm selected by the Purchaser and reasonably satisfactory to the Seller, which firm shall be reasonably satisfactory to the Seller so long as such firm is independent of the Purchaser and its Affiliates.

"Acquisition Transaction" means any transaction or series of transactions involving: (a) any merger, consolidation, share exchange, business combination, issuance of securities, direct or indirect acquisition of securities, recapitalization, tender offer, exchange offer or other similar transaction involving the Company, the Other Seller Subsidiaries or Seller; (b) any direct or indirect sale, lease, exchange, transfer, license, acquisition or disposition of a material portion of the business or assets of the Company, the Other Seller Subsidiaries or Seller; or (c) any liquidation or dissolution of the Company, the Other Seller Subsidiaries or Seller.

"Affiliate" means, with respect to any Person, any other Person, directly or indirectly, controlling, controlled by or under common control with such Person.

"Aircraft" means: the aircraft, engines and propellers described in Schedule 3.28 of the Seller Disclosure Schedules together with the landing gear, avionics, systems, appliances, accessories, components, parts, furnishings and other equipment belonging to, installed in or attached or appurtenant to the foregoing and all loose, ground and safety equipment and spare parts relating to the foregoing and shall where, the context permits, include a reference to the Aircraft Records.

"Aircraft Records" means (i) all airframe, engine, propeller and accessory manuals, logbooks, drawings, plans, tags, data and technical records relating to or required to be maintained with respect to the Aircraft, including without limitation traceability records, task cards, overhaul records, maintenance records and contracts, computerized maintenance programs, warranties, FAA form 337s (if any) and information back-to-birth of any and all parts of the Aircraft, and (ii) all documentation, certificates, exemptions and licenses relating to the Aircraft (itself and not solely to the authorization or manner of a specific operation of the Aircraft by the Seller personally). All Aircraft Records shall be printed, published or written in English.

"Applicable Benefit Laws" means all Laws applicable to any Company Benefit Plan.

"Applicable Budget" means the annual budget for the Company for the applicable 2020 Earnout Period or 2021 Earnout Period. The Applicable Budget for the 2020 Earnout Period is attached hereto as the first two columns of Exhibit 2.8(c) and the Applicable Budget for the 2021 Earnout Period shall be mutually agreed upon by Purchaser and Management and shall have an annual EBITDA of no less than $18.3 million. No representation or warranty is made as to Company's ability to achieve the Applicable Budget and the Applicable Budget is no guarantee of performance.

"Business" means the business of environmental consulting services, including but not limited to emergency response, disaster recovery, health and safety, toxicology, crisis and emergency management, public health and industrial hygiene, as conducted by the Company the Other Seller Subsidiaries on or prior to the date of this Agreement.

"Business Day" means any day except Saturday, Sunday or any day on which banks are generally not open for business in the City of Los Angeles, California, other than due to bank failure.

"Business EBITDA" means the earnings before interest, income taxes, depreciation and amortization of the Company (together with its Other Seller Subsidiaries), calculated in accordance with past practice and with GAAP. In the event of a discrepancy between past practice of the Company and GAAP, GAAP shall prevail. However, for purposes of calculating the 2020 EBITDA and the 2021 EBITDA, to the extent there are any changes in expenses (either positive or negative) incurred by the Company as a result of the acquisition or integration with Purchaser and/or Parent (and unless such expenses are incurred in order to bring the Company in compliance with any applicable law), such changes in cost shall not be incorporated into the applicable EBITDA and instead shall be an amount equal to the expense that would have been incurred by the Company but for the acquisition and integration with Purchaser and/or Parent.

"Cash" means, as at a specified date, the aggregate amount of all cash and cash equivalents of the Company and the Other Seller Subsidiaries required to be reflected as cash and cash equivalents on a consolidated balance sheet of the Company and the Other Seller Subsidiaries as of such date prepared in accordance with GAAP, net of (i) any outstanding checks, wires and bank overdrafts of the Company or the Other Seller Subsidiaries and (ii) any amounts relating to credit card receivables or Restricted Cash, in the case of each of clauses (i) and (ii), whether or not required to be reported as such under GAAP.

"Closing" means the consummation of the purchase and sale of the Interests, as set forth in ARTICLE IX of this Agreement.

"Closing Date" means the date on which the Closing occurs.

"Closing Date Expenses" means the aggregate amount of any and all fees and expenses incurred by or on behalf of, or paid or to be paid directly by, the Company or any the Other Seller Subsidiaries or any Person that the Company or any of the Other Seller Subsidiaries pays or reimburses or is otherwise legally obligated to pay or reimburse (including any such fees and expenses incurred by or on behalf of the Seller) in connection with the process of selling the Company or the negotiation, preparation or execution of this Agreement or the Ancillary Agreements or the performance or consummation of the transactions contemplated hereby or thereby, including (i) all fees and expenses of counsel, advisors, consultants, investment bankers, accountants, auditors and any other experts in connection with the transactions contemplated hereby (including any process run by or on behalf of the Company in connection with such transactions); (ii) any fees and expenses associated with obtaining necessary or appropriate waivers, consents, or approvals of any Governmental Body or third parties on behalf of the Company or any of the Other Seller Subsidiaries in connection with the transactions contemplated hereby; (iii) any fees or expenses associated with obtaining the release and termination of any Encumbrances in connection with the transactions contemplated hereby (including any process run by or on behalf of the Company in connection with such transactions); (iv) all brokers', finders'

or similar fees in connection with the transactions contemplated hereby (including any process run by or on behalf of the Company in connection with such transactions); (v) any change of control payments, bonuses, severance, termination, or retention obligations or similar amounts payable in the future or due by the Company or any of the Other Seller Subsidiaries in connection with the transactions contemplated hereby, including any employment, payroll or other Taxes payable in connection therewith; (vi) 50% of cost of the HSR filing fees for both parties' filings; and (vii) costs and premiums payable for the Tail Insurance.

"Closing Date Indebtedness" means, without duplication (but before taking account the consummation of the transactions contemplated hereby) as of any date of determination, (a) the unpaid principal amount of accrued interest, premiums, penalties and other fees, expenses (if any), and other payment obligations and amounts due (including such amounts that would become due as a result of the consummation of the transactions contemplated by this Agreement) that would be required to be paid by a borrower to a lender pursuant to a customary payoff letter, in each case, in respect of any indebtedness of the Company and any of the Other Seller Subsidiaries with respect to (i) borrowed money and (ii) notes payable, debentures, bonds, letters of credit or similar instruments, (b) all obligations under capitalized leases with respect to which the Company or any of the Other Seller Subsidiaries is liable, determined on a consolidated basis in accordance with GAAP, (c) accounts payable outstanding for more than sixty (60) days, (d) accrued payroll (e) all liabilities with respect to any current or former employee, officer or director of the Company or any of the Other Seller Subsidiaries that arise before or on the date of determination, including all liabilities with respect to any Company Benefit Plan, all accrued salary, deferred compensation and vacation obligations, all workers' compensation claims, any liability in respect of accrued but unpaid bonuses for the prior fiscal year and for the period commencing on January 1, 2020, and ending on the date of determination, and any employment Taxes payable by the Company or any of the Other Seller Subsidiaries with respect to the foregoing, (f) unpaid management fees, (g) all indebtedness creates or arising under any conditional sale or other title retention agreement with respect to property acquired by the Company or any of the Other Seller Subsidiaries, (h) all deposits and monies received in advance, (i) accrued liability relating to any profit sharing plan of the Company or any of the Other Seller Subsidiaries, (j) any outstanding payroll Tax liabilities of the Company or any of the Other Seller Subsidiaries, (k) any amounts pursuant to installment sale Contracts or other Contracts relating to the deferred and unpaid purchase price of property or services, including any interest accrued thereon and prepayment, change of control or similar penalties and expenses, including any earn out liabilities associated past acquisitions, each as of the date of determination, (l) all unpaid Pre-Closing Taxes (which amount shall not be less than zero and shall be determined without regard to any refunds or overpayment of Taxes), and (m) all obligations of the type referred to in clauses (a) through (l) of other Persons for the payment of which the Company or any of the Other Seller Subsidiaries is responsible or liable, as obligor, guarantor, surety or otherwise, including any guarantee of such obligations.

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

"Company Benefit Plan" means each Employee Benefit Plan sponsored or maintained or required to be sponsored or maintained at any time by the Company or the Other Seller Subsidiaries or to which the Company or any of the Other Seller Subsidiaries makes or has made, or has or has had an obligation to make, contributions at any time, or with respect to which the Company or any of the Other Seller Subsidiaries has any liability or obligation.

"Company Contract" means any Contract, including any amendment or supplement thereto, (a) to which the Company or the Other Seller Subsidiaries is a party, (b) by which the Company, the Other Seller Subsidiaries or their respective assets is or may become bound or under which the Company or the Other Seller Subsidiaries has, or may become subject to, any obligation or (c) under which the Company or the Other Seller Subsidiaries has or may acquire any right or interest and which (A) contemplates or involves (x) the payment or delivery of cash or other consideration in an amount or having a value in excess of $100,000.00 in the aggregate, or (y) the purchase or sale of any product, or performance of services by or to the Company or the Other Seller Subsidiaries having a value in excess of $100,000.00 in the aggregate, (B) has a term of more than sixty (60) days and that may not be terminated by the Company or the Other Seller Subsidiaries (without penalty) within sixty (60) days after the delivery of a termination notice by the Company the Other Seller Subsidiaries , or (C) is material to the Company the Other Seller Subsidiaries, individually or in the aggregate.

"Company Intellectual Property" means all Intellectual Property owned by, licensed to or used by the Company or the Other Seller Subsidiaries.

"Company Proprietary Software" means all Software owned by the Company or the Other Seller Subsidiaries.

"Company Registered Intellectual Property" means all of the Registered Intellectual Property owned by, filed in the name of, or licensed to the Company or the Other Seller Subsidiaries.

"Confidential Information" means any data or information concerning the Company and the Other Seller Subsidiaries (including trade secrets), without regard to form, regarding (for example and including) (a) business process models, (b) proprietary software, (c) research, development, products, services, marketing, selling, business plans, budgets, unpublished financial statements, licenses, prices, costs, Contracts, suppliers, customers, and customer lists, (d) the identity, skills and compensation of employees, contractors, and consultants, (e) specialized training or (f) discoveries, developments, trade secrets, processes, formulas, data, lists, and all other works of authorship, mask works, ideas, concepts, know-how, designs, and techniques, whether or not any of the foregoing is or are patentable, copyrightable, or registrable under any intellectual property Laws or industrial property Laws in the United States or elsewhere. Notwithstanding the foregoing, no data or information constitutes "Confidential Information" if such data or information is publicly known and in the public domain through means that do not involve a breach by the Company or Seller of any covenant or obligation set forth in this Agreement.

"Contract" means any written, oral or other agreement, contract, subcontract, lease, understanding, instrument, note, warranty, license, sublicense, insurance policy, benefit plan or legally binding commitment, arrangement or undertaking of any nature, whether express or implied.

"Customer" means a customer of the Company or the Other Seller Subsidiaries that paid the Company or the Other Seller Subsidiaries more than $100,000.00 in the aggregate during the twelve (12)-month period ended December 31, 2019.

"Earnout Period" means the 2020 Earnout Period and the 2021 Earnout Period.

"Effective Time" means 11:59 p.m., Pacific Time, on the Closing Date.

"Employee" means an employee of the Company or the Other Seller Subsidiaries.

"Employee Benefit Plan" means with respect to any Person, each plan, fund, program, agreement, arrangement or scheme, including each plan, fund, program, agreement, arrangement or scheme maintained or required to be maintained under applicable Laws, that is at any time sponsored or maintained or required to be sponsored or maintained by such Person or to which such Person makes or has made, or has or has had an obligation to make, contributions providing benefits to the current or former employees, directors, managers, officers, consultants, independent contractors, contingent workers or leased employees of such Person or the dependents of any of them (whether written or oral), or with respect to which such Person has any liability or obligation, including (a) each deferred compensation, bonus, incentive compensation, pension, retirement, employee stock ownership, stock purchase, stock option, profit sharing or deferred profit sharing, stock appreciation, phantom stock plan and other equity compensation plan, "welfare" plan (within the meaning of Section 3(1) of ERISA, determined without regard to whether such plan is subject to ERISA), (b) each "pension" plan (within the meaning of Section 3(2) of ERISA, determined without regard to whether such plan is either subject to ERISA or is tax-qualified under the Code), (c) each severance plan or agreement, and each other plan providing health, vacation, supplemental unemployment benefit, hospitalization insurance, medical, dental, disability or life insurance, death or survivor benefits, fringe benefits or legal benefits, and (d) each other employee benefit plan, fund, program, agreement or arrangement.

"Encumbrance" means any lien, pledge, hypothecation, charge, mortgage, security interest, encumbrance, claim, licenses, covenants not to sue, infringement, interference, option, right of first refusal, preemptive right, community property interest or restriction of any nature affecting property, real or personal, tangible or intangible, including any restriction on the voting of any security, any restriction on the transfer of any security or other asset, any restriction on the receipt of any income derived from any asset, any restriction on the use of any asset, any restriction on the possession, exercise or transfer of any other attribute of ownership of any asset, any lease in the nature thereof and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statute of any jurisdiction).

"Entity" means any corporation (including any non-profit corporation), general partnership, limited partnership, limited liability partnership, joint venture, estate, trust, company (including any limited liability company or joint stock company), firm or other enterprise, association, organization or entity.

"Environmental Law" means any federal, state, local or foreign Law relating to pollution or protection of human health (including employee health and safety) or the environment (including ambient air, surface water, ground water, land surface or subsurface strata), including any law or regulation relating to emissions, discharges, releases or threatened releases of Materials of Environmental Concern, the allocation of responsibility to respond to releases of Materials of Environmental Concern, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Materials of Environmental Concern.

"ERISA" means the United States Employee Retirement Income Security Act of 1974, as amended.

"ERISA Affiliate" means any trade or business, whether or not incorporated, under common control with the Company and that, together with the Company, is treated as a single employer within the meaning of Section 414(b), (c), (m) or (o) of the Code.

"Estimated Cash Purchase Price" means the Cash Purchase Price *plus* Estimated Cash, *plus* the Working Capital Overage, if any, *minus* the sum of (A) the Estimated Indebtedness, (B) the Estimated Transaction Expenses, and (C) the Working Capital Underage, if any; provided, that if the absolute value of the difference between the Cash Purchase Price and the Estimated Cash Purchase Price is less than $2,500,000, the Estimated Cash Purchase Price shall equal the Cash Purchase Price.

"FAA" means the United States Federal Aviation Administration.

"Flow-Through Income Tax Returns" shall mean Tax Returns reporting income of the Company or any Subsidiary that is allocable to and reportable as income of the direct or indirect beneficial owner(s) of the Company or such Subsidiary, as applicable, under applicable Law. "Flow-Through Income Tax Returns" shall not include any Tax Return with respect to which the Company or any of its Subsidiaries is itself considered an entity that is legally responsible for the payment of Tax shown as due on such Tax Return under applicable Law (for instance, a Tax Return with respect to an entity that is otherwise classified as an S corporation, partnership or is disregarded for U.S. federal income Tax purposes will not be a Flow-Through Income Tax Return if such entity would be responsible for the payment of Taxes shown on such Tax Return, other than in connection with any "imputed underpayment" within the meaning of Section 6225 of the Code).

"Fraud" means an intentional action or omission intended to deceive by Management acting on behalf of Seller or the Company or otherwise in connection with the transactions contemplated hereby.

"GAAP" means United States generally accepted accounting principles as in effect from time to time.

"Governmental Authorization" means any (a) approval, permit, license, certificate, franchise, permission, clearance, registration, qualification or other authorization issued, granted, given or otherwise made available by or under the authority of any Governmental Body or pursuant to any Law or (b) right under any Contract with any Governmental Body.

"Governmental Body" means any (a) nation, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature, (b) federal, state, local, municipal, foreign, supranational or other government or (c) governmental, self-regulatory or quasi-governmental authority of any nature (including any governmental division, department, agency, commission, instrumentality, official, organization, unit, body or Entity and any court or other tribunal).

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"Indemnified Party" means a Purchaser Indemnified Party or a Seller Indemnified Party.

"Intellectual Property" means any or all of the following and all rights, arising out of or associated therewith throughout the world: (a) all patents and applications therefor and all reissues, divisions, renewals, extensions, provisionals, continuations and continuations-in-part thereof; (b) all inventions (whether patentable or not), invention disclosures, improvements, proprietary information, know-how, technology, technical data and customer lists, and all documentation relating to any of the foregoing; (c) all copyrights and works of authorship, copyright registrations, applications, renewals and reversions therefor, and all other rights corresponding thereto; (d) all industrial designs and any registrations and applications therefor; (e) all telephone and facsimile numbers, internet uniform resource locators, domain names, trade names, logos, slogans, designs, common law trademarks and service marks, trademark and service mark registrations, applications, renewals and reversions therefor and all goodwill associated with the foregoing; (f) all Software, databases and data collections and all rights therein; (g) all moral and economic rights of authors and inventors, however denominated; (h) trade secrets, as defined in the Uniform Trade Secrets Act published by the Uniform Law Commission; and (i) any similar or equivalent rights to any of the foregoing.

"Interim Period" shall mean the period commencing on the date hereof and ending on the first to occur of the Closing Date and the Termination Date.

"Investor Rights Agreement" means that certain Second Amended and Restated Investors' Rights Agreement dated as of October 19, 2018, as may be amended from time to time, by and among Montrose Environmental Group, Inc. and the other parties from time to time parties named therein.

"IPO" shall mean Parent's first underwritten public offering of Parent Common Stock under the Securities Act.

"Knowledge" means the actual or constructive knowledge of Phillip Goad, W. Cory Davis, Dick Fletcher, and John Kind after reasonable inquiry.

"Labor Laws" means all Laws governing or concerning labor relations, unions and collective bargaining, conditions of employment, employee classification, employment discrimination and harassment, wages, hours or occupational safety and health, including ERISA, the United States Immigration Reform and Control Act of 1986, the United States National Labor Relations Act, the United States Civil Rights Acts of 1866 and 1964, the United States Equal Pay Act, the United States Americans with Disabilities Act, the United States Age Discrimination in Employment Act, the United States Family and Medical Leave Act, WARN, the Occupational Safety and Health Act of 1970, the United States Davis Bacon Act, the United States Walsh-Healy Act, the United States Service Contract Act, United States Executive Order 11246, the United States Fair Labor Standards Act and the United States Rehabilitation Act of 1973.

"Law" means any federal, state, local, municipal, foreign or international, multinational other law, statute, constitution, principle of common law, resolution, ordinance, code, edict, decree, rule, regulation, ruling or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Body.

"Leased Real Property" means any real property of which the Company or any of the Other Seller Subsidiaries is the lessee, sublessee, licensee or assignee (together with all fixtures and improvements thereon).

"Leases" means, collectively, the leases under which Leased Real Property is leased, subleased, licensed or assigned, including all amendments or modifications thereto.

"Legal Proceeding" means any ongoing or threatened action, suit, litigation, arbitration, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding), hearing, inquiry, audit, examination or investigation commenced, brought, conducted or heard by or before, or otherwise involving, any court or other Governmental Body or any arbitrator or arbitration panel.

"Losses" means any and all claims, liabilities, obligations, damages, losses, penalties, fines, judgments, Taxes, costs and expenses (including amounts paid in settlement, costs of investigation and reasonable attorney's fees and expenses), whenever arising or incurred, and whether arising out of a third-party claim. In no event shall Losses include any incidental, consequential, or special damages, including loss of future revenue or income, loss of business reputation or opportunity relating to the breach or alleged breach of this Agreement, or diminution of value or any damages based on any type of multiple. In no event shall Losses include any punitive damages except to the extent awarded against an Indemnified Party in favor of a third party.

"Major Projects Team" shall mean the Company's sales team.

"Management" means each of Phillip Goad, W. Cory Davis, Dick Fletcher, and John Kind for so long as such individuals are employees of the Company pursuant to the terms of their respective Employment Agreements.

"Material Adverse Effect" means any state of facts, change, event, effect, occurrence or circumstance that, individually or in the aggregate (considered together with all other state of facts, change, event, effect, occurrence or circumstance) has, has had or could reasonably be expected to have or give rise to a material adverse effect, in the short-term or in the long-term, on (a) the business, financial condition, prospects, capitalization, assets, liabilities (including contingent liabilities), operations or financial performance of the Company or Purchaser, as the case may be, (b) the ability of any Person to consummate the transactions contemplated by this Agreement or to perform any of their respective obligations under this Agreement prior to the Termination Date, or (c) the Purchaser's ability to vote, receive dividends with respect to or otherwise exercise ownership rights with respect to the Interests; provided, however, that "Material Adverse Effect" shall not include any event, occurrence, fact, condition or change, directly or indirectly, arising out of or attributable to: (i) general economic or political conditions; (ii) conditions generally affecting the industries in which the Company operates; (iii) any changes in financial or securities markets in general; and (iv) any action required or permitted by this Agreement; provided further, however, that any event, occurrence, fact, condition or change referred to in clauses (i) through (iii)

immediately above shall be taken into account in determining whether a Material Adverse Effect has occurred or could reasonably be expected to occur to the extent that such event, occurrence, fact, condition or change has a disproportionate effect on the Company or Purchaser compared to other participants in the industries in which the Company or Purchaser, as the case may be, conducts its businesses.

"Materials of Environmental Concern" means any chemicals, pollutants, contaminants, wastes, toxic substances, petroleum and petroleum products and any other substances that are now or hereafter regulated by any Environmental Law or that are otherwise a danger to health, reproduction or the environment, including any petroleum products, asbestos, per- and polyfluoroalkyl substances, 1,4 Dioxane, or polychlorinated biphenyls.

"Measurement Date" means the last day of the calendar month immediately preceding the month in which Closing occurs; provided, however, that (i) in the event Closing occurs on the last day of a calendar month or (ii) if the condition set forth in Section 6.2 shall not have been satisfied by April 15, 2020, and Purchaser elects for the Measurement Date to be the Closing Date by providing written notice thereof to Seller, the Measurement Date shall be the Closing Date.

"Net Working Capital" means, as at a specified date and without duplication, an amount (which may be positive or negative) equal to (i) the consolidated current assets of the Company and the Other Seller Subsidiaries *minus* (ii) the consolidated current liabilities of the Company and the Other Seller Subsidiaries, in each case before taking into account the consummation of the transactions contemplated hereby, and calculated in accordance with the Applicable Accounting Principles *plus* (iii) solely in the event the Measurement Date occurs prior to the Closing Date, an amount equal to the product of $49,945.20 *multiplied by* the number of days between the Measurement Date and the Closing Date (including the Closing Date but not the Measurement Date); provided, however, for the avoidance of doubt, Net Working Capital shall exclude any amounts relating to or included in Cash, Closing Date Indebtedness, Closing Date Expenses or Taxes (including current or deferred) to the extent such amounts are reflected in the calculation of the Purchase Price (to avoid any double-counting with any other adjustments) and shall not include any current or deferred Tax assets.

"Non-compete Period" means the period beginning on the Closing Date and continuing for a period of five (5) years after the Closing Date.

"Order" means any decree, permanent injunction, order or similar action.

"Owned Real Property" means any real property of which the Company or the Other Seller Subsidiaries is the fee owner (together with all fixtures and improvements thereon).

"Parent Common Stock" means the common stock, par value $0.000004 per share, of Parent.

"Parent Constituent Documents" means the certificate of incorporation and bylaws, including all amendments thereto, of Parent.

"Permitted Encumbrance" means any (a) statutory Encumbrance for current Taxes not yet due and payable (excluding Encumbrances arising under ERISA or the Code), (b) Encumbrances of carriers, warehousemen, mechanics, materialmen and repairmen incurred in the ordinary course of business consistent with past practice and not yet delinquent and (c) in the case of the Leased Real Property, zoning, building, or other restrictions, variances, covenants, rights of way, encumbrances, easements and other minor irregularities in title, none of which, individually or in the aggregate, (i) interfere in any material respect with the present use of or occupancy of the affected parcel by the Company or the Other Seller Subsidiaries, (ii) have more than an immaterial effect on the value thereof or its use, or (iii) would impair the ability of such parcel to be sold for its present use.

"Person" means any individual, corporation, partnership, joint venture, limited liability company, trust, Governmental Body or other organization.

"Pre-Closing Tax Period" means any taxable period ending on or before the Measurement Date and, with respect to any Straddle Tax Period, the portion of such taxable period ending on and including the Measurement Date; provided that the term "Closing Date" shall be substituted for the term "Measurement Date" for any Taxes incurred after the Measurement Date that are not incurred in the ordinary course of business and consistent with past practices of the Company and its Subsidiaries (including any the Other Seller Subsidiaries).

"Pre-Closing Taxes" means, without duplication, all Taxes (a) for which Company or its Subsidiaries (including the Other Seller Subsidiaries) is or could be liable (i) with respect to any Pre-Closing Tax Period, (ii) as a result of being a member of an affiliated, consolidated, combined, unitary or similar group prior to the Closing, (iii) as a transferee or successor, by Contract or pursuant to any Law, which Taxes relate to an event or transaction occurring before the Closing Date (including, without limitation, any Taxes of the Seller for which the Company or its Subsidiaries (including Other Seller Subsidiaries) could be held liable), (b) of Seller (or its direct or indirect owners) for any tax period, (c) arising out of or resulting from the transactions contemplated by this Agreement or any ancillary agreement (including Transfer Taxes), in each case, together with any interest, penalties and additions to Tax with respect to any of the foregoing and any Losses incurred in connection with any of the foregoing, and (d) any liability relating to an adjustment by the IRS in the amount of any item of income, gain, loss, deduction or credit of the Company, or Seller's distributive share thereof, that results in an "imputed underpayment" as described in Section 6225(b) of the Code. The portion of Taxes for a Straddle Tax Period that is included in Pre-Closing Taxes shall be determined in accordance with Section 5.9(d) of this Agreement. For the avoidance of doubt, "Pre-Closing Taxes" shall include the USVI Exposure.

"Preliminary Closing Statement" means a certificate executed by the chief financial officer of the Company certifying on behalf of the Company that attached thereto is a consolidated balance sheet of the Company and the Other Seller Subsidiaries as of the Measurement Date (the "Preliminary Closing Balance Sheet") and a good faith estimate of: (a) the aggregate amount of Closing Date Indebtedness (the "Estimated Indebtedness"), including an itemized list of each such unpaid Closing Date Indebtedness with a description of the nature of such indebtedness and the Person to whom such Closing Date Indebtedness is owed; (b) the aggregate amount of Closing Date Expenses remaining unpaid as of immediately prior to the Closing (the "Estimated Transaction Expenses"), including an itemized list of each such unpaid Closing Date Expense with a description of the nature of such expense and the Person to whom such Closing Date Expense is owed; (c) Cash (the "Estimated Cash") (d) and Net Working Capital based on the Preliminary

Closing Balance Sheet (the "Estimated Net Working Capital") with Estimated Transaction Expenses determined as of immediately prior to the Closing and each of Estimated Net Working Capital, Estimated Cash, and Estimated Indebtedness determined as of the Measurement Date and each, except for Estimated Transaction Expenses, without giving effect to the transactions contemplated herein. Estimated Net Working Capital, Estimated Indebtedness and Estimated Cash shall be calculated in accordance with GAAP applied on a basis consistent with the preparation of the Balance Sheet, provided, that (A) in the event of a conflict between GAAP and consistent application thereof, GAAP shall prevail and (B) such calculations shall be subject to such differences in accounting principles, policies and procedures as are set forth on Schedule I (the accounting principles as described in this sentence, the "Applicable Accounting Principles"). All such estimates shall be subject to the Purchaser's approval, which shall not be unreasonably withheld, and shall control solely for purposes of determining the amounts payable at the Closing pursuant to Section 2.4 and shall not limit or otherwise affect the Purchaser's remedies under this Agreement or otherwise, or constitute an acknowledgement by the Purchaser of the accuracy of the amounts reflected thereof. Copies of the Payoff Letters, delivered in accordance with Section 6.6 hereof, and the expense statements and releases delivered in accordance with Section 7.14 shall be attached to the Preliminary Closing Statement.

"Purchaser Constituent Documents" means the certificate of incorporation and bylaws, including all amendments thereto, of the Purchaser.

"Purchaser Indemnified Parties" means the Purchaser and its Affiliates, their respective officers, directors, employees, agents and representatives and the heirs, executors, successors and assigns of any of the foregoing.

"Purchaser Related Agreement" means any certificate, agreement, document or other instrument, other than this Agreement, to be executed and delivered by the Purchaser or Parent in connection with the transactions contemplated hereby.

"Receivables" means the accounts receivable of the Company and the Other Seller Subsidiaries for work completed as of the Effective Time, determined in accordance with GAAP.

"Registered Intellectual Property" means all (a) patents and patent applications (including provisional applications), (b) registered trademarks and service marks, applications to register trademarks and service marks, intent-to-use applications, or other registrations or applications related to trademarks and service marks, (c) registered copyrights and applications for copyright registration, (d) domain name registrations and (e) any other Intellectual Property that is the subject of an application, certificate, filing, registration or other document issued, filed with, or recorded with or by any Governmental Body.

"Related Agreements" means the Purchaser Related Agreements and the Seller Related Agreements.

"Related Party" means (a) each individual who is, or who has at any time been, an officer, manager or director of Seller, the Company or the Other Seller Subsidiaries, (b) each member of the immediate family of each of the individuals referred to in clause (a) above; (c) any trust or other Entity (other than the Company) in which any one of the individuals referred to in clauses (a) and (b) above holds (or in which more than one of such individuals collectively hold), beneficially or otherwise, a material voting, proprietary, equity or other financial interest in Seller, the Company or the Other Seller Subsidiaries and (d) any Affiliate of the Company, Seller or the Other Seller Subsidiaries.

"Release" means with respect to any Materials of Environmental Concern, any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing into any surface or ground water, drinking water supply, soil, surface or subsurface strata or medium or the ambient air.

"R&W Insurance Policy" means that certain buyer's representation and warranty insurance policy bound as of the date hereof and underwritten by the R&W Insurer with coverage for the benefit of the Purchaser Indemnified Parties, subject to the terms and conditions thereof, including all applicable exclusions.

"Representatives" means, with respect to a Person, the officers, directors, managers, employees, agents, attorneys, accountants, advisors and representatives of such Person.

"Restricted Cash" means all Cash and Cash equivalents that are not freely useable and available to the Company or the Other Seller Subsidiaries because it is subject to restrictions, limitations or taxes on use or distribution either by contract, for regulatory or legal purposes, or is cash and cash equivalents that is collected from customers in advance, is being held on behalf of customers and represents a liability to such customers.

"Right of First Refusal and Co-Sale Agreement" means that certain Second Amended and Restated Right of First Refusal and Co-Sale Agreement dated as of October 19, 2018, as may be amended from time to time, by and among Montrose Environmental Group, Inc. and the other parties from time to time named therein.

"SEC" means the United States Securities and Exchange Commission.

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

"Seller Disclosure Schedule" means the disclosure schedule (dated as of the date of this Agreement) delivered to the Purchaser on behalf of the Seller and the Company on the date of this Agreement.

"Seller Indemnified Parties" means the Seller and their respective heirs, executors, successors and assigns.

"Seller Related Agreement" means any certificate, agreement, document or other instrument, other than this Agreement, to be executed and delivered by Seller or the Company in connection with the transactions contemplated hereby.

"Software" means any computer software program, together with any error corrections, updates, modifications, or enhancements thereto, in both machine-readable form and human readable form, including all comments and any procedural code.

"Straddle Tax Period" means any Tax period which begins before the Measurement Date and ends after the Measurement Date.

"Subsidiary" Any Entity shall be deemed to be a "Subsidiary" of another Person if such Person directly or indirectly (a) has the power to direct the management or policies of such Entity or (b) owns, beneficially or of record, (i) an amount of voting securities or other interests in such Entity that is sufficient to enable such Person to elect at least a majority of the members of such Entity's board of directors or other governing body, or (ii) at least 50% of the outstanding equity or financial interests of such Entity.

"Supplier" means any supplier of goods or services, including third-party vendors, to which the Company or the Other Seller Subsidiaries paid more than $100,000.00 in the aggregate during the twelve (12)-month period ended December 31, 2019.

"Systems" means servers, hardware systems, databases, circuits, networks and other computer and telecommunications assets and equipment.

"Target Net Working Capital" means an amount equal to $12,306,000.

"Tax" means any (i) all federal, state, local, foreign and other net income, gross income, gross receipts, alternative, estimated, sales, use, ad valorem, value added, transfer, franchise, profits, registration, license, lease, service, service use, withholding, payroll, employment, excise, severance, social security, welfare, workers' compensation, unemployment, disability, environmental, stock, stamp, capital production, occupation, premium, real, personal or intangible property, windfall profits, transaction, title, customs, duties, levies, tariffs, imposts, amounts due under any escheat or unclaimed property Law or other taxes, fees, assessments or charges of any kind whatsoever (including any amounts resulting from the failure to file any Tax Return) (whether imposed directly or through withholding and whether or not disputed), (ii) any interest and penalties, fines or additions to tax or additional amounts imposed in connection with (or attributable to the nonpayment of) (x) any item described in clause (i) or (y) the failure to comply with any requirement imposed with respect to any Tax Return; and (iii) any liability for payment of amounts described in clauses (i) or (ii) whether as a result of transferee or successor liability, of being a member of an affiliated, consolidated, combined, unitary or similar group for any period, by Contract or otherwise through operation of Law; and (iv) any liability for the payment of amounts described in clauses (i), (ii) or (iii) as a result of any Tax sharing, Tax indemnity or Tax allocation agreement or any similar Contract or otherwise.

"Tax Return" means any return (including any information return), report, statement, declaration, estimate, schedule, notice, claim for refund, notification, form, election, certificate or other document or information filed with or submitted to, or required to be filed with or submitted to, any Governmental Body in connection with the determination, assessment, collection or payment of any Tax or in connection with the administration, implementation or enforcement of or compliance with any Law relating to any Tax.

"Termination Date" means the date prior to the Closing on which this Agreement is terminated in accordance with ARTICLE X.

"Territory" means the United States of America.

"Treasury Regulations" means the temporary, final and, to the extent taxpayers are permitted to rely on them, proposed income Tax regulations promulgated under the Code.

"Voting and Drag-Along Agreement" means that certain Second Amended and Restated Voting and Drag Along Agreement dated as of October 19, 2018, as may be amended from time to time, by and among Montrose Environmental Group, Inc., a Delaware corporation and the other parties from time to time parties named therein

"WARN" means the United States Worker Adjustment and Retraining Notification Act and similar state Laws.

"Websites" means all Internet websites, including content, text, graphics, images, audio, video, data, databases, Software and related items included on or used in the operation of and maintenance thereof, and all documentation, ASP, HTML, DHTML, SHTML, and XML files, cgi and other scripts, subscriber data, archives, and server and traffic logs and all other tangible embodiments related to any of the foregoing.

"Working Capital Overage" shall exist when (and shall be equal to the amount by which) the Estimated Net Working Capital exceeds the Target Net Working Capital.

"Working Capital Underage" shall exist when (and shall be equal to the amount by which) the Target Net Working Capital exceeds the Estimated Net Working Capital.

Exhibit 3.1

CERTIFICATE OF INCORPORATION

OF

MONTROSE ENVIRONMENTAL GROUP, INC.

I.

The name of the Corporation is Montrose Environmental Group, Inc. (the "Corporation").

II.

The address of the registered office of the Corporation in the State of Delaware is 1209 Orange Street, Wilmington, Delaware 19801 in the County of New Castle, and the name of its registered agent at that address is The Corporation Trust Company.

III.

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

IV.

The total number of shares of all classes of equity securities which the Corporation shall have authority to issue is 1,100,000, which is divided as follows:

1. 1,000,000 shares of common stock, $0.0001 par value, ("Common Stock"); and

2. 100,000 shares of preferred stock, $0.0001 par value ("Preferred Stock").

The Board of Directors of the Corporation is authorized, subject to limitations prescribed by law and the provisions of this Certificate of Incorporation, to provide for the issuance of shares of Preferred Stock in one or more series, and by filing a certificate pursuant to the applicable law of the State of Delaware, to establish from time to time the number of shares to be included in each such series, and to fix the designation, powers, preferences and rights of the shares of each such series and the qualifications, limitations or restrictions thereof. Subject to the limitations prescribed by law and the provisions of this Certificate of Incorporation, the Board of Directors of the Corporation may modify, from time to time, the number of shares to be included in each such series, and to fix the designation, powers, preferences and rights of the shares of each such series and the qualifications, limitations or restrictions thereof.

The authority of the Board of Directors with respect to each series of Preferred Stock shall include, but shall not be limited to, determination of the following:

(i) The number of shares constituting that series and the distinctive designation of that series;

(ii) The dividend rate on the shares of that series, whether dividends shall be cumulative, and, if so, from which date or dates, and the relative rights of priority, of any, of payment of dividends on shares of that series;

(iii) Whether that series shall have voting rights, in addition to the voting rights provided by law, and, if so, the terms of such voting rights;

(iv) Whether that series shall have conversion privileges, and, if so, the terms and conditions of such conversion, including provision for adjustment of the conversion rate in such events as the Board of Directors shall determine;

(v) Whether or not shares of that series shall be redeemable, and, if so, the terms and conditions of such redemption, including the date or dates upon or after which they shall be redeemable, and the amount per share payable in case of redemption, which amount may vary under different conditions and at different redemption dates;

(vi) Whether that series shall have a sinking fund for the redemption or purchase of shares of that series and, if so, the terms and amount of such sinking fund;

(vii) The rights of the shares of that series in the event of voluntary or involuntary liquidation, dissolution or winding up of the Corporation, and the relative rights of priority, if any, of payment of shares of that series; and

(viii) Any other relative rights, preferences and limitations of that series.

V.

In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, repeal, alter, amend and rescind the Bylaws of the Corporation subject to the power of the stockholders of the Corporation to alter or repeal any Bylaw whether adopted by them or otherwise.

VI.

Election of directors at an annual or special meeting of stockholders need not be by written ballot unless the Bylaws of the Corporation shall so provide.

VII.

Any action required or permitted to be taken at a meeting of stockholders 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 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, which number may be less than unanimous consent.

Vlll.

No director shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability thereof is not permitted under the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended. Any amendment, modification or repeal of the foregoing sentence shall not adversely affect any right or protection of a director of the Corporation hereunder in respect of any act or omission occurring prior to the time of such amendment, modification or repeal

IX.

The Corporation shall, to the fullest extent permitted by the General Corporation Law of the State of Delaware, indemnify its officers and members of the Board of Directors and may, if authorized by the Board of Directors, indemnify its employees and agents and any and all persons whom it shall have the power to indemnify against any and all expenses, liabilities or other matters (including expenses incurred in prosecuting and indemnification actions).

X.

The Corporation reserves the right at any time, and from time to time, to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, and other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted, in the manner now or hereafter prescribed by law; and all rights, preferences and privileges of whatsoever nature conferred upon stockholders, directors or any other persons whomsoever by and pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted subject to the rights reserved in this article.

XI.

The Corporation hereby renounces, to the fullest extent permitted by Section 122 (17) of the General Corporation Law of the State of Delaware, any interest or expectancy of the corporation in, or in being offered, an opportunity to participate in, any "Business Opportunity." A "Business Opportunity" is any matter, transaction or interest that is presented to, or acquired, created or developed by, or which otherwise comes into the possession of, (i) any director of the corporation who is not an employee of the Corporation or any of its subsidiaries, or (ii) EnviroWorks, LLC, Compass Partners, L.L.C. or any subsidiary, affiliate, partner, member, officer, director, stockholder, employee or agent of any such entity, other than someone who is an employee of the Corporation or any of its subsidiaries (collectively, "Covered Persons"), unless such matter, transaction or interest is presented to, or acquired, created or developed by, or otherwise comes into the possession of, a Covered Person solely in such Covered Person's capacity as a director of the Corporation. To the fullest extent permitted by law, the Corporation hereby waives any claim against a Covered Person, and agrees to indemnify all Covered Persons against any claim, that is based on fiduciary duties, the corporate opportunity doctrine or any other legal theory which could limit any Covered Person from pursuing or engaging in any Business Opportunity.

XII.

The name and address of the incorporator is as follows:

Name	Address
Reinaldo Pascual	Paul Hastings LLP 1170 Peachtree Street, N.E. Suite 100 Atlanta, GA 30309

IN WITNESS WHEREOF, the undersigned Incorporator of the Corporation has certified this Certificate of Incorporation on this 25th day of November, 2013.

Montrose Environmental Group, Inc.

By: /s/ Reinaldo Pascual
Reinaldo Pascual, Incorporator

(Signature Page to Certificate of Incorporation)

Exhibit 3.2

CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION
OF
MONTROSE ENVIRONMENTAL GROUP, INC.

Montrose Environmental Group, Inc. (the "Corporation"), a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the "General Corporation Law"), does hereby certify as follows:

FIRST: The name of the Corporation is Montrose Environmental Group, Inc.

SECOND: The original certificate of incorporation of the Corporation was filed with the Secretary of State of the State of Delaware on November 25, 2013.

THIRD: The Certificate of Incorporation of the Corporation (the "Certificate") is hereby amended such that the first paragraph of Article IV be, and it hereby is, deleted in its entirety, and the following is inserted in lieu thereof:

The total number of shares of all classes of equity securities which the Corporation shall have the authority to issue is 25,100,000, which is divided as follows:

1. 25,000,000 shares of common stock, $0.000004 par value ("Common Stock"); and
2. 100,000 shares of preferred stock, $0.0001 par value ("Preferred Stock").

Effective as of 12:01 a.m. Pacific Daylight Time on December 8, 2017 (the "Effective Time"), each share of Common Stock issued and outstanding immediately prior to the Effective Time shall, automatically and without any action on the part of the respective holders thereof, be split and converted into 25 shares of Common Stock. Each certificate that immediately prior to the Effective Time represented shares of Common Stock ("Old Certificates") shall thereafter represent that number of shares of Common Stock into which the shares of Common Stock represented by the Old Certificate shall have been split.

FOURTH: This Certificate of Amendment was duly adopted in accordance with the terms of the Certificate and Sections 141, 228 and Section 242 of the General Corporation Law by the Board of Directors and the stockholders of the Corporation.

[*remainder of page intentionally left blank; signature page follows.*]

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to the Certificate of Incorporation to be executed by Nasym Afsari, its Secretary, this 6th day of December, 2017.

Montrose Environmental Group, Inc.

By: /s/ Nasym Afsari
Name: Nasym Afsari
Title: Secretary

Exhibit 3.3

CERTIFICATE OF AMENDMENT TO THE
CERTIFICATE OF INCORPORATION
OF
MONTROSE ENVIRONMENTAL GROUP, INC.

Montrose Environmental Group, Inc. (the "Corporation"), a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the "General Corporation Law"), does hereby certify as follows:

FIRST: The name of the Corporation is Montrose Environmental Group, Inc.

SECOND: The Corporation's Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on November 25, 2013, and a Certificate of Amendment to the Corporation's Certificate of Incorporation was previously filed with the Secretary of the State of Delaware on December 6, 2017 (as so amended, the "**Certificate of Incorporation**").

THIRD: The following sentence is hereby added to the end of Article X of the Certificate of Incorporation:

"Notwithstanding anything to the contrary contained herein, except as otherwise required by law, holders of Common Stock, as such, shall not be entitled to vote on any amendment to this Certificate of Incorporation, including any certificate of designations relating to any series of Preferred Stock (each hereinafter referred to as a "Preferred Stock Designation"), 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 Preferred Stock Designation)."

FOURTH: Article XI of the Certificate of Incorporation is hereby amended and restated in its entirety to read as follows:

"A. In recognition and anticipation that (i) certain directors, principals, members, officers, employees and/or other representatives of one or more of the Investors and their respective Affiliates (as defined below) may serve as directors of the Corporation, (ii) one or more of the Investors and their respective Affiliates 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 affiliated with Investors ("Investor Directors") and their respective Affiliates 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 XI 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 the Investors, the Investor 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) the Investors or any of their respective Affiliates or (ii) the Investor Directors or his or her 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 a corporate opportunity in the same or similar business activities or lines of business in which the Corporation or any of its controlled Affiliates now engages or proposes to engage or (2) otherwise competing with the Corporation or any of its controlled 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. To the fullest extent permitted by law, the Corporation hereby renounces any interest or expectancy in, or right to be offered an opportunity to participate in, any business opportunity which may be a corporate opportunity for an Identified Person and the Corporation or any of its controlled Affiliates, except as provided in Section D of this Article XI. Subject to Section D of this Article XI, in the event that any Identified Person acquires knowledge of a potential transaction or other matter or business opportunity which may be a corporate opportunity for itself, herself or himself and the Corporation or any of its Affiliates, such Identified Person shall, to the fullest extent permitted by law, have no fiduciary duty to communicate, present or offer such transaction or other business opportunity to the Corporation or any of its controlled Affiliates and, to the fullest extent permitted by law, shall not be liable to the Corporation or its stockholders or to any controlled Affiliate of the Corporation for breach of any fiduciary duty as a stockholder or director of the Corporation solely by reason of the fact that such Identified Person pursues or acquires such corporate opportunity for itself, herself or himself, offers or directs such corporate opportunity to another Person, or does not present such corporate opportunity to the Corporation or any of its Affiliates.

C. The Corporation and its Affiliates do not have any rights in and to the business ventures of any Identified Person, or the income or profits derived therefrom.

D. The Corporation does not renounce its interest in any corporate opportunity offered to any Investor Director if such opportunity is expressly offered to such person in writing solely in his or her capacity as a director of the Corporation, and the provisions of Section B of this Article XI shall not apply to any such corporate opportunity.

E. In addition to and notwithstanding the foregoing provisions of this Article XI, 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.

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 XI. Neither the alteration, amendment, addition to or repeal of this Article XI, nor the adoption of any provision of this Certificate of Incorporation, as amended (including any certificate of designation relating to any series of Preferred Stock), inconsistent with this Article XI, shall eliminate or reduce the effect of this Article XI in respect of any business opportunity first identified, or any cause of action, suit or claim that, but for this Article XI, would accrue or arise, prior to such alteration, amendment, addition, repeal or adoption.

G. For purposes of this Article XI:

(i) "Affiliate" shall mean (a) in respect of any Investor, any Person that, directly or indirectly, is controlled by such Investor, controls such Investor or is under common control with such Investor and shall include any principal, member, director, 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 an Investor Director, any Person that, directly or indirectly, is controlled by such Investor 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;

(ii) "control" (including the terms "controlled by" and "under common control with"), with respect to the relationship between or among two or more Persons, means the possession, directly or indirectly, of the power to direct or cause the direction of the affairs or management of a Person, whether through the ownership of voting securities, by contract or otherwise.

(iii) "Investor" means the Sponsor and any Transferee which holds shares of Series A-1 and Series A-2 Preferred Stock.

(iv) "Person" means any individual, corporation, limited liability company, limited or general partnership, joint venture, association, joint-stock company, trust, unincorporated organization or other entity, whether domestic or foreign.

(v) "Sponsor" means Oaktree Capital Management, L.P. and any entities and funds affiliated therewith, including without limitation OCM Montrose Holdings, L.P. and OCM Montrose II Holdings, L.P.

(vi) "Transferee" means any transferee of Series A-1 and Series A-2 Preferred Stock which is an Affiliate of either the Sponsor or any other Transferee (including, in each case, the funds, partnerships or other co-investment vehicles managed, advised or controlled thereby but other than, in each case, any portfolio company of any of the foregoing or the Company and its subsidiaries)."

FIFTH: This Certificate of Amendment was duly adopted in accordance with the terms of the Certificate of Incorporation and Section 141, Section 228 and Section 242 of the General Corporation Laws by the Board of Directors and the stockholders of the Corporation.

[*Signature page follows*]

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to the Certificate of Incorporation to be executed by Nasym Afsari, its Secretary, this 13th day of April, 2020.

MONTROSE ENVIRONMENTAL GROUP, INC.

By: /s/ Nasym Afsari
Name: Nasym Afsari
Title: Secretary

[Signature Page to Certificate of Amendment of Certificate of Incorporation]

AMENDED AND RESTATED CERTIFICATE OF DESIGNATION
OF
CUMULATIVE SERIES A-1 PREFERRED STOCK
OF
MONTROSE ENVIRONMENTAL GROUP, INC.

Montrose Environmental Group, Inc., a Delaware corporation (the "Issuer") hereby certifies as follows:

FIRST: Pursuant to the Certificate of Incorporation of the Issuer (as amended, restated, supplemented or otherwise modified from time to time, the "Certificate of Incorporation") the Board of Directors of the Issuer (the "Board of Directors") duly adopted a resolution on October 19, 2018, creating a series of 12,000 shares of Preferred Stock, designated as "Cumulative Series A-1 Preferred Stock" as set forth in the Certificate of Designation of Cumulative Series A-1 Preferred Stock (the "Prior Certificate") as filed with the Secretary of State of the State of Delaware on October 19, 2018.

SECOND: This Amended and Restated Certificate of Designation of Cumulative Series A-1 Preferred Stock amends and restates the Prior Certificate as set forth below and was duly authorized and adopted by (i) the Board of Directors, acting by written consent as of April 13, 2020, (ii) by the holders of the Issuer's outstanding shares of Series A-1 Preferred Stock and the holders of the Issuer's outstanding shares of Common Stock, each acting by written consent pursuant to Section 228 of the Delaware General Corporation Law (the "DGCL"), in accordance with Section 242 of the DGCL.

THIRD: The Prior Certificate is hereby amended and restated in its entirety as set forth in this Amended and Restated Certificate of Cumulative Series A-1 Preferred Stock:

1. Designation. Series A-1 Preferred Stock. A total of 12,000 shares of Preferred Stock, par value $0.0001 per share, shall be designated as a series known as Cumulative Series A-1 Preferred Stock, with each share having an initial Stated Value of $10,000 per share (the "Series A-1 Preferred Stock"). Each share of Series A-1 Preferred Stock will have the same designations, powers, preferences and rights as every other share of Series A-1 Preferred Stock.

2. Definitions; Interpretation.

(a) Definitions. As used in this Certificate of Designation, the following capitalized terms shall have the following meanings:

"Acquisition," by any Person, means the acquisition by such Person, in a single transaction or in a series of related transactions, of all or substantially all of the property of, or a line of business, division of or other business unit of, another Person or at least a majority of the Voting Stock of another Person, in each case whether or not involving a merger or consolidation with such other Person and whether for cash, property, services, assumption of Indebtedness, securities or otherwise.

"Adjusted Pro Forma EBITDA" means for any period, for the Issuer and its Subsidiaries on a consolidated basis, an amount equal to:

(a) Consolidated Net Income for such period;

plus,

(b) without duplication, the following to the extent (except in the case of (b)(viii)(B) and (b)(x)(C) below) deducted in calculating such Consolidated Net Income:

(i) Consolidated Interest Charges for such period;

(ii) net income tax expense (or net expense for franchise taxes in lieu of income taxes) for such period;

(iii) depreciation and amortization expense for such period;

(iv) (A) reasonable fees and expenses of professional advisors, accountants, investment bankers and legal counsel, bonuses incurred, and filing and other fees payable to, or in connection with filings made with, the SEC, including financial printer costs, in each case, in connection with a Qualifying IPO for such period and (B) Qualifying IPO Costs for such period in an amount not to exceed $3,000,000, in each case whether a Qualifying IPO is consummated or not consummated during such period;

(v) costs and expenses attributable to the closing of this Transaction, to the extent such costs and expenses are not capitalized (it being agreed that if capitalized, the same are covered by clause (b)(iii) above);

(vi) all non-cash charges or losses for such period, including non-cash stock based compensation expense for such period (other than (A) charges relating to inventory or accounts receivable and (B) any such non-cash charges or losses to the extent representing accruals of or reserves for cash expenses in any future period or an amortization of a prepaid cash expense;

(vii) (A) costs and expenses incurred in connection with the acquisition of The Center for Toxicology and Environmental Health, L.L.C., an Arkansas limited liability company (the "CTEH Acquisition") and (B) costs and expenses, not to exceed $600,000, associated with obtaining consent to the Transactions and the CTEH Acquisition under the Existing Loan Agreement;

(viii) (A) charges and expenses reimbursed to the Issuer and its Subsidiaries by insurance or indemnity payments by third parties for such period and, in the case of this clause (A), such additional charges and expenses for such period that, in the good faith judgment of the Issuer, are reasonably expected to be so reimbursed to the Issuer and its Subsidiaries within one year after the incurrence of such charge or expense (and if not so reimbursed within one year, such unreimbursed amounts shall be deducted from Adjusted Pro Forma EBITDA during the next period), and (B) proceeds of business interruption insurance received in such period in an amount representing the earnings for such period that such proceeds are intended to replace (to the extent not reflected in Consolidated Net Income);

(ix) reasonable costs and expenses incurred in connection with Permitted Acquisitions (including, without limitation, associated integration costs and expenses to the extent incurred within twelve months of the consummation or implementation of a Permitted Acquisition) whether consummated or unconsummated during such period to the extent such costs and expenses are not capitalized (it being agreed that if capitalized, same are covered by clause (b)(iii) above); provided, however, that any such travel-related costs and expenses incurred by Issuer employees in connection with Permitted Acquisitions, whether consummated or unconsummated, shall be limited to pre-closing travel and the first trip made by any such Issuer employee following the consummation of such Permitted Acquisition;

(x) (A) other non-recurring or extraordinary losses, reserves, charges and expenses for such period,

(B) losses from start-up labs or de novo locations, businesses or service offerings, so long as such loss was incurred within twelve months of the openings of such start-up labs or de novo location or the initial investment in such business or service offering, as applicable, and

(C) for any period ending on or prior to December 31, 2020, the amount of "run rate" cost savings and operating expense reductions projected by the Issuer in good faith to be realized after specified actions which are taken within twelve months of the consummation or implementation of a Permitted Acquisition or the implementation of a cost-savings or similar initiative, net of the amount of actual benefits realized during such period from such actions, and in each case, are reasonably expected to be realized within the first twelve months following the consummation or implementation thereof and are reasonably identifiable and factually supportable; provided that no cost savings or operating expense reductions shall be added pursuant to this clause (x)(C) to the extent duplicative of any amounts otherwise added to, or included in, Adjusted Pro Forma EBITDA, whether through a pro forma adjustment or otherwise, for such period;

provided, that (x) the aggregate amount added back to Adjusted Pro Forma EBITDA pursuant to clauses (b)(x)(A) – (b)(x)(C) shall not exceed 15% of Adjusted Pro Forma EBITDA for any such period in the aggregate (calculated prior to giving effect to such addbacks); provided, however, that when calculating the addback set forth in clause (b)(x)(A), it shall be net of any related extraordinary gains referenced in (c)(iii) below for such period, and (y) the aggregate amount added back to Adjusted Pro Forma EBITDA pursuant to clauses (b)(x)(B) and (b)(x)(C) shall not exceed 7.5% of Adjusted Pro Forma EBITDA for any such period in the aggregate (calculated prior to giving effect to such addbacks);

minus

(c) to the extent included in calculating Consolidated Net Income,

(i) the amount of cash expended in such period in respect of any amount that, under clause (b)(vi) above, was taken into account in determining Adjusted Pro Forma EBITDA for such period or any prior period, all as determined in accordance with GAAP;

(ii) all non-cash gains for such period; and

(iii) (1) for any period ending on or prior to December 31, 2020, all extraordinary and non-recurring gains for such period and (2) for any period ending after December 31, 2020, all extraordinary and non-recurring cash gains for such period.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

"Affiliate Transaction" has the meaning given to such term in Section 12.

"Applicable Calculation Date" means the applicable date of calculation for (i) the Consolidated Debt Ratio, (ii) the Adjusted Pro Forma EBITDA or (iii) the Consolidated Total Leverage Ratio.

"Applicable Measurement Period" means the most recently completed four consecutive fiscal quarters of the Issuer for which financial statements have been delivered to the holders of Series A-1 Preferred Stock or were required to be delivered pursuant to Section 15 immediately preceding the Applicable Calculation Date.

"Bankruptcy Law" means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect.

"Board of Directors" has the meaning assigned to such term in the recitals hereof.

"Business Day" means each day that is not a Legal Holiday.

"Capital Stock" means (a) in the case of a corporation, corporate stock, (b) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock, (c) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited), and (d) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

"Capitalized Lease Obligation" means, at the time any determination thereof is to be made, the amount of the liability in respect of a capital lease that would at such time be required to be accounted for as a capital lease on a balance sheet (excluding the footnotes thereto) in accordance with GAAP, subject, for the avoidance of doubt, to the last sentence of Section 2(b).

"Cash Equivalents" means cash equivalents and marketable securities as defined under GAAP.

"Certificate of Designation" has the meaning assigned to such term in the recitals hereof.

"Certificate of Incorporation" has the meaning assigned to such term in the recitals hereof.

"Change of Control" means the occurrence of any of the following after the Closing Date:

(a) the failure of the holders of Equity Interests on the Closing Date to maintain beneficial ownership of at least a majority of the Equity Interests of the Issuer on a fully diluted basis; or

(b) during any period of twenty-four (24) consecutive months, a majority of the members of the Board of Directors or other equivalent governing body of the Issuer cease to be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election, appointment or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election, appointment or nomination at least a majority of that Board of Directors or equivalent governing body or (iii) whose election, appointment or nomination to that Board of Directors or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election, appointment or nomination at least a majority of that board or equivalent governing body.

"Closing Date" means October 19, 2018.

"Code" means the Internal Revenue Code of 1986, as amended, or any successor thereto.

"Common Stock" means the common stock, par value $0.000004 per share, of Issuer.

"Consolidated Debt Ratio" means, as of any date of determination, the ratio of (1) Consolidated Total Indebtedness of the Issuer and its Subsidiaries computed as of the end of the Applicable Measurement Period to (2) the Issuer's Adjusted Pro Forma EBITDA for the Applicable Measurement Period, provided, that for the calculation of Consolidated Total Indebtedness and Adjusted Pro Forma EBITDA giving appropriate *pro forma* effect to such incurrence, assumption, guarantee, redemption, repayment, retirement or extinguishment of Indebtedness, or such issuance or redemption of Disqualified Stock or Preferred Shares (in each case, including a *pro forma* application of the net proceeds therefrom), as if the same had occurred at the beginning of the Applicable Measurement Period.

For purposes of making the computation referred to above, any Specified Transaction that has been made by the Issuer or any of its Subsidiaries during the Applicable Measurement Period or subsequent to such Applicable Measurement Period and on or prior to or simultaneously with the Applicable Calculation Date shall be included in such calculation on a *pro forma* basis assuming that all such Specified Transactions (and the change in any associated fixed charge obligations and the change in Adjusted Pro Forma EBITDA resulting therefrom) had

occurred on the first day of the Applicable Measurement Period. If since the beginning of such period any Person that subsequently became a Subsidiary or was merged or amalgamated with or into the Issuer or any of its Subsidiaries since the beginning of such period shall have made any Specified Transaction that would have required adjustment pursuant to this definition, then the Consolidated Debt Ratio shall be calculated giving *pro forma* effect thereto for such Applicable Measurement Period as if such Specified Transaction had occurred at the beginning of the Applicable Measurement Period.

For purposes hereof, whenever *pro forma* effect is to be given to a transaction, the *pro forma* calculations shall be made in good faith by a responsible financial or accounting officer of the Issuer (and may include, for the avoidance of doubt and without duplication, cost savings, operating expense reductions and synergies resulting from any disposition or such Investment, acquisition, disposition, merger, amalgamation or consolidation or other transaction (including the Transactions)).

"Consolidated Interest Charges" means, for any period, for the Issuer and its Subsidiaries on a consolidated basis, an amount equal to the sum of (a) all interest, premium payments, debt discount, fees, charges and related expenses in connection with borrowed money (including capitalized interest) or in connection with the deferred purchase price of assets, in each case to the extent treated as interest in accordance with GAAP, but excluding, to the extent otherwise included as an interest expense, transaction costs related to the closing of the Existing Loan Agreement, including up-front fees and expenses, plus (b) the portion of rent expense with respect to such period under Capitalized Lease Obligations that is treated as interest in accordance with GAAP plus (c) the implied interest component of Synthetic Leases with respect to such period.

"Consolidated Net Income" means, for any period, for the Issuer and its Subsidiaries on a consolidated basis, the net income of the Issuer and its Subsidiaries for that period, as determined in accordance with GAAP; provided that Consolidated Net Income shall exclude any income (or loss) for such period of any Person if such Person is not a Subsidiary, except that the Issuer's equity in the net income of any such Person for such period shall be included in Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such period to the Issuer or a Subsidiary as a dividend or other distribution.

"Consolidated Total Indebtedness" means, as at any Applicable Calculation Date, (i) the aggregate amount of all outstanding Indebtedness and Disqualified Stock (excluding the Series A-1 Preferred Stock and Series A-2 Preferred Stock) of the Issuer and its Subsidiaries on a consolidated basis less (ii) all cash and Cash Equivalents of the Issuer and its Subsidiaries that do not appear (or would not be required to appear) as "restricted" on a consolidated balance sheet of the Issuer.

"Consolidated Total Leverage Ratio" means, as of any date of determination, the ratio of (1) the sum of (a) Consolidated Total Indebtedness of the Issuer and its Subsidiaries computed as of the end of the Applicable Measurement Period and (b) the aggregate amount of the Series A-1 Preferred Stock of the Issuer and Series A-2 Preferred Stock of the Issuer on a consolidated basis, with the amount of such Series A-1 Preferred Stock or Series A-2 Preferred Stock, as applicable, equal to the stated value thereof plus accrued and unpaid interest thereon, to

(2) the Issuer's Adjusted Pro Forma EBITDA for the Applicable Measurement Period, in each case with such pro forma adjustments to Consolidated Total Indebtedness and Adjusted Pro Forma EBITDA as are appropriate giving *pro forma* effect to such incurrence, assumption, guarantee, redemption, repayment, retirement or extinguishment of Indebtedness, or such issuance or redemption of Series A-1 Preferred Stock or Series A-2 Preferred Stock (in each case, including a *pro forma* application of the net proceeds therefrom), as if the same had occurred at the beginning of the Applicable Measurement Period.

For purposes of making the computation referred to above, any Specified Transaction that has been made by the Issuer or any of its Subsidiaries during the Applicable Measurement Period or subsequent to such Applicable Measurement Period and on or prior to or simultaneously with the Applicable Calculation Date shall be included in such calculation on a *pro forma* basis assuming that all such Specified Transactions (and the change in any associated fixed charge obligations and the change in Adjusted Pro Forma EBITDA resulting therefrom) had occurred on the first day of the Applicable Measurement Period. If since the beginning of such period any Person that subsequently became a Subsidiary or was merged or amalgamated with or into the Issuer or any of its Subsidiaries since the beginning of such period shall have made any Specified Transaction that would have required adjustment pursuant to this definition, then the Consolidated Debt Ratio shall be calculated giving *pro forma* effect thereto for such Applicable Measurement Period as if such Specified Transaction had occurred at the beginning of the Applicable Measurement Period.

For purposes hereof, whenever *pro forma* effect is to be given to a transaction, the *pro forma* calculations shall be made in good faith by a responsible financial or accounting officer of the Issuer (and may include, for the avoidance of doubt and without duplication, cost savings, operating expense reductions and synergies resulting from any disposition or such Investment, acquisition, disposition, merger, amalgamation or consolidation or other transaction (including the Transactions).

"Controlled Investment Affiliates" means, as to any Person, any other Person, other than any Investor, which directly or indirectly controls, is controlled by, or is under common control with such Person and is organized by such Person (or any Person controlling such Person) primarily for making direct or indirect equity or debt investments in the Issuer or other Persons.

"Credit Facilities" means the Existing Loan Agreement and any debt facilities, indentures or other financing arrangements (including, without limitation, commercial paper facilities with banks or other institutional lenders or investors or indentures) providing for revolving credit loans, term loans, letters of credit or other indebtedness, including any notes, mortgages, guarantees, collateral documents, instruments and agreements executed in connection therewith, and any amendments, supplements, modifications, extensions, renewals, restatements or refundings thereof, in whole or in part, and any indentures or credit facilities or commercial paper facilities with banks or other institutional lenders or investors that replace, refund, refinance, extend, renew, restate, amend, supplement or modify any of the loans, notes, other credit facilities or commitments thereunder, including any such exchanged, replacement, refunding, refinancing, extended, renewed, restated, amended, supplemented or modified facility or indenture that increases the amount permitted to be borrowed or issued thereunder or alters the maturity thereof.

"Credit Facilities Cap" unless consented to by a Holder Majority in writing, means $235,000,000 (which, for the avoidance of doubt, includes the $10,000,000 swing line sublimit under the Existing Loan Agreement as if fully drawn), plus an amount equal to unpaid accrued interest and premium thereon and reasonable fees and expenses (including upfront fees and original issue discount ("OID")) incurred in connection with the initial exchange, replacement, refunding, or refinancing of the Existing Loan Agreement.

"CTEH 2020 Earnout Amount" means the 2020 Earnout Amount (as defined in the CTEH Acquisition Agreement).

"CTEH Acquisition Agreement" means the Membership Interest Purchase Agreement, by and among CTEH Holdings, LLC ("CTEH Holdings"), the Issuer, The Center for Toxicology and Environmental Health, L.L.C., Montrose Planning & Permitting, LLC and the other parties thereto, dated March 28, 2020.

"CTEH Participating Equity" means the amount of the CTEH 2020 Earnout Amount that was paid (or is payable) by the Issuer in Common Stock that CTEH Holdings may require the Issuer to include for sale in a subsequent equity offering of the Issuer, which amount shall not exceed 50% of the CTEH 2020 Earnout Amount.

"Delayed Mandatory Redemption Date" has the meaning assigned to such term in Section 7(b)(iv).

"DGCL" has the meaning assigned to such term in the recitals hereof.

"Disqualified Stock" means, with respect to any Person, any Capital Stock of such Person which, by its terms, or by the terms of any security into which it is convertible or for which it is putable or exchangeable, or upon the happening of any event, matures or is mandatorily redeemable (other than solely as a result of a change of control, asset sale, condemnation or eminent domain, and other than solely for any Equity Interest that is not Disqualified Stock) pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof (other than solely as a result of a change of control, asset sale, condemnation or eminent domain), in whole or in part; *provided, however*, that if such Capital Stock is issued to any plan for the benefit of employees of the Issuer or any Subsidiary, or by any such plan to such employees, such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Issuer or any Subsidiary in order to satisfy applicable statutory or regulatory obligations; *provided, further*, that any Capital Stock held by any future, current or former employee, director, officer, manager or consultant (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Issuer or any of its Subsidiaries, or any Parent Entity, or any other entity in which the Issuer or any of its Subsidiaries has an Investment and is designated in good faith as an "Affiliate" by the Board of Directors or the board of directors of any Subsidiary (or, in each case, the compensation committee thereof), shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Issuer or any of its Subsidiaries pursuant to any stockholders' agreement, management equity plan, stock option plan or any other management or employee benefit plan or agreement or in order to satisfy applicable statutory or regulatory obligations.

"Dividend Payment Date" has the meaning assigned to such term in Section 5.

"Dividend Period" means the period commencing on the day immediately following a Dividend Payment Date and shall end on, and include, the next Dividend Payment Date; provided that the initial Dividend Period shall commence on and include the Closing Date and shall end on, and include, the first Dividend Payment Date.

"Earn Out Obligations" means, with respect to an Acquisition, all obligations of the Issuer or any Subsidiary to make earn out or other contingency payments (including purchase price adjustments, non-competition and consulting agreements) pursuant to the documentation relating to such Acquisition. The amount of any Earn Out Obligations at the time of determination shall be the aggregate amount, if any, of such Earn Out Obligations that are required at such time under GAAP to be recognized as liabilities on the consolidated balance sheet of the Issuer.

"Equity Interest" shall mean Capital Stock and all warrants, options, or other rights to acquire Capital Stock, but excluding any debt security that is convertible into, or exchangeable for, Capital Stock.

"Event of Noncompliance" means any one of the following events:

(a) failure by the Issuer or any of its Subsidiaries to comply with any of its obligations, covenants or agreements contained in this Certificate of Designation and the receipt by Issuer from the Holder Majority of a written notice captioned an "Event of Noncompliance" and specifying such failure with particularity, including the applicable section(s) of this Certificate of Designations (any such notice, a "Non-Compliance Notice"); provided that (i) in the case of a failure to comply with Section 11 such period of continuance of such default or breach shall be 30 days after the receipt of a Non-Compliance Notice and (ii) in the case of a failure to comply with Section 15(a) for a given fiscal quarter, (x) solely for the purposes of Sections 10(b)(x) and Section 15(b), an Event of Noncompliance shall commence upon the failure to so comply with Section 15(a) for such fiscal quarter and continue until the later of (1) 90 days subsequent to the date on which the financial statements with respect to such fiscal quarter have been delivered to the holders of Series A-1 Preferred Stock and (2) the date when the failure to comply with Section 15(a) for such fiscal quarter has been cured, and (y) for all other purposes no Non-Compliance Notice shall be delivered prior to expiration of the Cure Right (if applicable);

(b) default under any mortgage, indenture or instrument under which there is issued or by which there is secured or evidenced any Indebtedness for money borrowed by the Issuer or any of its Significant Subsidiaries or the payment of which is guaranteed by the Issuer or any of its Significant Subsidiaries (other than Indebtedness owed to the Issuer or a Subsidiary), whether such Indebtedness or guarantee now exists or is created after the issuance of the Series A-1 Preferred Stock, if both:

(i) such default either results from the failure to pay any principal of such Indebtedness at its stated final maturity (after giving effect to any applicable grace periods) or relates to an obligation other than the obligation to pay principal of any such Indebtedness at its stated final maturity and results in the holder or holders of such Indebtedness causing such Indebtedness to become due prior to its stated final maturity; and

(ii) the principal amount of such Indebtedness, together with the principal amount of any other such Indebtedness in default for failure to pay principal at stated final maturity (after giving effect to any applicable grace periods), or the maturity of which has been so accelerated, is in the aggregate, in excess of the Threshold Amount (or its foreign currency equivalent) at any one time outstanding;

provided, that any Event of Noncompliance under this clause (b) shall be automatically rescinded if the holders of such Indebtedness rescind or waive the underlying default which triggered such Event of Noncompliance within 45 days of such Event of Noncompliance;

(c) failure by the Issuer or any of its Subsidiaries to pay final non-appealable judgments aggregating in excess of the Threshold Amount (to the extent not covered by insurance as to which the insurer has been notified of such judgment or order and has not denied its obligation), which final judgments remain unpaid, undischarged and unstayed for a period of more than 60 days after such judgment becomes final and non-appealable, and in the event such judgment is covered by insurance, an enforcement proceeding has been commenced by any creditor upon such judgment or decree which is not promptly stayed;

(d) any of the following events with respect to the Issuer or any of its Significant Subsidiaries:

(i) the Issuer or any Significant Subsidiary pursuant to or within the meaning of any Bankruptcy Law:

(A) commences proceedings to be adjudicated bankrupt or insolvent;

(B) consents to the entry of an order for relief against it in an involuntary case;

(C) consents to the appointment of a custodian of it or for all or substantially all of its property;

(ii) the Issuer or any Significant Subsidiary takes any comparable action described in clause (d)(i) under any foreign laws relating to insolvency; or

(iii) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(A) is for relief against the Issuer or any Significant Subsidiary in an involuntary case;

(B) appoints a custodian of the Issuer or any Significant Subsidiary or for all or substantially all of its property; or

(C) orders the winding up or liquidation of the Issuer or any Significant Subsidiary;

and, in each case, the order or decree remains unstayed and in effect for 60 days.

Promptly (and in any event, within two (2) Business Days), the Issuer shall notify all of the holders of the Series A-1 Preferred Stock of the occurrence of an Event of Noncompliance, breach or any other default hereunder.

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

"Existing Loan Agreement" means the Fifth Amended and Restated Credit Agreement, dated as of July 24, 2019 among the Issuer, the guarantors from time to time party thereto, the lenders from time to time party thereto (the "Senior Lenders") and Bank of America, N.A. (the "Agent"), as Administrative Agent, Swing Line Lender and L/C Issuer, as from time to time amended, restated, supplemented or otherwise modified.

"First Call Date" means the third anniversary of the Closing Date; provided that (i) in connection with any redemption pursuant to Section 6 or Section 7(a) in connection with a Qualifying IPO or Non-Qualifying IPO, the First Call Date shall be the second anniversary of the Closing Date, (ii) in connection with any redemption pursuant to Section 6 or Section 7(a) that is accomplished through a Full Buyout Private Offering, and the Issuer elects to concurrently redeem the Warrant in cash based on a price per share equal to the fair market value of the Common Stock underlying such Warrant (but no less than $31.60 per share), the First Call Date shall be the second anniversary of the Closing Date and (iii) in connection with any redemption pursuant to Section 6 or Section 7(a) that is accomplished with a Qualifying Private Offering that is not a Full Buyout Private Offering, and the Issuer elects to concurrently redeem such portion of the Warrant equal to quotient obtained by dividing (A) the aggregate Stated Value of outstanding Series A-1 Preferred Stock redeemed by (B) the aggregate Stated Value of all Series A-1 Preferred Stock outstanding immediately prior to such redemption in cash based on a price per share equal to the fair market value of the Common Stock underlying such Warrant (but no less than $31.60 per share), the First Call Date shall be the second anniversary of the Closing Date.

"Full Buyout Private Offering" means a private offering and sale for cash by the Issuer for its own account of shares of Common Stock, warrants, options or rights to subscribe for or purchase Common Stock, or any combination of the foregoing that is, along with up to $50,000,000 of cash on hand and Indebtedness incurred in compliance with Section 11 (if elected by the Issuer), (1) used to fully redeem all outstanding shares of Series A-1 Preferred Stock and (2) to the extent occurring on or after the CTEH 2020 Earnout Amount is due and payable, the entire CTEH Participating Equity is sold in such offering.

"GAAP" means generally accepted accounting principles in the United States of America, as in effect from time to time.

"Governmental Authority" means the government of the United States, any other nation or any political subdivision thereof, whether state, provincial, county, local, or otherwise, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government in any jurisdiction (including any supra-national bodies such as the European Union or the European Central Bank).

"Hedging Obligations" means, with respect to any Person, the obligations of such Person under any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, commodity swap agreement, commodity cap agreement, commodity collar agreement, foreign exchange contract, currency swap agreement or similar agreement providing for the transfer, modification or mitigation of interest rate, currency, commodity or equity risks either generally or under specific contingencies.

"Holder" means, with reference to any Indebtedness or other Obligations, any holder or lender of, or trustee or collateral agent or other authorized representative with respect to, such Indebtedness or Obligations, and, in the case of Hedging Obligations, any counter-party to such Hedging Obligations.

"Holder Majority" has the meaning assigned to such term in Section 16(a).

"Holder Supermajority" has the meaning assigned to such term in Section 16(b).

"Immediate Family Members" means with respect to any individual, such individual's child, stepchild, grandchild or more remote descendant, parent, stepparent, grandparent, spouse, former spouse, qualified domestic partner, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law (including adoptive relationships), and any trust, partnership or other bona fide estate-planning vehicle the only beneficiaries of which are any of the foregoing individuals or any private foundation or fund that is controlled by any of the foregoing individuals or any donor-advised fund of which any such individual is the donor.

"Indebtedness" of any Person means, without duplication, (a) all obligations of such Person for borrowed money or advances; (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments; (c) all obligations of such Person under conditional sale or other title retention agreements relating to property purchased by such Person; (d) all obligations of such person issued or assumed as the deferred purchase price of property or services; (e) all Indebtedness of others (excluding prepaid interest thereon) secured by any Lien on property owned or acquired by such Person, whether or not the obligations secured thereby have been assumed, but limited to the lower of (x) fair market value of such property as determined by such Person in good faith and (y) the amount of Indebtedness secured by such Lien; (f) all Capitalized Lease Obligations, Purchase Money Obligations and Synthetic Lease obligations of such Person to the extent classified as indebtedness under GAAP (for the avoidance of doubt, lease payments under any operating leases shall not constitute Indebtedness); (g) all Hedging Obligations to the extent required to be reflected on the balance sheet of such Person on a marked to market net value basis (or if any actual amount is due as a result of the termination or close out of such hedging agreement, such actual amount); and (h) all obligations of such Person for the reimbursement of any obligor in respect of letters of credit, letters of guaranty, bankers' acceptances and similar credit transactions. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such

entity, except (other than in the case of general partner liability) to the extent that terms of such Indebtedness expressly provide that such Person is not liable therefor. Notwithstanding the foregoing or anything else herein to the contrary, Indebtedness shall not include: (a) trade accounts payable, (b) deferred obligations owing to any Affiliate, including under any management services agreement, (c) accrued obligations incurred in the ordinary course of business, including current tax accruals, (d) purchase price adjustments, holdbacks, indemnity obligations and Earn Out Obligations (until such obligations or adjustments become a liability on the balance sheet of such Person in accordance with GAAP and solely if not paid after becoming due and payable), (e) royalty payments made in the ordinary course of business in respect of licenses (to the extent such licenses are not prohibited hereby), (f) any accruals for payroll and other non-interest bearing liabilities accrued in the ordinary course of business, (g) deferred rent obligations, taxes and compensation, (h) customary payables with respect to money orders or wire transfers, (i) customary obligations under employment arrangements, (j) operating leases, (k) pension-related or post-employment liabilities, (l) intra-day exposures, (m) Hedging Obligations except to the extent included in clause (g) above, (n) amounts owed to dissenting stockholders in connection with, or as a result of, their exercise of appraisal rights and the settlement of any claims or actions (whether actual, contingent or potential) with respect thereto (including any accrued interest), with respect to any Permitted Investments to the extent paid when due (unless being properly contested), and (o) obligations in respect of any license, permit or other approval arising in the ordinary course of business.

"Investments" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of loans (including guarantees), advances or capital contributions (excluding accounts receivable, trade credit, advances to customers, commission, travel and similar advances to officers, directors, managers, employees and consultants, in each case made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities issued by any other Person and investments that are required by GAAP to be classified on the balance sheet (excluding the footnotes) of the Issuer in the same manner as the other investments included in this definition to the extent such transactions involve the transfer of cash or other property.

The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced by any dividend, distribution, interest payment, return of capital, repayment or other amount received in cash or Cash Equivalents by the Issuer or a Subsidiary in respect of such Investment.

"Investor" means the Purchaser and any Purchaser Transferee which holds shares of Series A-1 Preferred Stock.

"IPO Common Equity" means the common stock of the IPO Issuer.

"IPO Issuer" means the Issuer or a direct or indirect parent of the Issuer.

"IPO Redemption Stock Amount Cap" means an amount per share equal to the product of (i) 50.00% multiplied by (ii) the Redemption Price minus $10,000.

"Issuer" has the meaning assigned to such term in the recitals hereof.

"Junior Stock" means (a) Common Stock and (b) Preferred Stock (other than the Series A-1 Preferred Stock and Series A-2 Preferred Stock) or any other Equity Interest of the Issuer that by its terms, in either such case, ranks junior to the Parity Stock. For the avoidance of doubt, the Parity Stock does not constitute Junior Stock.

"Law" means any applicable U.S. or foreign, federal, state, provincial, municipal or local law (including common law), statute, ordinance, rule, regulation, code, policy, directive, standard, license, treaty, judgment, order, injunction, decree or agency requirement of or undertaking to or agreement with any Governmental Authority.

"Legal Holiday" means a Saturday, a Sunday or a day on which commercial banking institutions are not required or authorized to be open in the State of New York.

"Leverage Failure" has the meaning given to such term in Section 15.

"LIBOR" means, the rate per annum appearing on Bloomberg L.P.'s service (the "Service") (or on any successor to or substitute for such Service) for ICE LIBOR USD interest rates for a term of 3 months. If the Service shall no longer report ICE LIBOR USD interest rates, or such interest rates cease to exist, the Holder Majority, after consulting in good faith with the Issuer, shall be permitted to select an alternate service that quotes, or alternate interest rates that reasonably approximate, the rates of interest per annum at which deposits of dollars in immediately available funds are offered by major financial institutions reasonably satisfactory to the Holder Majority in the London interbank market (and relating to borrowings with a duration of 3 month and for the applicable principal amount on any applicable date of determination), which rate shall not be less than 0.00%. If at any time the supervisor for the administrator of LIBOR makes a public statement identifying a specific date after which LIBOR shall no longer be used for determining interest rates for loans, then the Holder Majority, after consulting in good faith with the Issuer, shall be permitted to reasonably select an alternative rate of interest to LIBOR for purposes of Section 20 hereof that is consistent with the then-prevailing market convention for determining a rate of interest for syndicated loans in the United States at such time; provided that, if such alternative rate of interest shall be less than 0.00%, such rate shall be deemed to be 0.00%.

"Lien" means, with respect to any asset, any mortgage, lien (statutory or otherwise), pledge, hypothecation, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction; provided, that in no event shall an operating lease be deemed to constitute a Lien.

"Liquidation Event" means (a) the Issuer's liquidation, winding up or dissolution, (b) a filing for bankruptcy or other insolvency proceeding of the Issuer or (c) any sales of all or substantially all of the assets of the Issuer and its Subsidiaries taken as a whole or other transactions in connection with any voluntary in-court or out-of-court solvency-related restructuring or recapitalization transactions by the Issuer.

"Maintenance Covenant" has the meaning assigned to such term in Section 15.

"Make Whole Amount" means, with respect to any redemption of any share of Series A-1 Preferred Stock prior to the First Call Date, an amount equal to the sum of (without duplication) the remaining Dividends that would accrue (without giving effect to any compounding thereof) on such share of Series A-1 Preferred Stock being redeemed from the day immediately following the Optional Redemption Date to the First Call Date (including, for the avoidance of doubt, any Dividends that would accrue from the Dividend Payment Date immediately prior to the First Call Date through the First Call Date) assuming that such share of Series A-1 Preferred Stock were to remain outstanding through the First Call Date, with Dividends calculated based on the Series A-1 Dividend Rate.

"Mandatory Redemption" has the meaning assigned to such term in Section 7(a).

"Mandatory Redemption Date" has the meaning assigned to such term in Section 7(a).

"Mandatory Redemption Event" has the meaning assigned to such term in Section 7(a).

"Mandatory Redemption Notice" has the meaning assigned to such term in Section 7(b)(i).

"Minimum Portion" shall mean the lesser of (i) $50 million in aggregate Stated Value of Series A-1 Preferred Stock and (ii) all of the Series A-1 Preferred Stock then outstanding.

"Non-Qualifying IPO" means any initial underwritten primary public offering of the IPO Common Equity of the IPO Issuer that is not a Qualifying IPO.

"Obligations" means any principal, interest (including any interest accruing on or subsequent to the filing of a petition in bankruptcy, reorganization or similar proceeding at the rate provided for in the documentation with respect thereto, whether or not such interest is an allowed claim under applicable state, provincial, federal or foreign law), premium, penalties, fees, indemnifications, reimbursements (including reimbursement obligations with respect to letters of credit and bankers' acceptances), damages and other liabilities, and guarantees of payment of such principal, interest, premium, penalties, fees, indemnifications, reimbursements, damages and other liabilities, payable under the documentation governing any Indebtedness; provided, that any of the foregoing (other than principal and interest) shall no longer constitute "Obligations" after payment in full of such principal and interest except to the extent such obligations are fully liquidated and non-contingent on or prior to such payment in full.

"Optional Redemption" has the meaning assigned to such term in Section 6(a).

"Optional Redemption Date" has the meaning assigned to such term in Section 6(a).

"Parent Entity" means any Person with respect to which the Issuer is a direct or indirect Subsidiary.

"Parity Stock" means any class or series of stock of the Issuer now existing or hereafter authorized that expressly ranks on a parity basis with the Series A-1 Preferred Stock as to dividend rights, rights of redemption and rights on the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Issuer. Without limiting the foregoing, "Parity Stock" shall include the Series A-2 Preferred Stock and any rights, options or warrants exercisable or exchangeable for or convertible into Parity Stock.

"Permitted Acquisition" means the CTEH Acquisition and any other Acquisition by the Issuer or any Subsidiary, *provided* that, (a) no Event of Noncompliance shall have occurred and be continuing or would reasonably be expected to result from such Acquisition, (b) the aggregate consideration paid by the Issuer or any such Subsidiary, as applicable, for any such Acquisition in the form of cash, Cash Equivalents, any assumption of Indebtedness, incurrence of Indebtedness consisting of obligations to the seller, deferred purchase price and any Earn Out Obligations, without duplication, does not exceed $25,000,000, and when including any other consideration (including consideration paid in the form of Equity Interests of the Issuer) does not exceed $30,000,000; provided, that, in the case of an Acquisition of the Equity Interests of another Person, the Board of Directors, shareholders (or other comparable governing body) of such other Person shall have duly approved such Acquisition, and (c) the ratio of the purchase price paid by the Issuer in Acquisition to the Adjusted Pro Forma EBITDA of the property or the Person is not be greater than 7.00:1.00.

"Permitted Holders" means (a) each of the Investors and members of management and the Board of Directors of the Issuer and its Subsidiaries, or any Parent Entity, who were holders of Equity Interests of the Issuer, or any Parent Entity on the Closing Date, and any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act or any successor provision) of which any of the foregoing are members; *provided*, that, in the case of such group and without giving effect to the existence of such group or any other group, such Investors and members of management, collectively, have beneficial ownership, directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Issuer or any Parent Entity; (b) any Permitted Parent; or (c) any Subsidiary of the Issuer.

"Permitted Investments" means:

(1) any Investment in the Issuer or any of its wholly-owned Subsidiaries (including guarantees of obligations of any Subsidiary);

(2) any Investment in cash and Cash Equivalents;

(3) any Investment existing on the Closing Date or made pursuant to binding commitments in effect on the Closing Date or an Investment consisting of any extension, modification, replacement, reinvestment or renewal of any such Investment existing on the Closing Date or binding commitment in effect on the Closing Date; provided that the amount of any such Investment may be increased in such extension, modification, replacement, reinvestment or renewal only (i) as required by the terms of such Investment or binding commitment as in existence on the Closing Date (including as a result of the accrual or accretion of interest or original issue discount or the issuance of pay-in-kind securities), (ii) by the amount of any prepayment premiums paid and reasonable fees and expenses incurred in connection with such extension, modification, replacement, reinvestment or renewal, or (iii) as otherwise permitted hereunder:

(a) in exchange for any other Investment or accounts receivable, endorsements for collection or deposit held by the Issuer or any of its Subsidiaries in connection with or as a result of a bankruptcy, workout, reorganization or recapitalization of the Issuer of such other Investment or accounts receivable;

(b) in satisfaction of judgments against other Persons;

(c) as a result of a foreclosure by the Issuer or any of its Subsidiaries with respect to any secured Investment or other transfer of title with respect to any secured Investment in default; or

(d) received in compromise or resolution of (A) obligations of trade creditors, suppliers or customers that were incurred in the ordinary course of business of the Issuer or any of its Subsidiaries, or consistent with past practice, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor, supplier or customer, or (B) litigation, arbitration or other disputes;

(4) any Investment pursuant to any Permitted Acquisition;

(5) guarantees of Indebtedness permitted under the covenant described in Section 11, performance guarantees incurred in the ordinary course of business or consistent with past practice and the creation of Liens on the assets of the Issuer or any of its Subsidiaries;

(6) any Investments consisting of purchases and acquisitions of inventory, supplies, material or equipment or other similar assets, or the licensing or contribution of intellectual property pursuant to joint marketing arrangements with other Persons in the ordinary course of business of the Issuer or any of its Subsidiaries and consistent with past practice;

(7) loans and advances to officers, directors, managers, employees and consultants for business-related travel expenses, moving expenses, payroll advances and other similar expenses or payroll expenses, in each case incurred in the ordinary course of business or consistent with past practice;

(8) advances, loans, deposits or extensions of trade credit or prepayments to suppliers or lessors or loans or advances made to distributors, in each case in the ordinary course of business or consistent with past practice by the Issuer or any of its Subsidiaries;

(9) Investments in the ordinary course of business or consistent with past practice consisting of Uniform Commercial Code Article 3 endorsements for collection or deposit and Article 4 customary trade arrangements with customers consistent with past practices;

(10) Investments made as part of the Transactions;

(11) Investments of assets relating to non-qualified deferred payment plans in the ordinary course of business;

(12) any Investment in any Subsidiary or any joint venture in connection with intercompany cash management arrangements or related activities arising in the ordinary course of business and consistent with past practice;

(13) Investments constituting Hedging Obligations not for speculative purposes;

(14) Investments consisting of loans and advances to officers, directors and employees of the Issuer and its Subsidiaries which are used solely by such Persons to facilitate purchase of Equity Interests of the Issuer so long as (i) the proceeds of such loans and advances are used in their entirety to purchase such Equity Interests and (ii) such Investments do not exceed $6,000,000 in the aggregate at any time outstanding; and

(15) any Investments in any Person at any time outstanding not to exceed $10,000,000.

"Permitted Parent" means any direct or indirect parent of the Issuer that at the time it became a parent of the Issuer was a Permitted Holder pursuant to clause (a) of the definition thereof.

"Person" means any individual, corporation, limited liability company, partnership (including limited partnership), joint venture, association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"Post-Adjustment Dividend Rate" means 9.0% with respect to dividends paid in cash and 8.71% with respect to dividends that accrue, in each case, per annum, accruing daily and compounded quarterly.

"Preferred Shares" means any Equity Interest with preferential rights of payment of dividends or upon liquidation, dissolution, or winding up.

"Preferred Stock" means preferred stock, par value $0.0001 per share, of the Issuer.

"Purchase Money Obligations" means any Indebtedness incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets (other than Capital Stock), and whether acquired through the direct acquisition of such property or assets, or otherwise (including through the purchase of Capital Stock of any Person owning such property or assets).

"Purchaser" means OCM Montrose Holdings, L.P., a Delaware limited partnership.

"Purchaser Transferee" means any transferee of Series A-1 Preferred Stock which is an Affiliate of either the Purchaser or any other Purchaser Transferee (including, in each case, the funds, partnerships or other co-investment vehicles managed, advised or controlled thereby but other than, in each case, any portfolio company of any of the foregoing or the Issuer and its Subsidiaries).

"Qualifying IPO" means the initial underwritten primary public offering of the IPO Common Equity of the IPO Issuer (whether alone or in conjunction with a secondary public offering by any selling stockholders) pursuant to an effective registration statement filed with the United States Securities and Exchange Commission in accordance with the Securities Act that (1) occurs prior to a Qualifying Private Offering and results in net proceeds, after deducting any applicable fees and transaction expenses, in an amount not less than the amount required (taken together with up to $50 million of cash on hand and Indebtedness incurred in compliance with Section 11 (if elected by the Issuer) to redeem all outstanding shares of Series A-1 Preferred Stock (including any accumulated but unpaid interest thereon) in full and, to the extent occurring on or after the CTEH 2020 Earnout Amount is payable, the entire CTEH Participating Equity is sold in such offering, or (2) occurs after a Qualifying Private Offering and results in net proceeds, after deducting any applicable fees and transaction expenses, equal to the greater of (A) not less than the amount required (taken together with up to $50 million of cash on hand and Indebtedness incurred in compliance with Section 11 (if elected by the Issuer)) to redeem all outstanding shares of Series A-1 Preferred Stock (including any accumulated but unpaid interest thereon) and, to the extent occurring on or after the CTEH 2020 Earnout Amount is due and payable, the entire CTEH Participating Equity is sold in such offering, or (B) $125 million, not less than $100 million of which are used to first redeem shares of Series A-1 Preferred Stock and thereafter permanently repay Indebtedness of the Issuer.

"Qualifying IPO Costs" means costs incurred by the Issuer and its Subsidiaries or a direct or indirect parent of the Issuer in connection with, associated with, or in anticipation of, or in preparation for, any Qualifying IPO, or to establish or maintain compliance with the requirements of the Sarbanes-Oxley Act of 2002, and the rules and regulations promulgated in connection therewith or establishing other enhanced accounting functions or disclosure controls and procedures, whether or not a Qualifying IPO is consummated; provided that any such costs described above in respect of the ongoing operation of the Issuer and its Subsidiaries (or any direct or indirect parent company of the Issuer and its Subsidiaries) as a listed equity security following the four (4) fiscal quarters immediately after the initial listing of the Issuer's equity securities on a national securities exchange shall not constitute Qualifying IPO Costs.

"Qualifying Private Offering" means a private offering and sale for cash by the Issuer for its own account of shares of Common Stock, warrants, options or rights to subscribe for or purchase Common Stock, or any combination of the foregoing.

"Redemption Date" means the Optional Redemption Date or the Mandatory Redemption Date, as applicable.

"Redemption Failure" has the meaning assigned to such term in Section 7(c).

"Redemption Price" has the meaning assigned to such term in Section 6(b).

"Refunding Capital Stock" has the meaning assigned to such term in Section 10(b)(ii).

"Relevant Exchange" means any of the New York Stock Exchange, the Nasdaq Global Select Market or the Nasdaq Global Market, or any of their respective successors.

"Restricted Investment" means an Investment other than a Permitted Investment.

"Restricted Payments" has the meaning assigned to such term in Section 10(a).

"Sale of the Issuer" means any transaction or series of related transactions (by stock sale, merger, consolidation or otherwise) (a) consummated after the Closing Date, pursuant to which a Person acquires at least 51% of the outstanding Voting Stock of the Issuer (including pursuant to a Transfer or series of related Transfers among the Permitted Holders); or (b) that result in a sale or disposition of all or substantially all of the assets of the Issuer and its Subsidiaries on a consolidated basis other than to an entity with respect to which, following such sale or disposition, at least 50% of the combined voting power of the then outstanding Voting Stock of such entity is then beneficially owned (within the meaning of Rule 13d-5 of the Exchange Act as in effect on the date hereof), directly or indirectly, by all or substantially all of the individuals and entities (or Affiliates of such individuals and entities) who beneficially owned (within the meaning of Rule 13d-3 of the Exchange Act as in effect on the date hereof) the Voting Stock of the Issuer immediately prior to such sale or other disposition.

"SEC" means the U.S. Securities and Exchange Commission.

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

"Series A-1 Dividend Rate" means (i) with respect to any dividends paid in cash, 15.0% per annum, and (ii) with respect to any dividends which accrue, 14.2% per annum ; provided that upon a partial redemption of less than all of the issued and outstanding shares of Series A-1 Preferred Stock in connection with a Qualifying Private Offering, the Series A-1 Dividend Rate shall be reduced as follows: (a) with respect to any dividends paid in cash, the rate will be adjusted to an amount equal to (i) the Series A-1 Dividend Rate in effect immediately prior to such partial redemption (e.g. 15.0%) minus (ii) (x) the Series A-1 Dividend Rate in effect immediately prior to such partial redemption (e.g. 15.0%) minus the Post-Adjustment Dividend Rate multiplied by (y) a fraction, the numerator of which is the aggregate amount used to partially redeem such Series A-1 Preferred Stock (net of the CTEH 2020 Earnout Amount reserved by the Issuer that would be payable or is paid in cash) and the denominator of which is the aggregate stated value of all issued and outstanding shares of Series A-1 Preferred Stock plus accrued and unpaid dividends thereon as of immediately prior to such partial redemption and (b) with respect to any dividends that accrue, the Series A-1 Dividend Rate will be reduced to an amount equal to (i) (A) the Series A-1 Dividend Rate in effect immediately prior to such partial redemption (e.g. 14.2%) minus (B) (x) the Series A-1 Dividend Rate in effect immediately prior to such partial redemption (e.g. 14.2%) minus the Post-Adjustment Dividend Rate multiplied by (y) a fraction, the numerator of which is the aggregate amount used to partially redeem such Series A-1 Preferred Stock (net of the CTEH 2020 Earnout Amount reserved by the Issuer that would be payable or is paid in cash) and the denominator of which is the aggregate stated value of all issued and outstanding shares of Series A-1 Preferred Stock plus accrued and unpaid dividends thereon as of immediately prior to such partial redemption plus (ii) 0.99632%.

"Series A-1 Preferred Stock" has the meaning assigned to such term in Section 1.

"Series A-1/A-2 Majority" has the meaning assigned to such term in Section 4.

"Series A-2 Certificate of Designations" means the Certificate of Designation of Cumulative Series A-2 Preferred Stock of the Issuer.

"Series A-2 Closing Date" means April 13, 2020.

"Series A-2 Preferred Stock" means the Issuer's Cumulative Series A-2 Preferred Stock designated in the Certificate of Designation of Cumulative Series A-2 Preferred Stock of the Issuer, as amended, restated, supplemented or otherwise modified from time to time in accordance with its terms.

"Significant Subsidiary" means any Subsidiary that would be a "significant subsidiary" as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act, as such regulation is in effect on the Closing Date.

"Specified Transaction" means any incurrence or repayment, retirement, redemption, satisfaction and discharge or defeasance of Indebtedness or Disqualified Stock, any Acquisition or Investment that results in a Person becoming a Subsidiary, any investment constituting an acquisition of assets constituting a business unit, line of business or division of another Person, or any disposition of a business unit, line of business or division of the Issuer, in each case whether by merger, consolidation, amalgamation or otherwise.

"Stated Value" means, with respect to each outstanding share of Series A-1 Preferred Stock, upon initial issuance, $10,000 and with respect to any subsequent date of determination, the Stated Value of such share of Series A-1 Preferred Stock, as so increased pursuant to Section 5, as applicable.

"Subsidiary" means, with respect to any Person:

(a) any corporation, association, or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof; and

(b) any partnership, joint venture, limited liability company or similar entity of which:

(i) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof whether in the form of membership, general, special or limited partnership or otherwise; and

(ii) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

"Synthetic Lease" means any synthetic lease, tax retention operating lease, off-balance sheet loan or similar off-balance sheet financing arrangement whereby the arrangement is considered borrowed money indebtedness for tax purposes but is classified as an operating lease or does not otherwise appear on a balance sheet under GAAP.

"Threshold Amount" means $5.0 million.

"Transactions" means (i) the consummation of the transactions contemplated by the CTEH Acquisition Agreement, (ii) the issuance and sale of the Series A-2 Preferred Stock on the Series A-2 Closing Date, and (iii) the amendment, refinancing, redemption, repayment, replacement or retirement of the obligations under the Existing Loan Agreement, and (iv) the payment of fees and expenses related to the foregoing.

"Transfer" shall mean to transfer, sell, assign, pledge, hypothecate, give, create a security interest in or lien on, place in trust (voting or otherwise), transfer by operation of law or in any other way encumber or dispose of, directly or indirectly and whether or not voluntarily, any Series A-1 Preferred Stock (or any beneficial interest therein).

"Treasury Capital Stock" has the meaning assigned to such term in Section 10(b)(ii).

"U.S." or "United States" means the United States of America.

"Voting Stock" of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the board of directors (or individuals performing similar functions) of such Person.

"Warrant" means the warrant to purchase 534,240 shares of Common Stock at a price per share of $0.01 issued on the Closing Date.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness or Preferred Stock, as the case may be, at any date, the quotient obtained by dividing:

(a) the sum of the products of the number of years from the date of determination to the date of each successive scheduled principal payment of such Indebtedness or redemption or similar payment with respect to such Preferred Stock multiplied by the amount of such payment; by

(b) the sum of all such payments; provided that for purposes of determining the Weighted Average Life to Maturity of any Indebtedness that is being extended, replaced, refunded, refinanced, renewed or defeased (the "Applicable Indebtedness"), the effects of any amortization or prepayments made on such Applicable Indebtedness prior to the date of the applicable extension, replacement, refunding, refinancing, renewal or defeasance shall be disregarded.

"Weighted Average Yield" means, with respect to any Proposed Debt, on any date of determination, the weighted average yield to maturity based on the interest rate applicable to such Proposed Debt on such date and giving effect to interest rate floors, prepayment premium, no-call provisions, make-wholes, arrangement fees, closing fees, structuring fees, underwriting

fees, upfront fees, agency fees, original issue discount or similar yield related discounts, fees or deductions payable with respect to such Proposed Debt (with fees and original issue discount to be calculated based on (i) an assumed four-year average life for the Proposed Debt or (ii) if the stated maturity of the Proposed Debt is less than four years, the actual life of such Proposed Debt).

"Wholly Owned Subsidiary" of any Person means a Subsidiary of such Person, 100% of the outstanding Equity Interests of which (other than directors' qualifying shares) shall at the time be owned by such Person or by one or more Wholly Owned Subsidiaries of such Person.

(b) Interpretation. Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference. The headings are for convenience only and will not be given effect in interpreting this Certificate of Designation. References herein to any Section shall be to a Section hereof unless otherwise specifically provided. References herein to any Law means such Law, including all rules and regulations promulgated under or implementing such Law, as amended from time to time and any successor Law unless otherwise specifically provided. The word "will" shall be construed to have the same meaning and effect as the word "shall." The words "hereof," "herein" and "hereunder" and words of similar import, when used in this Certificate of Designation, refer to this Certificate of Designation as a whole and not to any particular provision of this Certificate of Designation. The use of the masculine, feminine or neuter gender or the singular or plural form of words will not limit any provisions of this Certificate of Designation. The use herein of the word "include" or "including," when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the broadest possible scope of such general statement, term or matter. The word "extent" in the phrase "to the extent" will mean the degree to which a subject or other thing extends, and such phrase will not mean simply "if." The word "or" is inclusive. The terms lease and license shall include sub-lease and sub-license, as applicable. All references to $, currency, monetary values and dollars set forth herein means U.S. dollars. When the terms of this Certificate of Designation refer to a specific agreement or other document or a decision by any body or Person that determines the meaning or operation of a provision hereof, the secretary of the Issuer shall maintain a copy of such agreement, document or decision at the principal executive offices of the Issuer and a copy thereof will be provided free of charge to any stockholder who makes a request therefor. Unless expressly provided herein or the context otherwise requires, any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, supplements or modifications set forth herein). For purposes of determining compliance with any covenant contained herein, Indebtedness of the Issuer and its Subsidiaries shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 and FASB ASC 470-20 on financial liabilities shall be disregarded.

3. Ranking; Liquidation.

(a) With respect to the payment of dividends and distribution rights (other than as set forth herein) and rights upon any Liquidation Event, the Series A-1 Preferred Stock shall (i) rank senior to the Junior Stock of the Issuer and (ii) rank pari passu with each other class or series of Parity Stock.

(b) Following any Liquidation Event, each holder of the Series A-1 Preferred Stock shall be entitled to receive liquidating distributions out of the assets of the Issuer legally available for distribution to its stockholders, before any payment or distribution of any assets of the Issuer shall be made or set apart for holders of any Junior Stock, in an amount equal to the Redemption Price for such holder's shares of Series A-1 Preferred Stock as of such date.

(c) In the event the assets of the Issuer available for distribution to stockholders upon any distribution to holders of capital stock following a Liquidation Event shall be insufficient to pay in full the amounts payable with respect to all outstanding shares of Series A-1 Preferred Stock pursuant to Section 3(b), such assets, or the proceeds thereof, shall be distributed among the holders of the Series A-1 Preferred Stock ratably in proportion to the full respective liquidating distributions to which they would otherwise be respectively entitled pursuant to Section 3(b).

4. Voting.

(a) Generally. The holders of the Series A-1 Preferred Stock have no voting or consent rights with respect to the Series A-1 Preferred Stock, except as expressly set forth in this Certificate of Designation or as required by Law.

(b) Voting Power. At the time of any vote or consent of the Series A-1 Preferred Stock hereunder or as otherwise required by Law, the percentage of the aggregate voting power of the Series A-1 Preferred Stock of each outstanding share of Series A-1 Preferred Stock will equal the product of (i) the quotient of (A) the Stated Value of such share as of such time divided by (B) the aggregate Stated Value as of such time of all outstanding shares of the Series A-1 Preferred Stock multiplied by (ii) 100.

(c) Director Designation.

(i) Election. From and after the Closing Date, the Holder Majority, shall have the exclusive right, upon the occurrence of a Leverage Failure or a Redemption Failure (excluding any Redemption Failure resulting from a failure to comply with Section 11) and for so long as any such Leverage Failure or Redemption Failure is continuing, voting separately as a class, to appoint and elect, either by written consent without a stockholder meeting or by vote at any stockholder meeting called for the purpose of the election of directors, irrespective of whether the Issuer has nominated such directors, such number of additional directors (each a "Springing Director") to the Board of Directors such that the total number of Springing Directors plus any other directors nominated by the Holder Majority shall constitute a majority of the Board of Directors.

(ii) Term. Each Springing Director shall serve until the earlier of (A) the time his or her successor is appointed or elected and qualified in accordance with this Section 4, unless such Springing Director is earlier removed in accordance with clause (iii) below, resigns or is otherwise unable to serve and (B) such time as the Leverage Failure or Redemption Failure giving rise to such Springing Director's appointment to the Board of Directors is no longer continuing.

(iii) Removal. Any Springing Director may be removed from office at any time, with or without cause, by the Holder Majority, either in writing without a meeting or by vote at any meeting called for the purpose of the election of directors. Once elected in accordance with this Section 4, each Springing Director will serve until there ceases to be any shares of Series A-1 Preferred Stock outstanding or until the Leverage Failure or Redemption Failure giving rise to such Springing Directors' appointment to the Board of Directors is no longer continuing, whichever occurs earlier (the "Breach Period") and, upon the expiration of an applicable Breach Period, such Springing Director shall automatically be removed from office and the director seat held by the Springing Director shall be automatically eliminated. If after the appointment of a Springing Director, the applicable Breach Period expires, if so requested by the Issuer, the Holder Majority shall promptly cause to resign, and take all other action reasonably necessary, or reasonably requested by the Issuer, to cause the prompt removal of, such Springing Director.

(iv) Treatment. If elected, the Springing Director shall be entitled to the same D&O insurance and indemnification for their service on the Board of Directors as is provided to any other non-management member of the Board of Directors and shall also be entitled to reimbursement for reasonable out-of-pocket expenses related to his or her service on the Board of Directors in accordance with the Issuer's then current policies.

(v) Notwithstanding the foregoing, if as of the date of any such occurrence of a Leverage Failure or a Redemption Failure, any shares of Series A-2 Preferred Stock are then outstanding and in either case such Leverage Failure or Redemption Failure also constitutes a "Leverage Failure" or a "Redemption Failure" (in each case as defined in the Certificate of Designation for the Series A-2 Preferred Stock, as then in effect) with respect to the Series A-2 Preferred Stock, then (A) the holders of at least a majority of the "Stated Value" (as defined in the Certificate of Designation for the Series A-2 Preferred Stock, as then in effect) of the Series A-2 Preferred Stock then outstanding and the Stated Value of Series A-1 Preferred Stock then outstanding, voting together as one class (a "Series A-1/A-2 Majority"), shall have the right to appoint and elect, either in writing without a meeting or by vote at any meeting called for the purpose of the election of directors, irrespective of whether the Issuer has nominated such directors, such number of Springing Directors to the Board of Directors such that the total number of Springing Directors plus any director previously elected by the holders of Series A-2 Preferred Stock or nominated by Series A-1 Preferred Stock and elected to the Board of Directors shall constitute a majority of the Board of Directors and (B) any Springing Director may be removed from office at any time, with or without cause, by the Series A-1/A-2 Majority, either in writing without a meeting or by vote at any meeting called for the purpose of the election of directors.

Notwithstanding anything set forth in this Section 4 or in the certificate of designations for the Series A-2 Preferred Stock, under no circumstances shall the Holder Majority and the Series A-1/A-2 Majority have a right to appoint and elect, in the aggregate, a number of directors in excess of what would constitute the minimum number of directors necessary to constitute a majority of the Board of Directors.

5. Dividends.

(a) Notwithstanding anything to the contrary herein, from and after the date of issuance of each share of Series A-1 Preferred Stock, dividends shall accrue on a daily basis in arrears during the Dividend Period at the Series A-1 Dividend Rate in effect from time to time on the then-current Stated Value of each such share, whether or not such dividends are earned or are declared by the Board of Directors or the Issuer is permitted by Law to pay dividends ("Dividends"), and, if declared, shall be due and payable on the Dividend Payment Date with respect to such Dividend Period in accordance with this Section 5.

(b) Dividends shall be calculated on the basis of the actual days elapsed in a year of 360 days. On the last day of each fiscal quarter of the Issuer following the Closing Date (or, if such date is not a Business Day, the immediately succeeding Business Day) (each such date, a "Dividend Payment Date"), Dividends will either (i) be payable in cash, if and to the extent declared by the Issuer and paid on or prior to the Dividend Payment Date or (ii) accrue and be added to the Stated Value. . Notwithstanding anything to the contrary herein, the Issuer may not declare or pay any Dividend or make any other payment to the extent such Dividend or other payment is not permitted by Law; provided, that any Dividends not so paid, whether or not declared, shall be an Event of Noncompliance and shall continue to accrue and be cumulative and shall compound at the relevant rate on each subsequent regular Dividend Payment Date. All accumulated Dividends shall be paid prior to and in preference to any dividend on any Junior Stock and shall be fully declared and paid before any dividends are declared and paid, or any other distributions or redemptions are made, on any Junior Stock, in each case, that are not permitted pursuant to Section 10. Dividends shall be payable to the holders of record of the Series A-1 Preferred Stock as they appear on the stock record of the Issuer on the date that is 15 days prior to the Dividend Payment Date.

(c) Except as otherwise provided herein, if at any time the Issuer pays Dividends that are less than the total amount of Dividends then accumulated with respect to the Series A-1 Preferred Stock, such payment shall be distributed pro rata among the holders of Series A-1 Preferred Stock thereof based upon the Stated Value on all shares of Series A-1 Preferred Stock held by each such holder. When Dividends are not paid in full in cash upon the shares of Series A-1 Preferred Stock, all Dividends declared on Series A-1 Preferred Stock and dividends on any other Parity Stock shall be paid in cash pro rata so that the amount of Dividends so declared on the shares of Series A-1 Preferred Stock and dividends on each such other class or series of Parity Stock shall in all cases bear to each other the same ratio as accumulated dividends (for the full amount of dividends that would be payable for the most recently payable quarterly period if dividends were declared in full on all such Parity Stock) on the shares of Series A-1 Preferred Stock and such other class or series of Parity Stock bear to each other.

(d) If on any Dividend Payment Date, the Issuer is not permitted by the Existing Loan Agreement or a Credit Facility incurred to refinance or replace the Existing Loan Agreement to pay the applicable cash Dividend, the sole remedy of the Investors with respect to any such unpaid cash Dividend shall be as set forth in Sections 4 and 7(a) hereof, and any Dividends not so paid, whether or not declared, shall continue to accrue and be cumulative and shall compound at the relevant rate on each subsequent regular Dividend Payment Date.

6. Redemption Generally.

(a) Optional Redemption. The Issuer may, at its option (an "Optional Redemption") on any one or more dates (any such date, an "Optional Redemption Date"), redeem all or any Minimum Portion of the outstanding Series A-1 Preferred Stock in cash subject to the terms and conditions set forth in this Section 6; provided that in no event may the Issuer redeem an amount less than the Minimum Portion pursuant to this Section 6. Any election by the Issuer pursuant to this Section 6(a) may be conditional and shall be made by delivery to the holders of the Series A-1 Preferred Stock of written notice of the Issuer's election to redeem at least three Business Days prior to the Redemption Date, which notice will indicate the number of shares being redeemed, the Redemption Price, the Redemption Date and the manner of and place designated for surrender (as set forth in Section 6(d)) of certificates (if any) representing the shares of Series A-1 Preferred Stock to be redeemed.

(b) Redemption Price Generally. The total price for each share of Series A-1 Preferred Stock redeemed pursuant to Section 6(a) or Section 7 on any Redemption Date shall be an amount per share equal to (i) with respect to any Redemption Date occurring prior to the First Call Date, an amount per share of Series A-1 Preferred Stock equal to the sum of, without duplication, (A) the Stated Value of such share of Series A-1 Preferred Stock as of such Redemption Date, (B) the Make Whole Amount as of such Redemption Date, and (C) without duplication, the aggregate accrued and unpaid Dividends from the most recent Dividend Payment Date, but not including, the most recent Dividend Payment Date (or if cash Dividends were not paid on the most recent Dividend Payment Date, from the last such Dividend Payment Date on which cash Dividends were paid), up to and including the Redemption Date, or (ii) with respect to any Redemption Date occurring on or after the First Call Date, an amount per share of Series A-1 Preferred Stock equal to the sum of, without duplication, (A) the Stated Value of such share of Series A-1 Preferred Stock as of such Redemption Date and (B) without duplication, aggregate accrued and unpaid Dividends from the most recent Dividend Payment Date, but not including, the most recent Dividend Payment Date, up to and including the Redemption Date (each, as applicable, a "Redemption Price").

(c) Redemption upon an IPO. Notwithstanding anything in Section 6(b), in connection with any Mandatory Redemption upon the occurrence of a Qualifying IPO or Non-Qualifying IPO, the Issuer may, at its option, pay a portion of the Redemption Price payable upon such Mandatory Redemption up to an amount equal to the IPO Redemption Stock Amount Cap (such amount, the "IPO Redemption Stock Amount") by issuing the Holder thereof a number of shares of common stock determined by the quotient of (i) the IPO Redemption Stock Amount *divided by* (ii) the price per share of common stock of the issuer entity in the Qualifying IPO or Non-Qualifying IPO, as applicable, sold to the underwriters in such Qualifying IPO or Non-Qualifying IPO.

(d) Rights After a Redemption Date. If any shares of the Series A-1 Preferred Stock are not redeemed on the applicable Redemption Date, for any reason, all such unredeemed shares shall remain outstanding and entitled to all of the designations, rights, preferences, powers, restrictions and limitations of the shares of the Series A-1 Preferred Stock set forth in this Certificate of Designation, including the right to accrue and receive any Dividends thereon as provided in Section 5 until the date on which the Issuer actually redeems and pays in full the Redemption Price for such shares.

(e) Surrender of Certificates. Each holder of the Series A-1 Preferred Stock to be redeemed pursuant to this Section 6 shall surrender the certificate or certificates representing such shares (if any) to the Issuer, duly assigned or endorsed for transfer to the Issuer (or accompanied by duly executed stock powers relating thereto), or, in the event the certificate or certificates are lost, stolen, missing, destroyed or mutilated, shall deliver an affidavit of loss and related indemnity in a form reasonably satisfactory to the Issuer, at the principal executive office of the Issuer or such other place as the Issuer may from time to time designate by notice to the holders of the Series A-1 Preferred Stock, and each surrendered certificate shall be canceled and retired and the Issuer shall thereafter make payment of the Redemption Price, as applicable, by certified check or wire transfer of immediately available funds; provided that to the extent any such certificates represent a greater number of shares than the shares actually redeemed, each such holder shall, in addition to receiving the payment of the Redemption Price for each redeemed share, receive a new stock certificate for those shares of the Series A-1 Preferred Stock not so redeemed. Any shares of the Series A-1 Preferred Stock redeemed in accordance with this Section 6 shall not be reissuable by the Issuer, and the Issuer shall take all steps necessary to retire and cancel such shares.

(f) Redemption Preference. Any redemption under this Section 6 shall be in preference to and in priority over any dividend or other distribution upon any Junior Stock.

7. Mandatory Redemption.

(a) Generally. In the event of the occurrence of (i) a Change of Control with respect to the Issuer, (ii) a Sale of the Issuer, (iii) an Qualifying IPO or Non-Qualifying IPO, (iv) any recapitalization of the Issuer or other similar transaction in each case to the extent financed by third party capital, (v) an Event of Noncompliance or (vi) October 13, 2024 (each, a "Mandatory Redemption Event"), the Issuer shall, at the election of the Holder Majority (and the Holder Majority shall so elect in the event of the occurrence of an Qualifying IPO or Non-Qualifying IPO), redeem all shares of the Series A-1 Preferred Stock (such redemption, a "Mandatory Redemption") on the applicable redemption date determined pursuant to Section 7(b)(i) (the "Mandatory Redemption Date"), for cash, to the extent permitted by Law, at a price per share of Series A-1 Preferred Stock equal to the applicable Redemption Price on such Mandatory Redemption Date. If, on the Mandatory Redemption Date, the Issuer is not so permitted by Law to redeem all of the outstanding shares of the Series A-1 Preferred Stock, then, the Issuer shall redeem such shares to the fullest extent so permitted. Any shares of the Series A-1 Preferred Stock

that are not redeemed pursuant to the immediately preceding sentence shall remain outstanding and entitled to all of the designations, rights, preferences, powers, restrictions and limitations of the shares of the Series A-1 Preferred Stock set forth herein, including the right to continue to accrue and receive Dividends as set forth in Section 5 and, under such circumstances, the redemption requirements provided hereby shall be continuous, so that at any time thereafter when the Issuer is permitted by Law to redeem such shares, the Issuer shall immediately redeem such shares at a price per share of Series A-1 Preferred Stock equal to the Redemption Price as of the Mandatory Redemption Date, together with payment of any additional accrued and unpaid Dividends following the Mandatory Redemption Date, without duplication. If, on the Mandatory Redemption Date, the Issuer is not so permitted by the Existing Loan Agreement or a Credit Facility incurred to refinance or replace the Existing Loan Agreement to redeem all or a portion of the outstanding shares of the Series A-1 Preferred Stock, the sole remedy of the Investors with respect to any such unredeemed shares shall be as set forth in Sections 4 and 7(c) hereof.

(b) Mandatory Redemption Mechanics.

(i) In the event that, pursuant to Section 7(a), the Issuer is required to make a Mandatory Redemption, the Issuer shall follow the procedures set forth in this Section 7(b) as follows:

(A) At least 3 Business Days prior to any anticipated Mandatory Redemption Event (or, with respect to any Mandatory Redemption Event arising from an Event of Noncompliance, promptly following the occurrence of such Event of Noncompliance), the Issuer shall send a notice (the "Mandatory Redemption Notice") to each of the holders of the Series A-1 Preferred Stock, which shall state that:

(1) The Mandatory Redemption Event is expected to occur and that the Series A-1 Preferred Stock is expected to be redeemed pursuant to this section and the number of shares of Series A-1 Preferred Stock to be redeemed, in each case, subject to the occurrence of such Mandatory Redemption Event;

(2) (x) the expected Redemption Price, (y) the bank or trust company having an office in the City of New York, New York, with which the aggregate Redemption Price will be deposited on or prior to the Mandatory Redemption Date (if applicable) and (z) the Mandatory Redemption Date; and

(3) Unless the Issuer defaults in payment of the Redemption Price for each share of Series A-1 Preferred Stock to be redeemed on the Mandatory Redemption Date, any shares of the Series A-1 Preferred Stock shall cease to accrue Dividends after the Mandatory Redemption Date.

(ii) Upon payment in full of the amounts owing under Section 7(a) to any holder of the Series A-1 Preferred Stock that has its shares redeemed, then notwithstanding that the certificate or certificates evidencing such redeemed shares shall not have been surrendered, the Dividends with respect to such shares shall cease to accrue after the date of such payment in full and such shares of Series A-1 Preferred Stock shall cease to be outstanding for any purpose whatsoever and all rights with respect to such redeemed shares shall forthwith terminate.

(iii) On or before any Mandatory Redemption Date, the Issuer shall redeem the shares of the Series A-1 Preferred Stock and either pay to the account(s) designed by the holder(s) of the shares of Series A-1 Preferred Stock or deposit the amount of the applicable aggregate Redemption Price with a bank or trust company having an office in the City of New York, New York, designated in the applicable Mandatory Redemption Notice, irrevocably in trust for the benefit of the holders of such shares of the Series A-1 Preferred Stock and thereafter each such share shall be deemed to have been redeemed on the Mandatory Redemption Date so specified, whether or not the certificate for such shares of Series A-1 Preferred Stock shall be surrendered for redemption and canceled. Upon surrender to the Issuer by the holder or holders of such shares of the Series A-1 Preferred Stock of the certificate(s) representing such Series A-1 Preferred Stock (if applicable), the Issuer shall immediately cause to be paid the applicable Redemption Price for each such share to such holder or holders.

(iv) From and after the close of business on the Mandatory Redemption Date or, with respect to all shares of the Series A-1 Preferred Stock not redeemed on such date, the date on which such shares of the Series A-1 Preferred Stock are redeemed following the Mandatory Redemption Date, as contemplated in Section 7(a), which shares shall be deemed to be redeemed on the date on which the Issuer sends payment in full therefor, in cash, as provided in Section 7(a), to the holders of shares being so redeemed (each a "Delayed Mandatory Redemption Date"), all rights of holders of shares of the Series A-1 Preferred Stock being so redeemed shall cease with respect to such shares on such Mandatory Redemption Date or Delayed Mandatory Redemption Date, as applicable, and such shares shall not thereafter be transferred on the books of the Issuer or be deemed to be outstanding for any purpose whatsoever and all rights with respect to such redeemed shares shall forthwith terminate.

(v) In case fewer than all the shares of the Series A-1 Preferred Stock represented by any certificate are redeemed in accordance with this Section 7, a new certificate or certificates shall be issued representing the unredeemed shares without cost to the holder thereof.

(vi) Any shares of the Series A-1 Preferred Stock redeemed in accordance with this Section 7 shall not be reissuable by the Issuer, and the Issuer shall take all steps necessary to cancel and retire such shares.

(c) Redemption Failure. Upon and following (i) the failure by the Issuer to effect a Mandatory Redemption upon a holder's exercise thereof in accordance with Section 7(a) upon the occurrence of a Mandatory Redemption Event or (ii) the occurrence of an Event of Noncompliance for so long as such Event of Noncompliance is continuing (each, a "Redemption Failure"), and while any shares of Series A-1 Preferred Stock remain outstanding, (i) the Series A-1 Dividend Rate shall increase to 18.20% per annum on both dividends paid in cash and accruing and (ii) the Springing Directors shall join the Board of Directors pursuant to Section 4 hereof.

8. Issuer Efforts. The Issuer shall use commercially reasonable efforts to take such actions as are necessary to give effect to the provisions of Section 6 and Section 7 in the event that the Issuer is not permitted by Law to redeem or otherwise unable to redeem shares of the Series A-1 Preferred Stock in connection with any Mandatory Redemption Event on the applicable Mandatory Redemption Date, including using reasonable best efforts to take any action necessary or appropriate to remove promptly any impediments to its ability to redeem the shares of the Series A-1 Preferred Stock required to be so redeemed, including (i) to the extent permitted by Law, reducing the stated capital of the Issuer or revaluing the assets of the Issuer to their fair market values under Section 154 of the DGCL if such revaluation would create surplus sufficient to make all or any portion of such Mandatory Redemption Event and (ii) if the Issuer has sufficient surplus but insufficient cash to effect such Mandatory Redemption, borrowing on commercially reasonable terms the cash necessary to make such Mandatory Redemption Event to the extent it would not cause a breach, with or without notice, lapse of time or both, under the definitive documentation of any outstanding Indebtedness of the Issuer or any of its Subsidiaries or under any definitive documentation corresponding to any series of Preferred Stock. In the event of any transaction that results in a Change of Control in which the Issuer is not the continuing or surviving corporation or entity and in which the Series A-1 Preferred Stock is not redeemed pursuant to the terms hereof, proper provision shall be made so that such continuing or surviving corporation or entity shall agree to carry out and observe the obligations of the Issuer hereunder with respect to the Series A-1 Preferred Stock.

9. Prohibition on Senior or Pari Passu Securities. So long as any Series A-1 Preferred Stock remains outstanding, the Issuer may not establish or issue any additional Series A-1 Preferred Stock, Parity Stock or equity securities ranking senior to the Series A-1 Preferred Stock, except (i) any Indebtedness not otherwise prohibited by this Certificate of Designations which is convertible into common equity securities or junior preferred securities of the Issuer, (ii) with the consent of a Holder Majority or (iii) any increase in the Stated Value (as defined in the Certificate of Designation for the Series A-2 Preferred Stock, as then in effect) of the Series A-2 Preferred Stock as a result of accrued dividends thereon.

10. Limitation on Restricted Payments.

(a) On and after the Closing Date, the Issuer shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:

(i) declare or pay any dividend or make any payment or distribution on account of the Equity Interests of the Issuer or any of its Subsidiaries (in each case, solely to a holder of Equity Interests in such Person's capacity as a holder of such Equity Interests), including any dividend or distribution payable in connection with any merger, amalgamation or consolidation other than:

(A) dividends, payments or distributions by the Issuer or any of its Subsidiaries payable solely in Equity Interests (other than Disqualified Stock) of the Issuer or any of its Subsidiaries, or in options, warrants or other rights to purchase such Equity Interests; or

(B) dividends, payments or distributions by a Subsidiary of the Issuer, so long as, in the case of any dividend, payment or distribution payable on or in respect of any class or series of securities issued by such Subsidiary other than a Wholly Owned Subsidiary of the Issuer, as the case may be, the Issuer or a Subsidiary receives at least its *pro rata* share of such dividend, payment or distribution in accordance with its Equity Interests in such class or series of securities;

(ii) purchase, redeem, defease or otherwise acquire or retire for value, any Equity Interests of the Issuer, any of its Subsidiaries, or any Parent Entity, including in connection with any merger, amalgamation or consolidation, in each case held by a Person other than the Issuer or any of its Subsidiaries; or

(iii) make any Restricted Investment;

(all such payments and other actions set forth in clauses (i) through (iii) above (other than any exceptions thereto) being collectively referred to as "Restricted Payments").

(b) The foregoing provisions shall not prohibit:

(i) the payment of any dividend or distribution or the consummation of any irrevocable redemption within 60 days after the date of declaration thereof or the giving of such irrevocable notice, as applicable, if, at the date of declaration or the giving of such notice, such payment would have complied with the provisions of this Certificate of Designation;

(ii) the redemption, repurchase, defeasance, discharge, retirement or other acquisition of any Equity Interests, including any accrued and unpaid dividends thereon ("Treasury Capital Stock") or any Equity Interests of any Parent Entity, in exchange for Equity Interests of the Issuer and its Subsidiaries or any Parent Entity (in each case, other than any Disqualified Stock) ("Refunding Capital Stock"), or out of the proceeds of a sale or issuance (other than to a Subsidiary) of, to the extent contributed to the Issuer and its Subsidiaries, Refunding Capital Stock made within 120 days of such sale or issuance of Refunding Capital Stock;

(iii) the prepayment, redemption, defeasance, repurchase, retirement, exchange or other acquisition for value of Disqualified Stock of the Issuer or any Subsidiary made in exchange for, or out of the proceeds of a sale or issuance of, Disqualified Stock of the Issuer or any Subsidiary made within 120 days of such sale or issuance of Disqualified Stock, that, in each case is incurred or issued in compliance with Section 11 so long as:

(A) the liquidation preference of such new Disqualified Stock does not exceed the liquidation preference of, plus any accrued and unpaid dividends on, the Disqualified Stock being so prepaid, redeemed, defeased, repurchased, exchanged, acquired or retired for value, plus the amount of any premium (including tender premiums), defeasance costs, underwriting discounts and any fees, costs and expenses incurred in connection with the issuance of such new Disqualified Stock and such prepayment, redemption, defeasance, repurchase, exchange, acquisition or retirement;

(B) such new Disqualified Stock has a final mandatory redemption date equal to or later than the final mandatory redemption date of the Disqualified Stock being so prepaid, redeemed, defeased, repurchased, exchanged, acquired or retired; and

(C) such new Disqualified Stock has a Weighted Average Life to Maturity equal to or greater than the remaining Weighted Average Life to Maturity of the Disqualified Stock being so prepaid, redeemed, defeased, repurchased, exchanged, acquired or retired;

(iv) the declaration and payment of dividends to holders of any class or series of Disqualified Stock of the Issuer or any of its Subsidiaries or any class or series of Preferred Stock of any Subsidiary, in each case issued in accordance with the covenant described under Section 11;

(v) non-cash repurchases of Equity Interests deemed to occur upon the exercise of equity options;

(vi) payments made or expected to be made by the Issuer or any of its Subsidiaries in respect of withholding or similar taxes payable in connection with the grant, exercise, vesting or settlement of Equity Interests or any other equity award by any future, present or former employee, director, officer, manager or consultant (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Issuer, any of its Subsidiaries or Parent Entity and repurchases or withholdings of Equity Interests in connection with the grant, exercise, vesting or settlement of any stock or other equity options or warrants or of any other equity awards if such Equity Interests represent all or a portion of the exercise price thereof or payments in lieu of the issuance of fractional Equity Interests, or withholding obligation with respect to, such options or warrants or other Equity Interests or equity awards;

(vii) payments or other adjustments to outstanding Equity Interests in accordance with any management equity plan, stock option plan or any other similar employee benefit plan, agreement or arrangement in connection with any Restricted Payment;

(viii) loans or advances to officers, directors, employees, managers and consultants of the Issuer or any Parent Entity or any Subsidiary of the Issuer, in connection with such Person's purchase of Equity Interests of the Issuer, any of its Subsidiaries or any Parent Entity; provided that no cash is actually advanced pursuant to this clause (viii) other than to pay taxes due in connection with such purchase, unless immediately repaid;

(ix) the repurchase, redemption or other acquisition of Equity Interests of the Issuer or any of its Subsidiaries deemed to occur in connection with paying cash in lieu of fractional shares of such Equity Interests in connection with a share dividend, distribution, share split, reverse share split, merger, consolidation, amalgamation or other business combination of the Issuer or any of its Subsidiaries;

(x) so long as no Event of Noncompliance exists or would result therefrom, the Issuer may pay cash dividends to its parent to enable it to pay, or the Issuer may pay, (i) redemptions for cash of equity, rights to acquire equity or cash payments with respect to phantom stock units, in each case if owned by an officer or employee of the Issuer or any Subsidiary upon termination of employment of such Person, and (ii) cash payments in lieu of the issuance of fractional units upon the exercise or conversion of options or other equity equivalents, provided that the aggregate amount of all such redemptions or payments under the immediately preceding clauses (i) and (ii) shall not exceed $1,000,000 in the aggregate (excluding proceeds of issuances of Equity Interests used for such purpose);

(xi) the payment of Dividends and any amount under an Optional Redemption or a Mandatory Redemption, in each case pursuant to the terms of this Certificate of Designation; and

(xii) the payment of dividends on the Series A-2 Preferred Stock in accordance with the Certificate of Designation for the Series A-2 Preferred Stock.

The amount of all Restricted Payments (other than cash) will be the fair market value on the date of the Restricted Payment of the assets or securities proposed to be transferred or issued by the Issuer or any Subsidiary, as the case may be, pursuant to the Restricted Payment.

(c) For the avoidance of doubt, this Section 10 shall not restrict the making of any "AHYDO catch up payment" with respect to, and required by the terms of, any Indebtedness of the Issuer or any of its Subsidiaries permitted to be incurred under the terms of this Certificate of Designation.

11. Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock by Subsidiaries.

(a) On and after the Closing Date, the Issuer shall not, and shall not permit its Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable (collectively, "incur" and collectively, an "incurrence") with respect to any Indebtedness and the Issuer shall not, and shall not permit any of its Subsidiaries to, issue any shares of Disqualified Stock or Preferred Shares; *provided* that the Issuer may incur Indebtedness or issue shares of Disqualified Stock or Preferred Shares, and any of the Subsidiaries may incur Indebtedness, issue shares of Disqualified Stock and issue Preferred Shares, so long as the Consolidated Debt Ratio would have been equal to or less than 4.00 to 1.00 determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been incurred, or the Disqualified Stock or Preferred Shares had been issued, as the case may be, and the application of proceeds therefrom had occurred at the beginning of such four-quarter period.

(b) To the extent Indebtedness is incurred or shares of Disqualified Stock or Preferred Shares are issued in connection with the redemption of less than all shares of Series A-1 Preferred Stock, the Issuer may not incur such Indebtedness or issue shares of Disqualified Stock or Preferred Shares, nor may any of the Subsidiaries incur Indebtedness, issue shares of Disqualified Stock and issue Preferred Shares, so long as the Consolidated Debt Ratio would have been greater than 2.50 to 1.00, determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been incurred, or the Disqualified Stock or Preferred Shares had been issued, as the case may be, and the application of proceeds therefrom had occurred at the beginning of such four-quarter period.

(c) Accrual of interest or dividends, the accretion of accreted value, the accretion or amortization of original issue discount and the payment of interest or dividends in the form of additional Indebtedness, Disqualified Stock or Preferred Shares, the accretion of liquidation preference and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies will not be deemed to be an incurrence of Indebtedness, Disqualified Stock or Preferred Shares for purposes of Section 11(a)–(b).

The provisions of Sections 11(a)–(b) shall not prohibit:

(d) Indebtedness under Credit Facilities in an aggregate principal amount at any time outstanding not to exceed the Credit Facilities Cap;

(e) Indebtedness constituting customary indemnification obligations incurred in connection with Permitted Acquisitions;

(f) Indebtedness in respect of netting services, overdraft protections and otherwise in connections with deposit accounts to the extent incurred in the ordinary course of business; and

(g) Indebtedness in respect of workers' compensation claims, including guarantees or obligations of the Issuer or any Subsidiary with respect to workers' compensation claims, (in each case other than for an obligation for money borrowed).

12. Transactions with Affiliates.

(a) On and after the Closing Date, the Issuer shall not, and shall not permit any of its Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Issuer or any Subsidiary (each of the foregoing, an "Affiliate Transaction")

(b) The foregoing provisions shall not apply to the following:

(i) transactions between or among the Issuer and any Subsidiary, or between or among Subsidiaries or, in any case, any entity that becomes a Subsidiary as a result of such transaction;

(ii) any agreement or arrangement as in effect as of the Closing Date (including the transactions with RedRidge Financial and NextMedia Group (and their respective Affiliates) existing as of the Closing Date), or any amendment thereto (so long as any such amendment is not disadvantageous in any material respect in the good faith judgment of the Board of Directors or the senior management of the Issuer, or the board of directors of a Subsidiary, as applicable, to the holders of the Series A-1 Preferred Stock when taken as a whole as compared to the applicable agreement as in effect on the Closing Date) or any transactions or payments contemplated thereby;

(iii) the existence of, or the performance by the Issuer or any of its Subsidiaries of its obligations under the terms of any stockholders agreement or the equivalent (including any registration rights agreement or purchase agreement related thereto) to which it (or any Parent Entity) is a party as of the Closing Date and any similar agreements which it (or any Parent Entity) may enter into thereafter; provided, however, that the existence of, or the performance by the Issuer or any Subsidiary (or such Parent Entity) of obligations under any future amendment to any such existing agreement or under any similar agreement entered into after the Closing Date shall only be permitted by this clause (iii) to the extent that the terms of any such amendment or new agreement are not otherwise disadvantageous in any material respect to the holders of the Series A-1 Preferred Stock when taken as a whole as compared to the applicable agreement as in effect on the Closing Date;

(iv) payments by the Issuer or any Subsidiary, to any Investor made for any financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including, without limitation, in connection with acquisitions or divestitures which payments are approved, in good faith, by the Board of Directors or the senior management of the Issuer, or the board of directors of a Subsidiary, as applicable;

(v) payments to and from, and transactions with, any joint ventures entered into in the ordinary course of business or consistent with past practice (including, without limitation, any cash management activities related thereto);

(vi) transactions permitted by Section 10 or 11; and

(vii) normal and reasonable compensation. indemnification and reimbursement of expenses of officers and directors in the ordinary course of business.

13. Limitations on Dividends and Other Payment Restrictions Affecting Subsidiaries. On and after the Closing Date, the Issuer shall not, and shall not permit any of its Subsidiaries to directly or indirectly create or otherwise cause or suffer to exist or become effective any consensual encumbrance or consensual restriction on the ability of any such Subsidiary to:

(a) (x) pay dividends or make any other distributions to the Issuer or any of its Subsidiaries on its Capital Stock or with respect to any other interest or participation in, or measured by, its profits, or (y) pay any Indebtedness owed to the Issuer or any of its Subsidiaries;

(b) make loans or advances to the Issuer or any of its Subsidiaries; or

(c) sell, lease or transfer any of its properties or assets to the Issuer or any of its Subsidiaries, except (in each case) for such encumbrances or restrictions existing under or by reason of:

(i) contractual encumbrances or restrictions in effect on the Closing Date, including, Hedging Obligations;

(ii) applicable law or any applicable rule, regulation or order;

(iii) any agreement or other instrument of a Person, or relating to Indebtedness or Capital Stock of a Person, which Person is acquired by or merged, consolidated or amalgamated with or into the Issuer or any of its Subsidiaries, or any other transaction entered into in connection with any such acquisition, merger, consolidation, amalgamation or redesignation, in existence at the time of such acquisition or at the time it merges, consolidates or amalgamates with or into the Issuer or any of its Subsidiaries or assumed in connection with the acquisition of assets from such Person or at the time it is redesignated (but, in each case, not created in contemplation thereof), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person and its Subsidiaries, or the property or assets of the Person and its Subsidiaries, so acquired or redesignated;

(iv) contracts, including sale-leaseback agreements, for the sale or disposition of assets, including customary restrictions with respect to a Subsidiary of the Issuer pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock or assets of such Subsidiary;

(v) Indebtedness secured by a Lien otherwise permitted to be incurred pursuant to Section 11 that limit the right of the debtor to dispose of the assets securing such Indebtedness;

(vi) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business or restrictions on cash or other deposits permitted under Section 12;

(vii) customary provisions in joint venture agreements or arrangements and other similar agreements or arrangements relating to such joint venture;

(viii) customary provisions contained in leases, subleases, licenses, sublicenses or similar agreements, including with respect to intellectual property and other agreements;

(ix) restrictions or conditions contained in any trading, netting, operating, construction, service, supply, purchase, sale or other agreement to which the Issuer or any of its Subsidiaries is a party entered into in the ordinary course of business; provided that such agreement prohibits the encumbrance of solely the property or assets of the Issuer or such Subsidiary that are the subject to such agreement, the payment rights arising thereunder or the proceeds thereof and does not extend to any other asset or property of the Issuer or such Subsidiary or the assets or property of another Subsidiary of the Issuer;

(x) other Indebtedness, Disqualified Stock or Preferred Stock permitted to be incurred subsequent to the Closing Date pursuant to Section 11, or any other encumbrance or restriction; provided that, (A) in the good faith judgment of the Issuer, such incurrence or such encumbrance or restriction will not materially impair the Issuer's ability to make payments under the Series A-1 Preferred Stock when due or (B) such encumbrances and restrictions apply only during the continuance of a default in respect of a payment or financial maintenance covenant relating to such Indebtedness;

(xi) any encumbrance or restriction not relating to any Indebtedness, and that does not, individually or in the aggregate, materially affect the Issuer's or any of its Subsidiaries' ability to make future principal or interest payments under this Certificate of Designation, in each case, as determined by the Issuer in good faith; and

(xii) any encumbrances or restrictions of the type referred to in clauses (a), (b) and (c) of this Section 13 imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (i) through (xi) above; provided that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of the Issuer, not materially more restrictive with respect to such encumbrance and other restrictions taken as a whole than those prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing.

(d) For purposes of determining compliance with this Section 13, (1) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common equity shall not be deemed a restriction on the ability to make distributions on Capital Stock and (2) the subordination of loans and advances made to the Issuer or a Subsidiary to other Indebtedness incurred by the Issuer or such Subsidiary shall not be deemed a restriction on the ability to make loans or advances.

14. Restricted Acquisitions. The Issuer shall not, and shall not permit any of its Subsidiaries, without the written consent of the Holder Majority, to directly or indirectly consummate any Acquisitions, other than Permitted Acquisitions.

15. Leverage Failure.

(a) Concurrently with the delivery of any quarterly and annual financial statements to the holders of the Series A-2 Preferred Stock (including, for the avoidance of doubt, the delivery of fourth quarter unaudited financial statements within 45 days after the end of each

fiscal year), the Issuer shall deliver to the holders of the Series A-1 Preferred Stock a compliance certificate substantially in the form of the Compliance Certificate (as defined in the Existing Loan Agreement) containing reasonably detailed calculations of the Consolidated Total Leverage Ratio. The Issuer shall maintain, as of the end of each fiscal quarter of the Issuer, a Consolidated Total Leverage Ratio of no greater than 10.00 to 1.00 (the "Maintenance Covenant"). Failure to comply with this Section 15 shall be a "Leverage Failure." In the event of any Leverage Failure, the Issuer shall have the right to (a) issue Equity Interests (other than Disqualified Stock) for (or receive capital contributions of) cash (the amount thereof, the "Cure Amount" and any action taken pursuant to this clause (a), an "Equity Cure") or (b) to consummate a Permitted Acquisition (an "Acquisition Cure"), so long as the Issuer consummates the exercise of the Equity Cure or Acquisition Cure, as applicable, pursuant to the procedures described in this Section 15 within ninety (90) days subsequent to the date on which the financial statements with respect to such fiscal quarter have been delivered to the holders of Series A-1 Preferred Stock. Notwithstanding the foregoing, in the event the Issuer's Consolidated Total Leverage Ratio is no greater than 10.00 to 1.00 as of the end of the fiscal quarter immediately following the fiscal quarter for which the Issuer experienced a Leverage Failure without the Issuer having exercised an Equity Cure or an Acquisition Cure, the applicable Leverage Failure shall be deemed cured for all purposes of this Certificate of Designation (a "Deemed Cure" and each of the Equity Cure, the Acquisition Cure or the Deemed Cure, a "Cure Right"); provided that any such Cure Right can be utilized no more than twice in any four consecutive fiscal quarters. With respect to an Equity Cure, upon receipt by the Issuer of the Cure Amount, Adjusted Pro Forma EBITDA for the fiscal quarter as to which such Cure Right is exercised (the "Cure Right Fiscal Quarter") shall be deemed to have been increased by the Cure Amount in determining compliance with this Section 15 for such Cure Right Fiscal Quarter and for any subsequent period that includes such Cure Right Fiscal Quarter. With respect to an Acquisition Cure, upon consummation of a Permitted Acquisition that cures such Leverage Failure, for purposes of determining compliance with Section 15, Adjusted Pro Forma EBITDA for such previous fiscal quarter and for any subsequent period shall include the impact of such Permitted Acquisition and any Indebtedness incurred in connection therewith on a pro forma basis assuming that such Permitted Acquisition had occurred on the first day of the Applicable Measurement Period. If after giving effect to the applicable Cure Right set forth in this Section 15 the Issuer shall then be in compliance with this Section 15, the Issuer shall be deemed to have satisfied the requirements of such covenant as of the relevant date of determination with the same effect as though there had been no Leverage Failure at such date, and the applicable Leverage Failure shall be deemed cured for all purposes of this Certificate of Designation.

(b) If any Leverage Failure has resulted in an Event of Noncompliance under clause (a)(ii) of the definition thereof which is continuing:

(i) unless consented to by a Holder Majority, the Issuer shall not, and shall not permit its Subsidiaries to, directly or indirectly, declare or pay any dividends or distributions on, or otherwise repurchase, redeem or otherwise acquire any shares of, Capital Stock (other than the Series A-1 Preferred Stock or the Series A-2 Preferred Stock) of the Issuer or any of its Subsidiaries or make any Investments (other than pursuant to clauses 1, 2, 3, 6, 8, 9, 11, 12, 13, and 14 of the definition of "Permitted Investments");

(ii) unless consented to by a Holder Majority, the Issuer shall not, and shall not permit its Subsidiaries to, directly or indirectly, incur any Indebtedness, other than (x) Indebtedness incurred under the Existing Loan Agreement that is used to finance working capital needs of the Issuer; provided that the foregoing shall not restrict the incurrence of Indebtedness incurred in connection with the refinancing of the Existing Loan Agreement up to the Credit Facilities Cap and (y) Indebtedness incurred in order to fund Permitted Acquisitions (which otherwise complies with the requirements of this Certificate of Designation, including without limitation Section 11 hereof);

(iii) unless consented to by a Holder Majority, the Issuer shall not and shall not permit any of its Subsidiaries to, directly or indirectly, make any disposition of any asset, unless the proceeds from such disposition are used to reduce any senior Indebtedness of the Issuer; provided that, in connection with any such reduction of such senior Indebtedness, the Issuer or such Subsidiary will retire such senior Indebtedness and cause any related commitment to be permanently reduced; and

(iv) unless consented to by a Holder Majority, the Issuer shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, make or commit to make any capital expenditures exceeding $7,500,000 in the aggregate.

16. Amendment and Waiver.

(a) Holder Majority. So long as any Series A-1 Preferred Stock remains outstanding, and unless a greater percentage is required by law, the Issuer will not, without the affirmative vote or written consent of the holders of at least a majority of the Stated Value of Series A-1 Preferred Stock then outstanding, separately as one class, amend, alter or change the terms (by merger, consolidation or otherwise) of this Certificate of Designation as they relate to the Series A-1 Preferred Stock (a "Holder Majority").

There shall be excluded from the numerator and the denominator for purposes of determining whether any Holder Majority is achieved, Series A-1 Preferred Stock held by (a) the Issuer (or any Parent Entity or any Subsidiaries of the Issuer) and (b) any employee of the Issuer or any of its Subsidiaries or any Person controlled by any employee of the Issuer or any of its Subsidiaries; nor shall any of such persons be entitled to attend "holder only" meetings of holders of the Series A-1 Preferred Stock.

(b) Supermajority Matters. Notwithstanding anything to the contrary herein, no such amendment to this Certificate of Designation will (by merger, consolidation or otherwise), without the affirmative vote or written consent of at least 66.67% of the Stated Value of the Series A-1 Preferred Stock then outstanding, separately as one class (the "Holder Supermajority"), affect any of the following matters (the "Supermajority Matters"):

(i) Any waiver or amendment of the Series A-1 Dividend Rate or Post Adjustment Dividend Rate;

(ii) Any waiver or amendment to the timing or method of payment of any dividends pursuant to Section 5;

(iii) Any waiver or amendment in respect of the liquidation preference pursuant to Section 3;

(iv) Any waiver or amendment to any required voting percentages or the Supermajority Matters;

(v) Any waiver or amendment affecting the ranking of the Series A-1 Preferred Stock (including the creation or authorization of additional classes of any senior or parity preferred equity of the Issuer (including additional Series A-1 Preferred Stock)); and

(vi) Any waiver or amendment with respect to Section 16.

(c) Waiver. The Holder Majority may waive any Event of Noncompliance or other failure to comply with any provision, condition or requirement of this Certificate of Designation. No waiver of any Event of Noncompliance or other failure to comply with any provision, condition or requirement of this Certificate of Designation will be deemed to be a continuing waiver in the future or a waiver of any subsequent Event of Noncompliance or failure or a waiver of any other provision, condition or requirement hereof, nor will any delay or omission to exercise any right hereunder in any manner impair the exercise of any such right.

17. No Reissuance of the Series A-1 Preferred Stock. No share or shares of the Series A-1 Preferred Stock acquired by the Issuer by reason of redemption, conversion, purchase or otherwise shall be reissued or held in treasury for reissuance, and the Issuer shall take all action to cause all such shares to be canceled, retired and eliminated from the shares which the Issuer shall be authorized to issue.

18. Rights and Remedies of Holders.

(a) The various provisions set forth herein are for the benefit of the holders of the Series A-1 Preferred Stock and shall be enforceable by them.

(b) Except as expressly set forth herein, all remedies available under this Certificate of Designation, at law, in equity or otherwise, will be deemed cumulative and not alternative or exclusive of other remedies. The exercise by any holder of the Series A-1 Preferred Stock of a particular remedy will not preclude the exercise of any other remedy.

19. Certain Tax Matters.

(a) The Series A-1 Preferred Stock shall be treated as equity for U.S. federal and state income tax purposes. For as long as any Series A-1 Preferred Stock is outstanding, the Issuer will remain classified as (i) a corporation for U.S. federal income tax purposes and (ii) as a "United States person" within the meaning of Section 7701(a)(30) of the Code (a "US Corporation") (unless, in either case, (x) a Mandatory Redemption Event has occurred prior to the Issuer becoming a Person other than a US Corporation (a "Specified Event") or (y) a Mandatory Redemption occurs as a result of a Specified Event so long as no holder of Series A-1 Preferred Stock is adversely affected in respect of taxes if such holder exercises its option to effect a Mandatory Redemption in connection with the Specified Event as compared with a Mandatory Redemption occurring immediately prior to the Specified Event , provided that neither (x) nor (y) shall apply if any Series A-1 Preferred Stock still outstanding would have been redeemed but for the failure of the Issuer to effect a Mandatory Redemption after a holder's exercise thereof in accordance with Section 7(a)).

(b) For so long as a holder owns Series A-1 Preferred Stock, it shall be a "United States person" within the meaning of Section 7701(a)(30) of the Code (a "US Person"). Notwithstanding anything to the contrary herein, no holder shall be entitled to transfer any Series A-1 Preferred Stock to any person who is not a US Person, and any such purported transfer will be void *ab initio*.

(c) The Issuer shall not deduct or withhold from any payment (including deemed payments) made on or with respect to the Series A-1 Preferred Stock except to the extent required by applicable law, and in such case, the Issuer shall be entitled to deduct and withhold as is required by applicable law, provided that, in the case of a holder that is a US Person, the Issuer shall provide at least three days' written notice in advance of any such deduction or withholding. Any such deducted and withheld amounts shall be treated for all purposes as having been paid to the applicable person in respect of whom such deduction and withholding was made.

20. Right of First Offer.

(a) In the event the Issuer or its subsidiaries desires to, plans to or does incur any Indebtedness for borrowed money (excluding, for the avoidance of doubt, the Existing Loan Agreement, any debtor-in-possession financing, and any seller notes or similar instruments or arrangements evidencing or otherwise representing all or any part of the deferred portion of the purchase price of any Acquisition) (the "Proposed Debt") with a Weighted Average Yield in excess of LIBOR plus 6.0%, the Issuer shall deliver a written notice (the "ROFO Notice") to OCM Montrose Holdings, L.P., a Delaware limited partnership (the "Registered Holder") at least thirty (30) days prior to the incurrence of the Proposed Debt. The ROFO Notice shall specify the amount, term, amortization and the weighted average yield of the Proposed Debt (the "Offered Terms").

(b) Following the giving of the ROFO Notice, the Registered Holder, directly or through an affiliated designee, shall have an option for a period of ten (10) days after receiving the ROFO Notice to elect to provide its pro rata portion (based on the aggregate Stated Value of Series A-2 Preferred Stock then held by the Registered Holder and the aggregate Stated Value of the Series A-1 Preferred Stock then held by the "Registered Holder" in the Series A-1 Certificate of Designation) (a) all of the Proposed Debt or (b) other than with respect to any Indebtedness incurred to refinance the Existing Loan Agreement, any portion of the Proposed Debt, in each case, on the Offered Terms.

(c) If the Registered Holder accepts the Offered Terms, the Registered Holder and the Issuer shall negotiate in good faith to complete the documentation required for the Proposed Debt in a timely fashion, and in any event within thirty (30) days after the issuance of the ROFO Notice.

(d) If the Registered Holder does not accept the Offered Terms within the time period set forth above, or, following acceptance of the Offered Terms, the Issuer and the Registered Holder do not agree on definitive documentation in respect thereof within such third (30) day period, then the Issuer shall be free to offer the Proposed Debt to another unaffiliated third party

lender on terms no more favorable to the lender than the Proposed Debt, provided that the closing and funding of such offered Proposed Debt must be completed within ninety (90) days after the issuance of the ROFO Notice. If the Proposed Debt is not closed and funded within such period, a new ROFO Notice shall be given to the Registered Holder, and the Registered Holder shall again be offered a right of first offer on the Proposed Debt, pursuant to the terms of this Section 20.

(e) The rights of first offer under this Section 20 shall terminate immediately before the earlier to occur of (i) a Qualifying IPO or (ii) a Sale of the Issuer.

21. Notice.

Any notice or other communication required or permitted to be delivered under this Certificate of Designation will be in writing and delivered by (i) email or (ii) overnight delivery via a national courier service, with respect to any holder, at the email address or physical address on file with the Issuer and, with respect to the Issuer, to the following email address or physical address, as applicable:

Montrose Environmental Group, Inc.
1 Park Plaza, Suite 1000
Irvine, CA 92614
Attention: Nasym Afsari, General Counsel
Vijay Manthripragada, Chief Executive Officer
Email: ***
***

with copies (which will not constitute notice) to:

Gibson, Dunn & Crutcher LLP
333 South Grand Avenue
Los Angeles, CA 90071-3197
Attention: Candice Choh
Email: ***

22. No Conversion Rights. Except as provided herein, the holders of shares of Series A-1 Preferred Stock have no rights to convert such shares into any other securities of the Issuer.

23. Severability. Whenever possible, each provision hereof shall be interpreted in a manner as to be effective and valid under applicable Law, but if any provision hereof is held to be prohibited by or invalid under applicable Law, then such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating or otherwise adversely affecting the remaining provisions hereof.

24. Legend. Any certificates representing shares of Series A-1 Preferred Stock shall bear a legend in substantially the following form:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") AND MAY NOT BE TRANSFERRED, SOLD OR OTHERWISE DISPOSED OF EXCEPT WHILE A REGISTRATION STATEMENT RELATING THERETO IS IN EFFECT UNDER THE SECURITIES ACT OR PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THE DESIGNATIONS, RIGHTS, PREFERENCES, POWERS, RESTRICTIONS AND LIMITATIONS SET FORTH IN THE CERTIFICATE OF DESIGNATION FOR THE SERIES A-1 PREFERRED STOCK FILED WITH THE SECRETARY OF STATE FOR THE STATE OF DELAWARE PURSUANT TO SECTION 151 OF THE DELAWARE GENERAL CORPORATION LAW (THE "CERTIFICATE OF DESIGNATION") AND THE RIGHTS, TERMS AND CONDITIONS SET FORTH IN THE THIRD AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT BY AND AMONG MONTROSE ENVIRONMENTAL GROUP, INC. (THE "ISSUER") AND CERTAIN HOLDERS OF ISSUER SECURITIES PARTY THERETO (THE "INVESTMENT AGREEMENT"). NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY BE MADE EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF THE CERTIFICATE OF DESIGNATION AND THE INVESTMENT AGREEMENT. A COPY OF THE CERTIFICATE OF DESIGNATION AND THE INVESTMENT AGREEMENT WILL BE FURNISHED WITHOUT CHARGE BY THE ISSUER TO THE HOLDER UPON REQUEST."

25. Applicability of Covenants. For the avoidance of doubt, Sections 10 through 16 shall cease to be of any force and effect at any time at which no shares of Series A-1 Preferred Stock are outstanding.

IN WITNESS WHEREOF, the Issuer has caused this Amended and Restated Certificate of Designation to be signed by a duly authorized officer this 13th day of April, 2020.

MONTROSE ENVIRONMENTAL GROUP, INC.

By: /s/ Vijay Manthripragada
Name: Vijay Manthripragada
Title: Chief Executive Officer

Exhibit 3.5

CERTIFICATE OF DESIGNATION
OF
CUMULATIVE SERIES A-2 PREFERRED STOCK
OF
MONTROSE ENVIRONMENTAL GROUP, INC.

Pursuant to Section 151 of the General Corporation Law of the State of Delaware

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Pursuant to Section 151 of the General Corporation Law of the State of Delaware (the "DGCL"), Montrose Environmental Group, Inc., a corporation duly organized and validly existing under the DGCL (the "Issuer"), in accordance with the provisions of Sections 103 and 151 thereof, does hereby submit the following:

WHEREAS, the Certificate of Incorporation of the Issuer (as amended, restated, supplemented or otherwise modified from time to time, the "Certificate of Incorporation") authorizes the issuance of preferred stock, par value $0.0001 per share, of the Issuer ("Preferred Stock") in one or more series, and expressly authorizes the Board of Directors of the Issuer (the "Board of Directors"), subject to limitations prescribed by Law, to provide, out of the unissued shares of Preferred Stock, for series of Preferred Stock, and, with respect to each such series, to establish and fix the number of shares to be included in any series of Preferred Stock and the designations, rights, preferences, powers, restrictions and limitations of the shares of such series; and

WHEREAS, it is the desire of the Board of Directors to establish and fix the number of shares to be included in a new series of Preferred Stock and the designations, rights, preferences, powers, restrictions and limitations of the shares of such new series.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors does hereby provide authority for the Issuer to issue a series of Preferred Stock and does hereby in this Certificate of Designation (this "Certificate of Designation") establish and fix and herein state and express the designations, rights, preferences, powers, restrictions and limitations of such series of Preferred Stock as follows:

1. Designation: Series A-2 Preferred Stock. A total of 17,500 shares of Preferred Stock, par value $0.0001 per share, shall be designated as a series known as Cumulative Series A-2 Preferred Stock, with each share having an initial Stated Value of $10,000 per share (the "Series A-2 Preferred Stock"). Each share of Series A-2 Preferred Stock will have the same designations, powers, preferences and rights as every other share of Series A-2 Preferred Stock. Until the close of business on the Automatic Adjustment Date, the rights, powers and preferences, and the qualifications, limitations and restrictions thereof, of the Series A-2 Preferred Stock shall be as set forth in Sections 2–23 below. From and after the Automatic Adjustment Date, the rights, powers and preferences, and the qualifications, limitations and restrictions thereof, of the Series A-2 Preferred Stock shall no longer be as set forth in Sections 2-23 below and instead shall be as set forth in Exhibit 1 attached hereto and incorporated herein by reference, and the provisions of Sections 2–23 below shall be null and void and of no force or effect.

2. Definitions; Interpretation.

(a) Definitions. As used in this Certificate of Designation, the following capitalized terms shall have the following meanings:

"Acquisition," by any Person, means the acquisition by such Person, in a single transaction or in a series of related transactions, of all or substantially all of the property of, or a line of business, division of or other business unit of, another Person or at least a majority of the Voting Stock of another Person, in each case whether or not involving a merger or consolidation with such other Person and whether for cash, property, services, assumption of Indebtedness, securities or otherwise.

"Adjusted Pro Forma EBITDA" means for any period, for the Issuer and its Subsidiaries on a consolidated basis, an amount equal to:

(a) Consolidated Net Income for such period;

plus,

(b) without duplication, the following to the extent (except in the case of (b)(viii)(B) and (b)(x)(C) below) deducted in calculating such Consolidated Net Income:

(i) Consolidated Interest Charges for such period;

(ii) net income tax expense (or net expense for franchise taxes in lieu of income taxes) for such period;

(iii) depreciation and amortization expense for such period;

(iv) (A) reasonable fees and expenses of professional advisors, accountants, investment bankers and legal counsel, bonuses incurred, and filing and other fees payable to, or in connection with filings made with, the SEC, including financial printer costs, in each case, in connection with a Qualifying IPO for such period and (B) Qualifying IPO Costs for such period in an amount not to exceed $3,000,000, in each case whether a Qualifying IPO is consummated or unconsummated during such period;

(v) costs and expenses attributable to the closing of this Transaction, to the extent such costs and expenses are not capitalized (it being agreed that if capitalized, the same are covered by clause (b)(iii) above);

(vi) all non-cash charges or losses for such period, including non-cash stock based compensation expense for such period (other than (A) charges relating to inventory or accounts receivable and (B) any such non-cash charges or losses to the extent representing accruals of or reserves for cash expenses in any future period or an amortization of a prepaid cash expense);

(vii) (A) costs and expenses incurred in connection with the acquisition of The Center for Toxicology and Environmental Health, L.L.C., an Arkansas limited liability company (the "CTEH Acquisition") and (B) costs and expenses, not to exceed $600,000, associated with obtaining consent to the Transactions and the CTEH Acquisition under the Existing Loan Agreement;

(viii) (A) charges and expenses reimbursed to the Issuer and its Subsidiaries by insurance or indemnity payments by third parties for such period and, in the case of this clause (A), such additional charges and expenses for such period that, in the good faith judgment of the Issuer, are reasonably expected to be so reimbursed to the Issuer and its Subsidiaries within one year after the incurrence of such charge or expense (and if not so reimbursed within one year, such unreimbursed amounts shall be deducted from Adjusted Pro Forma EBITDA during the next period), and (B) proceeds of business interruption insurance received in such period in an amount representing the earnings for such period that such proceeds are intended to replace (to the extent not reflected in Consolidated Net Income);

(ix) reasonable costs and expenses incurred in connection with Permitted Acquisitions (including, without limitation, associated integration costs and expenses to the extent incurred within twelve months of the consummation or implementation of a Permitted Acquisition) whether consummated or unconsummated during such period to the extent such costs and expenses are not capitalized (it being agreed that if capitalized, same are covered by clause (b)(iii) above); provided, however, that any such travel-related costs and expenses incurred by Issuer employees in connection with Permitted Acquisitions, whether consummated or unconsummated, shall be limited to pre-closing travel and the first trip made by any such Issuer employee following the consummation of such Permitted Acquisition;

(x) (A) other non-recurring or extraordinary losses, reserves, charges and expenses for such period,

(B) losses from start-up labs or de novo locations, businesses or service offerings, so long as such loss was incurred within twelve months of the openings of such start-up labs or de novo location or the initial investment in such business or service offering, as applicable, and

(C) for any period ending on or prior to December 31, 2020, the amount of "run rate" cost savings and operating expense reductions projected by the Issuer in good faith to be realized after specified actions which are taken within twelve months of the consummation or implementation of a Permitted Acquisition or the implementation of a cost-savings or similar initiative, net of the amount of actual benefits realized during such period from such actions, and in each case, are reasonably expected to be realized within the first twelve months following the consummation or implementation thereof and are reasonably identifiable and factually supportable; provided that no cost savings or operating expense reductions shall be added pursuant to this clause (x)(C) to the extent duplicative of any amounts otherwise added to, or included in, Adjusted Pro Forma EBITDA, whether through a pro forma adjustment or otherwise, for such period;

provided, that (x) the aggregate amount added back to Adjusted Pro Forma EBITDA pursuant to clauses (b)(x)(A) – (b)(x)(C) shall not exceed 15% of Adjusted Pro Forma EBITDA for any such period in the aggregate (calculated prior to giving effect to such addbacks); provided, however, that when calculating the addback set forth in clause (b)(x)(A), it shall be net of any related extraordinary gains referenced in (c)(iii) below for such period, and (y) the aggregate amount added back to Adjusted Pro Forma EBITDA pursuant to clauses (b)(x)(B) and (b)(x)(C) shall not exceed 7.5% of Adjusted Pro Forma EBITDA for any such period in the aggregate (calculated prior to giving effect to such addbacks);

minus

(c) to the extent included in calculating Consolidated Net Income,

(i) the amount of cash expended in such period in respect of any amount that, under clause (b)(vi) above, was taken into account in determining Adjusted Pro Forma EBITDA for such period or any prior period, all as determined in accordance with GAAP;

(ii) all non-cash gains for such period; and

(iii) (1) for any period ending on or prior to December 31, 2020, all extraordinary and non-recurring gains for such period and (2) for any period ending after December 31, 2020, all extraordinary and non-recurring cash gains for such period.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

"Affiliate Transaction" has the meaning given to such term in Section 13.

"Applicable Calculation Date" means the applicable date of calculation for (i) the Consolidated Debt Ratio, (ii) the Adjusted Pro Forma EBITDA or (iii) the Consolidated Total Leverage Ratio.

"Applicable Date of Determination" means the last day of the most recently ended fiscal quarter, as applicable, for which financial statements were delivered or were required to be delivered pursuant to Section 15.

"Applicable Measurement Period" means the most recently completed four consecutive fiscal quarters of the Issuer for which financial statements have been delivered to the holders of Series A-2 Preferred Stock or were required to be delivered pursuant to Section 15 immediately preceding the Applicable Calculation Date.

"Attributable Indebtedness" means, on any date, (a) in respect of any Capitalized Lease Obligation of any Person, the capitalized amount thereof that would appear as indebtedness on a balance sheet of such Person prepared as of such date in accordance with GAAP, (b) in respect of any Synthetic Lease of any Person, the capitalized amount of the remaining lease payments

under the relevant lease that would appear as indebtedness on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease were accounted for as a Capitalized Lease Obligation and (c) in respect of any Securitization Transaction of any Person, the outstanding principal amount of such financing, after taking into account reserve accounts and making appropriate adjustments.

"Authorized Officer" means, with respect to any Person, any individual holding the position of chairman of the board (if such individual is also an officer of such Person), the Chief Executive Officer, the President, the Chief Financial Officer, the Treasurer, the Assistant Treasurer, the Controller, a Senior Vice President, a Director, a Manager, the Secretary, the Assistant Secretary or any other senior officer or agent with express authority to act on behalf of such Person designated as such by the board of directors or other managing authority of such Person.

"Automatic Adjustment Date" means the date on which a Qualifying IPO occurs.

"Bankruptcy Law" means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect.

"Board of Directors" has the meaning assigned to such term in the recitals hereof.

"Business Day" means each day that is not a Legal Holiday.

"Capital Stock" means (a) in the case of a corporation, corporate stock, (b) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock, (c) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited), and (d) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

"Capitalized Lease Obligation" means, at the time any determination thereof is to be made, the amount of the liability in respect of a capital lease that would at such time be required to be accounted for as a capital lease on a balance sheet (excluding the footnotes thereto) in accordance with GAAP, subject, for the avoidance of doubt, to the last sentence of Section 2(b).

"Cash Equivalents" means cash equivalents and marketable securities as defined under GAAP.

"Certificate of Designation" has the meaning assigned to such term in the recitals hereof.

"Certificate of Incorporation" has the meaning assigned to such term in the recitals hereof.

"Change of Control" means the occurrence of any of the following after the Closing Date:

(a) the failure of the holders of Equity Interests on the Closing Date to maintain beneficial ownership of at least a majority of the Equity Interests of the Issuer on a fully diluted basis; or

(b) during any period of twenty-four (24) consecutive months, a majority of the members of the Board of Directors or other equivalent governing body of the Issuer cease to be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election, appointment or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election, appointment or nomination at least a majority of that Board of Directors or equivalent governing body or (iii) whose election, appointment or nomination to that Board of Directors or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election, appointment or nomination at least a majority of that board or equivalent governing body;

provided, that the occurrence of the events in the foregoing clauses (a) and/or (b) arising as a result of any acquisition of a majority of the Equity Interests by Leonard Green & Partners, L.P. (or an affiliate thereof) or The Cranemere Group Limited (or an affiliate thereof), in either case, within 18 months of the Closing Date, shall not be a "Change of Control" provided, that (1) the proceeds thereof, along with up to $50,000,000 of cash on hand and Indebtedness incurred in compliance with Section 12 (if elected by the Issuer), are used to fully redeem all outstanding shares of Series A-1 Preferred Stock and (2) if such acquisition of a majority of Equity Interests occurs concurrent with or after the CTEH 2020 Earnout Amount is due and payable, the CTEH Participating Equity is sold in full.

"Closing Date" means April 13, 2020.

"Code" means the Internal Revenue Code of 1986, as amended, or any successor thereto.

"Common Stock" means the common stock, par value $0.000004 per share, of Issuer.

"Consolidated Debt Ratio" means, as of any date of determination, the ratio of (1) Consolidated Total Indebtedness of the Issuer and its Subsidiaries computed as of the end of the Applicable Measurement Period to (2) the Issuer's Adjusted Pro Forma EBITDA for the Applicable Measurement Period, provided, that for the calculation of Consolidated Total Indebtedness and Adjusted Pro Forma EBITDA giving appropriate *pro forma* effect to such incurrence, assumption, guarantee, redemption, repayment, retirement or extinguishment of Indebtedness, or such issuance or redemption of Disqualified Stock or Preferred Shares (in each case, including a *pro forma* application of the net proceeds therefrom), as if the same had occurred at the beginning of the Applicable Measurement Period.

For purposes of making the computation referred to above, any Specified Transaction that has been made by the Issuer or any of its Subsidiaries during the Applicable Measurement Period or subsequent to such Applicable Measurement Period and on or prior to or simultaneously with the Applicable Calculation Date shall be included in such calculation on a *pro*

forma basis assuming that all such Specified Transactions (and the change in any associated fixed charge obligations and the change in Adjusted Pro Forma EBITDA resulting therefrom) had occurred on the first day of the Applicable Measurement Period. If since the beginning of such period any Person that subsequently became a Subsidiary or was merged or amalgamated with or into the Issuer or any of its Subsidiaries since the beginning of such period shall have made any Specified Transaction that would have required adjustment pursuant to this definition, then the Consolidated Debt Ratio shall be calculated giving *pro forma* effect thereto for such Applicable Measurement Period as if such Specified Transaction had occurred at the beginning of the Applicable Measurement Period.

For purposes hereof, whenever *pro forma* effect is to be given to a transaction, the *pro forma* calculations shall be made in good faith by a responsible financial or accounting officer of the Issuer (and may include, for the avoidance of doubt and without duplication, cost savings, operating expense reductions and synergies resulting from any disposition or such Investment, acquisition, disposition, merger, amalgamation or consolidation or other transaction (including the Transactions)).

"Consolidated Interest Charges" means, for any period, for the Issuer and its Subsidiaries on a consolidated basis, an amount equal to the sum of (a) all interest, premium payments, debt discount, fees, charges and related expenses in connection with borrowed money (including capitalized interest) or in connection with the deferred purchase price of assets, in each case to the extent treated as interest in accordance with GAAP, but excluding, to the extent otherwise included as an interest expense, transaction costs related to the closing of the Existing Loan Agreement, including up-front fees and expenses, plus (b) the portion of rent expense with respect to such period under Capitalized Lease Obligations that is treated as interest in accordance with GAAP plus (c) the implied interest component of Synthetic Leases with respect to such period.

"Consolidated Net Income" means, for any period, for the Issuer and its Subsidiaries on a consolidated basis, the net income of the Issuer and its Subsidiaries for that period, as determined in accordance with GAAP; provided that Consolidated Net Income shall exclude any income (or loss) for such period of any Person if such Person is not a Subsidiary, except that the Issuer's equity in the net income of any such Person for such period shall be included in Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such period to the Issuer or a Subsidiary as a dividend or other distribution.

"Consolidated Total Indebtedness" means, as at any Applicable Calculation Date, (i) the aggregate amount of all outstanding Indebtedness and Disqualified Stock (excluding the Series A-1 Preferred Stock and Series A-2 Preferred Stock) of the Issuer and its Subsidiaries on a consolidated basis less (ii) all cash and Cash Equivalents of the Issuer and its Subsidiaries that do not appear (or would not be required to appear) as "restricted" on a consolidated balance sheet of the Issuer.

"Consolidated Total Leverage Ratio" means, as of any date of determination, the ratio of (1) the sum of (a) Consolidated Total Indebtedness of the Issuer and its Subsidiaries computed as of the end of the Applicable Measurement Period and (b) the aggregate amount of the Series A-1 Preferred Stock of the Issuer and Series A-2 Preferred Stock of the Issuer on a

consolidated basis, with the amount of such Series A-1 Preferred Stock or Series A-2 Preferred Stock, as applicable, equal to the stated value thereof plus accrued and unpaid interest thereon, to (2) the Issuer's Adjusted Pro Forma EBITDA for the Applicable Measurement Period, in each case with such pro forma adjustments to Consolidated Total Indebtedness and Adjusted Pro Forma EBITDA as are appropriate giving *pro forma* effect to such incurrence, assumption, guarantee, redemption, repayment, retirement or extinguishment of Indebtedness, or such issuance or redemption of Series A-1 Preferred Stock or Series A-2 Preferred Stock (in each case, including a *pro forma* application of the net proceeds therefrom), as if the same had occurred at the beginning of the Applicable Measurement Period.

For purposes of making the computation referred to above, any Specified Transaction that has been made by the Issuer or any of its Subsidiaries during the Applicable Measurement Period or subsequent to such Applicable Measurement Period and on or prior to or simultaneously with the Applicable Calculation Date shall be included in such calculation on a *pro forma* basis assuming that all such Specified Transactions (and the change in any associated fixed charge obligations and the change in Adjusted Pro Forma EBITDA resulting therefrom) had occurred on the first day of the Applicable Measurement Period. If since the beginning of such period any Person that subsequently became a Subsidiary or was merged or amalgamated with or into the Issuer or any of its Subsidiaries since the beginning of such period shall have made any Specified Transaction that would have required adjustment pursuant to this definition, then the Consolidated Debt Ratio shall be calculated giving *pro forma* effect thereto for such Applicable Measurement Period as if such Specified Transaction had occurred at the beginning of the Applicable Measurement Period.

For purposes hereof, whenever *pro forma* effect is to be given to a transaction, the *pro forma* calculations shall be made in good faith by a responsible financial or accounting officer of the Issuer (and may include, for the avoidance of doubt and without duplication, cost savings, operating expense reductions and synergies resulting from any disposition or such Investment, acquisition, disposition, merger, amalgamation or consolidation or other transaction (including the Transactions).

"Controlled Investment Affiliates" means, as to any Person, any other Person, other than any Investor, which directly or indirectly controls, is controlled by, or is under common control with such Person and is organized by such Person (or any Person controlling such Person) primarily for making direct or indirect equity or debt investments in the Issuer or other Persons.

"Credit Facilities" means the Existing Loan Agreement and any debt facilities, indentures or other financing arrangements (including, without limitation, commercial paper facilities with banks or other institutional lenders or investors or indentures) providing for revolving credit loans, term loans, letters of credit or other indebtedness, including any notes, mortgages, guarantees, collateral documents, instruments and agreements executed in connection therewith, and any amendments, supplements, modifications, extensions, renewals, restatements or refundings thereof, in whole or in part, and any indentures or credit facilities or commercial paper facilities with banks or other institutional lenders or investors that replace, refund, refinance, extend, renew, restate, amend, supplement or modify any of the loans, notes, other credit facilities or commitments thereunder, including any such exchanged, replacement, refunding, refinancing, extended, renewed, restated, amended, supplemented or modified facility or indenture that increases the amount permitted to be borrowed or issued thereunder or alters the maturity thereof.

"Credit Facilities Cap" unless consented to by a Holder Majority in writing, means $235,000,000 (which, for the avoidance of doubt, includes the $10,000,000 swing line sublimit under the Existing Loan Agreement as if fully drawn), plus an amount equal to unpaid accrued interest and premium thereon and reasonable fees and expenses (including upfront fees and original issue discount ("OID")) incurred in connection with the initial exchange, replacement, refunding, or refinancing of the Existing Loan Agreement.

"CTEH 2020 Earnout Amount" means the 2020 Earnout Amount (as defined in the CTEH Acquisition Agreement).

"CTEH Acquisition Agreement" means the Membership Interest Purchase Agreement, by and among CTEH Holdings, LLC ("CTEH Holdings"), the Issuer, The Center for Toxicology and Environmental Health, L.L.C., Montrose Planning & Permitting, LLC and the other parties thereto, dated March 28, 2020.

"CTEH Participating Equity" means the amount of the CTEH 2020 Earnout Amount that was paid (or is payable) by the Issuer in Common Stock that CTEH Holdings may require the Issuer to include for sale in a subsequent equity offering of the Issuer, which amount shall not exceed 50% of the CTEH 2020 Earnout Amount.

"Delayed Mandatory Redemption Date" has the meaning assigned to such term in Section 7(b)(iv).

"DGCL" has the meaning assigned to such term in the recitals hereof.

"Disqualified Stock" means, with respect to any Person, any Capital Stock of such Person which, by its terms, or by the terms of any security into which it is convertible or for which it is putable or exchangeable, or upon the happening of any event, matures or is mandatorily redeemable (other than solely as a result of a change of control, asset sale, condemnation or eminent domain, and other than solely for any Equity Interest that is not Disqualified Stock) pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof (other than solely as a result of a change of control, asset sale, condemnation or eminent domain), in whole or in part; provided, however, that if such Capital Stock is issued to any plan for the benefit of employees of the Issuer or any Subsidiary, or by any such plan to such employees, such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Issuer or any Subsidiary in order to satisfy applicable statutory or regulatory obligations; provided, further, that any Capital Stock held by any future, current or former employee, director, officer, manager or consultant (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Issuer or any of its Subsidiaries, or any Parent Entity, or any other entity in which the Issuer or any of its Subsidiaries has an Investment and is designated in good faith as an "Affiliate" by the Board of Directors or the board of directors of any Subsidiary (or, in each case, the compensation committee thereof), shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Issuer or any of its Subsidiaries pursuant to any stockholders' agreement, management equity plan, stock option plan or any other management or employee benefit plan or agreement or in order to satisfy applicable statutory or regulatory obligations.

"Dividend Payment Date" has the meaning assigned to such term in Section 5.

"Dividend Period" means the period commencing on the day immediately following a Dividend Payment Date and shall end on, and include, the next Dividend Payment Date; provided that the initial Dividend Period shall commence on and include the Closing Date and shall end on, and include, the first Dividend Payment Date.

"Earn Out Obligations" means, with respect to an Acquisition, all obligations of the Issuer or any Subsidiary to make earn out or other contingency payments (including purchase price adjustments, non-competition and consulting agreements) pursuant to the documentation relating to such Acquisition. The amount of any Earn Out Obligations at the time of determination shall be the aggregate amount, if any, of such Earn Out Obligations that are required at such time under GAAP to be recognized as liabilities on the consolidated balance sheet of the Issuer.

"Equity Interest" shall mean Capital Stock and all warrants, options, or other rights to acquire Capital Stock, but excluding any debt security that is convertible into, or exchangeable for, Capital Stock.

"Event of Noncompliance" means any one of the following events:

(a) failure by the Issuer or any of its Subsidiaries to comply with any of its obligations, covenants or agreements contained in this Certificate of Designation and the receipt by Issuer from the Holder Majority of a written notice captioned an "Event of Noncompliance" and specifying such failure with particularity, including the applicable section(s) of this Certificate of Designations (any such notice, a "Non-Compliance Notice"); provided that (i) in the case of a failure to comply with Section 12 such period of continuance of such default or breach shall be 30 days after the receipt of a Non-Compliance Notice and (ii) in the case of a failure to comply with Section 16 in any given fiscal quarter, (x) solely for the purpose of Sections 8 and Section 11(b)(x), an Event of Noncompliance shall commence upon the failure to so comply with Section 16 for such fiscal quarter and continue until the later of (1) 90 days subsequent to the date on which the financial statements with respect to such fiscal quarter have been delivered to the holders of Series A-2 Preferred Stock and (2) the date when the failure to comply with Section 16 for such fiscal quarter has been cured, and (y) for all other purposes, no Non-Compliance Notice shall be delivered prior to expiration of the Cure Right (if applicable);

(b) default under any mortgage, indenture or instrument under which there is issued or by which there is secured or evidenced any Indebtedness for money borrowed by the Issuer or any of its Significant Subsidiaries or the payment of which is guaranteed by the Issuer or any of its Significant Subsidiaries (other than Indebtedness owed to the Issuer or a Subsidiary), whether such Indebtedness or guarantee now exists or is created after the issuance of the Series A-2 Preferred Stock, if both:

(i) such default either results from the failure to pay any principal of such Indebtedness at its stated final maturity (after giving effect to any applicable grace periods) or relates to an obligation other than the obligation to pay principal of any such Indebtedness at its stated final maturity and results in the holder or holders of such Indebtedness causing such Indebtedness to become due prior to its stated final maturity; and

(ii) the principal amount of such Indebtedness, together with the principal amount of any other such Indebtedness in default for failure to pay principal at stated final maturity (after giving effect to any applicable grace periods), or the maturity of which has been so accelerated, is in the aggregate, in excess of the Threshold Amount (or its foreign currency equivalent) at any one time outstanding;

provided, that any Event of Noncompliance under this clause (b) shall be automatically rescinded if the holders of such Indebtedness rescind or waive the underlying default which triggered such Event of Noncompliance within 45 days of such Event of Noncompliance;

(c) failure by the Issuer or any of its Subsidiaries to pay final non-appealable judgments aggregating in excess of the Threshold Amount (to the extent not covered by insurance as to which the insurer has been notified of such judgment or order and has not denied its obligation), which final judgments remain unpaid, undischarged and unstayed for a period of more than 60 days after such judgment becomes final and non-appealable, and in the event such judgment is covered by insurance, an enforcement proceeding has been commenced by any creditor upon such judgment or decree which is not promptly stayed;

(d) any of the following events with respect to the Issuer or any of its Significant Subsidiaries:

(i) the Issuer or any Significant Subsidiary pursuant to or within the meaning of any Bankruptcy Law:

(A) commences proceedings to be adjudicated bankrupt or insolvent;

(B) consents to the entry of an order for relief against it in an involuntary case;

(C) consents to the appointment of a custodian of it or for all or substantially all of its property;

(ii) the Issuer or any Significant Subsidiary takes any comparable action described in clause (d)(i) under any foreign laws relating to insolvency; or

(iii) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(A) is for relief against the Issuer or any Significant Subsidiary in an involuntary case;

(B) appoints a custodian of the Issuer or any Significant Subsidiary or for all or substantially all of its property; or

(C) orders the winding up or liquidation of the Issuer or any Significant Subsidiary;

and, in each case, the order or decree remains unstayed and in effect for 60 days; or

(e) after a Full Buyout Private Offering, solely for the purposes of clause (a) of the definition of "Permitted Acquisition" and Sections 8 and 11(b)(x), the occurrence of a "Default," "Event of Default" or comparable term under the Existing Loan Agreement.

Promptly (and in any event, within two (2) Business Days), the Issuer shall notify all of the holders of the Series A-2 Preferred Stock of the occurrence of an Event of Noncompliance, breach or any other default hereunder.

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

"Existing Loan Agreement" means the Fifth Amended and Restated Credit Agreement, dated as of July 24, 2019, among the Issuer, the guarantors from time to time party thereto, the lenders from time to time party thereto (the "Senior Lenders") and Bank of America, N.A. (the "Agent"), as Administrative Agent, Swing Line Lender and L/C Issuer, as from time to time amended, restated, supplemented or otherwise modified.

"First Call Date" means the third anniversary of the Closing Date.

"Full Buyout Private Offering" means a private offering and sale for cash by the Issuer for its own account of shares of Common Stock, warrants, options or rights to subscribe for or purchase Common Stock, or any combination of the foregoing that is, along with up to $50,000,000 of cash on hand and Indebtedness incurred in compliance with the Section 12 (if elected by the Issuer), (1) used to fully redeem all outstanding shares of Series A-1 Preferred Stock and (2) to the extent occurring on or after the CTEH 2020 Earnout Amount is due and payable, the entire CTEH Participating Equity is sold in such offering.

"GAAP" means generally accepted accounting principles in the United States of America, as in effect from time to time.

"Governmental Authority" means the government of the United States, any other nation or any political subdivision thereof, whether state, provincial, county, local, or otherwise, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government in any jurisdiction (including any supra-national bodies such as the European Union or the European Central Bank).

"Hedging Obligations" means, with respect to any Person, the obligations of such Person under any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, commodity swap agreement, commodity cap agreement, commodity collar agreement, foreign exchange contract, currency swap agreement or similar agreement providing for the transfer, modification or mitigation of interest rate, currency, commodity or equity risks either generally or under specific contingencies.

"Holder" means, with reference to any Indebtedness or other Obligations, any holder or lender of, or trustee or collateral agent or other authorized representative with respect to, such Indebtedness or Obligations, and, in the case of Hedging Obligations, any counter-party to such Hedging Obligations.

"Holder Majority" has the meaning assigned to such term in Section 17(a).

"Holder Supermajority" has the meaning assigned to such term in Section 17(b).

"Immediate Family Members" means, with respect to any individual, such individual's child, stepchild, grandchild or more remote descendant, parent, stepparent, grandparent, spouse, former spouse, qualified domestic partner, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law (including adoptive relationships), and any trust, partnership or other bona fide estate-planning vehicle the only beneficiaries of which are any of the foregoing individuals or any private foundation or fund that is controlled by any of the foregoing individuals or any donor-advised fund of which any such individual is the donor.

"Indebtedness" of any Person means, without duplication, (a) all obligations of such Person for borrowed money or advances; (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments; (c) all obligations of such Person under conditional sale or other title retention agreements relating to property purchased by such Person; (d) all obligations of such person issued or assumed as the deferred purchase price of property or services; (e) all Indebtedness of others (excluding prepaid interest thereon) secured by any Lien on property owned or acquired by such Person, whether or not the obligations secured thereby have been assumed, but limited to the lower of (x) fair market value of such property as determined by such Person in good faith and (y) the amount of Indebtedness secured by such Lien; (f) all Capitalized Lease Obligations, Purchase Money Obligations and Synthetic Lease obligations of such Person to the extent classified as indebtedness under GAAP (for the avoidance of doubt, lease payments under any operating leases shall not constitute Indebtedness); (g) all Hedging Obligations to the extent required to be reflected on the balance sheet of such Person on a marked to market net value basis (or if any actual amount is due as a result of the termination or close out of such hedging agreement, such actual amount); and (h) all obligations of such Person for the reimbursement of any obligor in respect of letters of credit, letters of guaranty, bankers' acceptances and similar credit transactions. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except (other than in the case of general partner liability) to the extent that terms of such Indebtedness expressly provide that such Person is not liable therefor. Notwithstanding the foregoing or anything else herein to the contrary, Indebtedness shall not include: (a) trade accounts payable, (b) deferred obligations owing to any Affiliate, including under any management services agreement, (c) accrued obligations incurred in the ordinary course of business, including current tax accruals, (d) purchase price adjustments, holdbacks, indemnity obligations and Earn Out Obligations (until such obligations or adjustments become a liability on the balance sheet of such Person in accordance with GAAP and solely if not paid after becoming due and payable), (e) royalty payments made in the ordinary course of business in respect of licenses (to the extent such licenses are not prohibited hereby), (f) any accruals for payroll and other non-interest bearing liabilities accrued in the ordinary course of business, (g) deferred rent obligations, taxes and

compensation, (h) customary payables with respect to money orders or wire transfers, (i) customary obligations under employment arrangements, (j) operating leases, (k) pension-related or post-employment liabilities, (l) intra-day exposures, (m) Hedging Obligations except to the extent included in clause (g) above, (n) amounts owed to dissenting stockholders in connection with, or as a result of, their exercise of appraisal rights and the settlement of any claims or actions (whether actual, contingent or potential) with respect thereto (including any accrued interest), with respect to any Permitted Investments to the extent paid when due (unless being properly contested), and (o) obligations in respect of any license, permit or other approval arising in the ordinary course of business.

"Independent Financial Advisor" means an accounting, appraisal, investment banking firm or consultant of nationally recognized standing; provided, however, that such firm or consultant is not an Affiliate of the Issuer and is reasonably acceptable to the Holder Majority.

"Investments" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of loans (including guarantees), advances or capital contributions (excluding accounts receivable, trade credit, advances to customers, commission, travel and similar advances to officers, directors, managers, employees and consultants, in each case made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities issued by any other Person and investments that are required by GAAP to be classified on the balance sheet (excluding the footnotes) of the Issuer in the same manner as the other investments included in this definition to the extent such transactions involve the transfer of cash or other property.

The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced by any dividend, distribution, interest payment, return of capital, repayment or other amount received in cash or Cash Equivalents by the Issuer or a Subsidiary in respect of such Investment.

"Investor" means the Purchaser and any Purchaser Transferee which holds shares of Series A-2 Preferred Stock.

"IPO Common Equity" means the common stock of the IPO issuer.

"IPO Issuer" means the Issuer or a direct or indirect parent of the Issuer.

"Issuer" has the meaning assigned to such term in the recitals hereof.

"Junior Stock" means (a) Common Stock and (b) Preferred Stock (other than the Series A-2 Preferred Stock and Series A-1 Preferred Stock) or any other Equity Interest of the Issuer that by its terms, in either such case, ranks junior to the Parity Stock. For the avoidance of doubt, the Parity Stock does not constitute Junior Stock.

"Law" means any applicable U.S. or foreign, federal, state, provincial, municipal or local law (including common law), statute, ordinance, rule, regulation, code, policy, directive, standard, license, treaty, judgment, order, injunction, decree or agency requirement of or undertaking to or agreement with any Governmental Authority.

"Legal Holiday" means a Saturday, a Sunday or a day on which commercial banking institutions are not required or authorized to be open in the State of New York.

"Leverage Failure" has the meaning given to such term in Section 16.

"LIBOR" means, the rate per annum appearing on Bloomberg L.P.'s service (the "Service") (or on any successor to or substitute for such Service) for ICE LIBOR USD interest rates for a term of 3 months. If the Service shall no longer report ICE LIBOR USD interest rates, or such interest rates cease to exist, the Holder Majority, after consulting in good faith with the Issuer, shall be permitted to select an alternate service that quotes, or alternate interest rates that reasonably approximate, the rates of interest per annum at which deposits of dollars in immediately available funds are offered by major financial institutions reasonably satisfactory to the Holder Majority in the London interbank market (and relating to borrowings with a duration of 3 month and for the applicable principal amount on any applicable date of determination), which rate shall not be less than 0.00%. If at any time the supervisor for the administrator of LIBOR makes a public statement identifying a specific date after which LIBOR shall no longer be used for determining interest rates for loans, then the Holder Majority, after consulting in good faith with the Issuer, shall be permitted to reasonably select an alternative rate of interest to LIBOR for purposes of Section 21 hereof that is consistent with the then-prevailing market convention for determining a rate of interest for syndicated loans in the United States at such time; provided that, if such alternative rate of interest shall be less than 0.00%, such rate shall be deemed to be 0.00%.

"Lien" means, with respect to any asset, any mortgage, lien (statutory or otherwise), pledge, hypothecation, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction; provided, that in no event shall an operating lease be deemed to constitute a Lien.

"Liquidation Event" means (a) the Issuer's liquidation, winding up or dissolution, (b) a filing for bankruptcy or other insolvency proceeding of the Issuer or (c) any sales of all or substantially all of the assets of the Issuer and its Subsidiaries taken as a whole or other transactions in connection with any voluntary in-court or out-of-court solvency-related restructuring or recapitalization transactions by the Issuer.

"Maintenance Covenant" has the meaning assigned to such term in Section 16.

"Make Whole Amount" means, with respect to any redemption of any share of Series A-2 Preferred Stock prior to the First Call Date, an amount equal to the sum of (without duplication) the remaining Dividends that would accrue (without giving effect to any compounding thereof) on such share of Series A-2 Preferred Stock being redeemed from the day immediately following the Optional Redemption Date to the First Call Date (including, for the avoidance of doubt, any Dividends that would accrue from the Dividend Payment Date immediately prior to the First Call Date through the First Call Date) assuming that such share of Series A-2 Preferred Stock were to remain outstanding through the First Call Date, with Dividends calculated based on the Series A-2 Dividend Rate; provided that if the Optional Redemption Date occurs on an Automatic Adjustment Date, any Dividends accruing after such Automatic Adjustment Date and on or prior to the First Call Date shall be calculated based on the Post-Adjustment Dividend Rate.

"Mandatory Redemption" has the meaning assigned to such term in Section 7(a).

"Mandatory Redemption Date" has the meaning assigned to such term in Section 7(a).

"Mandatory Redemption Event" has the meaning assigned to such term in Section 7(a).

"Mandatory Redemption Notice" has the meaning assigned to such term in Section 7(b)(i).

"Minimum Portion" shall mean the lesser of (i) $50 million in aggregate Stated Value of Series A-2 Preferred Stock and (ii) all of the Series A-2 Preferred Stock then outstanding.

"Non-Qualifying IPO" means any initial underwritten primary public offering of the IPO Common Equity of the IPO Issuer that is not a Qualifying IPO.

"Obligations" means any principal, interest (including any interest accruing on or subsequent to the filing of a petition in bankruptcy, reorganization or similar proceeding at the rate provided for in the documentation with respect thereto, whether or not such interest is an allowed claim under applicable state, provincial, federal or foreign law), premium, penalties, fees, indemnifications, reimbursements (including reimbursement obligations with respect to letters of credit and bankers' acceptances), damages and other liabilities, and guarantees of payment of such principal, interest, premium, penalties, fees, indemnifications, reimbursements, damages and other liabilities, payable under the documentation governing any Indebtedness; provided, that any of the foregoing (other than principal and interest) shall no longer constitute "Obligations" after payment in full of such principal and interest except to the extent such obligations are fully liquidated and non-contingent on or prior to such payment in full.

"Optional Redemption" has the meaning assigned to such term in Section 6(a).

"Optional Redemption Date" has the meaning assigned to such term in Section 6(a).

"Parent Entity" means any Person with respect to which the Issuer is a direct or indirect Subsidiary.

"Parity Stock" means any class or series of stock of the Issuer now existing or hereafter authorized that expressly ranks on a parity basis with the Series A-2 Preferred Stock as to dividend rights, rights of redemption and rights on the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Issuer. Without limiting the foregoing, "Parity Stock" shall include the Series A-1 Preferred Stock and any rights, options or warrants exercisable or exchangeable for or convertible into Parity Stock.

"Permitted Acquisition" means the CTEH Acquisition and any other Acquisition by the Issuer or any Subsidiary, provided that:

(a) no Event of Noncompliance shall have occurred and be continuing or would reasonably be expected to result from such Acquisition;

(b) the aggregate consideration paid by the Issuer or any such Subsidiary, as applicable, for any such Acquisition in the form of cash, Cash Equivalents, any assumption of Indebtedness, incurrence of Indebtedness consisting of obligations to the seller, deferred purchase price and any Earn Out Obligations, without duplication, does not exceed:

(i) before a Full Buyout Private Offering, (A) $25,000,000, and (B) when including any other consideration (including consideration paid in the form of Equity Interests of the Issuer), $30,000,000, provided that in the case of an Acquisition of the Equity Interests of another Person, the Board of Directors, shareholders (or other comparable governing body) of such other Person shall have duly approved such Acquisition as required under applicable law;

(ii) after a Full Buyout Private Offering, $75,000,000; and

(c) the ratio of the purchase price paid by the Issuer in the Acquisition to the Adjusted Pro Forma EBITDA of the property or the Person is not greater than, (i) before a Full Buyout Private Offering, 7.00:1.00; and (ii) after a Full Buyout Private Offering, 8.00:1.00.

"Permitted Holders" means (a) each of the Investors and members of management and the Board of Directors of the Issuer and its Subsidiaries, or any Parent Entity, who were holders of Equity Interests of the Issuer, or any Parent Entity on the Closing Date, and any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act or any successor provision) of which any of the foregoing are members; provided, that, in the case of such group and without giving effect to the existence of such group or any other group, such Investors and members of management, collectively, have beneficial ownership, directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Issuer or any Parent Entity; (b) any Permitted Parent; or (c) any Subsidiary of the Issuer.

"Permitted Investments" means:

(1) any Investment in the Issuer or any of its wholly-owned Subsidiaries (including guarantees of obligations of any Subsidiary);

(2) any Investment in cash and Cash Equivalents;

(3) any Investment existing on the Closing Date or made pursuant to binding commitments in effect on the Closing Date or an Investment consisting of any extension, modification, replacement, reinvestment or renewal of any such Investment existing on the Closing Date or binding commitment in effect on the Closing Date; provided that the amount of any such Investment may be increased in such extension, modification, replacement, reinvestment or renewal only (i) as required by the terms of such Investment or binding commitment as in existence on the Closing Date (including as a result of the accrual or accretion of interest or original issue discount or the issuance of pay-in-kind securities), (ii) by the amount of any prepayment premiums paid and reasonable fees and expenses incurred in connection with such extension, modification, replacement, reinvestment or renewal, or (iii) as otherwise permitted hereunder:

(a) in exchange for any other Investment or accounts receivable, endorsements for collection or deposit held by the Issuer or any of its Subsidiaries in connection with or as a result of a bankruptcy, workout, reorganization or recapitalization of the Issuer of such other Investment or accounts receivable;

(b) in satisfaction of judgments against other Persons;

(c) as a result of a foreclosure by the Issuer or any of its Subsidiaries with respect to any secured Investment or other transfer of title with respect to any secured Investment in default; or

(d) received in compromise or resolution of (A) obligations of trade creditors, suppliers or customers that were incurred in the ordinary course of business of the Issuer or any of its Subsidiaries, or consistent with past practice, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor, supplier or customer, or (B) litigation, arbitration or other disputes;

(4) any Investment pursuant to any Permitted Acquisition;

(5) guarantees of Indebtedness permitted under the covenant described in Section 12, performance guarantees incurred in the ordinary course of business or consistent with past practice and the creation of Liens on the assets of the Issuer or any of its Subsidiaries;

(6) any Investments consisting of purchases and acquisitions of inventory, supplies, material or equipment or other similar assets, or the licensing or contribution of intellectual property pursuant to joint marketing arrangements with other Persons in the ordinary course of business of the Issuer or any of its Subsidiaries and consistent with past practice;

(7) loans and advances to officers, directors, managers, employees and consultants for business-related travel expenses, moving expenses, payroll advances and other similar expenses or payroll expenses, in each case incurred in the ordinary course of business or consistent with past practice;

(8) advances, loans, deposits or extensions of trade credit or prepayments to suppliers or lessors or loans or advances made to distributors, in each case in the ordinary course of business and consistent with past practice by the Issuer or any of its Subsidiaries;

(9) Investments in the ordinary course of business or consistent with past practice consisting of Uniform Commercial Code Article 3 endorsements for collection or deposit and Article 4 customary trade arrangements with customers consistent with past practices;

(10) Investments made as part of the Transactions;

(11) Investments of assets relating to non-qualified deferred payment plans in the ordinary course of business;

(12) any Investment in any Subsidiary or any joint venture in connection with intercompany cash management arrangements or related activities arising in the ordinary course of business and consistent with past practice;

(13) Investments constituting Hedging Obligations not for speculative purposes;

(14) Investments consisting of loans and advances to officers, directors and employees of the Issuer and its Subsidiaries which are used solely by such Persons to facilitate purchase of Equity Interests of the Issuer so long as (i) the proceeds of such loans and advances are used in their entirety to purchase such Equity Interests and (ii) such Investments do not exceed $6,000,000 in the aggregate at any time outstanding; and

(15) any Investments in any Person at any time outstanding not to exceed $10,000,000.

"Permitted Parent" means any direct or indirect parent of the Issuer that at the time it became a parent of the Issuer was a Permitted Holder pursuant to clause (a) of the definition thereof.

"Person" means any individual, corporation, limited liability company, partnership (including limited partnership), joint venture, association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"Post-Adjustment Dividend Rate" means 9.0% with respect to dividends paid in cash and 8.71% with respect to dividends that accrue, in each case, per annum, accruing daily and compounded quarterly.

"Preferred Shares" means any Equity Interest with preferential rights of payment of dividends or upon liquidation, dissolution, or winding up.

"Preferred Stock" has the meaning assigned to such term in the recitals hereof.

"Purchase Money Obligations" means any Indebtedness incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets (other than Capital Stock), and whether acquired through the direct acquisition of such property or assets, or otherwise (including through the purchase of Capital Stock of any Person owning such property or assets).

"Purchaser" means OCM Montrose II Holdings, L.P., a Delaware limited partnership.

"Purchaser Transferee" means any transferee of Series A-2 Preferred Stock which is an Affiliate of either the Purchaser or any other Purchaser Transferee (including, in each case, the funds, partnerships or other co-investment vehicles managed, advised or controlled thereby but other than, in each case, any portfolio company of any of the foregoing or the Issuer and its Subsidiaries).

"Qualifying IPO" means the initial underwritten primary public offering of the IPO Common Equity of the IPO Issuer (whether alone or in conjunction with a secondary public offering by any selling stockholders) pursuant to an effective registration statement filed with the United States Securities and Exchange Commission in accordance with the Securities Act that (1) occurs prior to a Qualifying Private Offering and results in net proceeds, after deducting any applicable fees and transaction expenses, in an amount not less than the amount required (taken together with up to $50 million of cash on hand and Indebtedness incurred in compliance with Section 12 (if elected by the Issuer) to redeem all outstanding shares of Series A-1 Preferred Stock (including any accumulated but unpaid interest thereon) in full and, to the extent occurring on or after the CTEH 2020 Earnout Amount is payable, the entire CTEH Participating Equity is sold in such offering, or (2) occurs after a Qualifying Private Offering and results in net proceeds, after deducting any applicable fees and transaction expenses, equal to the greater of (A) not less than the amount required (taken together with up to $50 million of cash on hand and Indebtedness incurred in compliance with Section 12 (if elected by the Issuer)) to redeem all outstanding shares of Series A-1 Preferred Stock (including any accumulated but unpaid interest thereon) and, to the extent occurring on or after the CTEH 2020 Earnout Amount is due and payable, the entire CTEH Participating Equity is sold in such offering, or (B) $125 million, not less than $100 million of which are used to first redeem shares of Series A-1 Preferred Stock and thereafter permanently repay Indebtedness of the Issuer;

provided that, in either case, substantially concurrently with the consummation of the Qualifying IPO, and unless otherwise waived by the Holder Majority, the IPO Issuer shall:

(a) cause any shares of IPO Common Equity issuable upon conversion of the Series A-2 Preferred Stock, if any, and upon exercise of the Warrant to be approved for listing on a Relevant Exchange, subject to official notice of issuance; and

(b) amend and restate the by-laws of the Issuer to include a right to call special meetings by stockholders owning at least 45% of the IPO Common Equity.

"Qualifying IPO Costs" means costs incurred by the Issuer and its Subsidiaries or a direct or indirect parent of the Issuer in connection with, associated with, or in anticipation of, or in preparation for, any Qualifying IPO, or to establish or maintain compliance with the requirements of the Sarbanes-Oxley Act of 2002, and the rules and regulations promulgated in connection therewith or establishing other enhanced accounting functions or disclosure controls and procedures, whether or not a Qualifying IPO is consummated; provided that any such costs described above in respect of the ongoing operation of the Issuer and its Subsidiaries (or any direct or indirect parent company of the Issuer and its Subsidiaries) as a listed equity security following the completion of four (4) fiscal quarters immediately after the Qualifying IPO shall not constitute Qualifying IPO Costs provided that such costs are not incurred in connection with or to remediate any issue that existed at the time of the Qualifying IPO.

"Qualifying Private Offering" means a private offering and sale for cash by the Issuer for its own account of shares of Common Stock, warrants, options or rights to subscribe for or purchase Common Stock, or any combination of the foregoing.

"Redemption Date" means the Optional Redemption Date or the Mandatory Redemption Date, as applicable.

"Redemption Failure" has the meaning assigned to such term in Section 7(c).

"Redemption Price" has the meaning assigned to such term in Section 6(b).

"Refunding Capital Stock" has the meaning assigned to such term in Section 11(b)(ii).

"Relevant Exchange" means any of the New York Stock Exchange, the Nasdaq Global Select Market or the Nasdaq Global Market, or any of their respective successors.

"Restricted Investment" means an Investment other than a Permitted Investment.

"Restricted Payments" has the meaning assigned to such term in Section 11(a).

"Sale of the Issuer" means any transaction or series of related transactions (by stock sale, merger, consolidation or otherwise) (a) consummated after the Closing Date, pursuant to which a Person acquires at least 51% of the outstanding Voting Stock of the Issuer (including pursuant to a Transfer or series of related Transfers among the Permitted Holders); or (b) that result in a sale or disposition of all or substantially all of the assets of the Issuer and its Subsidiaries on a consolidated basis other than to an entity with respect to which, following such sale or disposition, at least 50% of the combined voting power of the then outstanding Voting Stock of such entity is then beneficially owned (within the meaning of Rule 13d-5 of the Exchange Act as in effect on the date hereof), directly or indirectly, by all or substantially all of the individuals and entities (or Affiliates of such individuals and entities) who beneficially owned (within the meaning of Rule 13d-3 of the Exchange Act as in effect on the date hereof) the Voting Stock of the Issuer immediately prior to such sale or other disposition; provided, any acquisition of a majority of the outstanding Voting Stock of the Issuer or all or substantially all of the assets of the Issuer and its Subsidiaries on a consolidated basis by Leonard Green & Partners, L.P. (or an affiliate thereof) or The Cranemere Group Limited (or an affiliate thereof), in either case, within 18 months of the Closing Date, shall not be a "Sale of the Issuer" provided, that the proceeds thereof, along with up to $50,000,000 of cash on hand and Indebtedness incurred in compliance with Section 12 (if elected by the Issuer), are used to fully redeem all outstanding shares of Series A-1 Preferred Stock and, if occurring on or after the CTEH 2020 Earnout Amount is due and payable, the CTEH Participating Equity is sold in such sale.

"SEC" means the U.S. Securities and Exchange Commission.

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

"Securitization Transaction" means, with respect to any Person, any financing transaction or series of financing transactions (including factoring arrangements) pursuant to which such Person or any Subsidiary of such Person may sell, convey or otherwise transfer, or grant a security interest in, accounts, payments, receivables, rights to future lease payments or residuals or similar rights to payment to a special purpose subsidiary or affiliate of such Person.

"Series A-1 Certificate of Designations" means the Certificate of Designation of Cumulative Series A-1 Preferred Stock of the Issuer.

"Series A-1/A-2 Majority" has the meaning assigned to such term in Section 4.

"Series A-1 Preferred Stock" means the Issuer's Cumulative Series A-1 Preferred Stock designated in the Certificate of Designation of Cumulative Series A-1 Preferred Stock of the Issuer, as amended, restated, supplemented or otherwise modified from time to time in accordance with its terms.

"Series A-2 Dividend Rate" means (i) with respect to any dividends paid in cash, 15.0% per annum, and (ii) with respect to any dividends which accrue, 14.2% per annum before a Full Buyout Private Offering and 9% per annum after a Full Buyout Private Offering; provided that upon a partial redemption of less than all of the issued and outstanding shares of Series A-1 Preferred Stock in connection with a Qualifying Private Offering, the Series A-2 Dividend Rate shall be reduced as follows: (a) with respect to any dividends paid in cash, the rate will be adjusted to an amount equal to (i) the Series A-2 Dividend Rate in effect immediately prior to such partial redemption (e.g. 15.0%) *minus* (ii) (x) the Series A-2 Dividend Rate in effect immediately prior to such partial redemption (e.g. 15.0%) *minus* the Post-Adjustment Dividend Rate *multiplied* by (y) a fraction, the numerator of which is the aggregate amount used to partially redeem such Series A-1 Preferred Stock (net of the CTEH 2020 Earnout Amount reserved by the Issuer that would be payable or is paid in cash) and the denominator of which is the aggregate stated value of all issued and outstanding shares of Series A-1 Preferred Stock plus accrued and unpaid dividends thereon as of immediately prior to such partial redemption and (b) with respect to any dividends that accrue, the Series A-2 Dividend Rate will be reduced to an amount equal to (i) (A) the Series A-2 Dividend Rate in effect immediately prior to such partial redemption (e.g. 14.2%) *minus* (B) (x) the Series A-2 Dividend Rate in effect immediately prior to such partial redemption (e.g. 14.2%) *minus* the Post-Adjustment Dividend Rate *multiplied* by (y) a fraction, the numerator of which is the aggregate amount used to partially redeem such Series A-1 Preferred Stock (net of the CTEH 2020 Earnout Amount reserved by the Issuer that would be payable or is paid in cash) and the denominator of which is the aggregate stated value of all issued and outstanding shares of Series A-1 Preferred Stock plus accrued and unpaid dividends thereon as of immediately prior to such partial redemption *plus* (ii) 0.99632%, provided further, that upon the redemption in full of the issued and outstanding shares of Series A-1 Preferred Stock, the Series A-2 Dividend Rate shall equal the Post-Adjustment Dividend Rate.

"Series A-2 Preferred Stock" has the meaning assigned to such term in Section 1.

"Significant Subsidiary" means any Subsidiary that would be a "significant subsidiary" as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act, as such regulation is in effect on the Closing Date.

"Specified Transaction" means any incurrence or repayment, retirement, redemption, satisfaction and discharge or defeasance of Indebtedness or Disqualified Stock, any Acquisition or Investment that results in a Person becoming a Subsidiary, any investment constituting an acquisition of assets constituting a business unit, line of business or division of another Person, or any disposition of a business unit, line of business or division of the Issuer, in each case whether by merger, consolidation, amalgamation or otherwise.

"Stated Value" means, with respect to each outstanding share of Series A-2 Preferred Stock, upon initial issuance, $10,000 and with respect to any subsequent date of determination, the Stated Value of such share of Series A-2 Preferred Stock, as so increased pursuant to Section 5, as applicable.

"Subsidiary" means, with respect to any Person:

(a) any corporation, association, or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof; and

(b) any partnership, joint venture, limited liability company or similar entity of which:

(i) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof whether in the form of membership, general, special or limited partnership or otherwise; and

(ii) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

"Synthetic Lease" means any synthetic lease, tax retention operating lease, off-balance sheet loan or similar off-balance sheet financing arrangement whereby the arrangement is considered borrowed money indebtedness for tax purposes but is classified as an operating lease or does not otherwise appear on a balance sheet under GAAP.

"Threshold Amount" means $5.0 million.

"Transactions" means (i) the consummation of the transactions contemplated by CTEH Acquisition Agreement, and (ii) the issuance and sale of the Series A-2 Preferred Stock, and the payment of fees and expenses related to the foregoing.

"Transfer" shall mean to transfer, sell, assign, pledge, hypothecate, give, create a security interest in or lien on, place in trust (voting or otherwise), transfer by operation of law or in any other way encumber or dispose of, directly or indirectly and whether or not voluntarily, any Series A-2 Preferred Stock (or any beneficial interest therein).

"Treasury Capital Stock" has the meaning assigned to such term in Section 11(b)(ii).

"U.S." or "United States" means the United States of America.

"Voting Stock" of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the board of directors (or individuals performing similar functions) of such Person.

"Warrant" means a warrant to purchase that number of shares of the Common Stock set forth in that certain Warrant, dated as of the date hereof, issued by the Issuer to OCM Montrose II Holdings, L.P.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness or Preferred Stock, as the case may be, at any date, the quotient obtained by dividing:

(a) the sum of the products of the number of years from the date of determination to the date of each successive scheduled principal payment of such Indebtedness or redemption or similar payment with respect to such Preferred Stock multiplied by the amount of such payment; by

(b) the sum of all such payments; provided that for purposes of determining the Weighted Average Life to Maturity of any Indebtedness that is being extended, replaced, refunded, refinanced, renewed or defeased (the "Applicable Indebtedness"), the effects of any amortization or prepayments made on such Applicable Indebtedness prior to the date of the applicable extension, replacement, refunding, refinancing, renewal or defeasance shall be disregarded.

"Weighted Average Yield" means, with respect to any Proposed Debt, on any date of determination, the weighted average yield to maturity based on the interest rate applicable to such Proposed Debt on such date and giving effect to interest rate floors, prepayment premium, no-call provisions, make-wholes, arrangement fees, closing fees, structuring fees, underwriting fees, upfront fees, agency fees, original issue discount or similar yield related discounts, fees or deductions payable with respect to such Proposed Debt (with fees and original issue discount to be calculated based on (i) an assumed four-year average life for the Proposed Debt or (ii) if the stated maturity of the Proposed Debt is less than four years, the actual life of such Proposed Debt).

"Wholly Owned Subsidiary" of any Person means a Subsidiary of such Person, 100% of the outstanding Equity Interests of which (other than directors' qualifying shares) shall at the time be owned by such Person or by one or more Wholly Owned Subsidiaries of such Person.

(b) Interpretation. Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference. The headings are for convenience only and will not be given effect in interpreting this Certificate of Designation. References herein to any Section shall be to a Section hereof unless otherwise specifically provided. References herein to any Law means such Law, including all rules and regulations promulgated under or implementing such Law, as amended from time to time and any successor Law unless otherwise specifically provided. The word "will" shall be construed to have the same meaning and effect as the word "shall." The words "hereof," "herein" and "hereunder" and words

of similar import, when used in this Certificate of Designation, refer to this Certificate of Designation as a whole and not to any particular provision of this Certificate of Designation. The use of the masculine, feminine or neuter gender or the singular or plural form of words will not limit any provisions of this Certificate of Designation. The use herein of the word "include" or "including," when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the broadest possible scope of such general statement, term or matter. The word "extent" in the phrase "to the extent" will mean the degree to which a subject or other thing extends, and such phrase will not mean simply "if." The word "or" is inclusive. The terms lease and license shall include sub-lease and sub-license, as applicable. All references to $, currency, monetary values and dollars set forth herein means U.S. dollars. When the terms of this Certificate of Designation refer to a specific agreement or other document or a decision by any body or Person that determines the meaning or operation of a provision hereof, the secretary of the Issuer shall maintain a copy of such agreement, document or decision at the principal executive offices of the Issuer and a copy thereof will be provided free of charge to any stockholder who makes a request therefor. Unless expressly provided herein or the context otherwise requires, any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, supplements or modifications set forth herein). For purposes of determining compliance with any covenant contained herein, Indebtedness of the Issuer and its Subsidiaries shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 and FASB ASC 470-20 on financial liabilities shall be disregarded.

3. Ranking; Liquidation.

(a) With respect to the payment of dividends and distribution rights (other than as set forth herein) and rights upon any Liquidation Event, the Series A-2 Preferred Stock shall (i) rank senior to the Junior Stock of the Issuer and (ii) rank pari passu with each other class or series of Parity Stock.

(b) Following any Liquidation Event, each holder of the Series A-2 Preferred Stock shall be entitled to receive liquidating distributions out of the assets of the Issuer legally available for distribution to its stockholders, before any payment or distribution of any assets of the Issuer shall be made or set apart for holders of any Junior Stock, in an amount equal to the Redemption Price for such holder's shares of Series A-2 Preferred Stock as of such date.

(c) In the event the assets of the Issuer available for distribution to stockholders upon any distribution to holders of capital stock following a Liquidation Event shall be insufficient to pay in full the amounts payable with respect to all outstanding shares of Series A-2 Preferred Stock pursuant to Section 3(b), such assets, or the proceeds thereof, shall be distributed among the holders of the Series A-2 Preferred Stock ratably in proportion to the full respective liquidating distributions to which they would otherwise be respectively entitled pursuant to Section 3(b).

4. Voting.

(a) Generally. The holders of the Series A-2 Preferred Stock have no voting or consent rights with respect to the Series A-2 Preferred Stock, except as expressly set forth in this Certificate of Designation or as required by Law.

(b) Voting Power. At the time of any vote or consent of the Series A-2 Preferred Stock hereunder or as otherwise required by Law, the percentage of the aggregate voting power of the Series A-2 Preferred Stock of each outstanding share of Series A-2 Preferred Stock will equal the product of (i) the quotient of (A) the Stated Value of such share as of such time *divided* by (B) the aggregate Stated Value as of such time of all outstanding shares of the Series A-2 Preferred Stock multiplied by (ii) 100.

(c) Director Nomination.

(ii) Election. From and after the Closing Date, the Holder Majority, shall have the exclusive right, upon the occurrence of a Leverage Failure or a Redemption Failure (excluding any Redemption Failure resulting from a failure to comply with Section 12) and for so long as any such Leverage Failure or Redemption Failure is continuing, voting separately as a class, to appoint and elect, either by written consent without a stockholder meeting or by vote at any stockholder meeting called for the purpose of the election of directors, irrespective of whether the Issuer has nominated such directors, such number of additional directors (each a "Springing Director") to the Board of Directors such that the total number of Springing Directors plus any other directors nominated by the Holder Majority and elected shall constitute a majority of the Board of Directors.

(ii) Term. Each Springing Director shall serve until the earlier of (A) the time his or her successor is appointed or elected and qualified in accordance with this Section 4, unless such Springing Director is earlier removed in accordance with clause (iii) below, resigns or is otherwise unable to serve and (B) such time as the Leverage Failure or Redemption Failure giving rise to such Springing Directors' appointment to the Board of Directors is no longer continuing.

(iii) Removal. Any Springing Director may be removed from office at any time, with or without cause, by the Holder Majority, either in writing without a meeting or by vote at any meeting called for the purpose of the election of directors. Once elected in accordance with this Section 7, each Springing Director will serve until there ceases to be any shares of Series A-2 Preferred Stock outstanding or until the Leverage Failure or Redemption Failure giving rise to such Springing Directors' appointment to the Board of Directors is no longer continuing, whichever occurs earlier (the "Breach Period") and, upon the expiration of an applicable Breach Period, such Springing Director shall automatically be removed from office and the director seat held by the Springing Director shall be automatically eliminated. If after the appointment of a Springing Director, the applicable Breach Period expires, if so requested by the Issuer, the Holder Majority shall promptly cause to resign, and take all other action reasonably necessary, or reasonably requested by the Issuer, to cause the prompt removal of, such Springing Director.

(iv) Treatment. If elected, the Springing Director shall be entitled to the same D&O insurance and indemnification for their service on the Board of Directors as is provided to any other non-management member of the Board of Directors and shall also be entitled to reimbursement for reasonable out-of-pocket expenses related to his or her service on the Board of Directors in accordance with the Issuer's then current policies.

(v) Notwithstanding the foregoing, if as of the date of any such occurrence of a Leverage Failure or a Redemption Failure, any shares of Series A-1 Preferred Stock are then outstanding and in either case such Leverage Failure or Redemption Failure also constitutes a "Leverage Failure" or a "Redemption Failure" (in each case as defined in the Certificate of Designation for the Series A-1 Preferred Stock, as then in effect) with respect to the Series A-1 Preferred Stock, then (A) the holders of at least a majority of the "Stated Value" (as defined in the Certificate of Designation for the Series A-1 Preferred Stock, as then in effect) of the Series A-1 Preferred Stock then outstanding and the Stated Value of Series A-2 Preferred Stock then outstanding, voting together as one class (a "Series A-1/A-2 Majority"), shall have the right to appoint and elect, either in writing without a meeting or by vote at any meeting called for the purpose of the election of directors, irrespective of whether the Issuer has nominated such directors, such number of Springing Directors to the Board of Directors such that the total number of Springing Directors plus any director previously elected by the holders of Series A-1 Preferred Stock or nominated by Series A-2 Preferred Stock and elected to the Board of Directors shall constitute a majority of the Board of Directors and (B) any Springing Director may be removed from office at any time, with or without cause, by the Series A-1/A-2 Majority, either in writing without a meeting or by vote at any meeting called for the purpose of the election of directors.

Notwithstanding anything set forth in this Section 4 or in the certificate of designations for the Series A-1 Preferred Stock, under no circumstances shall the Holder Majority and the Series A-1/A-2 Majority have a right to appoint and elect, in the aggregate, a number of directors in excess of what would constitute the minimum number of directors necessary to constitute a majority of the Board of Directors.

5. Dividends.

(a) Notwithstanding anything to the contrary herein, from and after the date of issuance of each share of Series A-2 Preferred Stock, dividends shall accrue on a daily basis in arrears during the Dividend Period at the Series A-2 Dividend Rate in effect from time to time on the then current Stated Value of each such share, whether or not such dividends are earned or are declared by the Board of Directors or the Issuer is permitted by Law to pay dividends ("Dividends"), and, if declared, shall be due and payable on the Dividend Payment Date with respect to such Dividend Period in accordance with this Section 5.

(b) Dividends shall be calculated on the basis of the actual days elapsed in a year of 360 days. On the last day of each fiscal quarter of the Issuer following the Closing Date (or, if such date is not a Business Day, the immediately succeeding Business Day) (each such date, a "Dividend Payment Date"), Dividends will, (i) prior to a Full Buyout Private Offering either, (A) be payable in cash, if and to the extent declared by the Issuer, and paid on or prior to the Dividend Payment Date, or (B) accrue and be added to the Stated Value, and (ii) following a Full Buyout Private Offering, be payable in cash and paid on or prior to the Dividend Payment Date. Notwithstanding anything to the contrary herein, the Issuer may not declare or pay any Dividend or make any other payment to the extent such Dividend or other payment is not permitted by Law, provided, that any Dividends not so paid, whether or not declared, shall be an Event of Noncompliance and shall continue to accrue and be cumulative and shall compound at the relevant rate on each subsequent regular Dividend Payment Date. All accumulated Dividends shall be paid prior to and in preference to any dividend on any Junior Stock and shall be fully declared and paid before any dividends are declared and paid, or any other distributions or redemptions are made, on any Junior Stock, in each case, that are not permitted pursuant to Section 11. Dividends shall be payable to the holders of record of the Series A-2 Preferred Stock as they appear on the stock record of the Issuer on the date that is 15 days prior to the Dividend Payment Date.

(c) Except as otherwise provided herein, if at any time the Issuer pays Dividends that are less than the total amount of Dividends then accumulated with respect to the Series A-2 Preferred Stock, such payment shall be distributed pro rata among the holders of Series A-2 Preferred Stock thereof based upon the Stated Value on all shares of Series A-2 Preferred Stock held by each such holder. When Dividends are not paid in full in cash upon the shares of Series A-2 Preferred Stock, all Dividends declared on Series A-2 Preferred Stock and dividends on any other Parity Stock shall be paid in cash pro rata so that the amount of Dividends so declared on the shares of Series A-2 Preferred Stock and dividends on each such other class or series of Parity Stock shall in all cases bear to each other the same ratio as accumulated dividends (for the full amount of dividends that would be payable for the most recently payable quarterly period if dividends were declared in full on all such Parity Stock) on the shares of Series A-2 Preferred Stock and such other class or series of Parity Stock bear to each other.

(d) If on any Dividend Payment Date, the Issuer is not permitted by the Existing Loan Agreement or a Credit Facility incurred to refinance or replace the Existing Loan Agreement to pay the applicable cash Dividend, the sole remedy of the Investors with respect to any such unpaid cash Dividend shall be as set forth in Sections 4 and 7(a) hereof, and any Dividends not so paid, whether or not declared, shall continue to accrue and be cumulative and shall compound at the relevant rate on each subsequent regular Dividend Payment Date.

6. Redemption Generally.

(a) Optional Redemption. The Issuer may, at its option (an "Optional Redemption") on any one or more dates (any such date, an "Optional Redemption Date"), redeem all or any Minimum Portion of the outstanding Series A-2 Preferred Stock in cash subject to the terms and conditions set forth in this Section 6; provided that in no event may the Issuer redeem an amount less than the Minimum Portion pursuant to this Section 6. Any election by the Issuer pursuant to this Section 6(a) may be conditional and shall be made by delivery to the holders of the Series A-2 Preferred Stock of written notice of the Issuer's election to redeem at least three Business Days prior to the Redemption Date, which notice will indicate the number of shares being redeemed, the Redemption Price, the Redemption Date and the manner of and place designated for surrender (as set forth in Section 6(d)) of certificates (if any) representing the shares of Series A-2 Preferred Stock to be redeemed.

(b) Redemption Price Generally. The total price for each share of Series A-2 Preferred Stock redeemed pursuant to Section 6(a) or Section 7 on any Redemption Date shall be an amount per share equal to (i) with respect to any Redemption Date occurring prior to the First Call Date, an amount per share of Series A-2 Preferred Stock equal to the sum of, without duplication, (A) the Stated Value of such share of Series A-2 Preferred Stock as of such Redemption Date, (B) the Make Whole Amount as of such Redemption Date, and (C) without duplication, the aggregate accrued and unpaid Dividends from the most recent Dividend Payment Date, but not including, the most recent Dividend Payment Date (or if cash Dividends were not paid on the most recent Dividend Payment Date, from the last such Dividend Payment Date on which cash Dividends were paid), up to and including the Redemption Date or (ii) with respect to any Redemption Date occurring on or after the First Call Date, an amount per share of Series A-2 Preferred Stock equal to the sum of, without duplication, (A) the Stated Value of such share of Series A-2 Preferred Stock as of such Redemption Date and (B) without duplication, aggregate accrued and unpaid Dividends from the most recent Dividend Payment Date, but not including, the most recent Dividend Payment Date, up to and including the Redemption Date (each, as applicable, a "Redemption Price").

(c) Rights After a Redemption Date. If any shares of the Series A-2 Preferred Stock are not redeemed on the applicable Redemption Date, for any reason, all such unredeemed shares shall remain outstanding and entitled to all of the designations, rights, preferences, powers, restrictions and limitations of the shares of the Series A-2 Preferred Stock set forth in this Certificate of Designation, including the right to accrue and receive any Dividends thereon as provided in Section 5 until the date on which the Issuer actually redeems and pays in full the Redemption Price for such shares.

(d) Surrender of Certificates. Each holder of the Series A-2 Preferred Stock to be redeemed pursuant to this Section 6 shall surrender the certificate or certificates representing such shares (if any) to the Issuer, duly assigned or endorsed for transfer to the Issuer (or accompanied by duly executed stock powers relating thereto), or, in the event the certificate or certificates are lost, stolen, missing, destroyed or mutilated, shall deliver an affidavit of loss and related indemnity in a form reasonably satisfactory to the Issuer, at the principal executive office of the Issuer or such other place as the Issuer may from time to time designate by notice to the holders of the Series A-2 Preferred Stock, and each surrendered certificate shall be canceled and retired and the Issuer shall thereafter make payment of the Redemption Price, as applicable, by certified check or wire transfer of immediately available funds; provided that to the extent any such certificates represent a greater number of shares than the shares actually redeemed, each such holder shall, in addition to receiving the payment of the Redemption Price for each redeemed share, receive a new stock certificate for those shares of the Series A-2 Preferred Stock not so redeemed. Any shares of the Series A-2 Preferred Stock redeemed in accordance with this Section 6 shall not be reissuable by the Issuer, and the Issuer shall take all steps necessary to retire and cancel such shares.

(e) Redemption Preference. Any redemption under this Section 6 shall be in preference to and in priority over any dividend or other distribution upon any Junior Stock.

7. Mandatory Redemption.

(a) Generally. On the occurrence of (i)(x) before a Full Buyout Private Offering, October 13, 2024 or (y) after a Full Buyout Private Offering, the five-year anniversary of the Closing Date, (ii) a Change of Control with respect to the Issuer, (iii) a Sale of the Issuer, (iv) a Non-Qualifying IPO, (v) any recapitalization of the Issuer or other similar transaction in each case to the extent financed by third party capital (other than a redemption of Series A-1 Preferred Stock) or (vi) an Event of Noncompliance (each, a "Mandatory Redemption Event"), the Issuer shall, at the option of the Holder Majority, redeem all shares of the Series A-2 Preferred Stock (such redemption, a "Mandatory Redemption") on the applicable redemption date determined pursuant to Section 7(b)(i) (the "Mandatory Redemption Date"), for cash, to the extent permitted by Law, at a price per share of Series A-2 Preferred Stock equal to the applicable Redemption Price on such Mandatory Redemption Date. If, on the Mandatory Redemption Date, the Issuer is not so permitted by Law to redeem all of the outstanding shares of the Series A-2 Preferred Stock, then, the Issuer shall redeem such shares to the fullest extent so permitted. Any shares of the Series A-2 Preferred Stock that are not redeemed pursuant to the immediately preceding sentence shall remain outstanding and entitled to all of the designations, rights, preferences, powers, restrictions and limitations of the shares of the Series A-2 Preferred Stock set forth herein, including the right to continue to accrue and receive Dividends as set forth in Section 5 and, under such circumstances, the redemption requirements provided hereby shall be continuous, so that at any time thereafter when the Issuer is permitted by Law to redeem such shares, the Issuer shall immediately redeem such shares at a price per share of Series A-2 Preferred Stock equal to the Redemption Price as of the Mandatory Redemption Date, together with payment of any additional accrued and unpaid Dividends following the Mandatory Redemption Date, without duplication. If, on the Mandatory Redemption Date, the Issuer is not so permitted by the Existing Loan Agreement or a Credit Facility incurred to refinance or replace the Existing Loan Agreement to redeem all or a portion of the outstanding shares of the Series A-2 Preferred Stock, the sole remedy of the Investors with respect to any such unredeemed shares shall be as set forth in Sections 4 and 7(c) hereof.

(b) Mandatory Redemption Mechanics.

(i) In the event that, pursuant to Section 7(a), the Issuer is required to make a Mandatory Redemption, the Issuer shall follow the procedures set forth in this Section 7(b) as follows:

(A) At least 3 Business Days prior to any anticipated Mandatory Redemption Event (or, with respect to any Mandatory Redemption Event arising from an Event of Noncompliance, promptly following the occurrence of such Event of Noncompliance), the Issuer shall send a notice (the "Mandatory Redemption Notice") to each of the holders of the Series A-2 Preferred Stock, which shall state that:

(1) The Mandatory Redemption Event is expected to occur and that the Series A-2 Preferred Stock is expected to be redeemed pursuant to this section and the number of shares of Series A-2 Preferred Stock to be redeemed, in each case, subject to the occurrence of such Mandatory Redemption Event;

(2) (x) the expected Redemption Price, (y) the bank or trust company having an office in the City of New York, New York, with which the aggregate Redemption Price will be deposited on or prior to the Mandatory Redemption Date (if applicable) and (z) the Mandatory Redemption Date; and

(3) Unless the Issuer defaults in payment of the Redemption Price for each share of Series A-2 Preferred Stock to be redeemed on the Mandatory Redemption Date, any shares of the Series A-2 Preferred Stock shall cease to accrue Dividends after the Mandatory Redemption Date.

(ii) Upon payment in full of the amounts owing under Section 7(a) to any holder of the Series A-2 Preferred Stock that has its shares redeemed, then notwithstanding that the certificate or certificates evidencing such redeemed shares shall not have been surrendered, the Dividends with respect to such shares shall cease to accrue after the date of such payment in full and such shares of Series A-2 Preferred Stock shall cease to be outstanding for any purpose whatsoever and all rights with respect to such redeemed shares shall forthwith terminate.

(iii) On or before any Mandatory Redemption Date, the Issuer shall redeem the shares of the Series A-2 Preferred Stock and either pay to the account(s) designed by the holder(s) of the shares of Series A-2 Preferred Stock or deposit the amount of the applicable aggregate Redemption Price with a bank or trust company having an office in the City of New York, New York, designated in the applicable Mandatory Redemption Notice, irrevocably in trust for the benefit of the holders of such shares of the Series A-2 Preferred Stock and thereafter each such share shall be deemed to have been redeemed on the Mandatory Redemption Date so specified, whether or not the certificate for such shares of Series A-2 Preferred Stock shall be surrendered for redemption and canceled. Upon surrender to the Issuer by the holder or holders of such shares of the Series A-2 Preferred Stock of the certificate(s) representing such Series A-2 Preferred Stock (if applicable), the Issuer shall immediately cause to be paid the applicable Redemption Price for each such share to such holder or holders.

(iv) From and after the close of business on the Mandatory Redemption Date or, with respect to all shares of the Series A-2 Preferred Stock not redeemed on such date, the date on which such shares of the Series A-2 Preferred Stock are redeemed following the Mandatory Redemption Date, as contemplated in Section 7(a), which shares shall be deemed to be redeemed on the date on which the Issuer sends payment in full therefor, in cash, as provided in Section 7(a), to the holders of shares being so redeemed (each a "Delayed Mandatory Redemption Date"), all rights of holders of shares of the Series A-2 Preferred Stock being so redeemed shall cease with respect to such shares on such Mandatory Redemption Date or Delayed Mandatory Redemption Date, as applicable, and such shares shall not thereafter be transferred on the books of the Issuer or be deemed to be outstanding for any purpose whatsoever and all rights with respect to such redeemed shares shall forthwith terminate.

(v) In case fewer than all the shares of the Series A-2 Preferred Stock represented by any certificate are redeemed in accordance with this Section 7, a new certificate or certificates shall be issued representing the unredeemed shares without cost to the holder thereof.

(vi) Any shares of the Series A-2 Preferred Stock redeemed in accordance with this Section 7 shall not be reissuable by the Issuer, and the Issuer shall take all steps necessary to cancel and retire such shares.

(c) Redemption Failure. Upon and following (i) the failure by the Issuer to effect a Mandatory Redemption upon a holder's exercise thereof in accordance with Section 7(a) upon the occurrence of a Mandatory Redemption Event or (ii) the occurrence of an Event of Noncompliance for so long as such Event of Noncompliance is continuing (each, a "Redemption Failure"), and while any shares of Series A-2 Preferred Stock remain outstanding, (i)(x) before a Full Buyout Private Offering, the Series A-2 Dividend Rate shall increase to 18.2% per annum on dividends both paid in cash and accruing (y) after a Full Buyout Private Offering, the Series A-2 Dividend Rate shall increase to 12% per annum for the first 90 days following a Redemption Date and 14% per annum thereafter, on dividends both paid in cash and accruing and (ii) the Springing Directors shall join the Board of Directors pursuant to Section 4 hereof.

8. Remedies Upon Certain Events of Noncompliance. If either (a) any Leverage Failure has resulted in an Event of Noncompliance under clause (a)(ii) of the definition thereof or (b) after a Full Buyout Private Offering, an Event of Noncompliance under clause (e) of the definition thereof, in either case, has occurred and is continuing:

(i) unless consented to by a Holder Majority, the Issuer shall not, and shall not permit its Subsidiaries to, directly or indirectly, declare or pay any dividends or distributions on, or otherwise repurchase, redeem or otherwise acquire any shares of, Capital Stock (other than the Series A-2 Preferred Stock) of the Issuer or any of its Subsidiaries or make any Investments (other than pursuant to clauses 1, 2, 3, 6, 8, 9, 11, 12, 13, and 14 of the definition of "Permitted Investments");

(ii) unless consented to by a Holder Majority, the Issuer shall not, and shall not permit its Subsidiaries to, directly or indirectly, incur any Indebtedness, other than (A) Indebtedness incurred under the Existing Loan Agreement that is used to finance working capital needs of the Issuer; provided that the foregoing shall not restrict the incurrence of Indebtedness incurred in connection with the refinancing of the Existing Loan Agreement up to the Credit Facilities Cap and (B) only if such Event of Noncompliance is in connection with a Leverage Failure, Indebtedness incurred in order to fund Permitted Acquisitions (which otherwise complies with the requirements of this Certificate of Designation, including without limitation Section 12 hereof);

(iii) unless consented to by a Holder Majority, the Issuer shall not and shall not permit any of its Subsidiaries to, directly or indirectly, make any disposition of any asset, unless the proceeds from such disposition are used to reduce any senior Indebtedness of the Issuer; provided that, in connection with any such reduction of such senior Indebtedness, the Issuer or such Subsidiary will retire such senior Indebtedness and cause any related commitment to be permanently reduced; and

(iv) unless consented to by a Holder Majority, the Issuer shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, make or commit to make any capital expenditures exceeding $7,500,000 in the aggregate.

9. Issuer Efforts. The Issuer shall use commercially reasonable efforts to take such actions as are necessary to give effect to the provisions of Section 6 and Section 7 in the event that the Issuer is not permitted by Law to redeem or otherwise unable to redeem shares of the Series A-2 Preferred Stock in connection with any Mandatory Redemption Event on the applicable Mandatory Redemption Date, including using reasonable best efforts to take any action necessary or appropriate to remove promptly any impediments to its ability to redeem the shares of the Series A-2 Preferred Stock required to be so redeemed, including (i) to the extent permitted by Law, reducing the stated capital of the Issuer or revaluing the assets of the Issuer to their fair market values under Section 154 of the DGCL if such revaluation would create surplus sufficient to make all or any portion of such Mandatory Redemption Event and (ii) if the Issuer has sufficient surplus but insufficient cash to effect such Mandatory Redemption, borrowing on commercially reasonable terms the cash necessary to make such Mandatory Redemption Event to the extent it would not cause a breach, with or without notice, lapse of time or both, under the definitive documentation of any outstanding Indebtedness of the Issuer or any of its Subsidiaries or under any definitive documentation corresponding to any series of Preferred Stock. In the event of any transaction that results in a Change of Control in which the Issuer is not the continuing or surviving corporation or entity and in which in the Series A-2 Preferred Stock is not redeemed pursuant to the terms hereof, proper provision shall be made so that such continuing or surviving corporation or entity shall agree to carry out and observe the obligations of the Issuer hereunder with respect to the Series A-2 Preferred Stock.

10. Prohibition on Senior or Pari Passu Securities. So long as any Series A-2 Preferred Stock remains outstanding, the Issuer may not establish or issue any additional Series A-2 Preferred Stock, Parity Stock, or equity securities ranking senior to the Series A-2 Preferred Stock, except (i) any Indebtedness not otherwise prohibited by this Certificate of Designations which is convertible into common equity securities or junior preferred securities of the Issuer, (ii) with the consent of a Holder Majority or (iii) any increase in the "Stated Value" (as defined in the Certificate of Designation for the Series A-1 Preferred Stock, as then in effect) of the Series A-1 Preferred Stock as a result of accrued dividends thereon.

11. Limitation on Restricted Payments.

(a) On and after the Closing Date, the Issuer shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:

(i) declare or pay any dividend or make any payment or distribution on account of the Equity Interests of the Issuer or any of its Subsidiaries (in each case, solely to a holder of Equity Interests in such Person's capacity as a holder of such Equity Interests), including any dividend or distribution payable in connection with any merger, amalgamation or consolidation other than:

(A) dividends, payments or distributions by the Issuer or any of its Subsidiaries payable solely in Equity Interests (other than Disqualified Stock) of the Issuer or any of its Subsidiaries, or in options, warrants or other rights to purchase such Equity Interests; or

(B) dividends, payments or distributions by a Subsidiary of the Issuer, so long as, in the case of any dividend, payment or distribution payable on or in respect of any class or series of securities issued by such Subsidiary other than a Wholly Owned Subsidiary of the Issuer, as the case may be, the Issuer or a Subsidiary receives at least its *pro rata* share of such dividend, payment or distribution in accordance with its Equity Interests in such class or series of securities;

(ii) purchase, redeem, defease or otherwise acquire or retire for value, any Equity Interests of the Issuer, any of its Subsidiaries, or any Parent Entity, including in connection with any merger, amalgamation or consolidation, in each case held by a Person other than the Issuer or any of its Subsidiaries; or

(iii) make any Restricted Investment

(all such payments and other actions set forth in clauses (i) through (iii) above (other than any exceptions thereto) being collectively referred to as "Restricted Payments").

(b) The foregoing provisions shall not prohibit:

(i) the payment of any dividend or distribution or the consummation of any irrevocable redemption within 60 days after the date of declaration thereof or the giving of such irrevocable notice, as applicable, if, at the date of declaration or the giving of such notice, such payment would have complied with the provisions of this Certificate of Designation;

(ii) the redemption, repurchase, defeasance, discharge, retirement or other acquisition of any Equity Interests, including any accrued and unpaid dividends thereon ("Treasury Capital Stock") or any Equity Interests of any Parent Entity, in exchange for Equity Interests of the Issuer and its Subsidiaries or any Parent Entity (in each case, other than any Disqualified Stock) ("Refunding Capital Stock"), or out of the proceeds of a sale or issuance (other than to a Subsidiary) of, to the extent contributed to the Issuer and its Subsidiaries, Refunding Capital Stock made within 120 days of such sale or issuance of Refunding Capital Stock;

(iii) the prepayment, redemption, defeasance, repurchase, retirement, exchange or other acquisition for value of Disqualified Stock of the Issuer or any Subsidiary made in exchange for, or out of the proceeds of a sale or issuance of, Disqualified Stock of the Issuer or any Subsidiary made within 120 days of such sale or issuance of Disqualified Stock, that, in each case, is incurred or issued in compliance with Section 12, so long as:

(A) the liquidation preference of such new Disqualified Stock does not exceed the liquidation preference of, plus any accrued and unpaid dividends on, the Disqualified Stock being so prepaid, redeemed, defeased, repurchased, exchanged, acquired or retired for value, plus the amount of any premium (including tender premiums), defeasance costs, underwriting discounts and any fees, costs and expenses incurred in connection with the issuance of such new Disqualified Stock and such prepayment, redemption, defeasance, repurchase, exchange, acquisition or retirement;

(B) such new Disqualified Stock has a final mandatory redemption date equal to or later than the final mandatory redemption date of the Disqualified Stock being so prepaid, redeemed, defeased, repurchased, exchanged, acquired or retired; and

(C) such new Disqualified Stock has a Weighted Average Life to Maturity equal to or greater than the remaining Weighted Average Life to Maturity of the Disqualified Stock being so prepaid, redeemed, defeased, repurchased, exchanged, acquired or retired;

(iv) the declaration and payment of dividends to holders of any class or series of Disqualified Stock of the Issuer or any of its Subsidiaries or any class or series of Preferred Stock of any Subsidiary, in each case issued in accordance with the covenant described under Section 12;

(v) non-cash repurchases of Equity Interests deemed to occur upon the exercise of equity options;

(vi) payments made or expected to be made by the Issuer or any of its Subsidiaries in respect of withholding or similar taxes payable in connection with the grant, exercise, vesting or settlement of Equity Interests or any other equity award by any future, present or former employee, director, officer, manager or consultant (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Issuer, any of its Subsidiaries or Parent Entity and repurchases or withholdings of Equity Interests in connection with the grant, exercise, vesting or settlement of any stock or other equity options or warrants or of any other equity awards if such Equity Interests represent all or a portion of the exercise price thereof or payments in lieu of the issuance of fractional Equity Interests, or withholding obligation with respect to, such options or warrants or other Equity Interests or equity awards;

(vii) payments or other adjustments to outstanding Equity Interests in accordance with any management equity plan, stock option plan or any other similar employee benefit plan, agreement or arrangement in connection with any Restricted Payment;

(viii) loans or advances to officers, directors, employees, managers and consultants of the Issuer or any Parent Entity or any Subsidiary of the Issuer, in connection with such Person's purchase of Equity Interests of the Issuer, any of its Subsidiaries or any Parent Entity; provided that no cash is actually advanced pursuant to this clause (viii) other than to pay taxes due in connection with such purchase, unless immediately repaid;

(ix) the repurchase, redemption or other acquisition of Equity Interests of the Issuer or any of its Subsidiaries deemed to occur in connection with paying cash in lieu of fractional shares of such Equity Interests in connection with a share dividend, distribution, share split, reverse share split, merger, consolidation, amalgamation or other business combination of the Issuer or any of its Subsidiaries;

(x) so long as no Event of Noncompliance exists or would result therefrom, the Issuer may pay cash dividends to its parent to enable it to pay, or the Issuer may pay, (i) redemptions for cash of equity, rights to acquire equity or cash payments with respect to phantom stock units, in each case if owned by an officer or employee of the Issuer or any Subsidiary upon termination of employment of such Person, and (ii) cash payments in lieu of the issuance of fractional units upon the exercise or conversion of options or other equity equivalents, provided that the aggregate amount of all such redemptions or payments under the immediately preceding clauses (i) and (ii) shall not exceed $1,000,000 in the aggregate (excluding proceeds of issuances of Equity Interests used for such purpose);

(xi) the payment of Dividends and any amount under an Optional Redemption or a Mandatory Redemption, in each case pursuant to the terms of this Certificate of Designation; and

(xii) the payment of dividends on the Series A-1 Preferred Stock or in connection with a redemption thereof permitted under, and in accordance with, the Certificate of Designation for the Series A-1 Preferred Stock.

The amount of all Restricted Payments (other than cash) will be the fair market value on the date of the Restricted Payment of the assets or securities proposed to be transferred or issued by the Issuer or any Subsidiary, as the case may be, pursuant to the Restricted Payment.

(c) For the avoidance of doubt, this Section 11 shall not restrict the making of any "AHYDO catch up payment" with respect to, and required by the terms of, any Indebtedness of the Issuer or any of its Subsidiaries permitted to be incurred under the terms of this Certificate of Designation.

12. Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock by Subsidiaries.

(a) On and after the Closing Date, the Issuer shall not, and shall not permit its Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable (collectively, "incur" and collectively, an "incurrence") with respect to any Indebtedness and the Issuer shall not, and shall not permit any of its Subsidiaries to, issue any shares of Disqualified Stock or Preferred Shares; provided that the Issuer may incur Indebtedness or issue shares of Disqualified Stock or Preferred Shares, and any of the Subsidiaries may incur Indebtedness, issue shares of Disqualified Stock and issue Preferred Shares, so long as the Consolidated Debt Ratio would have been equal to or less than (i) 4.00 to 1.00, before the Full Buyout Private Offering or (ii) 4.50 to 1.00 (the ratio in effect at any given time, the "Debt Ratio"), after the Full Buyout Private Offering, determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been incurred, or the Disqualified Stock or Preferred Shares had been issued, as the case may be, and the application of proceeds therefrom had occurred at the beginning of such four-quarter period. In the event Indebtedness was used to redeem any shares of Series A-1 Preferred Stock, the Debt Ratio shall become 4.00 to 1.00 from the date of such redemption of Series A-1 Preferred Stock until the Indebtedness that was used to redeem is paid off with proceeds from the sale and issuance of Common Stock, at which time it shall become 4.50 to 1.00.

(b) To the extent Indebtedness is incurred or shares of Disqualified Stock or Preferred Shares are issued in connection with the redemption of less than all shares of Series A-1 Preferred Stock, the Issuer may not incur such Indebtedness or issue shares of Disqualified Stock or Preferred Shares, nor may any of the Subsidiaries incur Indebtedness, issue shares of Disqualified Stock and issue Preferred Shares, so long as the Consolidated Debt Ratio would have been greater than 2.50 to 1.00, determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been incurred, or the Disqualified Stock or Preferred Shares had been issued, as the case may be, and the application of proceeds therefrom had occurred at the beginning of such four-quarter period.

(c) Accrual of interest or dividends, the accretion of accreted value, the accretion or amortization of original issue discount and the payment of interest or dividends in the form of additional Indebtedness, Disqualified Stock or Preferred Shares, the accretion of liquidation preference and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies will not be deemed to be an incurrence of Indebtedness, Disqualified Stock or Preferred Shares for purposes of Section 12(a).

(d) The provisions of Section 12(a) shall not prohibit:

(i) Indebtedness under Credit Facilities in an aggregate principal amount at any time outstanding not to exceed the Credit Facilities Cap;

(ii) Indebtedness constituting customary indemnification obligations incurred in connection with Permitted Acquisitions;

(iii) Indebtedness in respect of netting services, overdraft protections and otherwise in connections with deposit accounts to the extent incurred in the ordinary course of business;

(iv) Indebtedness in respect of workers' compensation claims, including guarantees or obligations of the Issuer or any Subsidiary with respect to workers' compensation claims, (in each case other than for an obligation for money borrowed); and

(v) Indebtedness or equity securities issued for the purpose of redeeming the Series A-2 Preferred Stock held by the Investor in full.

13. Transactions with Affiliates.

(a) On and after the Closing Date, the Issuer shall not, and shall not permit any of its Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Issuer or any Subsidiary (each of the foregoing, an "Affiliate Transaction")

(b) The foregoing provisions shall not apply to the following:

(i) transactions between or among the Issuer and any Subsidiary, or between or among Subsidiaries or, in any case, any entity that becomes a Subsidiary as a result of such transaction;

(ii) any agreement or arrangement as in effect as of the Closing Date (including the transactions with RedRidge Financial and NextMedia Group (and their respective Affiliates) existing as of the Closing Date), or any amendment thereto (so long as any such amendment is not disadvantageous in any material respect in the good faith judgment of the Board of Directors or the senior management of the Issuer, or the board of directors of a Subsidiary, as applicable, to the holders of the Series A-2 Preferred Stock when taken as a whole as compared to the applicable agreement as in effect on the Closing Date) or any transactions or payments contemplated thereby;

(iii) the existence of, or the performance by the Issuer or any of its Subsidiaries of its obligations under the terms of any stockholders agreement or the equivalent (including any registration rights agreement or purchase agreement related thereto) to which it (or any Parent Entity) is a party as of the Closing Date and any similar agreements which it (or any Parent Entity) may enter into thereafter; provided, however, that the existence of, or the performance by the Issuer or any Subsidiary (or such Parent Entity) of obligations under any future amendment to any such existing agreement or under any similar agreement entered into after the Closing Date shall only be permitted by this clause (iii) to the extent that the terms of any such amendment or new agreement are not otherwise disadvantageous in any material respect to the holders of the Series A-2 Preferred Stock when taken as a whole as compared to the applicable agreement as in effect on the Closing Date;

(iv) payments by the Issuer or any Subsidiary, to any Investor made for any financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including, without limitation, in connection with acquisitions or divestitures which payments are approved, in good faith, by the Board of Directors or the senior management of the Issuer, or the board of directors of a Subsidiary, as applicable;

(v) payments to and from, and transactions with, any joint ventures entered into in the ordinary course of business or consistent with past practice (including, without limitation, any cash management activities related thereto);

(vi) transactions permitted by Section 11 or 12; and

(vii) normal and reasonable compensation. indemnification and reimbursement of expenses of officers and directors in the ordinary course of business.

14. Limitations on Dividends and Other Payment Restrictions Affecting Subsidiaries. On and after the Closing Date, the Issuer shall not, and shall not permit any of its Subsidiaries to directly or indirectly create or otherwise cause or suffer to exist or become effective any consensual encumbrance or consensual restriction on the ability of any such Subsidiary to:

(a) (x) pay dividends or make any other distributions to the Issuer or any of its Subsidiaries on its Capital Stock or with respect to any other interest or participation in, or measured by, its profits, or (y) pay any Indebtedness owed to the Issuer or any of its Subsidiaries;

(b) make loans or advances to the Issuer or any of its Subsidiaries; or

(c) sell, lease or transfer any of its properties or assets to the Issuer or any of its Subsidiaries, except (in each case) for such encumbrances or restrictions existing under or by reason of:

(i) contractual encumbrances or restrictions in effect on the Closing Date, including, Hedging Obligations;

(ii) applicable law or any applicable rule, regulation or order;

(iii) any agreement or other instrument of a Person, or relating to Indebtedness or Capital Stock of a Person, which Person is acquired by or merged, consolidated or amalgamated with or into the Issuer or any of its Subsidiaries, or any other transaction entered into in connection with any such acquisition, merger, consolidation, amalgamation or redesignation, in existence at the time of such acquisition or at the time it merges, consolidates or amalgamates with or into the Issuer or any of its Subsidiaries or assumed in connection with the acquisition of assets from such Person or at the time it is redesignated (but, in each case, not created in contemplation thereof), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person and its Subsidiaries, or the property or assets of the Person and its Subsidiaries, so acquired or redesignated;

(iv) contracts, including sale-leaseback agreements, for the sale or disposition of assets, including customary restrictions with respect to a Subsidiary of the Issuer pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock or assets of such Subsidiary;

(v) Indebtedness secured by a Lien otherwise permitted to be incurred pursuant to Section 12 that limit the right of the debtor to dispose of the assets securing such Indebtedness;

(vi) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business or restrictions on cash or other deposits permitted under Section 13;

(vii) customary provisions in joint venture agreements or arrangements and other similar agreements or arrangements relating to such joint venture;

(viii) customary provisions contained in leases, subleases, licenses, sublicenses or similar agreements, including with respect to intellectual property and other agreements;

(ix) restrictions or conditions contained in any trading, netting, operating, construction, service, supply, purchase, sale or other agreement to which the Issuer or any of its Subsidiaries is a party entered into in the ordinary course of business; provided that such agreement prohibits the encumbrance of solely the property or assets of the Issuer or such Subsidiary that are the subject to such agreement, the payment rights arising thereunder or the proceeds thereof and does not extend to any other asset or property of the Issuer or such Subsidiary or the assets or property of another Subsidiary of the Issuer;

(x) other Indebtedness, Disqualified Stock or Preferred Stock permitted to be incurred subsequent to the Closing Date pursuant to Section 12, or any other encumbrance or restriction; provided that, (A) in the good faith judgment of the Issuer, such incurrence or such encumbrance or restriction will not materially impair the Issuer's ability to make payments under the Series A-2 Preferred Stock when due or (B) such encumbrances and restrictions apply only during the continuance of a default in respect of a payment or financial maintenance covenant relating to such Indebtedness;

(xi) any encumbrance or restriction not relating to any Indebtedness, and that does not, individually or in the aggregate, materially affect the Issuer's or any of its Subsidiaries' ability to make future principal or interest payments under this Certificate of Designation, in each case, as determined by the Issuer in good faith; and

(xii) any encumbrances or restrictions of the type referred to in clauses (a), (b) and (c) of this Section 14 imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (i) through (xi) above; provided that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of the Issuer, not materially more restrictive with respect to such encumbrance and other restrictions taken as a whole than those prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing.

(d) For purposes of determining compliance with this Section 14, (1) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common equity shall not be deemed a restriction on the ability to make distributions on Capital Stock and (2) the subordination of loans and advances made to the Issuer or a Subsidiary to other Indebtedness incurred by the Issuer or such Subsidiary shall not be deemed a restriction on the ability to make loans or advances.

15. Restricted Acquisitions. The Issuer shall not, and shall not permit any of its Subsidiaries, without the written consent of the Holder Majority, to directly or indirectly consummate any Acquisitions, other than Permitted Acquisitions.

16. Leverage Failure. Concurrently with the delivery of any quarterly and annual financial statements to the holders of the Series A-2 Preferred Stock (including, for the avoidance of doubt, the delivery of fourth quarter unaudited financial statements within 45 days after the end of each fiscal year), the Issuer shall deliver to the holders of the Series A-2 Preferred Stock a compliance certificate substantially in the form of the Compliance Certificate (as defined in the Existing Loan Agreement) containing reasonably detailed calculations of the Consolidated Total Leverage Ratio. The Issuer shall maintain, as of the end of each fiscal quarter of the Issuer, a Consolidated Total Leverage Ratio of no greater than 10.00 to 1.00 (the "Maintenance Covenant"). Failure to comply with this Section 16 shall be a "Leverage Failure." In the event of any Leverage Failure, the Issuer shall have the right to (a) issue Equity Interests (other than Disqualified Stock) for (or receive capital contributions of) cash (the amount thereof, the "Cure Amount" and any action taken pursuant to this clause (a), an "Equity Cure") or (b) to consummate a Permitted Acquisition (an "Acquisition Cure"), so long as the Issuer consummates the exercise of the Equity Cure or Acquisition Cure, as applicable, pursuant to the procedures described in this Section 16 within ninety (90) days subsequent to the date on which the financial statements with respect to such fiscal quarter have been delivered to the holders of Series A-2 Preferred Stock. Notwithstanding the foregoing, in the event the Issuer's Consolidated Total Leverage Ratio is no greater than 10.00 to 1.00 as of the end of the fiscal quarter immediately following the fiscal quarter for which the Issuer experienced a Leverage Failure without the Issuer having exercised an Equity Cure or an Acquisition Cure, the applicable Leverage Failure shall be deemed cured for all purposes of this Certificate of Designation (a "Deemed Cure" and each of the Equity Cure, the Acquisition Cure or the Deemed Cure, a "Cure Right"); provided that any such Cure Right can be utilized no more than twice in any four consecutive fiscal quarters. With respect to an Equity Cure, upon receipt by the Issuer of the Cure Amount, Adjusted Pro Forma EBITDA for the fiscal quarter as to which such Cure Right is exercised (the "Cure Right Fiscal Quarter") shall be deemed to have been increased by the Cure Amount in determining compliance with this Section 16 for such Cure Right Fiscal Quarter and for any subsequent period that includes such Cure Right Fiscal Quarter. With respect to an Acquisition Cure, upon consummation of a Permitted Acquisition that cures such Leverage Failure, for purposes of determining compliance with Section 16, Adjusted Pro Forma EBITDA for such previous fiscal quarter and for any subsequent period shall include the impact of such Permitted Acquisition and any Indebtedness incurred in connection therewith on a pro forma basis assuming that such Permitted Acquisition had occurred on the first day of the Applicable Measurement Period. If after giving effect to the applicable Cure Right set forth in this Section 16 the Issuer shall then be in compliance with this Section 16, the Issuer shall be deemed to have satisfied the requirements of such covenant as of the relevant date of determination with the same effect as though there had been no Leverage Failure at such date, and the applicable Leverage Failure shall be deemed cured for all purposes of this Certificate of Designation.

Notwithstanding the foregoing, after a Full Buyout Private Offering, the Issuer is not required to comply with the Maintenance Covenant.

17. Amendment and Waiver.

(a) Holder Majority. So long as any Series A-2 Preferred Stock remains outstanding, and unless a greater percentage is required by law, the Issuer will not, without the affirmative vote or written consent of the holders of at least a majority of the Stated Value of Series A-2 Preferred Stock then outstanding, separately as one class, amend, alter or change the terms (by merger, consolidation or otherwise) of this Certificate of Designation as they relate to the Series A-2 Preferred Stock (a "Holder Majority").

There shall be excluded from the numerator and the denominator for purposes of determining whether any Holder Majority is achieved, Series A-2 Preferred Stock held by (a) the Issuer (or any Parent Entity or any Subsidiaries of the Issuer) and (b) any employee of the Issuer or any of its Subsidiaries or any Person controlled by any employee of the Issuer or any of its Subsidiaries; nor shall any of such persons be entitled to attend "holder only" meetings of holders of the Series A-2 Preferred Stock.

(b) Supermajority Matters. Notwithstanding anything to the contrary herein, no such amendment to this Certificate of Designation will (by merger, consolidation or otherwise), without the affirmative vote or written consent of at least 66.67% of the Stated Value of the Series A-2 Preferred Stock then outstanding, separately as one class (the "Holder Supermajority"), affect any of the following matters (the "Supermajority Matters"):

(i) Any waiver or amendment of the Series A-2 Dividend Rate or Post-Adjustment Dividend Rate;

(ii) Any waiver or amendment to the timing or method of payment of any dividends pursuant to Section 5;

(iii) Any waiver or amendment in respect of the liquidation preference pursuant to Section 3;

(iv) Any waiver or amendment to any required voting percentages or the Supermajority Matters;

(v) Any waiver or amendment affecting the ranking of the Series A-2 Preferred Stock (including the creation or authorization of additional classes of any senior or parity preferred equity of the Issuer (including additional Series A-2 Preferred Stock)); and

(vi) Any waiver or amendment with respect to Section 17.

(c) Waiver. The Holder Majority may waive any Event of Noncompliance or other failure to comply with any provision, condition or requirement of this Certificate of Designation. No waiver of any Event of Noncompliance or other failure to comply with any provision, condition or requirement of this Certificate of Designation will be deemed to be a continuing waiver in the future or a waiver of any subsequent Event of Noncompliance or failure or a waiver of any other provision, condition or requirement hereof, nor will any delay or omission to exercise any right hereunder in any manner impair the exercise of any such right.

18. No Reissuance of the Series A-2 Preferred Stock. No share or shares of the Series A-2 Preferred Stock acquired by the Issuer by reason of redemption, conversion, purchase or otherwise shall be reissued or held in treasury for reissuance, and the Issuer shall take all action to cause all such shares to be canceled, retired and eliminated from the shares which the Issuer shall be authorized to issue.

19. Rights and Remedies of Holders.

(a) The various provisions set forth herein are for the benefit of the holders of the Series A-2 Preferred Stock and shall be enforceable by them.

(b) Except as expressly set forth herein, all remedies available under this Certificate of Designation, at law, in equity or otherwise, will be deemed cumulative and not alternative or exclusive of other remedies. The exercise by any holder of the Series A-2 Preferred Stock of a particular remedy will not preclude the exercise of any other remedy.

20. Certain Tax Matters.

(a) The Series A-2 Preferred Stock shall be treated as equity for U.S. federal and state income tax purposes. For as long as any Series A-2 Preferred Stock is outstanding, the Issuer will remain classified as (i) a corporation for U.S. federal income tax purposes and (ii) as a "United States person" within the meaning of Section 7701(a)(30) of the Code (a "US Corporation") (unless, in either case, (x) a Mandatory Redemption Event has occurred prior to the Issuer becoming a Person other than a US Corporation (a "Specified Event") or (y) a Mandatory Redemption occurs as a result of a Specified Event so long as no holder of Series A-2 Preferred Stock is adversely affected in respect of taxes if such holder exercises its option to effect a Mandatory Redemption in connection with the Specified Event as compared with a Mandatory Redemption occurring immediately prior to the Specified Event , provided that neither (x) nor (y) shall apply if any Series A-2 Preferred Stock still outstanding would have been redeemed but for the failure of the Issuer to effect a Mandatory Redemption after a holder's exercise thereof in accordance with Section 7(a)).

(b) For so long as a holder owns Series A-2 Preferred Stock, it shall be a "United States person" within the meaning of Section 7701(a)(30) of the Code (a "US Person"). Notwithstanding anything to the contrary herein, no holder shall be entitled to transfer any Series A-2 Preferred Stock to any person who is not a US Person, and any such purported transfer will be void *ab initio*.

(c) The Issuer shall not deduct or withhold from any payment (including deemed payments) made on or with respect to the Series A-2 Preferred Stock except to the extent required by applicable law, and in such case, the Issuer shall be entitled to deduct and withhold as is required by applicable law, provided that, in the case of a holder that is a US Person, the Issuer shall provide at least three days' written notice in advance of any such deduction or withholding.

Any such deducted and withheld amounts shall be treated for all purposes as having been paid to the applicable person in respect of whom such deduction and withholding was made.

21. Right of First Offer.

(a) In the event the Issuer or its subsidiaries desires to, plans to or does incur any Indebtedness for borrowed money (excluding, for the avoidance of doubt, the Existing Loan Agreement, any debtor-in-possession financing, and any seller notes or similar instruments or arrangements evidencing or otherwise representing all or any part of the deferred portion of the purchase price of any Acquisition) (the "Proposed Debt") with a Weighted Average Yield in excess of LIBOR plus 6.0%, the Issuer shall deliver a written notice (the "ROFO Notice") to Oaktree Opportunities Fund Xb Holdings (Delaware), L.P., a Delaware limited partnership (the "Registered Holder") at least thirty (30) days prior to the incurrence of the Proposed Debt. The ROFO Notice shall specify the amount, term, amortization and the weighted average yield of the Proposed Debt (the "Offered Terms").

(b) Following the giving of the ROFO Notice, the Registered Holder, directly or through an affiliated designee, shall have an option for a period of ten (10) days after receiving the ROFO Notice to elect to provide its pro rata portion (based on the aggregate Stated Value of Series A-2 Preferred Stock then held by the Registered Holder and the aggregate Stated Value of the Series A-1 Preferred Stock then held by the "Registered Holder" in the Series A-1 Certificate of Designation) (a) all of the Proposed Debt or (b) other than with respect to any Indebtedness incurred to refinance the Existing Loan Agreement, any portion of the Proposed Debt, in each case, on the Offered Terms.

(c) If the Registered Holder accepts the Offered Terms, the Registered Holder and the Issuer shall negotiate in good faith to complete the documentation required for the Proposed Debt in a timely fashion, and in any event within thirty (30) days after the issuance of the ROFO Notice.

(d) If the Registered Holder does not accept the Offered Terms within the time period set forth above, or, following acceptance of the Offered Terms, the Issuer and the Registered Holder do not agree on definitive documentation in respect thereof within such thirty (30) day period, then the Issuer shall be free to offer the Proposed Debt to another unaffiliated third party lender on terms no more favorable to the lender than the Proposed Debt, provided that the closing and funding of such offered Proposed Debt must be completed within ninety (90) days after the issuance of the ROFO Notice. If the Proposed Debt is not closed and funded within such period, a new ROFO Notice shall be given to the Registered Holder, and the Registered Holder shall again be offered a right of first offer on the Proposed Debt pursuant to the terms of this Section 21.

(e) The rights of first offer under this Section 21 shall terminate immediately before the earlier to occur of (i) a Qualifying IPO or (ii) a Sale of the Issuer.

22. Notice.

Any notice or other communication required or permitted to be delivered under this Certificate of Designation will be in writing and delivered by (i) email or (ii) overnight delivery via a national courier service, with respect to any holder, at the email address or physical address on file with the Issuer and, with respect to the Issuer, to the following email address or physical address, as applicable:

Montrose Environmental Group, Inc.
1 Park Plaza, Suite 1000
Irvine, CA 92614
Attention: Nasym Afsari, General Counsel
Vijay Manthripragada, Chief Executive Officer
Email: ***
***

with copies (which will not constitute notice) to:

Gibson, Dunn & Crutcher LLP
333 South Grand Avenue
Los Angeles, CA 90071-3197
Attention: Candice Choh
Email: ***

23. Severability. Whenever possible, each provision hereof shall be interpreted in a manner as to be effective and valid under applicable Law, but if any provision hereof is held to be prohibited by or invalid under applicable Law, then such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating or otherwise adversely affecting the remaining provisions hereof.

24. Legend. Any certificates representing shares of Series A-2 Preferred Stock shall bear a legend in substantially the following form:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") AND MAY NOT BE TRANSFERRED, SOLD OR OTHERWISE DISPOSED OF EXCEPT WHILE A REGISTRATION STATEMENT RELATING THERETO IS IN EFFECT UNDER THE SECURITIES ACT OR PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THE DESIGNATIONS, RIGHTS, PREFERENCES, POWERS, RESTRICTIONS AND LIMITATIONS SET FORTH IN THE CERTIFICATE OF DESIGNATION FOR THE SERIES A-2 PREFERRED STOCK FILED WITH THE SECRETARY OF STATE FOR THE STATE OF DELAWARE PURSUANT TO SECTION 151 OF THE DELAWARE GENERAL CORPORATION LAW (THE "CERTIFICATE OF DESIGNATION") AND THE RIGHTS, TERMS AND CONDITIONS SET FORTH IN THE THIRD AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT BY AND AMONG MONTROSE ENVIRONMENTAL GROUP, INC. (THE "ISSUER") AND CERTAIN HOLDERS OF ISSUER SECURITIES PARTY THERETO (THE "INVESTMENT AGREEMENT"). NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THE

SECURITIES REPRESENTED BY THIS CERTIFICATE MAY BE MADE EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF THE CERTIFICATE OF DESIGNATION AND THE INVESTMENT AGREEMENT. A COPY OF THE CERTIFICATE OF DESIGNATION AND THE INVESTMENT AGREEMENT WILL BE FURNISHED WITHOUT CHARGE BY THE ISSUER TO THE HOLDER UPON REQUEST."

25. Applicability of Covenants. For the avoidance of doubt, Sections 11 through 17 shall cease to be of any force and effect at any time at which no shares of Series A-2 Preferred Stock are outstanding.

IN WITNESS WHEREOF, the Issuer has caused this Certificate of Designation to be signed by a duly authorized officer this 13th day of April, 2020.

MONTROSE ENVIRONMENTAL GROUP, INC.

By: /s/ Vijay Manthripragada
Name: Vijay Manthripragada
Title: Chief Executive Officer

[SIGNATURE PAGE TO SERIES A-2 CERTIFICATE OF DESIGNATION]

EXHIBIT 1

2. Definitions; Interpretation.

(a) Definitions. As used in this Certificate of Designation, the following capitalized terms shall have the following meanings:

"Acquisition," by any Person, means the acquisition by such Person, in a single transaction or in a series of related transactions, of all or substantially all of the property of, or a line of business, division of or other business unit of, another Person or at least a majority of the Voting Stock of another Person, in each case whether or not involving a merger or consolidation with such other Person and whether for cash, property, services, assumption of Indebtedness, securities or otherwise.

"Adjusted Pro Forma EBITDA" means for any period, for the Issuer and its Subsidiaries on a consolidated basis, an amount equal to:

(a) Consolidated Net Income for such period;

plus,

(b) without duplication, the following to the extent (except in the case of (b)(viii)(B) and (b)(x)(C) below) deducted in calculating such Consolidated Net Income:

(i) Consolidated Interest Charges for such period;

(ii) net income tax expense (or net expense for franchise taxes in lieu of income taxes) for such period;

(iii) depreciation and amortization expense for such period;

(iv)(A) reasonable fees and expenses of professional advisors, accountants, investment bankers and legal counsel, bonuses incurred, and filing and other fees payable to, or in connection with filings made with, the SEC, including financial printer costs, in each case, in connection with the IPO for such period and (B) IPO Costs for such period in an amount not to exceed $3,000,000;

(v) costs and expenses attributable to the closing of this Transaction, to the extent such costs and expenses are not capitalized (it being agreed that if capitalized, the same are covered by clause (b)(iii) above);

(vi) all non-cash charges or losses for such period, including non-cash stock based compensation expense for such period (other than (A) charges relating to inventory or accounts receivable and (B) any such non-cash charges or losses to the extent representing accruals of or reserves for cash expenses in any future period or an amortization of a prepaid cash expense);

(vii) (A) costs and expenses incurred in connection with the acquisition of The Center for Toxicology and Environmental Health, L.L.C., an Arkansas limited liability company

(the "CTEH Acquisition") and (B) costs and expenses, not to exceed $600,000, associated with obtaining consent to the Transactions and the CTEH Acquisition under the Existing Loan Agreement;

(viii) (A) charges and expenses reimbursed to the Issuer and its Subsidiaries by insurance or indemnity payments by third parties for such period and, in the case of this clause (A), such additional charges and expenses for such period that, in the good faith judgment of the Issuer, are reasonably expected to be so reimbursed to the Issuer and its Subsidiaries within one year after the incurrence of such charge or expense (and if not so reimbursed within one year, such unreimbursed amounts shall be deducted from Adjusted Pro Forma EBITDA during the next period), and (B) proceeds of business interruption insurance received in such period in an amount representing the earnings for such period that such proceeds are intended to replace (to the extent not reflected in Consolidated Net Income);

(ix) reasonable costs and expenses incurred in connection with Permitted Acquisitions (including, without limitation, associated integration costs and expenses to the extent incurred within twelve months of the consummation or implementation of a Permitted Acquisition) whether consummated or unconsummated during such period to the extent such costs and expenses are not capitalized (it being agreed that if capitalized, same are covered by clause (b)(iii) above); provided, however, that any such travel-related costs and expenses incurred by Issuer employees in connection with Permitted Acquisitions, whether consummated or unconsummated, shall be limited to pre-closing travel and the first trip made by any such Issuer employee following the consummation of such Permitted Acquisition;

(x) (A) other non-recurring or extraordinary losses, reserves, charges and expenses for such period,

(B) losses from start-up labs or de novo locations, businesses or service offerings, so long as such loss was incurred within twelve months of the openings of such start-up labs or de novo location or the initial investment in such business or service offering, as applicable, and

(C) for any period ending on or prior to December 31, 2020, the amount of "run rate" cost savings and operating expense reductions projected by the Issuer in good faith to be realized after specified actions which are taken within twelve months of the consummation or implementation of a Permitted Acquisition or the implementation of a cost-savings or similar initiative, net of the amount of actual benefits realized during such period from such actions, and in each case, are reasonably expected to be realized within the first twelve months following the consummation or implementation thereof and are reasonably identifiable and factually supportable; provided that no cost savings or operating expense reductions shall be added pursuant to this clause (x)(C) to the extent duplicative of any amounts otherwise added to, or included in, Adjusted Pro Forma EBITDA, whether through a pro forma adjustment or otherwise, for such period;

provided, that (x) the aggregate amount added back to Adjusted Pro Forma EBITDA pursuant to clauses (b)(x)(A) – (b)(x)(C) shall not exceed 15% of Adjusted Pro Forma EBITDA for any such period in the aggregate (calculated prior to giving effect to such addbacks); provided, however, that when calculating the addback set forth in clause (b)(x)(A), it shall be net of any related

extraordinary gains referenced in (c)(iii) below for such period, and (y) the aggregate amount added back to Adjusted Pro Forma EBITDA pursuant to clauses (b)(x)(B) and (b)(x)(C) shall not exceed 7.5% of Adjusted Pro Forma EBITDA for any such period in the aggregate (calculated prior to giving effect to such addbacks);

minus

(c) to the extent included in calculating Consolidated Net Income,

(i) the amount of cash expended in such period in respect of any amount that, under clause (b)(vi) above, was taken into account in determining Adjusted Pro Forma EBITDA for such period or any prior period, all as determined in accordance with GAAP;

(ii) all non-cash gains for such period; and

(iii) (1) for any period ending on or prior to December 31, 2020, all extraordinary and non-recurring gains for such period and (2) for any period ending after December 31, 2020, all extraordinary and non-recurring cash gains for such period.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

"Applicable Calculation Date" means the applicable date of calculation for (i) the Consolidated Debt Ratio or (ii) the Adjusted Pro Forma EBITDA.

"Applicable Measurement Period" means the most recently completed four consecutive fiscal quarters of the Issuer (or the fiscal year in the case of the fourth fiscal quarter of a given fiscal year) for which financial statements have been filed electronically with the Securities and Exchange Commission or have been delivered to the holders of Series A-2 Preferred Stock (or were required to be delivered) immediately preceding the Applicable Calculation Date.

"Automatic Adjustment Date" means the date on which Sections 2-20 of this Exhibit 1 came into force and effect.

"Bankruptcy Law" means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect.

"Board of Directors" has the meaning assigned to such term in the recitals hereof.

"Business Day" means each day that is not a Legal Holiday.

"Capital Stock" means (a) in the case of a corporation, corporate stock, (b) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock, (c) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited), and (d) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

"Capitalized Lease Obligation" means, at the time any determination thereof is to be made, the amount of the liability in respect of a capital lease that would at such time be required to be accounted for as a capital lease on a balance sheet (excluding the footnotes thereto) in accordance with GAAP, subject, for the avoidance of doubt, to the last sentence of Section 1(b).

"Cash Equivalents" means cash equivalents and marketable securities as defined under GAAP.

"Certificate of Designation" has the meaning assigned to such term in the recitals hereof.

"Certificate of Incorporation" has the meaning assigned to such term in the recitals hereof.

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

(a) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of a majority of the Voting Stock of the Issuer other than an acquisition of Voting Stock by the Issuer, any of the Issuer's Subsidiaries or any of the Issuer's employee benefit plans;

(b) the merger or consolidation of the Issuer with or into another Person or the merger of another Person with or into the Issuer, or the sale, transfer or lease of all or substantially all the assets of the Issuer (determined on a consolidated basis), whether in a single transaction or a series of related transactions, to another Person, or any recapitalization, reclassification or other transaction in which all or substantially all of the Common Stock is exchanged for or converted into cash, securities or other property, in each case, other than a merger or consolidation:

(i) that does not result in a reclassification, conversion, exchange or cancellation of the Issuer's outstanding Common Stock; or

(ii) which is effected solely to change the Issuer's jurisdiction of incorporation and results in a reclassification, conversion or exchange of outstanding shares of the Common Stock solely into shares of common stock of the surviving entity; or

(iii) where the Voting Stock outstanding immediately prior to such transaction is converted into or exchanged for Voting Stock of the surviving or transferee Person constituting a majority of the outstanding shares of such Voting Stock of such surviving or transferee Person (immediately after giving effect to such issuance); and

(c) the occurrence of a "change of control" or comparable term under the Existing Loan Agreement.

"Closing Date" means April 13, 2020, the initial issue date of the Series A-2 Preferred Stock.

"Closing Price" of the Common Stock on any date of determination means the closing sale price or, if no closing sale price is reported on such date, the last reported sale price, of the shares of the Common Stock on the Relevant Exchange on such date. If the Common Stock is not traded on the Relevant Exchange on any date of determination, the Closing Price of the Common Stock on such date of determination means the closing sale price as reported in the composite transactions for the principal United States securities exchange or automated quotation system on which the Common Stock is so listed or quoted, or, if no closing sale price is reported, the last reported sale price on the principal United States securities exchange or automated quotation system on which the Common Stock is so listed or quoted, or if the Common Stock is not so listed or quoted on a United States securities exchange or automated quotation system, the last quoted bid price for the Common Stock in the over-the-counter market as reported by OTC Markets Group Inc. or any similar organization, or, if that bid price is not available, the market price of the Common Stock on that date as determined by an Independent Financial Advisor retained by the Issuer for such purpose.

"Code" means the Internal Revenue Code of 1986, as amended, or any successor thereto.

"Common Stock" means the common stock, par value $0.000004 per share (as such amount may be adjusted as a result of any stock split or similar transaction), of Issuer.

"Consolidated Debt Ratio" means, as of any date of determination, the ratio of (1) Consolidated Total Indebtedness of the Issuer and its Subsidiaries computed as of the end of the Applicable Measurement Period to (2) the Issuer's Adjusted Pro Forma EBITDA for the Applicable Measurement Period, provided, that for the calculation of Consolidated Total Indebtedness and Adjusted Pro Forma EBITDA giving appropriate *pro forma* effect to such incurrence, assumption, guarantee, redemption, repayment, retirement or extinguishment of Indebtedness, or such issuance or redemption of Disqualified Stock or Preferred Shares (in each case, including a *pro forma* application of the net proceeds therefrom), as if the same had occurred at the beginning of the Applicable Measurement Period.

For purposes of making the computation referred to above, any Specified Transaction that has been made by the Issuer or any of its Subsidiaries during the Applicable Measurement Period or subsequent to such Applicable Measurement Period and on or prior to or simultaneously with the Applicable Calculation Date shall be included in such calculation on a *pro forma* basis assuming that all such Specified Transactions (and the change in any associated fixed charge obligations and the change in Adjusted Pro Forma EBITDA resulting therefrom) had occurred on the first day of the Applicable Measurement Period. If since the beginning of such period any Person that subsequently became a Subsidiary or was merged or amalgamated with or into the Issuer or any of its Subsidiaries since the beginning of such period shall have made any Specified Transaction that would have required adjustment pursuant to this definition, then the

Consolidated Debt Ratio shall be calculated giving *pro forma* effect thereto for such Applicable Measurement Period as if such Specified Transaction had occurred at the beginning of the Applicable Measurement Period.

For purposes hereof, whenever *pro forma* effect is to be given to a transaction, the *pro forma* calculations shall be made in good faith by a responsible financial or accounting officer of the Issuer (and may include, for the avoidance of doubt and without duplication, cost savings, operating expense reductions and synergies resulting from any disposition or such Investment, acquisition, disposition, merger, amalgamation or consolidation or other transaction (including the Transactions)).

"Consolidated Interest Charges" means, for any period, for the Issuer and its Subsidiaries on a consolidated basis, an amount equal to the sum of (a) all interest, premium payments, debt discount, fees, charges and related expenses in connection with borrowed money (including capitalized interest) or in connection with the deferred purchase price of assets, in each case to the extent treated as interest in accordance with GAAP, but excluding, to the extent otherwise included as an interest expense, transaction costs related to the closing of the Existing Loan Agreement, including up-front fees and expenses, plus (b) the portion of rent expense with respect to such period under Capitalized Lease Obligations that is treated as interest in accordance with GAAP plus (c) the implied interest component of Synthetic Leases with respect to such period.

"Consolidated Net Income" means, for any period, for the Issuer and its Subsidiaries on a consolidated basis, the net income of the Issuer and its Subsidiaries for that period, as determined in accordance with GAAP; provided that Consolidated Net Income shall exclude any income (or loss) for such period of any Person if such Person is not a Subsidiary, except that the Issuer's equity in the net income of any such Person for such period shall be included in Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such period to the Issuer or a Subsidiary as a dividend or other distribution.

"Consolidated Total Indebtedness" means, as at any Applicable Calculation Date, (i) the aggregate amount of all outstanding Indebtedness and Disqualified Stock (excluding the Series A-2 Preferred Stock) of the Issuer and its Subsidiaries on a consolidated basis less (ii) all cash and Cash Equivalents of the Issuer and its Subsidiaries that do not appear (or would not be required to appear) as "restricted" on a consolidated balance sheet of the Issuer. The Issuer may elect, pursuant to any officer's certificate of the Issuer delivered in accordance with Section 11, to treat all or any portion of a commitment under any Indebtedness (including any revolving credit facility) which is to be incurred, as being incurred as of the Applicable Calculation Date and any subsequent incurrence of Indebtedness under such commitment that was so treated shall not be deemed, for purposes of this calculation, to be an incurrence of additional Indebtedness.

"Conversion Periods" means the First Conversion Period, Second Conversion Period and Final Conversion Period.

"Controlled Investment Affiliates" means, as to any Person, any other Person, other than any Investor, which directly or indirectly controls, is controlled by, or is under common control with such Person and is organized by such Person (or any Person controlling such Person) primarily for making direct or indirect equity or debt investments in the Issuer or other Persons.

"Credit Facilities" means the Existing Loan Agreement and any debt facilities, indentures or other financing arrangements (including, without limitation, commercial paper facilities with banks or other institutional lenders or investors or indentures) providing for revolving credit loans, term loans, letters of credit or other indebtedness, including any notes, mortgages, guarantees, collateral documents, instruments and agreements executed in connection therewith, and any amendments, supplements, modifications, extensions, renewals, restatements or refundings thereof, in whole or in part, and any indentures or credit facilities or commercial paper facilities with banks or other institutional lenders or investors that replace, refund, refinance, extend, renew, restate, amend, supplement or modify any of the loans, notes, other credit facilities or commitments thereunder, including any such exchanged, replacement, refunding, refinancing, extended, renewed, restated, amended, supplemented or modified facility or indenture that increases the amount permitted to be borrowed or issued thereunder or alters the maturity thereof.

"Credit Facilities Cap" unless consented to by a Holder Majority in writing, means $235,000,000 (which, for the avoidance of doubt, includes the $10,000,000 swing line sublimit under the Existing Loan Agreement as if fully drawn), plus an amount equal to unpaid accrued interest and premium thereon and reasonable fees and expenses (including upfront fees and original issue discount ("OID")) incurred in connection with the initial exchange, replacement, refunding, or refinancing of the Existing Loan Agreement.

"DGCL" has the meaning assigned to such term in the recitals hereof.

"Disqualified Stock" means, with respect to any Person, any Capital Stock of such Person which, by its terms, or by the terms of any security into which it is convertible or for which it is putable or exchangeable, or upon the happening of any event, matures or is mandatorily redeemable (other than solely as a result of a change of control, asset sale, condemnation or eminent domain, and other than solely for any Equity Interest that is not Disqualified Stock) pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof (other than solely as a result of a change of control, asset sale, condemnation or eminent domain), in whole or in part; provided, however, that if such Capital Stock is issued to any plan for the benefit of employees of the Issuer or any Subsidiary, or by any such plan to such employees, such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Issuer or any Subsidiary in order to satisfy applicable statutory or regulatory obligations; provided, further, that any Capital Stock held by any future, current or former employee, director, officer, manager or consultant (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Issuer or any of its Subsidiaries, or any Parent Entity, or any other entity in which the Issuer or any of its Subsidiaries has an Investment and is designated in good faith as an "Affiliate" by the Board of Directors or the board of directors of any Subsidiary (or, in each case, the compensation committee thereof), shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Issuer or any of its Subsidiaries pursuant to any stockholders' agreement, management equity plan, stock option plan or any other management or employee benefit plan or agreement or in order to satisfy applicable statutory or regulatory obligations.

"Dividend Payment Date" has the meaning assigned to such term in Section 5.

"Dividend Period" means the period commencing on the day immediately following a Dividend Payment Date and shall end on, and include, the next Dividend Payment Date; provided that the initial Dividend Period shall commence on and include the Automatic Adjustment Date and shall end on, and include, the first Dividend Payment Date.

"Dividend Rate" means 9.0% per annum, accruing daily and compounded quarterly.

"Earn Out Obligations" means, with respect to an Acquisition, all obligations of the Issuer or any Subsidiary to make earn out or other contingency payments (including purchase price adjustments, non-competition and consulting agreements) pursuant to the documentation relating to such Acquisition. The amount of any Earn Out Obligations at the time of determination shall be the aggregate amount, if any, of such Earn Out Obligations that are required at such time under GAAP to be recognized as liabilities on the consolidated balance sheet of the Issuer.

"Equity Interest" shall mean Capital Stock and all warrants, options, or other rights to acquire Capital Stock, but excluding any debt security that is convertible into, or exchangeable for, Capital Stock.

"Event of Noncompliance" means any one of the following events:

(a) failure by the Issuer or any of its Subsidiaries to comply with any of its obligations, covenants or agreements contained in this Certificate of Designation and the receipt by Issuer from the Holder Majority of a written notice captioned an "Event of Noncompliance" and specifying such failure with particularity, including the applicable section(s) of this Certificate of Designation (any such notice, a "Noncompliance Notice"); provided that (i) in the case of a failure to declare or pay a Dividend or any other amount payable hereunder or a default or breach of Section 12, such default or breach is continuing on the date that is 2 Business Days after the receipt of a Noncompliance Notice and has not been cured during such period or (ii) in the case of any other default or breach, such default or breach is continuing on the date that is 30 days after the receipt of a Noncompliance Notice and has not been cured during such period;

(b) default under any mortgage, indenture or instrument under which there is issued or by which there is secured or evidenced any Indebtedness for money borrowed by the Issuer or any of its Significant Subsidiaries or the payment of which is guaranteed by the Issuer or any of its Significant Subsidiaries (other than Indebtedness owed to the Issuer or a Subsidiary), whether such Indebtedness or guarantee now exists or is created after the issuance of the Series A-2 Preferred Stock, if both:

(i) such default either results from the failure to pay any principal of such Indebtedness at its stated final maturity (after giving effect to any applicable grace periods) or relates to an obligation other than the obligation to pay principal of any such Indebtedness at its stated final maturity and results in the holder or holders of such Indebtedness causing such Indebtedness to become due prior to its stated final maturity; and

(ii) the principal amount of such Indebtedness, together with the principal amount of any other such Indebtedness in default for failure to pay principal at stated final maturity (after giving effect to any applicable grace periods), or the maturity of which has been so accelerated, is in the aggregate, in excess of the Threshold Amount (or its foreign currency equivalent) at any one time outstanding;

provided, that any Event of Noncompliance under this clause (b) shall be automatically rescinded if the holders of such Indebtedness rescind or waive the underlying default which triggered such Event of Noncompliance within 45 days of such Event of Noncompliance;

(c) failure by the Issuer or any of its Subsidiaries to pay final non-appealable judgments aggregating in excess of the Threshold Amount (to the extent not covered by insurance as to which the insurer has been notified of such judgment or order and has not denied its obligation), which final judgments remain unpaid, undischarged and unstayed for a period of more than 60 days after such judgment becomes final and non-appealable, and in the event such judgment is covered by insurance, an enforcement proceeding has been commenced by any creditor upon such judgment or decree which is not promptly stayed;

(d) any of the following events with respect to the Issuer or any of its Significant Subsidiaries:

(i) the Issuer or any Significant Subsidiary pursuant to or within the meaning of any Bankruptcy Law:

(A) commences proceedings to be adjudicated bankrupt or insolvent;

(B) consents to the entry of an order for relief against it in an involuntary case;

(C) consents to the appointment of a custodian of it or for all or substantially all of its property;

(ii) the Issuer or any Significant Subsidiary takes any comparable action described in clause (d)(i) under any foreign laws relating to insolvency; or

(iii) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(A) is for relief against the Issuer or any Significant Subsidiary in an involuntary case;

(B) appoints a custodian of the Issuer or any Significant Subsidiary or for all or substantially all of its property; or

(C) orders the winding up or liquidation of the Issuer or any Significant Subsidiary;

and, in each case, the order or decree remains unstayed and in effect for 60 days;

(e) (i) the Common Stock ceases to be listed or quoted on any of the New York Stock Exchange, the Nasdaq Global Select Market or the Nasdaq Global Market (or any of their respective successors) other than as a result of a Change of Control or similar transaction, and (ii) the Issuer fails to satisfy its conversion obligations upon exercise of a Holder's conversion rights pursuant hereto; and

(f) the occurrence of a "Default," "Event of Default" or comparable term under the Existing Loan Agreement; provided that the sole occurrence of such a "Default" or "Event of Default" under the Existing Loan Agreement without the occurrence of any other Event of Noncompliance hereunder will not result in a mandatory conversion as described under Section 7(a)(iii) or the Dividend Rate increase described in Section 7(a)(i).

Promptly (and in any event, within two (2) Business Days), the Issuer shall notify all of the holders of the Series A-2 Preferred Stock of the occurrence of an Event of Noncompliance, breach or any other default hereunder.

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

"Existing Loan Agreement" means the Fifth Amended and Restated Credit Agreement, dated as of July 24, 2019, among the Issuer, the guarantors from time to time party thereto, the lenders from time to time party thereto (the "Senior Lenders") and Bank of America, N.A. (the "Agent"), as Administrative Agent, Swing Line Lender and L/C Issuer, as from time to time amended, restated, supplemented or otherwise modified. To the extent that the Existing Loan Agreement as of the Closing Date is refinanced or replaced with another credit facility, references to Existing Loan Agreement shall be interpreted in good faith to refer to such future credit facility wherever possible.

"Final Conversion Period" means the period beginning on the sixth (6^{th}) anniversary of the Closing Date and continuing thereafter.

"First Call Date" means the third (3^{rd}) anniversary of the Closing Date.

"First Conversion Period" means the period beginning on the fourth (4^{th}) anniversary of the Closing Date and ending on the day immediately prior to the fifth (5^{th}) anniversary of the Closing Date.

"GAAP" means generally accepted accounting principles in the United States of America, as in effect from time to time.

"Governmental Authority" means the government of the United States, any other nation or any political subdivision thereof, whether state, provincial, county, local, or otherwise, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government in any jurisdiction (including any supra-national bodies such as the European Union or the European Central Bank).

"Hedging Obligations" means, with respect to any Person, the obligations of such Person under any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, commodity swap agreement, commodity cap agreement, commodity collar agreement, foreign exchange contract, currency swap agreement or similar agreement providing for the transfer, modification or mitigation of interest rate, currency, commodity or equity risks either generally or under specific contingencies.

"Holder" means, with reference to any Indebtedness or other Obligations, any holder or lender of, or trustee or collateral agent or other authorized representative with respect to, such Indebtedness or Obligations, and, in the case of Hedging Obligations, any counter-party to such Hedging Obligations.

"Holder Majority" has the meaning assigned to such term in Section 13(a).

"Holder Supermajority" has the meaning assigned to such term in Section 13(b).

"Immediate Family Members" means, with respect to any individual, such individual's child, stepchild, grandchild or more remote descendant, parent, stepparent, grandparent, spouse, former spouse, qualified domestic partner, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law (including adoptive relationships), and any trust, partnership or other bona fide estate-planning vehicle the only beneficiaries of which are any of the foregoing individuals or any private foundation or fund that is controlled by any of the foregoing individuals or any donor-advised fund of which any such individual is the donor.

"Indebtedness" of any Person means, without duplication, (a) all obligations of such Person for borrowed money or advances; (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments; (c) all obligations of such Person under conditional sale or other title retention agreements relating to property purchased by such Person; (d) all obligations of such person issued or assumed as the deferred purchase price of property or services; (e) all Indebtedness of others (excluding prepaid interest thereon) secured by any Lien on property owned or acquired by such Person, whether or not the obligations secured thereby have been assumed, but limited to the lower of (x) fair market value of such property as determined by such Person in good faith and (y) the amount of Indebtedness secured by such Lien; (f) all Capitalized Lease Obligations, Purchase Money Obligations and Synthetic Lease obligations of such Person to the extent classified as indebtedness under GAAP (for the avoidance of doubt, lease payments under any operating leases shall not constitute Indebtedness); (g) all Hedging Obligations to the extent required to be reflected on the balance sheet of such Person on a marked to market net value basis (or if any actual amount is due as a result of the termination or close out of such hedging agreement, such actual amount); and (h) all obligations of such Person for the reimbursement of any obligor in respect of letters of credit, letters of guaranty, bankers' acceptances and similar credit transactions. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except (other than in the case of general partner liability) to the extent that terms of such Indebtedness expressly provide that such Person is not liable therefor. Notwithstanding the foregoing or anything else herein to the contrary, Indebtedness shall not include: (a) trade accounts payable, (b) deferred obligations owing to any Affiliate, including under any management services

agreement, (c) accrued obligations incurred in the ordinary course of business, including current tax accruals, (d) purchase price adjustments, holdbacks, indemnity obligations and Earn Out Obligations (until such obligations or adjustments become a liability on the balance sheet of such Person in accordance with GAAP and solely if not paid after becoming due and payable), (e) royalty payments made in the ordinary course of business in respect of licenses (to the extent such licenses are not prohibited hereby), (f) any accruals for payroll and other non-interest bearing liabilities accrued in the ordinary course of business, (g) deferred rent obligations, taxes and compensation, (h) customary payables with respect to money orders or wire transfers, (i) customary obligations under employment arrangements, (j) operating leases, (k) pension-related or post-employment liabilities, (l) intra-day exposures, (m) Hedging Obligations except to the extent included in clause (g) above, (n) amounts owed to dissenting stockholders in connection with, or as a result of, their exercise of appraisal rights and the settlement of any claims or actions (whether actual, contingent or potential) with respect thereto (including any accrued interest), with respect to any Permitted Investments to the extent paid when due (unless being properly contested), and (o) obligations in respect of any license, permit or other approval arising in the ordinary course of business.

"Independent Financial Advisor" means an accounting, appraisal, investment banking firm or consultant of nationally recognized standing; provided, however, that such firm or consultant is not an Affiliate of the Issuer and is reasonably acceptable to the Holder Majority.

"IPO" means the initial underwritten primary public offering of the Common Stock consummated by the Issuer or a direct or indirect parent of the Issuer (whether alone or in conjunction with a secondary public offering by any selling stockholders) pursuant to an effective registration statement filed with the United States Securities and Exchange Commission in accordance with the Securities Act.

"IPO Costs" means costs incurred by the Issuer and its Subsidiaries or a direct or indirect parent of the Issuer in connection with, associated with, or in anticipation of, or in preparation for, the IPO, or to establish or maintain compliance with the requirements of the Sarbanes-Oxley Act of 2002, and the rules and regulations promulgated in connection therewith or establishing other enhanced accounting functions or disclosure controls and procedures; provided that any such costs described above in respect of the ongoing operation of the Issuer and its Subsidiaries (or any direct or indirect parent company of the Issuer and its Subsidiaries) as a listed equity security following the completion of four (4) fiscal quarters immediately after the IPO shall not constitute IPO Costs provided that such costs are not incurred in connection with or to remediate any issue that existed at the time of the IPO.

"Investments" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of loans (including guarantees), advances or capital contributions (excluding accounts receivable, trade credit, advances to customers, commission, travel and similar advances to officers, directors, managers, employees and consultants, in each case made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities issued by any other Person and investments that are required by GAAP to be classified on the balance sheet (excluding the footnotes) of the Issuer in the same manner as the other investments included in this definition to the extent such transactions involve the transfer of cash or other property.

The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced by any dividend, distribution, interest payment, return of capital, repayment or other amount received in cash or Cash Equivalents by the Issuer or a Subsidiary in respect of such Investment.

"Investor" means the Purchaser and any Purchaser Transferee which holds shares of Series A-2 Preferred Stock.

"Issuer" has the meaning assigned to such term in the recitals hereof.

"Junior Stock" means (a) Common Stock and (b) Preferred Stock (other than the Series A-2 Preferred Stock) or any other Equity Interest of the Issuer that by its terms, in either such case, ranks junior to the Parity Stock. For the avoidance of doubt, the Parity Stock does not constitute Junior Stock.

"Law" means any applicable U.S. or foreign, federal, state, provincial, municipal or local law (including common law), statute, ordinance, rule, regulation, code, policy, directive, standard, license, treaty, judgment, order, injunction, decree or agency requirement of or undertaking to or agreement with any Governmental Authority.

"Legal Holiday" means a Saturday, a Sunday or a day on which commercial banking institutions are not required or authorized to be open in the State of New York.

"Lien" means, with respect to any asset, any mortgage, lien (statutory or otherwise), pledge, hypothecation, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction; provided, that in no event shall an operating lease be deemed to constitute a Lien.

"Liquidation Event" means (a) the Issuer's liquidation, winding up or dissolution, (b) a filing for bankruptcy or other insolvency proceeding of the Issuer, (c) any sales of all or substantially all of the assets of the Issuer and its Subsidiaries taken as a whole or other transactions in connection with any voluntary in-court or out-of-court solvency-related restructuring or recapitalization transactions by the Issuer or (d) a Change of Control.

"Make Whole Amount" means, with respect to any redemption of any share of Series A-2 Preferred Stock, an amount equal to the sum of (without duplication) the remaining Dividends that would accrue (without giving effect to any compounding thereof) on such share of Series A-2 Preferred Stock being redeemed from the day immediately following the Optional Redemption Date to the First Call Date (including, for the avoidance of doubt any Dividends that would accrue from the Dividend Payment Date immediately prior to the First Call Date through the First Call Date) assuming that such share of Series A-2 Preferred Stock were to remain outstanding through the First Call Date with Dividends calculated based on the Dividend Rate.

"Market Disruption Event" means any of the following events:

(a) any suspension of, or material limitation imposed on, trading of the Common Stock by the primary exchange or quotation system on which the Closing Price is determined pursuant to the definition of the term "Closing Price" (the "Relevant Exchange") during the one-hour period prior to the close of trading for the regular trading session on the Relevant Exchange (or for purposes of determining the VWAP per share of Common Stock, any period or periods aggregating one half-hour or longer during the regular trading session on the relevant day) and whether by reason of movements in price exceeding limits permitted by the Relevant Exchange as to securities generally, or otherwise relating to the Common Stock; or

(b) any event that materially disrupts or impairs (as determined by the Issuer in its reasonable discretion) the ability of market participants during the one-hour period prior to the close of trading for the regular trading session on the Relevant Exchange (or for purposes of determining the VWAP per share of Common Stock, any period or periods aggregating one half-hour or longer during the regular trading session on the relevant day) in general to effect transactions in, or obtain market values for, the Common Stock on the Relevant Exchange.

"Minimum Portion" shall mean the lesser of (i) $25 million in aggregate Stated Value of Series A-2 Preferred Stock and (ii) all of the Series A-2 Preferred Stock then outstanding.

"Obligations" means any principal, interest (including any interest accruing on or subsequent to the filing of a petition in bankruptcy, reorganization or similar proceeding at the rate provided for in the documentation with respect thereto, whether or not such interest is an allowed claim under applicable state, provincial, federal or foreign law), premium, penalties, fees, indemnifications, reimbursements (including reimbursement obligations with respect to letters of credit and bankers' acceptances), damages and other liabilities, and guarantees of payment of such principal, interest, premium, penalties, fees, indemnifications, reimbursements, damages and other liabilities, payable under the documentation governing any Indebtedness; provided, that any of the foregoing (other than principal and interest) shall no longer constitute "Obligations" after payment in full of such principal and interest except to the extent such obligations are fully liquidated and non-contingent on or prior to such payment in full.

"Optional Redemption" has the meaning assigned to such term in Section 6(a).

"Optional Redemption Date" has the meaning assigned to such term in Section 6(a).

"Parent Entity" means any Person with respect to which the Issuer is a direct or indirect Subsidiary.

"Parity Stock" means any class or series of stock of the Issuer now existing or hereafter authorized that expressly ranks on a parity basis with the Series A-2 Preferred Stock as to dividend rights, rights of redemption and rights on the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Issuer, including the Series A-1 Preferred Stock.

"Permitted Acquisition" means an Acquisition by the Issuer or any Subsidiary, provided that, (i) no Event of Noncompliance shall have occurred and be continuing or would result from such Acquisition, (ii) the aggregate consideration paid by the Issuer or any such Subsidiary, as applicable, for any such Acquisition in the form of, without duplication, cash, Cash

Equivalents, any assumption of Indebtedness, incurrence of Indebtedness consisting of obligations to the seller, deferred purchase price and any Earn Out Obligations does not exceed $75,000,000, and (iii) the ratio of the purchase price paid by the Issuer in the Acquisition to the Adjusted Pro Forma EBITDA of the property or the Person is not greater than 8.00:1.00.

"Permitted Investments" means:

(1) any Investment in the Issuer or any of its wholly-owned Subsidiaries (including guarantees of obligations of any Subsidiary);

(2) any Investment in cash and Cash Equivalents;

(3) any Investment existing on the Closing Date or made pursuant to binding commitments in effect on the Closing Date or an Investment consisting of any extension, modification, replacement, reinvestment or renewal of any such Investment existing on the Closing Date or binding commitment in effect on the Closing Date; provided that the amount of any such Investment may be increased in such extension, modification, replacement, reinvestment or renewal only (i) as required by the terms of such Investment or binding commitment as in existence on the Closing Date (including as a result of the accrual or accretion of interest or original issue discount or the issuance of pay-in-kind securities), (ii) by the amount of any prepayment premiums paid and reasonable fees and expenses incurred in connection with such extension, modification, replacement, reinvestment or renewal, or (iii) as otherwise permitted hereunder:

(4) in exchange for any other Investment or accounts receivable, endorsements for collection or deposit held by the Issuer or any of its Subsidiaries in connection with or as a result of a bankruptcy, workout, reorganization or recapitalization of the Issuer of such other Investment or accounts receivable;

(5) in satisfaction of judgments against other Persons;

(6) as a result of a foreclosure by the Issuer or any of its Subsidiaries with respect to any secured Investment or other transfer of title with respect to any secured Investment in default; or

(7) received in compromise or resolution of (A) obligations of trade creditors, suppliers or customers that were incurred in the ordinary course of business of the Issuer or any of its Subsidiaries, or consistent with past practice, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor, supplier or customer, or (B) litigation, arbitration or other disputes;

(8) any Investment pursuant to any Permitted Acquisition;

(9) guarantees of Indebtedness permitted under the covenant described in Section 11, performance guarantees incurred in the ordinary course of business or consistent with past practice and the creation of Liens on the assets of the Issuer or any of its Subsidiaries;

(10) any Investments consisting of purchases and acquisitions of inventory, supplies, material or equipment or other similar assets, or the licensing or contribution of intellectual property pursuant to joint marketing arrangements with other Persons in the ordinary course of business of the Issuer or any of its Subsidiaries and consistent with past practice;

(11) loans and advances to officers, directors, managers, employees and consultants for business-related travel expenses, moving expenses, payroll advances and other similar expenses or payroll expenses, in each case incurred in the ordinary course of business or consistent with past practice;

(12) advances, loans, deposits or extensions of trade credit or prepayments to suppliers or lessors or loans or advances made to distributors, in each case in the ordinary course of business and consistent with past practice by the Issuer or any of its Subsidiaries;

(13) Investments in the ordinary course of business or consistent with past practice consisting of Uniform Commercial Code Article 3 endorsements for collection or deposit and Article 4 customary trade arrangements with customers consistent with past practices;

(14) Investments made as part of the Transactions;

(15) Investments of assets relating to non-qualified deferred payment plans in the ordinary course of business;

(16) any Investment in any Subsidiary or any joint venture in connection with intercompany cash management arrangements or related activities arising in the ordinary course of business and consistent with past practice;

(17) Investments constituting Hedging Obligations not for speculative purposes;

(18) Investments consisting of loans and advances to officers, directors and employees of the Issuer and its Subsidiaries which are used solely by such Persons to facilitate purchase of Equity Interests of the Issuer so long as (i) the proceeds of such loans and advances are used in their entirety to purchase such Equity Interests and (ii) such Investments do not exceed $6,000,000 in the aggregate at any time outstanding; and

(19) any Investments in any Person at any time outstanding not to exceed $10,000,000.

"Person" means any individual, corporation, limited liability company, partnership (including limited partnership), joint venture, association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"Preferred Shares" means any Equity Interest with preferential rights of payment of dividends or upon liquidation, dissolution, or winding up.

"Preferred Stock" has the meaning assigned to such term in the recitals hereof.

"Purchase Money Obligations" means any Indebtedness incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or

assets (other than Capital Stock), and whether acquired through the direct acquisition of such property or assets, or otherwise (including through the purchase of Capital Stock of any Person owning such property or assets).

"Purchaser" means OCM Montrose II Holdings, L.P., a Delaware limited partnership.

"Purchaser Transferee" means any transferee of Series A-2 Preferred Stock which is an Affiliate of either the Purchaser or any other Purchaser Transferee (including, in each case, the funds, partnerships or other co-investment vehicles managed, advised or controlled thereby but other than, in each case, any portfolio company of any of the foregoing or the Issuer and its Subsidiaries) and any transferee to whom shares of Series A-2 Preferred Stock are transferred pursuant to Section 1.2 of that certain third amended and restated investors' rights agreement dated as of the Closing Date, as amended, supplemented or otherwise modified from time to time.

"Redemption Date" means the Optional Redemption Date.

"Redemption Price" has the meaning assigned to such term in Section 6(b).

"Refunding Capital Stock" has the meaning assigned to such term in Section 10(b)(ii).

"Relevant Exchange" has the meaning set forth in the definition of the term "Market Disruption Event."

"Restricted Investment" means an Investment other than a Permitted Investment.

"Restricted Payments" has the meaning assigned to such term in Section 11(a).

"SEC" means the U.S. Securities and Exchange Commission.

"Second Conversion Period" means the period beginning on the fifth (5th) anniversary of the Series A- 2 Closing Date and ending on the day immediately prior to the sixth (6th) anniversary of the Closing Date.

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

"Series A-1 Preferred Stock" means the Issuer's Cumulative Series A-1 Preferred Stock designated in the Certificate of Designation of Cumulative Series A-1 Preferred Stock of the Issuer, as amended, restated, supplemented or otherwise modified from time to time in accordance with its terms.

"Series A-2 Preferred Stock" has the meaning assigned to such term in Section 2.

"Significant Subsidiary" means any Subsidiary that would be a "significant subsidiary" as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act, as such regulation is in effect on the Closing Date.

"Specified Transaction" means any incurrence or repayment, retirement, redemption, satisfaction and discharge or defeasance of Indebtedness or Disqualified Stock, any Acquisition or Investment that results in a Person becoming a Subsidiary, any investment constituting an acquisition of assets constituting a business unit, line of business or division of another Person, or any disposition of a business unit, line of business or division of the Issuer, in each case whether by merger, consolidation, amalgamation or otherwise.

"Stated Value" means, with respect to each outstanding share of Series A-2 Preferred Stock, upon initial issuance, $10,000 and with respect to any subsequent date of determination, the Stated Value of such share of Series A-2 Preferred Stock, as so increased pursuant to Section 5, as applicable.

"Subsidiary" means, with respect to any Person:

(a) any corporation, association, or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof; and

(b) any partnership, joint venture, limited liability company or similar entity of which:

(i) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof whether in the form of membership, general, special or limited partnership or otherwise; and

(ii) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

"Synthetic Lease" means any synthetic lease, tax retention operating lease, off-balance sheet loan or similar off-balance sheet financing arrangement whereby the arrangement is considered borrowed money indebtedness for tax purposes but is classified as an operating lease or does not otherwise appear on a balance sheet under GAAP.

"Threshold Amount" means $5.0 million.

"Trading Day" means a Business Day on which the Relevant Exchange is scheduled to be open for business and on which there has not occurred a Market Disruption Event.

"Transactions" means (i) the full or partial repurchase or redemption of the Issuer's existing Series A-1 Preferred Stock, (ii) the issuance and sale of the Series A-2 Preferred Stock on the Closing Date, (iii) the amendment, refinancing, redemption, repayment or retirement of the obligations under the Existing Loan Agreement, and (iv) the payment of fees and expenses related to the foregoing.

"Transfer" shall mean to transfer, sell, assign, pledge, hypothecate, give, create a security interest in or lien on, place in trust (voting or otherwise), transfer by operation of law or in any other way encumber or dispose of, directly or indirectly and whether or not voluntarily, any Series A-2 Preferred Stock (or any beneficial interest therein).

"Treasury Capital Stock" has the meaning assigned to such term in Section 10(b)(ii).

"U.S." or "United States" means the United States of America.

"Voting Stock" of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the board of directors (or individuals performing similar functions) of such Person.

"VWAP" per share of Common Stock on any Trading Day means the per share volume-weighted average price as displayed under the heading Bloomberg VWAP on Bloomberg (or, if Bloomberg ceases to publish such price, any successor service reasonably chosen by the Issuer) page "MEG" <equity> AQR" (or its equivalent successor if such page is not available) in respect of the period from the open of trading on the relevant Trading Day until the close of trading on such Trading Day (or if such volume-weighted average price is unavailable, the market price of one (1) share of Common Stock on such Trading Day determined, using a volume-weighted average method, by an Independent Financial Advisor retained for such purpose by the Issuer).

"Warrant" means a warrant to purchase that number of shares of the Common Stock set forth in that certain Warrant, dated as of April 13, 2020, issued by the Issuer to OCM Montrose II Holdings, L.P.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness or Preferred Stock, as the case may be, at any date, the quotient obtained by dividing:

(a) the sum of the products of the number of years from the date of determination to the date of each successive scheduled principal payment of such Indebtedness or redemption or similar payment with respect to such Preferred Stock multiplied by the amount of such payment; by

(b) the sum of all such payments; provided that for purposes of determining the Weighted Average Life to Maturity of any Indebtedness that is being extended, replaced, refunded, refinanced, renewed or defeased (the "Applicable Indebtedness"), the effects of any amortization or prepayments made on such Applicable Indebtedness prior to the date of the applicable extension, replacement, refunding, refinancing, renewal or defeasance shall be disregarded.

"Wholly Owned Subsidiary" of any Person means a Subsidiary of such Person, 100% of the outstanding Equity Interests of which (other than directors' qualifying shares) shall at the time be owned by such Person or by one or more Wholly Owned Subsidiaries of such Person.

(b) Interpretation. Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference. The headings are for convenience only and will not be given effect in interpreting this Certificate of Designation.

References herein to any Section shall be to a Section hereof unless otherwise specifically provided. References herein to any Law means such Law, including all rules and regulations promulgated under or implementing such Law, as amended from time to time and any successor Law unless otherwise specifically provided. The word "will" shall be construed to have the same meaning and effect as the word "shall." The words "hereof," "herein" and "hereunder" and words of similar import, when used in this Certificate of Designation, refer to this Certificate of Designation as a whole and not to any particular provision of this Certificate of Designation. The use of the masculine, feminine or neuter gender or the singular or plural form of words will not limit any provisions of this Certificate of Designation. The use herein of the word "include" or "including," when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the broadest possible scope of such general statement, term or matter. The word "extent" in the phrase "to the extent" will mean the degree to which a subject or other thing extends, and such phrase will not mean simply "if." The word "or" is inclusive. The terms lease and license shall include sub-lease and sub-license, as applicable. All references to $, currency, monetary values and dollars set forth herein means U.S. dollars. When the terms of this Certificate of Designation refer to a specific agreement or other document or a decision by any body or Person that determines the meaning or operation of a provision hereof, the secretary of the Issuer shall maintain a copy of such agreement, document or decision at the principal executive offices of the Issuer and a copy thereof will be provided free of charge to any stockholder who makes a request therefor. Unless expressly provided herein or the context otherwise requires, any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, supplements or modifications set forth herein). For purposes of determining compliance with any covenant contained herein, Indebtedness of the Issuer and its Subsidiaries shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 and FASB ASC 470-20 on financial liabilities shall be disregarded.

3. Ranking; Liquidation.

(a) With respect to the payment of dividends and distribution rights (other than as set forth herein) and rights upon any Liquidation Event, the Series A-2 Preferred Stock shall (i) rank senior to the Junior Stock of the Issuer and (ii) rank pari passu with each other class or series of Parity Stock.

(b) Following any Liquidation Event, each holder of the Series A-2 Preferred Stock shall be entitled to receive liquidating distributions out of the assets of the Issuer legally available for distribution to its stockholders, before any payment or distribution of any assets of the Issuer shall be made or set apart for holders of any Junior Stock, in an amount equal to the Redemption Price for such holder's shares of Series A-2 Preferred Stock as of such date.

(c) In the event the assets of the Issuer available for distribution to stockholders upon any distribution to holders of capital stock following a Liquidation Event shall be insufficient

to pay in full the amounts payable with respect to all outstanding shares of Series A-2 Preferred Stock pursuant to Section 3(b), such assets, or the proceeds thereof, shall be distributed among the holders of the Series A-2 Preferred Stock ratably in proportion to the full respective liquidating distributions to which they would otherwise be respectively entitled pursuant to Section 3(b).

4. Voting.

(a) Generally. The holders of the Series A-2 Preferred Stock have no voting or consent rights with respect to the Series A-2 Preferred Stock, except as expressly set forth in this Certificate of Designation or as required by Law.

(b) Voting Power. At the time of any vote or consent of the Series A-2 Preferred Stock hereunder or as otherwise required by Law, the percentage of the aggregate voting power of the Series A-2 Preferred Stock of each outstanding share of Series A-2 Preferred Stock will equal the product of (i) the quotient of (A) the Stated Value of such share as of such time *divided* by (B) the aggregate Stated Value as of such time of all outstanding shares of the Series A-2 Preferred Stock multiplied by (ii) 100.

(c) Director Nomination.

(i) Election. From and after the Automatic Adjustment Date and subject to the expiration or termination of any waiting period (and any extension thereof) applicable to the acquisition of the Series A-2 Preferred Stock and the director designation rights set forth in this Section 4(c) required under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), and for so long as any shares of Series A-2 Preferred Stock remain outstanding, the Holder Majority, shall have the exclusive right, voting separately as a class, to nominate and elect, by written consent without a stockholder meeting or by vote at any stockholder meeting called for the purpose of the election of directors, irrespective of whether the Issuer has nominated such director, one director designated by the Holder Majority (the "Series A-2 Director") for election to the Board of Directors.

(ii) Term. The Series A-2 Director and the Springing Series A-2 Director (to the extent applicable) shall serve until the earlier of the time his or her successor is appointed or elected and qualified in accordance with this Section 4, unless such Series A-2 Director or Springing Series A-2 Director (to the extent applicable) is earlier removed in accordance with clause (iii) below, resigns or is otherwise unable to serve.

(iii) Removal. The Series A-2 Director or the Springing Series A-2 Director (to the extent applicable) may be removed from office at any time, with or without cause, by the Holder Majority, either in writing without a stockholder meeting or by vote at any stockholder meeting called for such purpose. Once elected in accordance with Section 7, the Springing Series A-2 Director will serve until there ceases to be any shares of Series A-2 Preferred Stock outstanding or until no Event of Noncompliance exists or is continuing, whichever occurs earlier (the

"Breach Period") and, upon the expiration of an applicable Breach Period, the Springing Series A-2 Director shall automatically be removed from office and the director seat held by the Springing Series A-2 Director shall be automatically eliminated. If after the appointment of a Springing Series A-2 Director, the applicable Breach Period expires, if so requested by the Issuer, the Holder Majority shall promptly cause to resign, and take all other action reasonably necessary, or reasonably requested by the Issuer, to cause the prompt removal of, such Springing Series A-2 Director.

(iv) Treatment. If elected, the Series A-2 Director shall be entitled to the same D&O insurance and indemnification for their service on the Board of Directors as is provided to any other non-management member of the Board of Directors and shall also be entitled to reimbursement for reasonable out-of-pocket expenses related to his or her service on the Board of Directors in accordance with the Issuer's then current policies.

5. Dividends.

(a) Notwithstanding anything to the contrary herein, from and after the date of issuance of each share of Series A-2 Preferred Stock, dividends shall accrue on a daily basis in arrears during the Dividend Period at the Dividend Rate in effect from time to time on the then-current Stated Value of each such share, whether or not such dividends are earned or are declared by the Board of Directors or the Issuer is permitted by Law to pay dividends ("Dividends"), and, if declared, shall be due and payable on the Dividend Payment Date with respect to such Dividend Period in accordance with this Section 5.

(b) Dividends shall be calculated on the basis of the actual days elapsed in a year of 360 days. On the last day of each fiscal quarter of the Issuer following the Automatic Adjustment Date (or, if such date is not a Business Day, the immediately succeeding Business Day) (each such date, a "Dividend Payment Date"), Dividends will be payable in cash (a "Cash Dividend"), if and to the extent declared by the Issuer, and paid on or prior to the Dividend Payment Date. Notwithstanding anything to the contrary herein, the Issuer may not declare or pay any Dividend or make any other payment to the extent such Dividend or other payment is not permitted by Law, provided, that any Dividends not so paid, whether or not declared, shall be an Event of Noncompliance and shall continue to accrue and be cumulative and added to the Stated Value and shall compound at the relevant rate on each subsequent regular Dividend Payment Date. All accumulated Dividends shall be paid prior to and in preference to any dividend on any Junior Stock and shall be fully declared and paid before any dividends are declared and paid, or any other distributions or redemptions are made, on any Junior Stock, in each case, that are not permitted pursuant to Section 10. Accumulated Dividends for any past dividend periods may be authorized or declared and paid at any time and for any such interim periods, without reference to any regular Dividend Payment Date, to Holders of record on the applicable record date for such accumulated Dividends in Issuer's sole discretion; provided, however, that no such Dividends shall be authorized or declared in anticipation of and/or connection with any redemption or repurchase of A-2 Preferred Stock without the prior written consent of the Holder Majority. Dividends shall be payable to the holders of record of the Series A-2 Preferred Stock as they appear on the stock record of the Issuer as of the date that is 15 days prior to the Dividend Payment Date.

(c) If on any Dividend Payment Date, the Issuer is not permitted by the Existing Loan Agreement or a Credit Facility incurred to refinance or replace the Existing Loan Agreement to pay the applicable Cash Dividend, the sole remedy of the Investors with respect to any such unpaid Cash Dividend shall be as set forth in Sections 4 and 7(a) hereof, and that any Dividends not so paid, whether or not declared, shall continue to accrue and be cumulative and shall compound at the relevant rate on each subsequent regular Dividend Payment Date.

6. Redemption Generally.

(a) Optional Redemption. The Issuer may, at its option (an "Optional Redemption") on any one or more dates, including within 90 days following receipt of a Conversion Notice or 90 days following delivery of a notice of redemption of any shares of Series A-2 Preferred Stock is delivered pursuant to Section 6(a) in response to a Conversion Notice (any such date, an "Optional Redemption Date"), redeem all or any portion of the outstanding Series A-2 Preferred Stock in cash subject to the terms and conditions set forth in this Section 6; provided that in no event may the Issuer redeem an amount less than the Minimum Portion pursuant to this Section 6. Any election by the Issuer pursuant to this Section 6(a) may be conditional and shall be made by delivery to the holders of the Series A-2 Preferred Stock of written notice of the Issuer's election to redeem at least three Business Days prior to the Redemption Date, which notice will indicate the number of shares being redeemed, the Redemption Price, the Redemption Date and the manner of and place designated for surrender (as set forth in Section 6(d)) of certificates (if any) representing the shares of Series A-2 Preferred Stock to be redeemed.

(b) Redemption Price Generally. The total price for each share of Series A-2 Preferred Stock redeemed pursuant to Section 6(a) on any Redemption Date shall be an amount per share equal to the sum of, without duplication, (A) the Stated Value of such share of Series A-2 Preferred Stock as of such Redemption Date *plus* (B) the aggregate accrued and unpaid Dividends from the most recent Dividend Payment Date, but not including, the most recent Dividend Payment Date, up to and including the Redemption Date *plus* (C) to the extent the Redemption Date occurs prior to the First Call Date, the Make Whole Amount (if any) as of such Redemption Date (such sum, the "Redemption Price").

(c) Rights After a Redemption Date. If any shares of the Series A-2 Preferred Stock are not redeemed on the applicable Redemption Date, for any reason, all such unredeemed shares shall remain outstanding and entitled to all of the designations, rights, preferences, powers, restrictions and limitations of the shares of the Series A-2 Preferred Stock set forth in this Certificate of Designation, including the right to accrue and receive any Dividends thereon as provided in Section 5 until the date on which the Issuer actually redeems and pays in full the Redemption Price for such shares.

(d) Surrender of Certificates. Each holder of the Series A-2 Preferred Stock to be redeemed pursuant to this Section 6 shall surrender the certificate or certificates representing such shares (if any) to the Issuer, duly assigned or endorsed for transfer to the Issuer (or accompanied by duly executed stock powers relating thereto), or, in the event the certificate or certificates are lost, stolen, missing, destroyed or mutilated, shall deliver an affidavit of loss and related indemnity in a form reasonably satisfactory to the Issuer, at the principal executive office of the Issuer or such other place as the Issuer may from time to time designate by notice to the

holders of the Series A-2 Preferred Stock, and each surrendered certificate shall be canceled and retired and the Issuer shall thereafter make payment of the Redemption Price, as applicable, by certified check or wire transfer of immediately available funds; provided that to the extent any such certificates represent a greater number of shares than the shares actually redeemed, each such holder shall, in addition to receiving the payment of the Redemption Price for each redeemed share, receive a new stock certificate for those shares of the Series A-2 Preferred Stock not so redeemed. Any shares of the Series A-2 Preferred Stock redeemed in accordance with this Section 6 shall not be reissuable by the Issuer, and the Issuer shall take all steps necessary to retire and cancel such shares.

(e) Redemption Preference. Any redemption under this Section 6 shall be in preference to and in priority over any dividend or other distribution upon any Junior Stock.

7. Remedies Upon Events of Noncompliance.

(a) If an Event of Noncompliance has occurred and is continuing (subject to clause (f) of the definition of "Event of Noncompliance"):

(i) the Dividend Rate shall increase to 12% per annum for the first 90-day period from and including the date on which the Event of Noncompliance occurred, and thereafter shall increase to 14% per annum, through but excluding the date on which the Event of Noncompliance shall have been cured or waived by the Holder Majority;

(ii) for so long as any shares of Series A-2 Preferred Stock remain outstanding, the Board of Directors shall increase the size of the Board of Directors by one (1) directorship, and the Holder Majority, shall have the exclusive right, voting separately as a class, to elect, by written consent without a stockholder meeting or by vote at any stockholder meeting, irrespective of whether the Issuer has nominated such director, a second director designated by the Holder Majority (the "Springing Series A-2 Director") for election as a director to the Board of Directors as provided in Section 4(c); provided that as a condition precedent to the election of a Springing Series A-2 Director, (A) the Holder Majority shall be required to provide to the Issuer the duly executed and delivered written resignation of the Person to be elected as a Springing Series A-2 Director, providing that effective immediately and automatically (without any further action by any Person) upon the expiration of the applicable Breach Period, such Springing Series A-2 Director will resign from the Board of Directors, and (B) such proposed Springing Series A-2 Director shall be reasonably acceptable to any governance or nominating committee of the Board of Directors (or the Board of Directors if no such committee then exists);

(iii) at the conclusion of the first 135-day period from and including the date on which the Event of Noncompliance occurred and has continued, the holders of the Series A-2 Preferred Stock shall have the right to immediately demand the conversion of any or all of their shares of Series A-2 Preferred stock into Common Stock at the Series A-2 Conversion Price described in Section 8(a)(i) and in accordance with the mechanics described in Section 8(c); provided that the holders of Series A-2 Preferred Stock shall not be required to comply with any minimum notice periods, including without limitation, those described in Section 8(c);

(iv) unless consented to by a Holder Majority, the Issuer shall not, and shall not permit its Subsidiaries to, directly or indirectly, declare or pay any dividends or distributions on, or otherwise repurchase, redeem or otherwise acquire any shares of, Capital Stock (other than the Series A-2 Preferred Stock) of the Issuer or any of its Subsidiaries or make any Investments (other than pursuant to clauses 1, 2, 3, 6, 8, 9, 11, 12, 13, and 14 of the definition of "Permitted Investments");

(v) unless consented to by a Holder Majority, the Issuer shall not, and shall not permit its Subsidiaries to, directly or indirectly, incur any Indebtedness, other than Indebtedness incurred under the Existing Loan Agreement that is used to finance working capital needs of the Issuer; provided that the foregoing shall not restrict the incurrence of Indebtedness incurred in connection with the refinancing of the Existing Loan Agreement up to the Credit Facilities Cap;

(vi) unless consented to by a Holder Majority, the Issuer shall not and shall not permit any of its Subsidiaries to, directly or indirectly, make any disposition of any asset, unless the proceeds from such disposition are used to reduce any senior Indebtedness of the Issuer; provided that, in connection with any such reduction of such senior Indebtedness, the Issuer or such Subsidiary will retire such senior Indebtedness and cause any related commitment to be permanently reduced; and

(vii) unless consented to by a Holder Majority, the Issuer shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, make or commit to make any capital expenditures exceeding $7,500,000 in the aggregate.

8. Optional Conversion.

The holders of the Series A-2 Preferred Stock shall have conversion rights as follows (the "Conversion Rights"):

(a) Right to Convert.

(i) Conversion Ratio. Subject to the conditions and limitations set forth below in this Section 8, each share of Series A-2 Preferred Stock shall be convertible, at the option of the holder thereof, from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and non-assessable shares of Common Stock as is determined by *dividing* the Stated Value of such share of Series A-2 Preferred Stock by the Series A-2 Conversion Price (as defined below) in effect at the time of conversion. The "Series A-2 Conversion Price" shall mean the product of (A) eighty-five percent (85%) *multiplied* by (B) the VWAP for a share of Common Stock for the ten (10) Business Days immediately prior to the Conversion Date.

(ii) Shares Subject to Conversion Rights. The holders of Series A-2 Preferred Stock shall have no Conversion Rights prior to the fourth (4th) anniversary of the Closing Date. No more than $60.0 million in Stated Value of Series A-2 Preferred Stock may be converted by the holders thereof during any 60-day period (the "Interim Conversion Period") during any of the Conversion Periods, provided, that the foregoing restrictions shall not apply on or after the seventh anniversary (7th) of the Closing Date or as provided

in Section 7(a)(iii). During the First Conversion Period, the holders of Series A-2 Preferred Stock shall collectively be entitled to convert no more than an aggregate amount of $60.0 million in Stated Value (the "First Conversion Period Limit") of Series A-2 Preferred Stock. During the Second Conversion Period, the holders of Series A-2 Preferred Stock shall collectively be entitled to convert no more than an aggregate amount of $120.0 million of Stated Value of Series A-2 Preferred Stock (which $120.0 million limit shall include the aggregate amount of Stated Value of any shares of Series A-2 Preferred Stock converted during the First Conversion Period) (the "Second Conversion Period Limit"). During the Final Conversion Period, the holders of Series A-2 Preferred Stock shall be entitled to convert any or all of their remaining outstanding shares of Series A-2 Preferred Stock; provided, however, that notwithstanding the foregoing, there shall be no limits on the amount of Series A-2 Preferred Stock that may be converted by holders thereof on or after the seventh anniversary (7th) of the Closing Date. If during a Conversion Period or an Interim Conversion Period, more than one holder of Series A-2 Preferred Stock provides the Issuer with a Conversion Notice, which Conversion Notices evidence the intention of such holders to convert, in the aggregate, a number of shares of Series A-2 Preferred Stock that represent, when combined with any applicable prior conversions, an aggregate Stated Value that would exceed any of the limits on conversion imposed by this Section 8(a)(ii), the Issuer shall have the right to allocate among such holders the number of shares of Series A-2 Preferred Stock to be converted (taking into account the shares of Series A-2 Preferred Stock already converted in such period(s), if any, by such holders and in total, and the shares of Series A Preferred Stock contained in delivered Conversion Notices in such period(s) that are yet to be converted) *pro rata* based on the respective Stated Value of the number of shares of Series A-2 Preferred Stock held by each such holder such that the applicable limits are not exceeded.

(iii) Termination of Conversion Rights. In the event a notice of redemption of any shares of Series A-2 Preferred Stock is delivered pursuant to Section 6(a), no Conversion Rights with respect to the shares designated for redemption may be exercised before the date that is ninety (90) days following delivery of such notice of redemption. If the Redemption Price for each of such shares is not fully paid on such redemption date, the Conversion Rights for such shares not redeemed shall continue until the Redemption Price with respect to such shares is paid in full. In the event of a Liquidation Event, the Conversion Rights shall terminate at the close of business on the last full day preceding the date fixed for the payment of any such amounts distributable on such event to the holders of Series A-2 Preferred Stock.

(b) Fractional Shares. No fractional shares of Common Stock shall be issued upon conversion of the Series A-2 Preferred Stock. In lieu of any fractional shares to which the holder would otherwise be entitled, the Issuer shall pay cash equal to such fraction multiplied by the VWAP for a share of Common Stock for the ten (10) Business Days immediately prior to the Conversion Date. Whether or not fractional shares would be issuable upon such conversion shall be determined on the basis of the total number of shares of Series A-2 Preferred Stock the holder is at the time converting into Common Stock and the aggregate number of shares of Common Stock issuable upon such conversion.

(c) Mechanics of Conversion.

(i) Notice of Conversion. In order for a holder of Series A-2 Preferred Stock to voluntarily convert shares of Series A-2 Preferred Stock into shares of Common Stock, such holder shall provide Issuer with written notice of its intention to do so, along with the number of shares of Series A-2 Preferred Stock such holder intends to convert into shares of Common Stock (such notice, the "Conversion Notice"), which, for the avoidance of doubt, such holder may deliver on the date that is ninety (90) days prior to the applicable conversion period in which the Conversion Rights become effective and shall be effective during the entire applicable conversion period. Upon the earlier of (A) that date that is ninety (90) days following the date on which the Conversion Notice was delivered to the Issuer and (B) the date that Issuer provides written notice to such holder that it has elected not to redeem, pursuant to Section 6, all or a portion of the shares of Series A-2 Preferred Stock the holder thereof intends to convert, as specified in the Conversion Notice, pursuant to and in accordance with this Section 8, such holder of Series A-2 Preferred Stock shall be entitled to convert any or all such shares of Series A-2 Preferred Stock set forth in the Conversion Notice that were not elected to be redeemed by Issuer pursuant to Section 6 (such shares, the "Convertible Shares") with no further Conversion Notice by surrendering the certificate or certificates representing such shares (if any) to the Issuer, duly assigned or endorsed for transfer to the Issuer (or accompanied by duly executed stock powers relating thereto), or, in the event the certificate or certificates are lost, stolen, missing, destroyed or mutilated, shall deliver an affidavit of loss in a form reasonably satisfactory to the Issuer, at the principal executive office of the Issuer or such other place as the Issuer may from time to time designate by notice to the holders of the Series A-2 Preferred Stock, and each surrendered certificate shall be canceled and retired. Any shares of the Series A-2 Preferred Stock converted in accordance with this Section 8 shall not be reissuable by the Issuer, and the Issuer shall take all steps necessary to retire and cancel such shares. The close of business on the date of receipt by the Issuer of certificates (or lost certificate affidavit and agreement) shall be the time of conversion (the "Conversion Date"), and the shares of Common Stock issuable upon conversion of the specified shares shall be deemed to be outstanding of record as of such date. The Issuer or the Issuer's transfer agent (as applicable) shall, as soon as practicable (and in any event, within two (2) Business Days) after the Conversion Date (i) issue and deliver to such holder of Series A-2 Preferred Stock, or to his, her or its nominees, a notice of issuance of uncertificated shares and may, upon written request, issue and deliver a certificate for the number of full shares of Common Stock issuable upon such conversion in accordance with the provisions hereof and may, if applicable and upon written request, issue and deliver a certificate for the number (if any) of the shares of Series A-2 Preferred Stock represented by any surrendered certificate that were not converted into Common Stock, and (ii) pay in cash such amount as provided in Section 8(b) in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion.

(ii) Reservation of Shares. The Issuer shall, at all times when the Series A-2 Preferred Stock shall be outstanding, reserve and keep available out of its authorized but unissued capital stock, for the purpose of effecting the conversion of the Series A-2 Preferred Stock, such number of its duly authorized shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding Series A-2 Preferred Stock eligible to be converted in accordance with Section 8(a)(ii); and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect

the conversion of all then outstanding shares of the Series A-2 Preferred Stock then eligible to be converted in accordance with Section 8(a)(ii), the Issuer shall take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in commercially reasonable efforts to obtain the requisite stockholder approval of any necessary amendment to this Certificate of Designation or the Certificate of Incorporation.

(iii) Effect of Conversion. All shares of Series A-2 Preferred Stock which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding, and all rights with respect to such shares shall immediately cease and terminate at the Conversion Date, except only the right of the holders thereof to receive shares of Common Stock in exchange therefor and to receive payment in lieu of any fraction of a share otherwise issuable upon such conversion as provided in Section 8(b). Any shares of Series A-2 Preferred Stock so converted shall be retired and cancelled and may not be reissued as shares of such series, and the Issuer may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Series A-2 Preferred Stock accordingly.

9. Prohibition on Senior or Pari Passu Securities. So long as any Series A-2 Preferred Stock remains outstanding, the Issuer may not establish or issue any additional Series A-2 Preferred Stock or Parity Stock, except (i) any Indebtedness not otherwise prohibited by this Certificate of Designation which is convertible into common equity securities or junior preferred securities of the Issuer, or (ii) with the consent of a Holder Majority.

10. Limitation on Restricted Payments.

(a) On and after the Closing Date, the Issuer shall not, directly or indirectly:

(i) declare or pay any dividend or make any payment or distribution on account of the Equity Interests of the Issuer or any of its Subsidiaries (in each case, solely to a holder of Equity Interests in such Person's capacity as a holder of such Equity Interests), including any dividend or distribution payable in connection with any merger, amalgamation or consolidation other than:

(A) dividends, payments or distributions by the Issuer or any of its Subsidiaries payable solely in Equity Interests (other than Disqualified Stock) of the Issuer or any of its Subsidiaries, or in options, warrants or other rights to purchase such Equity Interests; or

(B) dividends, payments or distributions by a Subsidiary of the Issuer, so long as, in the case of any dividend, payment or distribution payable on or in respect of any class or series of securities issued by such Subsidiary other than a Wholly Owned Subsidiary of the Issuer, as the case may be, the Issuer or a Subsidiary receives at least its *pro rata* share of such dividend, payment or distribution in accordance with its Equity Interests in such class or series of securities;

(ii) purchase, redeem, defease or otherwise acquire or retire for value, any Equity Interests of the Issuer, any of its Subsidiaries, or any Parent Entity, including in connection with any merger, amalgamation or consolidation, in each case held by a Person other than the Issuer or any of its Subsidiaries; or

(iii) make any Restricted Investment

(all such payments and other actions set forth in clauses (i) through (iii) above (other than any exceptions thereto) being collectively referred to as "Restricted Payments").

(b) The foregoing provisions shall not prohibit:

(i) the payment of any dividend or distribution or the consummation of any irrevocable redemption within 60 days after the date of declaration thereof or the giving of such irrevocable notice, as applicable, if, at the date of declaration or the giving of such notice, such payment would have complied with the provisions of this Certificate of Designation;

(ii) the redemption, repurchase, defeasance, discharge, retirement or other acquisition of any Equity Interests, including any accrued and unpaid dividends thereon ("Treasury Capital Stock") or any Equity Interests of any Parent Entity, in exchange for Equity Interests of the Issuer and its Subsidiaries or any Parent Entity (in each case, other than any Disqualified Stock) ("Refunding Capital Stock"), or out of the proceeds of a sale or issuance (other than to a Subsidiary) of, to the extent contributed to the Issuer and its Subsidiaries, Refunding Capital Stock made within 120 days of such sale or issuance of Refunding Capital Stock;

(iii) the prepayment, redemption, defeasance, repurchase, retirement, exchange or other acquisition for value of Disqualified Stock of the Issuer or any Subsidiary made in exchange for, or out of the proceeds of a sale or issuance of, Disqualified Stock of the Issuer or any Subsidiary made within 120 days of such sale or issuance of Disqualified Stock, that, in each case, is incurred or issued in compliance with Section 8, so long as:

(A) the liquidation preference of such new Disqualified Stock does not exceed the liquidation preference of, plus any accrued and unpaid dividends on, the Disqualified Stock being so prepaid, redeemed, defeased, repurchased, exchanged, acquired or retired for value, plus the amount of any premium (including tender premiums), defeasance costs, underwriting discounts and any fees, costs and expenses incurred in connection with the issuance of such new Disqualified Stock and such prepayment, redemption, defeasance, repurchase, exchange, acquisition or retirement;

(B) such new Disqualified Stock has a final mandatory redemption date equal to or later than the final mandatory redemption date of the Disqualified Stock being so prepaid, redeemed, defeased, repurchased, exchanged, acquired or retired; and

(C) such new Disqualified Stock has a Weighted Average Life to Maturity equal to or greater than the remaining Weighted Average Life to Maturity of the Disqualified Stock being so prepaid, redeemed, defeased, repurchased, exchanged, acquired or retired;

(iv) the declaration and payment of dividends to holders of any class or series of Disqualified Stock of the Issuer or any of its Subsidiaries or any class or series of Preferred Stock of any Subsidiary, in each case issued in accordance with the covenant described under Section 11;

(v) non-cash repurchases of Equity Interests deemed to occur upon the exercise of equity options;

(vi) payments made or expected to be made by the Issuer or any of its Subsidiaries in respect of withholding or similar taxes payable in connection with the grant, exercise, vesting or settlement of Equity Interests or any other equity award by any future, present or former employee, director, officer, manager or consultant (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Issuer, any of its Subsidiaries or Parent Entity and repurchases or withholdings of Equity Interests in connection with the grant, exercise, vesting or settlement of any stock or other equity options or warrants or of any other equity awards if such Equity Interests represent all or a portion of the exercise price thereof or payments in lieu of the issuance of fractional Equity Interests, or withholding obligation with respect to, such options or warrants or other Equity Interests or equity awards;

(vii) payments or other adjustments to outstanding Equity Interests in accordance with any management equity plan, stock option plan or any other similar employee benefit plan, agreement or arrangement in connection with any Restricted Payment;

(viii) loans or advances to officers, directors, employees, managers and consultants of the Issuer or any Parent Entity or any Subsidiary of the Issuer, in connection with such Person's purchase of Equity Interests of the Issuer, any of its Subsidiaries or any Parent Entity; provided that no cash is actually advanced pursuant to this clause (viii) other than to pay taxes due in connection with such purchase, unless immediately repaid;

(ix) the repurchase, redemption or other acquisition of Equity Interests of the Issuer or any of its Subsidiaries deemed to occur in connection with paying cash in lieu of fractional shares of such Equity Interests in connection with a share dividend, distribution, share split, reverse share split, merger, consolidation, amalgamation or other business combination of the Issuer or any of its Subsidiaries;

(x) so long as no Event of Noncompliance exists or would result therefrom, the Issuer may pay cash dividends to its parent to enable it to pay, or the Issuer may pay, (i) redemptions for cash of equity, rights to acquire equity or cash payments with respect to phantom stock units, in each case if owned by an officer or employee of the Issuer or any Subsidiary upon termination of employment of such Person, and (ii) cash

payments in lieu of the issuance of fractional units upon the exercise or conversion of options or other equity equivalents, provided that the aggregate amount of all such redemptions or payments under the immediately preceding clauses (i) and (ii) shall not exceed $1,000,000 in the aggregate (excluding proceeds of issuances of Equity Interests used for such purpose); and

(xi) the payment of Dividends and any amount under an Optional Redemption pursuant to the terms of this Certificate of Designation.

The amount of all Restricted Payments (other than cash) will be the fair market value on the date of the Restricted Payment of the assets or securities proposed to be transferred or issued by the Issuer or any Subsidiary, as the case may be, pursuant to the Restricted Payment.

(c) For the avoidance of doubt, this Section 10 shall not restrict the making of any "AHYDO catch up payment" with respect to, and required by the terms of, any Indebtedness of the Issuer or any of its Subsidiaries permitted to be incurred under the terms of this Certificate of Designation.

11. Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock by Subsidiaries. (a) On and after the Closing Date, the Issuer shall not, and shall not permit its Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable (collectively, "incur" and collectively, an "incurrence") with respect to any Indebtedness and the Issuer shall not, and shall not permit any of its Subsidiaries to, issue any shares of Disqualified Stock or Preferred Shares; provided that the Issuer may incur Indebtedness or issue shares of Disqualified Stock or Preferred Shares, and any of the Subsidiaries may incur Indebtedness, issue shares of Disqualified Stock and issue Preferred Shares, so long as the Consolidated Debt Ratio would have been equal to or less than 4.50 to 1.00 (the "Debt Ratio") determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been incurred, or the Disqualified Stock or Preferred Shares had been issued, as the case may be, and the application of proceeds therefrom had occurred at the beginning of such four-quarter period. In the event Indebtedness was used to redeem any shares of Series A-1 Preferred Stock, the Debt Ratio shall become 4.00 to 1.00 from the date of such redemption of Series A-1 Preferred Stock until the Indebtedness that was used to redeem is paid off with proceeds from the sale and issuance of Common Stock, at which time the Debt Ratio shall become 4.50 to 1.00.

(b) Accrual of interest or dividends, the accretion of accreted value, the accretion or amortization of original issue discount and the payment of interest or dividends in the form of additional Indebtedness, Disqualified Stock or Preferred Shares, the accretion of liquidation preference and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies will not be deemed to be an incurrence of Indebtedness, Disqualified Stock or Preferred Shares for purposes of Section 11.

The provisions of Section 11(a) shall not prohibit:

(i) Indebtedness under Credit Facilities in an aggregate principal amount at any time outstanding not to exceed the Credit Facilities Cap;

(ii) Indebtedness constituting customary indemnification obligations, deferred consideration and earnout obligations incurred in connection with Permitted Acquisitions;

(iii) Indebtedness in respect of netting services, overdraft protections and otherwise in connections with deposit accounts to the extent incurred in the ordinary course of business;

(iv) Indebtedness in respect of workers' compensation claims, including guarantees or obligations of the Issuer or any Subsidiary with respect to workers' compensation claims, (in each case other than for an obligation for money borrowed); and

(v) Indebtedness or equity securities issued for the purpose of redeeming the Series A-2 Preferred Stock held by the Investor.

12. Restricted Acquisitions. The Issuer shall not, and shall not permit any of its Subsidiaries, without the written consent of the Holder Majority, to directly or indirectly consummate any Acquisitions, other than Permitted Acquisitions.

13. Amendment and Waiver.

(a) Holder Majority. So long as any Series A-2 Preferred Stock remains outstanding, and unless a greater percentage is required by law, the Issuer will not, without the affirmative vote or written consent of the holders of at least a majority of the Stated Value of Series A-2 Preferred Stock then outstanding, separately as one class (a "Holder Majority"), (i) amend, alter or change the terms (by merger, consolidation or otherwise) of this Certificate of Designation as they relate to the Series A-2 Preferred Stock, (ii) amend, alter or change the terms (by merger, consolidation or otherwise) of the Certificate of Incorporation in a way that would materially and adversely affect the rights, preferences, privileges or voting powers of the holders of the Series A-2 Preferred Stock, and (iii) decrease the size of the Board of Directors if such decrease would require the resignation of the Series A-2 Director or the Springing Series A-2 Director (to the extent applicable).

In addition to the foregoing, substantially concurrently with the consummation of the IPO and unless otherwise waived by the Holder Majority, the Issuer shall have (i) caused any shares of Common Stock issuable upon conversion of the Series A-2 Preferred Stock, if any, and upon exercise of the Warrant to be approved for listing on the Relevant Exchange, subject to official notice of issuance, (ii) amended and restated the Certificate of Incorporation to continue to include a customary corporate opportunity waiver for the benefit of the holders of the Series A-2 Preferred Stock consistent with the corporate opportunities provision included therein on the Closing Date and (iii) amended and restated the by-laws of the Issuer to include a right to call special meetings by stockholders owning at least 45% of the Common Stock of the Issuer.

There shall be excluded from the numerator and the denominator for purposes of determining whether any Holder Majority is achieved, Series A-2 Preferred Stock held by (a) the Issuer (or any Parent Entity or any Subsidiaries of the Issuer) and (b) any employee of the Issuer or any of its Subsidiaries or any Person controlled by any employee of the Issuer or any of its Subsidiaries; nor shall any of such persons be entitled to attend "holder only" meetings of holders of the Series A-2 Preferred Stock.

(b) Supermajority Matters. Notwithstanding anything to the contrary herein, no such amendment to this Certificate of Designation will (by merger, consolidation or otherwise), without the affirmative vote or written consent of at least 66.67% of the Stated Value of the Series A-2 Preferred Stock then outstanding, separately as one class (the "Holder Supermajority"), affect any of the following matters (the "Supermajority Matters"):

(i) Any waiver or amendment of the Dividend Rate;

(ii) Any waiver or amendment to the timing or method of payment of any dividends pursuant to Section 5;

(iii) Any waiver or amendment in respect of the liquidation preference pursuant to Section 3;

(iv) Any waiver or amendment to any required voting percentages or the Supermajority Matters;

(v) Any waiver or amendment affecting the ranking of the Series A-2 Preferred Stock (including the creation or authorization of additional classes of any senior or parity preferred equity of the Issuer (including additional Series A-2 Preferred Stock)); and

(vi) Any waiver or amendment with respect to Section 14.

(c) Waiver. The Holder Majority may waive any Event of Noncompliance or other failure to comply with any provision, condition or requirement of this Certificate of Designation. No waiver of any Event of Noncompliance or other failure to comply with any provision, condition or requirement of this Certificate of Designation will be deemed to be a continuing waiver in the future or a waiver of any subsequent Event of Noncompliance or failure or a waiver of any other provision, condition or requirement hereof, nor will any delay or omission to exercise any right hereunder in any manner impair the exercise of any such right.

14. No Reissuance of the Series A-2 Preferred Stock. No share or shares of the Series A-2 Preferred Stock acquired by the Issuer by reason of redemption, conversion, purchase or otherwise shall be reissued or held in treasury for reissuance, and the Issuer shall take all action to cause all such shares to be canceled, retired and eliminated from the shares which the Issuer shall be authorized to issue.

15. Rights and Remedies of Holders.

(a) The various provisions set forth herein are for the benefit of the holders of the Series A-2 Preferred Stock and shall be enforceable by them.

(b) The rights and remedies of the parties hereunder are cumulative and are not exclusive of any rights or remedies which they would otherwise have hereunder. The exercise by any holder of the Series A-2 Preferred Stock of a particular remedy will not preclude the exercise of any other remedy.

16. Certain Tax Matters.

(a) The Series A-2 Preferred Stock shall be treated as equity for U.S. federal and state income tax purposes. For as long as any Series A-2 Preferred Stock is outstanding, the Issuer will remain classified as a corporation for U.S. federal income tax purposes.

(b) For so long as a holder owns Series A-2 Preferred Stock, it shall be a "United States person" within the meaning of Section 7701(a)(30) of the Code (a "US Person"). Notwithstanding anything to the contrary herein, no holder shall be entitled to transfer any Series A-2 Preferred Stock to any person who is not a US Person, and any such purported transfer will be void ab initio.

(c) The Issuer shall not deduct or withhold from any payment (including deemed payments) made on or with respect to the Series A-2 Preferred Stock except to the extent required by applicable law, and in such case, the Issuer shall be entitled to deduct and withhold as is required by applicable law, provided that, in the case of a holder that is a US Person, the Issuer shall provide at least three days' written notice in advance of any such deduction or withholding. Any such deducted and withheld amounts shall be treated for all purposes as having been paid to the applicable person in respect of whom such deduction and withholding was made.

17. Notice.

Any notice or other communication required or permitted to be delivered under this Certificate of Designation will be in writing and delivered by (i) email or (ii) overnight delivery via a national courier service, with respect to any holder, at the email address or physical address on file with the Issuer and, with respect to the Issuer, to the following email address or physical address, as applicable:

Montrose Environmental Group, Inc.
1 Park Plaza, Suite 1000
Irvine, CA 92614
Attention: Nasym Afsari, General Counsel
Vijay Manthripragada, Chief Executive Officer
Email: ***
***

with copies (which will not constitute notice) to:

Gibson, Dunn & Crutcher LLP
2029 Century Park East, Suite 4000
Los Angeles, CA 90067-3026
Attention: Candice S. Choh
Email: ***

18. Severability. Whenever possible, each provision hereof shall be interpreted in a manner as to be effective and valid under applicable Law, but if any provision hereof is held to be

prohibited by or invalid under applicable Law, then such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating or otherwise adversely affecting the remaining provisions hereof.

19. Legend. Any certificates representing shares of Series A-2 Preferred Stock shall bear a legend in substantially the following form:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") AND MAY NOT BE TRANSFERRED, SOLD OR OTHERWISE DISPOSED OF EXCEPT WHILE A REGISTRATION STATEMENT RELATING THERETO IS IN EFFECT UNDER THE SECURITIES ACT OR PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THE DESIGNATIONS, RIGHTS, PREFERENCES, POWERS, RESTRICTIONS AND LIMITATIONS SET FORTH IN THE CERTIFICATE OF DESIGNATION FOR THE SERIES A-2 PREFERRED STOCK FILED WITH THE SECRETARY OF STATE FOR THE STATE OF DELAWARE PURSUANT TO SECTION 151 OF THE DELAWARE GENERAL CORPORATION LAW (THE "CERTIFICATE OF DESIGNATION") AND THE RIGHTS, TERMS AND CONDITIONS SET FORTH IN THE THIRD AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT BY AND AMONG MONTROSE ENVIRONMENTAL GROUP, INC. (THE "ISSUER") AND CERTAIN HOLDERS OF ISSUER SECURITIES PARTY THERETO (THE "INVESTMENT AGREEMENT"). NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY BE MADE EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF THE CERTIFICATE OF DESIGNATION AND THE INVESTMENT AGREEMENT. A COPY OF THE CERTIFICATE OF DESIGNATION AND THE INVESTMENT AGREEMENT WILL BE FURNISHED WITHOUT CHARGE BY THE ISSUER TO THE HOLDER UPON REQUEST."

20. Applicability of Covenants. For the avoidance of doubt, Sections 9 through 12 shall cease to be of any force and effect at any time at which no shares of Series A-2 Preferred Stock are outstanding.

BYLAWS
OF
MONTROSE ENVIRONMENTAL GROUP, INC.

A Delaware Corporation

ARTICLE I.

OFFICES

Section 1.1 Registered Office. The registered office of the Corporation in the State of Delaware shall be at 1209 Orange Street, in the City of Wilmington, County of New Castle, Delaware 19801. The name of its registered agent at such address shall be The Corporation Trust Company.

Section 1.2 Other Offices. The Corporation may also have offices at such other places, both within and without the State of Delaware, as the Board of Directors (the "Board") may from time to time determine or the business of the Corporation may require.

ARTICLE II.

MEETINGS OF STOCKHOLDERS

Section 2.1 Place and Time of Meetings. An annual meeting of the stockholders shall be held for the purpose of electing directors and conducting such other business as may properly come before the meeting. The date, time and place of the annual meeting, either within or without the State of Delaware, shall be determined by resolution of the Board. Special meetings of stockholders for any other purpose may be held at such time and place, within or without the State of Delaware, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof. Special meetings of the stockholders may be called by the President for any purpose and shall be called by the Secretary if directed by the Board.

Section 2.2 Notice of Meetings. Except as otherwise required by law, notice of each meeting of the stockholders, whether annual or special, shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder of record entitled to vote at such meeting by delivering a written notice thereof to the stockholder personally, or by depositing such notice in the mail, in a postage prepaid envelope, directed to the stockholder at such stockholder's post office address furnished by such stockholder to the Secretary of the Corporation for such purpose or, if such stockholder has not furnished to the Secretary such stockholder's address for such purpose, then at such stockholder's post office address last known to the Secretary, or by transmitting a notice thereof by telegraph, cable or facsimile telecommunication to such stockholder at such address furnished by such stockholder to

the Secretary of the Corporation. Notice shall be deemed given upon delivery (if by hand) or upon deposit in the mail (if by mail) or upon stockholder's receipt (if by telegraph, cable or facsimile).

Except as otherwise expressly required by law, no publication of any notice of a meeting of the stockholders shall be required. Every notice of a meeting of the stockholders shall state the place, date and hour of the meeting, and, in the case of a special meeting, shall also state the purpose or purposes for which the meeting is called. Notice of any meeting of stockholders shall not be required to be given to any stockholder who waives such notice, and such notice shall be deemed waived by any stockholder who attends such meeting in person or by proxy, except by a stockholder who attends such meeting 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.

Section 2.3 Adjournments. Any meeting of stockholders, annual or special, may adjourn from time to time to reconvene at the same or some other place and notice need not be given of any such adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken, unless such notice is otherwise expressly required by law or hereunder. At the adjourned meeting, the Corporation may transact any business that might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, the notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the adjourned meeting. At the adjourned meeting, the Corporation may transact any business that might have been transacted at the original meeting.

Section 2.4 List of Stockholders. The Secretary shall make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at such meeting, arranged in alphabetical order and specifying the address 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, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the place of the meeting during the whole time thereof and may be inspected by any stockholder who is present. Upon the willful neglect or refusal of the Directors to produce such a list at any meeting for the election of Directors, they shall be ineligible for election to any office at such meeting. The stock ledger shall be the only evidence of which stockholders arc entitled to examine the stock ledger, the list required by this section or the books of the Corporation, or to vote in person or by proxy at any meeting of stockholders.

Section 2.5 Quorum. Except as otherwise provided by law or the Certificate of Incorporation, at each meeting of stockholders the presence in person or by proxy of the holders of shares of stock having a majority of the votes that could be cast by the holders of all outstanding shares of stock entitled to vote at the meeting shall be necessary and

sufficient to constitute a quorum. If a quorum is not present, the holders of the shares present in person or represented by proxy at the meeting, and entitled to vote thereat, shall have the power to adjourn the meeting to another time and/or place by the affirmative vote of the holders of a majority of such shares.

Section 2.6 Voting; Proxies.

(a) At each meeting of the stockholders, each stockholder shall be entitled to vote in person or by proxy each share or fractional share of the stock of the Corporation having voting rights on the matter in question and held by the stockholder and registered in the stockholder's name on the books of the Corporation:

(i) on the date fixed pursuant to Section 7.5 of these Bylaws as the record date for the determination of stockholders entitled to notice of and to vote at such meeting; or

(ii) if no such record date is so fixed, then (a) at the close of business on the day next preceding the day on which notice of the meeting is given or (b) if notice of the meeting is waived, at the close of business on the day next preceding the day on which the meeting is held.

(b) Unless otherwise provided in a shareholders agreement, persons holding stock of the Corporation in a fiduciary capacity shall be entitled to vote such stock. Persons whose stock is pledged shall be entitled to vote such shares, unless in the pledgor's transfer on the books of the Corporation he expressly empowered the pledgee to vote such shares, in which case only the pledgee or the pledgee's proxy may represent and vote such stock. Stock having voting power standing of record in the names of two or more persons, whether fiduciaries, members of a partnership, joint tenants in common, tenants by entirety or otherwise, or with respect to which two or more persons have the same fiduciary relationship, shall be voted in accordance with the provisions of the General Corporation Law of the State of Delaware.

(c) Unless otherwise provided in a shareholders agreement, voting rights may be exercised by the stockholder entitled thereto in person or by the stockholder's proxy appointed by an instrument in writing, subscribed by such stockholder or by his attorney thereunto authorized and delivered to the secretary of the meeting; provided, however, that no proxy shall be voted or acted upon after three years from its date, unless that proxy shall provide for a longer period. A duly executed proxy shall be irrevocable if it so states and if, and only for so long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder who may have given a proxy prior to any meeting shall not, solely by attending such meeting, revoke the same unless he notifies the secretary of the meeting of his intent to revoke the proxy, in writing, prior to the voting of the proxy. At any meeting of the stockholders at which a quorum is present, all matters (except as otherwise provided in the Certificate of Incorporation, in these Bylaws or by law) shall be decided by the vote of a majority in voting interest of the stockholders present in person or by proxy and entitled to vote

thereat and thereon. Voting at any meeting of the stockholders on any question need not be by ballot, unless so directed by the chairman of the meeting. On a vote by ballot each ballot shall be signed by the stockholder voting, or by his proxy, if there be such proxy, and it shall state the number of shares voted.

Section 2.7 Conduct of Meetings. Meetings of stockholders shall be presided over by the Chairman of the Board, if any, or in his or her absence by the President, or in his or her absence by a Vice President, or in the absence of the foregoing persons by a Chairman designated by the Board, or in the absence of such designation by a Chairman chosen at the meeting by the stockholders attending. The Corporation's Secretary shall act as secretary of the meeting, but in his or her absence the Chairman of the meeting may appoint any person to act as secretary of the meeting.

Section 2.8 Action Without 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, if a consent in writing setting forth the action so taken shall be signed by the holders of outstanding 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. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing. Any action taken pursuant to such written consent of the stockholders shall have the same force and effect as if taken by the stockholders at a meeting thereof.

ARTICLE III.

BOARD OF DIRECTORS

Section 3.1 General Powers. The property, business and affairs of the Corporation shall be managed by the Board.

Section 3.2 Number and Term of Office. The number of directors shall initially be as fixed by the Incorporator of the Corporation, and shall thereafter be as fixed by the Board. Directors need not be stockholders of the Corporation nor need they be residents of the State of Delaware. The exact number of directors shall be as established by resolution of the Board in conformity with applicable laws. The directors of the Corporation shall hold office until their successors shall have been duly elected or appointed and shall qualify or until their resignation or removal in the manner hereinafter provided.

Section 3.3 Election of Directors. The Board shall initially consist of the persons named as directors by the Incorporator, and each director so elected shall hold office until the first annual meeting of the stockholders or until a successor is elected and qualified. At the first annual meeting of the stockholders and at each annual meeting thereafter, the stockholders shall elect directors, each of whom shall hold office for a term of one year or until a successor is elected and qualified.

Section 3.4 Resignations; Removal. Any director of the Corporation may resign at any time by giving written notice to the Board or to the Secretary of the Corporation. Any such resignation shall take effect at the time specified therein or, if the time is not specified, immediately upon its receipt by the Board or Secretary. Unless otherwise specified in the notice, the acceptance of such resignation shall not be necessary to make it effective. Any director may be removed at any time, with or without cause, by the holders of a majority of shares of stock of the Corporation then entitled to vote at an election of directors, except as otherwise provided by statute.

Section 3.5 Vacancies. Any vacancy in the Board, whether because of death, resignation, disqualification, an increase in the number of directors or any other cause, may be filled by the remaining directors or by the shareholders by a plurality of the votes cast at a meeting of stockholders. Each director so chosen to fill a vacancy shall hold office until his successor shall have been elected and shall qualify or until he shall resign or shall have been removed in the manner provided herein.

Section 3.6 Place of Meeting, Etc. The Board may hold any of its meetings at such place or places within or without the State of Delaware as the Board may from time to time by resolution designate or as shall be designated by the person or persons calling the meeting or in the notice or a waiver of notice of any such meeting.

Directors may participate in any regular or special meeting of the Board by means of conference telephone or similar communications equipment pursuant to which all persons participating in the meeting of the Board can hear each other, and such participation shall constitute presence in person at such meeting.

Section 3.7 Annual Meeting. The Board shall meet as soon as practicable after each annual election of directors, and notice of such annual meeting shall not be required.

Section 3.8 Regular Meetings. Regular meetings of the Board may be held at such times as the Board shall from time to time by resolution determine. If any day fixed for a regular meeting shall be a legal holiday at the place where the meeting is to be held, then the meeting shall be held at the same hour and place on the next succeeding business day not a legal holiday. Except as required by law, notice of regular meetings need not be given.

Section 3.9 Special Meetings. Special meetings of the Board shall be held whenever called by the President or a majority of the authorized number of directors. Except as otherwise provided by law or by these Bylaws, notice of the time and place of each such special meeting shall be mailed to each, director, addressed to him at his residence or usual place of business, at least three (3) days before the day on which the meeting is to be held, or shall be sent to him at such place by facsimile telecommunication, telegraph or cable or be delivered personally not less than forty-eight (48) hours before the time at which the meeting is to be held. Except where otherwise required by law or by these Bylaws, notice of the purpose of a special meeting need not be given. Notice of any meeting of the Board shall not be required to be given to any director who is present at such meeting other than a director who attends such meeting 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.

Section 3.10 Quorum and Manner of Acting. Except as otherwise provided in these Bylaws or by law, the presence of a majority of the authorized number of directors shall be required to constitute a quorum for the transaction of business at any meeting of the Board, and all matters shall be decided at any such meeting, a quorum being present, by the affirmative votes of a majority of the directors present. If no quorum exists, a majority of directors present at any meeting may adjourn the same from time to time until a quorum is present. Notice of any adjourned meeting need not be given.

Section 3.11 Action by Consent. Any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting if a written consent thereto is signed by all members of the Board or of such committee, as the case may be, and such written consent is filed with the minutes of the proceedings of the Board or committee.

Section 3.12 Compensation. The directors shall receive only such compensation for their services as directors as may be allowed by resolution of the Board. The Board may also provide that the Corporation shall reimburse each director for any expense incurred on account of attendance at any meetings of the Board or committees of the Board. Neither the payment of such compensation nor the reimbursement of such expenses shall be construed to preclude any director from serving the Corporation or its subsidiaries in any other capacity and receiving compensation therefor.

Section 3.13 Committees. By resolution passed by a majority of the whole Board, the Board may designate one or more committees, each committee to consist of one or more of the directors of the Corporation. Any such committee, to the extent provided in the Board's resolution and except as otherwise limited by law, shall have and may exercise all the powers and authority of the Board 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 requiring it. Any such committee shall keep written minutes of its meetings and report the same to the Board at the next regular meeting of the Board. In the absence or disqualification of a member of a committee and that member's alternate, if the Board appoints alternates, the member or members thereof present at any meeting and not disqualified from voting (whether or not the member or members constitute a quorum) may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member.

Section 3.14 Committee Rules. Each committee of the Board may fix its own rules of procedure and shall hold its meetings as provided by such rules, except as may otherwise be provided by resolution of the Board designating such committee, but in all cases the presence of at least a majority of the members of such committee shall be necessary to constitute a quorum.

Section 3.15 Presumption of Assent. A director of the Corporation who is present at a meeting of the Board or any committee designated by the Board at which action on any corporate matter is taken shall be deemed to have assented to the action taken unless his dissent is entered in the minutes of the meeting or unless he files his written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or forwards such dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

ARTICLE IV.

OFFICERS

Section 4.1 Number. The officers of the Corporation shall be chosen by the Board and shall consist of a President and a Secretary. The Board may also elect a Treasurer and such other officers and assistant officers as may be deemed necessary or desirable by the Board. The Board may, if it so determines, elect one or more Vice Presidents and may choose a Chairman of the Board and Chief Executive Officer from among its members. Any number of offices may be held by the same person. In its discretion, the Board may choose not to fill any office for any period as it may deem advisable, except the offices of President and Secretary.

Section 4.2 Election; Term of Office; Qualifications. The officers of the Corporation, except such officers as may be appointed in accordance with Section 4.3, shall be elected annually by the Board at the first meeting thereof held after the election of the Board. Each officer shall hold office until his successor has been duly chosen and qualifies or until his resignation or removal in the manner hereinafter provided.

Section 4.3 Assistants, Agents and Employees, Etc. In addition to the officers specified in Section 4.1, the Board may appoint such other assistants, agents and employees as it may deem necessary or advisable, including one or more Assistant Secretaries, and one or more Assistant Treasurers, each of whom shall hold office for such period, have such authority and perform such duties as the Board may from time to time determine. The Board may delegate to any officer of the Corporation or any committee of the Board the power to appoint, remove and prescribe the duties of any such assistants, agents or employees.

Section 4.4 Resignation; Removal. Any officer or agent may resign at any time upon written notice to the Board or the Secretary of the Corporation. Any officer or agent elected or appointed by the Board may be removed by the Board whenever in its judgment the best interests of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 4.5 Vacancies. A vacancy in any office caused by death, resignation, removal, disqualification or otherwise, may be filled by the Board for the unexpired portion of the term of that office by a majority vote of the directors then in office.

Section 4.6 Chairman of the Board and Chief Executive Officer ("Chairman"). The Chairman, if one is elected, shall preside at all meetings of the Board and stockholders; shall have, with the assistance of the President, general responsibility for the active management of the business of the Corporation; and shall perform such other duties and have such other powers as the Board may from time to time prescribe. In addition to the President, the Chairman shall have authority to execute bonds, mortgages and other contracts (whether or not requiring a seal), except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof are expressly delegated by the Board to some other officer or agent of the Corporation.

Section 4.7 The President. The President, subject to guidance and assistance of the Chairman of the Board, if one is elected, shall preside at all meetings of the stockholders; shall have general and active management of the business of the Corporation; shall, in the absence of the Chairman, preside at meetings of the Board and stockholders; and shall see that all orders and resolutions of the Board are carried into effect. The President shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the Corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof are expressly delegated by the Board to some other officer or agent of the Corporation.

Section 4.8 Vice President. The Vice President, or if there shall be more than one, the vice presidents in the order determined by the Board, shall, in the absence or disability of the President, perform the duties and exercise the powers of the President and shall perform such other duties and have such other powers as the Board or the Chairman may, from time to time, determine or these bylaws may prescribe.

Section 4.9 Secretary and Assistant Secretaries. The Secretary shall attend all meetings of the Board and all meetings of the stockholders, shall record the proceedings of the meetings of the stockholders and of the Board in a book to be kept for that purpose, and shall perform like duties for the Board's standing committees when required. The Secretary shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board; shall perform such other duties as may be prescribed by the Board or President, under whose supervision he or she shall act; shall have custody of the corporate seal of the Corporation; and shall have authority to affix the same to any instrument requiring it and, when it is so affixed, may attest it by his or her signature. The Board may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing by his or her signature. The Assistant Secretary, or if there be more than one, the assistant secretaries in the order determined by the Board, shall, in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary and shall perform such other duties and have such other powers as the Board may from time to time prescribe.

Section 4.10 Treasurer and Assistant Treasurer. The Treasurer shall have the custody of the corporate funds and securities; shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation; shall deposit all monies and other valuable effects in the name and to the credit of the Corporation as may

be ordered by the Board, taking proper vouchers for such disbursements; and shall render to the President and to the Board, at its regular meetings or when the Board so requires, an account of the Corporation. If required by the Board, the Treasurer shall give the Corporation a bond (which shall be rendered every six (6) years) in such sums and with such surety or sureties as shall be satisfactory to the Board for the faithful performance of the duties of the office of Treasurer and for the restoration to the Corporation, in case of death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in the possession or under the control of the Treasurer belonging to the Corporation. The Assistant Treasurer, or if there shall be more than one, the assistant treasurers in the order determined by the Board, shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer and shall perform such other duties and have such other powers as the Board may from time to time prescribe.

Section 4.11 Compensation. The compensation of the officers of the Corporation shall be fixed from time to time by the Board. None of such officers shall be prevented from receiving such compensation by reason of the fact that he or she is also a director of the Corporation. Nothing contained herein shall preclude any officer from serving the Corporation, or any subsidiary corporation, in any other capacity and receiving such compensation by reason of the fact that he or she is also a director of the Corporation.

ARTICLE V.

INDEMNIFICATION

Section 5.1 Action Other Than by or in the Right of the Corporation. The Corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement or conviction, or upon a plea of nolo contenders or its equivalent, shall not of itself create a presumption that the person did not act in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, or, with respect to any criminal action or proceeding, that he had reasonable cause to believe that his or her conduct was unlawful.

Section 5.2 Actions by or in the Right of the Corporation. The Corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation; provided, however, that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Corporation unless and only to the extent that the Court of Chancery of the State of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as the Court of Chancery of the State of Delaware or such other court shall deem proper.

Section 5.3 Determination of Right of Indemnification. Any indemnification under Section 5.1 or 5.2 (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 5.1 or 5.2. Such determination shall be made (i) by the Board by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (ii) if such a quorum is not obtainable, or, even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion or (iii) by the stockholders.

Section 5.4 Indemnification Against Expenses of Successful Party. Notwithstanding the other provisions of this Article, to the extent that a director, officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 5.1 or 5.2, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

Section 5.5 Prepaid Expenses. Expenses incurred by an officer or director in defending a civil, criminal, administrative, or investigative action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Board in the specific case upon receipt of an undertaking by or on behalf of the director or officer to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the Corporation as authorized in this Article. Such expenses (including attorneys' fees) incurred by other employees and agents may be so paid upon such terms and conditions, as the Board deems appropriate.

Section 5.6 Other Rights and Remedies. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article shall not be deemed exclusive of any other rights to which those seeking indemnification or

advancement of expenses may be entitled under any Bylaws, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 5.7 Insurance. Upon resolution passed by the Board, the Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Article.

Section 5.8 Constituent Corporations. For the purposes of this Article, references to "the Corporation" include all constituent corporations absorbed in a consolidation or merger as well as the resulting or surviving corporation, so that any person who is or was a director, officer, employee or agent of such a constituent corporation or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise shall stand in the same position under the provisions of this Article with respect to the resulting or surviving corporation as he would if he had served the resulting or surviving corporation in the same capacity.

Section 5.9 Other Enterprises, Fines, and Serving at Corporation's Request. For the purposes of this Article, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to any employee benefit plan; and references to "serving at the request of the Corporation" shall include any service as a director, officer, employee or agent of the Corporation that imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as used in this Article.

ARTICLE VI.

CONTRACTS, CHECKS, DRAFTS, BANK ACCOUNTS, ETC.

Section 6.1 Execution of Contracts. The Board, except as otherwise provided in these Bylaws, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name and on behalf of the Corporation, and such authority may be general or confined to specific instances. It may appoint, or authorize any officer or officers to appoint, one or more transfer clerks or one or more transfer agents and one or more registrars, and may require all certificates for stock to bear the signature or signatures of any of them.

Section 6.2 Checks, Drafts, Etc. All checks, drafts or other orders for payment of money, notes or other evidence of indebtedness, issued in the name of or payable to the Corporation, shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by resolution of the Board. Each such officer, assistant, agent or attorney shall give such bond, if any, as the Board may require.

Section 6.3 Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board may select, or as may be selected by any officer or officers, assistant or assistants, agent or agents, or attorney or attorneys of the Corporation to whom such power is delegated by the Board. For the purpose of deposit and for the purpose of collection for the account of the Corporation, the President, any Vice President or the Treasurer (or any other officer or officers, assistant or assistants, agent or agents, or attorney or attorneys of the Corporation who shall from time to time be determined by the Board) may endorse, assign and deliver checks, drafts and other orders for the payment of money that are payable to the order of the Corporation.

Section 6.4 General and Special Bank Accounts. The Board may from time to time authorize the opening and keeping of general and special bank accounts with such banks, trust companies or other depositories as the Board may select or as may be selected by any officer or officers, assistant or assistants, agent or agents, or attorney or attorneys of the Corporation to whom such power is delegated by the Board. The Board may make such special rules and regulations with respect to such bank accounts, not inconsistent with the provisions of these Bylaws, as it may deem expedient.

ARTICLE VII.

STOCK

Section 7.1 Certificates for Stock. Every owner of stock of the Corporation shall be entitled to have a certificate or certificates, to be in such form as the Board shall prescribe, certifying the number and class of shares of the stock of the Corporation owned by him. The certificates representing shares of such stock shall be numbered in the order in which they are issued and shall be signed in the name of the Corporation by the President or a Vice President, and by the Secretary or an Assistant Secretary or by the Treasurer or an Assistant Treasurer. Any or all of the signatures on the certificates may be a facsimile. If any officer, transfer agent or registrar who has signed, or whose facsimile signature has been placed upon, any such certificate, has ceased to be such officer, transfer agent or registrar before such certificate is issued, such certificate may nevertheless be issued by the Corporation with the same effect as though the person who signed such certificate, or whose facsimile signature was placed thereupon, were such officer, transfer agent or registrar at the date of issue. A record shall be kept of the respective names of the persons, firms or corporations owning the stock represented by such certificates, the number and class of shares represented by such certificates,

respectively, and the respective dates thereof, and in case of cancellation, the respective dates of cancellation. Every certificate surrendered to the Corporation for exchange or transfer shall be cancelled, and no new certificate or certificates shall be issued in exchange for any existing certificate until such existing certificate shall have been so cancelled, except as provided in Section 7.4.

Section 7.2 Transfers of Stock. Transfers of shares of stock of the Corporation shall be made only on the books of the Corporation by the registered holder thereof, or by his attorney thereunto authorized by power of attorney duly executed and filed with the Secretary, or with a transfer clerk or a transfer agent appointed as provided in Section 7.3, and upon surrender of the certificate or certificates for such shares properly endorsed and the payment of all taxes thereon. The person in whose name shares of stock stand on the books of the Corporation shall be deemed by the Corporation to be the owner thereof for all purposes. Whenever any transfer of shares is made for collateral security, and not absolutely, such fact shall be so expressed in the entry of transfer if, when the certificate or certificates are presented to the Corporation for transfer, both the transferor and the transferee request the Corporation to do so.

Section 7.3 Regulations. The Board may make such rules and regulations as it may deem expedient (if not inconsistent with these Bylaws) concerning the issue, transfer and registration of certificates for shares of the stock of the Corporation. The Board may appoint, or authorize any officer or officers to appoint, one or more transfer clerks or one or more transfer agents and one or more registrars, and may require all certificates for stock to bear the signature or signatures of any of them.

Section 7.4 Lost, Stolen, Destroyed and Mutilated Certificates. In any case of loss, theft, destruction or mutilation of any certificate of stock, another may be issued in its place upon proof of such loss, theft, destruction or mutilation and upon the giving of a bond of indemnity to the Corporation in such form and in such sum as the Board may direct; provided, however, that a new certificate may be issued without requiring any bond when, in the judgment of the Board, it is proper to do so.

Section 7.5 Fixing Date for Determination of Stockholders of Record. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders (or any adjournment thereof) or to express consent to corporate action in writing without a meeting, or 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 other change, conversion or exchange of stock or for the purpose of any other lawful action, the Board may fix, in advance, a record date, which shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other action. If, in any case involving the determination of stockholders for any purpose other than notice of or voting at a meeting of stockholders or expressing consent to corporate action without a meeting, the Board shall not fix such a record date, then the record date for determining stockholders for such purpose shall be the close of business on the day on which the Board adopts the resolution relating thereto. A determination of stockholders entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of such meeting; provided, however, that the Board may fix a new record date for the adjourned meeting.

ARTICLE VIII.

MISCELLANEOUS

Section 8.1 Fiscal Year. The fiscal year of the corporation shall be determined by resolution of the Board.

Section 8.2 Seal. The Board shall provide a corporate seal, which shall be in the form of a circle and shall bear the name of the Corporation and words and figures showing that the Corporation was incorporated in the State of Delaware and the year of incorporation.

Section 8.3 Waiver of Notices. Whenever notice is required to be given by these Bylaws, by the Certificate of Incorporation or by law, the person entitled to said notice may waive such notice in writing, either before or after the time stated therein, and such waiver shall be deemed equivalent to notice.

Section 8.4 Amendments. These Bylaws, or any of them, may be amended, modified, repealed or adopted and new Bylaws may be made (i) by the Board, acting at any meeting of the Board, or (ii) by the stockholders, at any annual meeting of stockholders, without previous notice, or at any special meeting of stockholders, provided that notice of such proposed amendment, modification, repeal or adoption is given in the notice of special meeting. Any Bylaws made or altered by the stockholders may be altered or repealed by either the Board or the stockholders.

Exhibit 4.1

Execution Version

MONTROSE ENVIRONMENTAL GROUP, INC.
THIRD AMENDED AND RESTATED
INVESTORS' RIGHTS AGREEMENT

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THIRD AMENDED AND RESTATED
INVESTORS' RIGHTS AGREEMENT

THIS THIRD AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT (the "**Agreement**") is entered into as of April 13, 2020 by Montrose Environmental Group, Inc., a Delaware corporation (the "**Company**"), the holders of shares of Common Stock listed on Exhibit A (collectively, the "**Common Stockholders**" and individually, a "**Common Stockholder**"), the holders of shares of Series A-1 Preferred Stock and Series A-2 Preferred Stock listed on Exhibit B (collectively, the "**Preferred Stockholders**," individually a "**Preferred Stockholder**" and jointly with the Common Stockholders, the "**Stockholders**" or individually, "**Stockholder**"), the warrantholders listed on Exhibit C (the "**Warrantholders**") and the Key Investors (as defined below) (the Key Investors, together with the Common Stockholders, the Preferred Stockholders and the Warrantholders, the "**Investors**").

RECITALS

WHEREAS, the Company, the Common Stockholders, the holders of shares of Series A-1 Preferred Stock (the "**Series A-1 Preferred Stockholders**"), and EnviroWorks, LLC, a Delaware limited liability company ("**EnviroWorks**"), previously entered into a Second Amended and Restated Investors' Rights Agreement dated October 19, 2018 (the "**Original Agreement**");

WHEREAS, the Company previously consummated a private placement of 12,000 shares of Series A-1 Preferred Stock and a warrant to issue 534,420 shares of Common Stock on October, 19, 2018, and issued such shares and warrants to OCM Montrose Holdings, L.P., a Delaware limited partnership;

WHEREAS, on December 6, 2019, EnviroWorks transferred all of the Common Stock held by EnviroWorks to its members: (i) Richard E. Perlman, (ii) Equity Trust Company, Custodian FBO Richard E. Perlman Roth IRA 2151260, (iii) Neal J. Fink, as Trustee of the Richard E. Perlman Irrevocable Trust F/B/O Wife's Nieces and Nephews, U/A dated June 28, 2016, (iv) Neal J. Fink, as Trustee of the Richard E. Perlman Grandchildren's Irrevocable Trust, U/A dated June 28, 2016, (v) Neal J. Fink, as Trustee of the Richard E. Perlman Irrevocable Trust F/B/O Andrew Perlman, U/A dated June 28, 2016, (vi) James K. Price, (vii) The Price Trust #1 FBO Kathleen Lauren Price, (viii) The Price Trust #2 FBO Nicole Ashley Price, (ix) The Price 2012 Trust and (x) J. Miguel Fernandez de Castro (collectively, the "**Key Investors**" and each a "**Key Investor**");

WHEREAS, the Company purchased on the date hereof all of the membership interests (the "**Acquisition**") of The Center for Toxicology and Environmental Health, L.L.C. ("**Target**") pursuant to that certain Membership Interest Purchase Agreement, dated as of March 28, 2020 (the "**CTEH Acquisition Agreement**"), by and among the Company, Montrose Planning & Permitting, LLC, Target, CTEH Holdings, LLC ("**CTEH Holdings**") and certain other parties thereto in exchange for cash and 791,139 shares of Common Stock, which were issued to CTEH Holdings, and other contingent consideration;

WHEREAS, in connection with the Acquisition, pursuant to the terms of that certain Purchase Agreement, dated as of March 28, 2020, by and between OCM Montrose II Holdings, L.P. and the Company (the "Series A-2 Preferred Purchase Agreement"), the Company has consummated a private placement of its new Series A-2 Preferred Stock and warrants to purchase Common Stock (collectively, the "**Offering**"), the proceeds of which were used to partially fund the Acquisition;

WHEREAS, in connection with the closing of the Offering, the Company, the Common Stockholders and EnviroWorks desire to amend and restate the Original Agreement to, among other things, (i) add CTEH Holdings, the Key Investors, the Preferred Stockholders issued Series A-2 Preferred Stock and the Warrantholders issued warrants to purchase Common Stock in the Offering to the Original Agreement and (ii) incorporate the terms and conditions contemplated by the Offering; and

WHEREAS, this amended and restated Agreement requires the consent of the Company, EnviroWorks, the Warrantholders, and the Preferred Stockholders, which consent is evidenced by their execution of this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and covenants hereinafter set forth, the parties agree as follows:

SECTION 1

REGISTRATION RIGHTS;
RESTRICTIONS ON TRANSFERABILITY

1.1 Certain Definitions. As used in this Agreement, the following terms shall have the following respective meanings:

"**Affiliate**" shall mean with respect to any Person, any Person which directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such Person.

"**Business Day**" shall mean Monday through Friday of each week, except that no legal holiday recognized as such by the government of the United States or the State of California shall be regarded as a Business Day.

"**Certificate of Designation**" means the Series A-1 Certificate of Designation or the Series A-2 Certificate of Designation.

"**Certificate of Incorporation**" means the Company's Certificate of Incorporation as in effect as of the date hereof (as amended, including by the Amendment to the Certificate of Incorporation, dated as of December 6, 2017 and the Amendment to the Certificate of Incorporation, dated as of the date hereof, Series A Certificate of Designation, the Series A-1 Certificate of Designation, and the Series A-2 Certificate of Designation) and as thereafter amended in accordance with the terms thereof and the Delaware General Corporation Law.

"**Commission**" shall mean the Securities and Exchange Commission.

"**Common Stock**" shall mean the common stock, par value $0.000004 per share, of the Company.

"**Exchange Act**" shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission promulgated thereunder.

"**Holder**" shall mean the Key Investors, the Preferred Stockholders, the Warrantholders or a Stockholder owning or having the right to acquire Registrable Securities or any transferee or assignee thereof in accordance with Section 1.15 hereof.

"**Initiating Holders**" shall mean the (i) Key Investor Deciders (acting together as a class), (ii) Preferred Stockholders holding Series A-1 Preferred Stock and Warrantholders holding warrants issued in connection with the issuance of Series A-1 Preferred Stock (acting together as a class) (the "**Series A-1 Initiating Holders**"), (iii) Preferred Stockholders holding Series A-2 Preferred Stock and Warrantholders holding warrants issued in connection with the issuance of Series A-2 Preferred Stock (acting together as a class) (the "**Series A-2 Initiating Holders**") or (iv) Holders or any transferees or assignees of the Holders under Section 1.15 hereof who in the aggregate are Holders of not less than twenty-five percent (25%) of the outstanding Registrable Securities.

"**IPO**" shall mean the Company's first underwritten public offering of its Common Stock under the Securities Act.

"**Key Investor Deciders**" shall mean Richard E. Perlman and James K. Price.

"**Major Holder**" shall mean (i) any Key Investor, (ii) any Holder who holds Shares representing not less than one percent (1%) of the outstanding capital stock of the Company or (iii) transferees or assignees of the foregoing under Section 1.15 hereof.

"**Offered CTEH Common Stock**" shall mean 50% of the Common Stock issued to CTEH Holdings as the 2020 Earnout Amount (as defined in the CTEH Acquisition Agreement) if the 2020 Earnout Amount is earned and paid 100% in Common Stock.

"**Person**" shall mean an individual, firm, a corporation, a partnership, an association, a trust or unincorporated organization, limited liability company or any other entity or organization.

"**Piggyback Underwritten Offering**" has the meaning as set forth in Section 1.7 hereof.

"**Preferred Stock**" shall mean the Series A-1 Preferred Stock and Series A-2 Preferred Stock.

The terms "**register**," "**registered**" and "**registration**" refer to a registration effected by preparing and filing a registration statement in compliance with the Securities Act, and the declaration or ordering of the effectiveness of such registration statement.

"**Registrable Securities**" shall mean (a) all Shares owned by the Holders, and (b) any Common Stock issued (or 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 for, or in replacement of, the Shares described in clause (a) hereof.

"**Registration Expenses**" shall mean all expenses incurred by the Company in complying with Sections 1.6, 1.7 and 1.8 hereof (other than Selling Expenses), including, without limitation, all registration, qualification and filing fees, printing expenses, fees and disbursements of counsel for the Company, blue sky fees and expenses, the expense of any special audits incident to or required by any such registration and all reasonable fees and disbursements of one special counsel for all of the Holders who elect to include their Registrable Securities in any such registration.

"**Restricted Securities**" shall mean (a) the securities of the Company required to bear the legend set forth in Section 1.3 hereof, (b) the warrants held by the Warrantholders issued in connection with the issuance of the Series A-1 Preferred Stock and (c) only to the extent prior to the full redemption of the Series A-2 Preferred Stock, the warrants held by the Warrantholders issued in connection with the issuance of the Series A-2 Preferred Stock; provided, that following a full redemption of the Series A-2 Preferred Stock, such Warrantholders shall continue to comply with the terms of Section 1.4 hereof (other than the first sentence of Section 1.4) with respect to such warrants and such warrants shall constitute "Restricted Securities" for purposes of all but the first sentence of Section 1.4.

"**Right of First Refusal and Co-Sale Agreement**" shall mean the Third Amended and Restated Right of First Refusal and Co-Sale Agreement of the Company, dated as of the date hereof (as may be amended, restated, supplemented or otherwise modified from time to time in accordance with its terms).

"**Sale of the Company**" shall mean any transaction or series of related transactions (by stock sale, merger, consolidation or otherwise) (a) consummated after the date hereof, pursuant to which a Person acquires at least 51% of the outstanding Voting Stock of the Company (including pursuant to a transfer or series of related transfers among Holders); or (b) that result in a sale or disposition of all or substantially all of the assets of the Company and its subsidiaries on a consolidated basis other than to an entity with respect to which, following such sale or disposition, at least 50% of the combined voting power of the then outstanding Voting Stock of such entity is then beneficially owned (within the meaning of Rule 13d-5 of the Exchange Act as in effect on the date hereof), directly or indirectly, by all or substantially all of the individuals and entities (or Affiliates of such individuals and entities) who beneficially owned (within the meaning of Rule 13d-3 of the Exchange Act as in effect on the date hereof) the Voting Stock of the Company immediately prior to such sale or other disposition.

"**Secondary IPO**" has the meaning as set forth in Section 1.7 hereof.

"**Securities Act**" shall mean the Securities Act of 1933, as amended, or any similar or successor federal statute and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time.

"**Series A Certificate of Designation**" means the Amended and Restated Certificate of Designations of Series A Convertible Preferred Stock of the Company, as amended, restated, supplemented or otherwise modified from time to time in accordance with its terms.

"**Series A-1 Certificate of Designation**" means the Certificate of Designation of Cumulative Series A-1 Preferred Stock of the Company, as amended, restated, supplemented or otherwise modified from time to time in accordance with its terms.

"**Series A-2 Certificate of Designation**" means the Certificate of Designation of Cumulative Series A-2 Preferred Stock of the Company, as amended, restated, supplemented or otherwise modified from time to time in accordance with its terms.

"**Series A-1 Preferred Stock**" shall mean the Company's Cumulative Series A-1 Preferred Stock designated in the Series A-1 Certificate of Designation.

"**Series A-2 Preferred Stock**" shall mean the Company's Cumulative Series A-2 Preferred Stock designated in the Series A-2 Certificate of Designation.

"**Selling Expenses**" shall mean all underwriting discounts, selling commissions and stock transfer taxes applicable to the securities registered by the Holders.

"**Shares**" shall mean, collectively, the shares of Common Stock, the shares of Common Stock into which the warrants to purchase Common Stock of the Company held by the Warrantholders are exercisable pursuant to their respective terms, the shares of Common Stock, if any, issued upon a conversion of any shares of Series A-2 Preferred Stock, and the shares of Common Stock, if any, issued upon a Mandatory Redemption or Optional Redemption (as such terms are defined in the Series A-1 Certificate of Designation**)** upon an IPO.

"**Voting and Drag Along Agreement**" shall mean the Third Amended and Restated Voting and Drag Along Agreement of the Company, dated as of the date hereof (as may be amended, restated, supplemented or otherwise modified from time to time in accordance with its terms).

"**Voting Stock**" as of any date shall mean the corporate stock of the Company that is at the time entitled to vote in the election of the board of directors (or individuals performing similar functions) of the Company.

1.2 Restrictions. The Shares, warrants held by the Warrantholders (in the case of warrants issued in connection with the issuance of the Series A-2 Preferred Stock, only to the extent prior to the full redemption of the Series A-2 Preferred Stock) and Preferred Stock held by the Preferred Stockholders (and their transferees, as applicable), shall not be sold, assigned, transferred or pledged except upon the conditions specified in this Agreement, the Voting and Drag Along Agreement, the Right of First Refusal and Co-Sale Agreement and the Certificate of Incorporation. Warrants held by the Warrantholders which were issued in connection with the issuance of the Series A-2 Preferred Stock shall, after the redemption in full of the Series A-2 Preferred Stock, be freely transferable and shall not constitute Restricted Securities hereunder; provided, that such Warrantholders shall comply with the terms of Section 1.4 hereof with respect to such warrants and such warrants shall constitute "Restricted Securities" for purposes of all but the first sentence of Section 1.4. Unless the Shares and/or shares of Preferred Stock, as applicable, are registered in accordance with the terms of this Agreement and applicable law, the Company will cause any proposed purchaser, assignee, transferee or pledgee of the warrants held by the Warrantholders, Shares and/or Preferred Stock, as applicable, to agree to take and hold such securities subject to the provisions and upon the conditions specified in this Agreement.

1.3 Restrictive Legend. Each certificate representing (a) the Shares and the Preferred Stock and (b) any other securities issued in respect of the securities referenced in clause (a) upon any stock split, stock dividend, recapitalization, merger, consolidation or similar event, shall (unless otherwise permitted by the provisions of Section 1.4 below) be stamped or otherwise imprinted with a legend in substantially the following form (in addition to any legend required under applicable state securities laws):

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") AND MAY NOT BE TRANSFERRED, SOLD OR OTHERWISE DISPOSED OF EXCEPT WHILE A REGISTRATION STATEMENT RELATING THERETO IS IN EFFECT UNDER THE SECURITIES ACT OR PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THE DESIGNATIONS, RIGHTS, PREFERENCES, POWERS, RESTRICTIONS AND LIMITATIONS SET FORTH IN THE CERTIFICATE OF DESIGNATION FOR THE SERIES A-1 PREFERRED STOCK FILED WITH THE SECRETARY OF STATE FOR THE STATE OF DELAWARE PURSUANT TO SECTION 151 OF THE DELAWARE GENERAL CORPORATION LAW (THE "A-1 CERTIFICATE OF DESIGNATION"), THE CERTIFICATE OF DESIGNATION FOR THE SERIES A-2 PREFERRED STOCK FILED WITH THE SECRETARY OF STATE FOR THE STATE OF DELAWARE PURSUANT TO SECTION 151 OF THE DELAWARE GENERAL CORPORATION LAW (THE "A-2 CERTIFICATE OF DESIGNATION") AND THE RIGHTS, TERMS AND CONDITIONS SET FORTH IN THE INVESTORS' RIGHTS AGREEMENT, VOTING AND DRAG ALONG AGREEMENT AND RIGHT OF FIRST REFUSAL AND CO-SALE AGREEMENT, EACH BY AND AMONG MONTROSE ENVIRONMENTAL GROUP, INC. (THE "ISSUER") AND CERTAIN HOLDERS OF ISSUER SECURITIES PARTY THERETO (THE "INVESTMENT AGREEMENTS"). NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY BE MADE EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF THE A-1 CERTIFICATE OF DESIGNATION, THE A-2 CERTIFICATE OF DESIGNATION AND THE INVESTMENT AGREEMENTS. A COPY OF THE A-1 CERTIFICATE OF DESIGNATION, THE A-2 CERTIFICATE OF DESIGNATION AND THE INVESTMENT AGREEMENTS WILL BE FURNISHED WITHOUT CHARGE BY THE ISSUER TO THE HOLDER UPON REQUEST."

"THE SHARES REPRESENTED BY THIS CERTIFICATE MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF AGREEMENTS BETWEEN THE COMPANY AND ITS STOCKHOLDERS, COPIES OF WHICH ARE ON FILE WITH THE SECRETARY OF THE COMPANY."

Each Holder consents to the Company making a notation on its records and giving instructions to any transfer agent of the Restricted Securities in order to implement the restrictions on transfer established in this Section 1.

1.4 Notice of Proposed Transfers. The holder of each certificate or warrant representing Restricted Securities, by acceptance thereof, agrees to comply in all respects with the provisions of this Section 1. Prior to any proposed sale, assignment, transfer or pledge of any Restricted Securities (or any direct or indirect interest therein), unless there is in effect a registration statement under the Securities Act covering the proposed transfer, the holder thereof shall give written notice to the Company of such holder's intention to effect such transfer, sale, assignment or pledge. Each such notice shall describe the manner, terms and circumstances of the proposed transfer, sale, assignment or pledge in sufficient detail (as reasonably determined by the Company), and shall be accompanied at such holder's expense by either (a) a written opinion of legal counsel who shall, and whose legal opinion shall be, reasonably satisfactory to the Company, addressed to the Company, to the effect that the proposed transfer of the Restricted Securities may be effected without registration under the Securities Act and that no registration or qualification under the securities or "blue sky" laws of any state is required in connection with such proposed disposition, or (b) any other evidence reasonably satisfactory to counsel to the Company, whereupon the holder of such Restricted Securities shall be entitled to transfer such Restricted Securities in accordance with the terms of the notice delivered by the holder to the Company, subject to compliance with the provisions of this Agreement, the Voting and Drag Along Agreement and the Right of First Refusal and Co-Sale Agreement and the satisfaction of the following conditions (provided, that any one or more of them (other than the conditions specified in clause (2) and (4) below) may be waived by the Company in its sole discretion): (1) either the Stockholder or the Person to whom such transfer is to be made shall undertake to pay all reasonable and documented out-of-pocket expenses incurred or payable by the Company in connection therewith; (2) the Company shall receive from the Person to whom such transfer is to be made a Joinder Agreement in the form attached hereto as Exhibit D, and a counterpart or a joinder agreement (in form reasonably satisfactory to the Company) to the Voting and Drag Along Agreement and the Right of First Refusal and Co-Sale Agreement executed by or on behalf of such Person and such other documents, instruments and certificates as may reasonably be requested by the Company pursuant to which such transferee shall become bound by this Agreement, the Voting and Drag Along Agreement and the Right of First Refusal and Co-Sale Agreement with respect to the Restricted Securities so transferred; (3) the Company shall receive from the Stockholder and the Person to whom such transfer is to be made such documents, instructions, opinions, instruments and certificates as counsel to the Company may reasonably request in order to assure that the transfer is made in compliance with this Agreement, the Voting and Drag Along Agreement, the Right of First Refusal and Co-Sale Agreement and applicable law; (4) such transfer does not result in a violation of any applicable laws; (5) such transfer would not cause the Company to become, with respect to any employee benefit plan subject to Title I of ERISA, a "party-in-interest" (as defined in ERISA Section 3(14)) or a "disqualified person" (as defined in Code Section 4975(c)); (6) such transfer would not cause any portion of the assets of the Company to constitute assets of any employee benefit plan pursuant to Department of Labor Regulations Section 2510.3-101; (7)

such transfer does not subject the Company to regulation under the Investment Company Act of 1940, the Investment Advisors Act of 1940 or ERISA, each as amended; and (8) such transfer is not made to a Person that, in the good faith reasonable judgment of the Company, is an actual competitor of the Company. Notwithstanding the foregoing, the Company will not require a legal opinion required by the foregoing clause (a) (x) in any transaction in compliance with Rule 144, (y) in any transaction in which a Holder which is a corporation distributes Restricted Securities solely to its majority owned subsidiaries or Affiliates for no consideration, or (z) in any transaction in which Restricted Securities are transferred to a Permitted Transferee (as defined in the Right of First Refusal and Co-Sale Agreement or to any other person with the written consent of the Company (it being understood that such consent can be withheld for any reason or no reason); provided that each transferee agrees in writing to be subject to the terms of this Agreement, the Voting and Drag-Along Agreement and the Right of First Refusal and Co-Sale Agreement. Each certificate evidencing the Restricted Securities transferred as above provided shall bear, except if such transfer is made pursuant to Rule 144, the appropriate restrictive legends set forth in this Section 1, except that such certificate shall not bear such restrictive legend if, in the opinion of counsel for such holder and the Company, such legend is not required in order to establish compliance with any provisions of the Securities Act or this Agreement. Any attempt to sell, assign, transfer or pledge any Restricted Securities (or any direct or indirect interest therein) which is not in accordance with this Section 1 shall be null and void *ab initio* and the Company shall not in any way give effect to any such transfer.

1.5 Intentionally Omitted.

1.6 Requested Registration.

(a) In case the Company shall receive from Initiating Holders a written request that the Company effect any registration with respect to the Registrable Securities, the Company will:

(i) promptly give written notice of the proposed registration, qualification or compliance to all other Holders; and

(ii) as soon as practicable and in any event within one-hundred twenty (120) days after receipt of such written request, use commercially reasonable efforts to effect such registration (including, without limitation, the execution of an undertaking to file post-effective amendments and appropriate qualification under applicable blue sky or other state securities laws) as may be so requested and, except as otherwise specified herein, as would permit or facilitate the sale and distribution of all or such portion of such Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any Holder or Holders joining in such request as are specified in a written request received by the Company within twenty (20) days after receipt of the written notice from the Company; provided, however, that the Company shall not be obligated to take any action to effect any such registration pursuant to this Section 1.6:

(A) In any particular jurisdiction in which the Company would be required to execute a general consent to service of process in effecting such registration or qualification unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act;

(B) Prior to six (6) months after the effective date of an IPO;

(C) (1) If requested by the Series A-1 Initiating Holders, after the Company has effected two (2) such registrations pursuant to this subparagraph 1.6(a) on behalf of the Series A-1 Initiating Holders, (2) if requested by the Series A-2 Initiating Holders, after the Company has effected three (3) such registrations pursuant to this subparagraph 1.6(a) on behalf of the Series A-2 Initiating Holders, (3) if requested by the Key Investor Deciders, after the Company has effected two (2) such registrations pursuant to this subparagraph 1.6(a) on behalf of the Key Investor Deciders and (4) if requested by any other Initiating Holders, after the Company has effected two (2) such registrations pursuant to this subparagraph 1.6(a) regardless of the requesting Initiating Holder, and, in each such case, such registrations have been declared or ordered effective;

(D) During the period starting with the date of filing of, and ending on a date ninety (90) days after the effective date of, a registration initiated by the Company; provided that the Company is actively employed in good faith in all commercially reasonable efforts to cause such registration statement to become effective and provided further that the rights of the Initiating Holders to include Registrable Securities for registration in the Company's registration shall be governed by Section 1.7 hereof; or

(E) If such registration involves securities with an aggregate value less than Five Million Dollars ($5,000,000), as determined by either (a) a good faith determination by the Company or (b) if the securities are traded actively on a nationally recognized securities exchange, the average of the per share price for the five trading days prior to the filing of such a registration statement.

Subject to the foregoing clauses (A) through (E), the Company shall file a registration statement covering the Registrable Securities so requested to be registered as soon as practicable after receipt of the request or requests of the Initiating Holders; provided, however, that if (i) such registration would require disclosure of information not otherwise then required by law to be publicly disclosed and, in the good faith judgment of the board of directors of the Company (the "**Board**"), such disclosure is reasonably likely to adversely affect any material financing, acquisition, corporate reorganization or merger or other material transaction or event involving the Company or otherwise have a material adverse effect on the Company (a "**Valid Business Reason**") and the Board concludes, as a result, that it is essential to defer the filing of such registration statement at such time, and (ii) the Company shall furnish to such Holders a certificate signed by the Chief Executive Officer of the Company stating that in the good faith judgment of the Board there exists a Valid Business Reason to defer the filing of such registration statement, then the Company shall have the right to defer such filing for up to two (2) periods of not more than sixty (60) days each after receipt of the request of the Initiating Holders, and provided further, that the Company shall not defer its obligation in this manner more than once in any twelve (12)-month period.

(b) Underwriting. In the event that a registration pursuant to Section 1.6 is for a registered public offering involving an underwriting, the Company shall so advise the Holders as part of the notice given pursuant to Section 1.6(a)(i). The right of any Holder to registration pursuant to Section 1.6 shall be conditioned upon such Holder's participation in the underwriting arrangements required by this Section 1.6 and the inclusion of such Holder's Registrable Securities in the underwriting, to the extent requested and provided herein.

The Company shall (together with all Holders proposing to distribute their securities through such underwriting) enter into an underwriting agreement in customary form with the managing underwriter selected for such underwriting by a majority in interest of the Initiating Holders (which managing underwriter shall be reasonably acceptable to the Company). Notwithstanding any other provision of this Section 1.6, if the managing underwriter advises the Initiating Holders in writing that marketing factors require a limitation of the number of shares to be underwritten, then the Company shall so advise all Holders of Registrable Securities to be included in the registration and the number of shares of Registrable Securities that may be included in the registration and underwriting shall be allocated among all Holders thereof in proportion, as nearly as practicable, to the respective number of Registrable Securities held by such Holders at the time of filing the registration statement. No Registrable Securities excluded from the underwriting by reason of the underwriter's marketing limitation shall be included in such registration; provided that to the extent any Registrable Securities shall not be included in such registration, the registration shall not be counted for the purposes of Section 1.6(a)(ii)(C). To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriters may round the number of shares to be included in the offering allocated to any Holder to the nearest one hundred (100) shares.

1.7 Company Registration

(a) Notice of Registration. Following the six (6) month anniversary of the effective date of an IPO, if at any time or from time to time, the Company shall determine to register any of its securities for its own account or pursuant to Section 1.6 and, solely with respect to the Preferred Stockholders, if any Registrable Securities owned by any Investors are expressly offered for sale in a Piggyback Underwritten Offering (as defined below) in connection with an IPO, then in connection with such IPO (the "Secondary IPO"), other than (i) a registration relating solely to employee benefit plans, or (ii) a registration relating solely to a merger, acquisition or exchange, then the Company shall:

(i) promptly give to each Holder (which, for purposes of a Piggyback Underwritten Offering that is a Secondary IPO, shall only refer to the Preferred Stockholders) written notice thereof; and

(ii) include in such registration (and any related qualification under blue sky laws), and in any underwriting involved therein, all the Registrable Securities specified in a written request or requests made within twenty (20) days after receipt of such written notice from the Company by any Holder (provided, that if such registration is related to a block trade, such request must be received within three (3) days after receipt of such written notice from the Company by any Holder), subject to the underwriter's right to limit the number of securities included in the registration as set forth in Section 1.7(b) below (the "Piggyback Underwritten Offering").

(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 1.7(a)(i). In such event, the right of any Holder to registration pursuant to Section 1.7 shall be conditioned upon such Holder's participation in such underwriting and the inclusion of Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall (together with the Company and the other Holders distributing their securities through such underwriting) enter into an underwriting agreement in customary form with the managing underwriter selected for such underwriting by the Company. Notwithstanding any other provision of this Section 1.7, (i) if the managing underwriter determines in its sole discretion that marketing factors require a limitation of the number of shares to be underwritten, the managing underwriter may limit the number of Registrable Securities to be included in the registration and underwriting, on a pro rata basis based on the total number of securities entitled to be included in such registration, including by entirely excluding the participating Holders if no other stockholder's securities are included, and (ii) in the case of a Piggyback Underwritten Offering in connection with a Secondary IPO in which the Offered CTEH Common Stock is being offered for sale, the number of Registrable Securities of the Preferred Stockholders to be included in the registration and underwriting may be reduced by the managing underwriter, on a pro rata basis, based on the total number of securities entitled to be included in such registration as necessary in order to allow all of the Offered CTEH Common Stock to be included in such offering. To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriters may round the number of shares to be included in the offering allocated to any Holder or other holder to the nearest one hundred (100) shares.

(c) Right to Terminate Registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 1.7 prior to the effectiveness of such registration, whether or not any Holder has elected to include securities in such registration.

1.8 Registration on Form S-3.

(a) If the Key Investor Deciders, the Preferred Stockholders, the Warrantholders or any Holder or group of Holders holding at least twenty percent (20%) of the then outstanding Registrable Securities requests that the Company file a registration statement on Form S-3 (or any successor form to Form S-3) for a public offering of shares of the Registrable Securities, the reasonably anticipated aggregate price to the public of which, net of underwriting discounts and commissions, would exceed One Million Dollars ($1,000,000), and the Company is a registrant entitled to use Form S-3 to register the Registrable Securities for such an offering, the Company shall use commercially reasonable efforts to cause such Registrable Securities to be registered for the offering on such form. The Company will (i) promptly give written notice of the proposed registration to all other Holders, and (ii) as soon as practicable, but in no event later than sixty (60) days following the request, use commercially reasonable efforts to effect such registration (including, without limitation, the execution of an undertaking to file post-effective amendments and appropriate qualification under applicable blue sky or other state securities laws

and appropriate compliance with applicable regulations issued under the Securities Act) as may be so requested and as would permit or facilitate the sale and distribution of all or such portion of such Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any Holder or Holders joining in such request as are specified in a written request received by the Company within twenty (20) days after receipt of written notice from the Company; provided that if such registration is related to a block trade, such request must be received within three (3) days after receipt of such written notice from the Company by any Holder. The substantive provisions of Section 1.6(b) shall be applicable to each registration initiated under this Section 1.8.

(b) Notwithstanding the foregoing, the Company shall not be obligated to take any action pursuant to this Section 1.8: (i) in any particular jurisdiction in which the Company would be required to execute a general consent to service of process in effecting such registration or qualification unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act; (ii) in a given twelve (12)-month period, after the Company has effected two (2) such registrations pursuant to subparagraph 1.8(a) during such period; or (iii) if the Company shall furnish to such requesting Holders a certificate signed by the Chief Executive Officer of the Company stating that, in the good faith judgment of the Board, there is a Valid Business Reason for such registration to be deferred for up to two (2) periods (including those set forth in Section 1.7), of sixty (60) days each. The Company shall not defer its obligation in this manner more than once with respect to any registration request in any twelve (12)-month period.

1.9 Corporate Transaction. In the event of a Corporate Transaction, the Company shall use reasonable efforts to cause the registration rights described under this Section 1 to be assumed or equivalent registration rights to be substituted by a successor corporation or a parent or subsidiary of such successor corporation in writing. "**Corporate Transaction**" means a sale of all or substantially all of the Company's assets or a merger, consolidation or other capital reorganization or business combination transaction of the Company with or into another corporation, entity or person or a sale of capital stock such that the stockholders immediately prior to such sale do not possess more than fifty percent (50%) of the voting power immediately after such sale; provided however, that (a) the provisions of this Section 1.9 may be waived by the holders of a majority of the then outstanding Registrable Securities and (b) the provisions of this Section 1.9 shall not apply in the event of any Corporate Transaction if all Holders are entitled to receive in exchange for their Registrable Securities consideration consisting solely of (i) cash; (ii) securities of the acquiring corporation which may be immediately sold to the public without registration under the Securities Act; or (iii) any combination thereof.

1.10 Expenses of Registration. All Registration Expenses incurred in connection with registrations pursuant to Sections 1.6, 1.7 and 1.8 shall be borne by the Company. The Company shall also pay the reasonable fees and expenses of one special counsel to represent all participating selling Holders. Unless otherwise stated, all Selling Expenses relating to securities registered on behalf of the Holders shall be borne by the Holders of the registered securities included in such registration pro rata on the basis of the number of shares so registered.

1.11 Registration Procedures. In the case of each registration effected by the Company pursuant to this Section 1, the Company will keep each Holder advised in writing as to the initiation of each registration and as to the completion thereof. The Company will:

(a) Prepare and file with the Commission a registration statement with respect to the Registrable Securities and use commercially reasonable efforts to cause such registration statement to become and remain effective for at least one hundred twenty (120) days or until the distribution described in the registration statement has been completed; provided, however, that (i) such one hundred twenty (120)-day period shall be extended for a period of time equal to any period that the Holder refrains from selling any securities included in such registration at the request of the Company or an underwriter of the Common Stock (or any other securities) of the Company as provided herein and (ii) in the case of any registration on Form S-3 which is intended to be offered on a continuous or delayed basis, such one hundred twenty (120)-day period shall be extended, if necessary, to keep the registration statement effective until all such Registrable Securities are sold, provided that Rule 415, or any successor rule under the Securities Act, permits an offering on a continuous or delayed basis, and provided further that applicable rules under the Securities Act governing the obligation to file a post-effective amendment permit, in lieu of filing a post-effective amendment which includes (A) any prospectus required by Section 10(a)(3) of the Securities Act or (B) reflects facts or events representing a material or fundamental change in the information set forth in the registration statement, the incorporation by reference of information required to be included in (A) and (B) above to be contained in periodic reports filed pursuant to Section 13 or 15(d) of the Exchange Act in the registration statement;

(b) Furnish to the Holders participating in such registration and to the underwriters of the securities being registered such reasonable number of copies of the registration statement and amendments and supplements thereto, preliminary prospectus, final prospectus and such other documents as such underwriters may reasonably request in order to facilitate the public offering of such securities;

(c) If applicable, cause all such Registrable Securities registered hereunder to be listed on each securities exchange on which similar securities issued by the Company are then listed;

(d) 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 material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing;

(e) Provide a transfer agent and registrar for all Registrable Securities registered pursuant to such registration statement and a CUSIP number for all such Registrable Securities, in each case not later than effective date of such registration;

(f) Prepare and file amendments of or supplements to the registration statement or prospectus necessary to comply with the Securities Act with respect to disposition of the Registrable Securities covered by such registration statement;

(g) Use all commercially reasonable efforts to register and qualify the securities covered by such registration statement under such other securities or "blue sky" laws of such jurisdictions as shall be reasonably requested by the Holders, provided that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions unless the Company is already qualified to do business or subject to service of process in that jurisdiction;

(h) Use its best efforts to furnish in any underwritten offering (i) an opinion of the counsel representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering, addressed to the underwriters and (ii) a letter from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering, addressed to the underwriters;

(i) Make generally available to its security holders, and to deliver to each Holder participating in the registration, an earnings statement of the Company that will satisfy the provisions of Section 11(a) of the Securities Act covering a period of twelve (12) months beginning after the effective date of such registration statement as soon as reasonably practicable after the termination of such twelve (12)-month period; and

(j) 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 of such offering. Each Holder and other security holder participating in such underwriting shall also enter into and perform its obligations under such an agreement.

1.12 Indemnification

(a) The Company will indemnify each Holder, each of its officers and directors and partners, and each person controlling such Holder within the meaning of Section 15 of the Securities Act, with respect to which registration has been effected pursuant to this Section 1, and each underwriter, if any, and each person who controls any underwriter within the meaning of Section 15 of the Securities Act, against all expenses, claims, losses, damages or liabilities (or actions in respect thereof), including any of the foregoing incurred in settlement of any litigation, commenced or threatened, arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any registration statement, prospectus, offering circular or other document, or any amendment or supplement thereto, incident to any such registration, qualification or compliance, 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, in light of the circumstances in which they were made, not misleading, or any violation by the Company of any rule or regulation promulgated under the Securities Act, the Exchange Act or any state securities laws applicable to the Company in connection with any such registration or qualification and the Company will reimburse each such Holder, each of its officers and directors, and each person controlling such Holder, each such underwriter and each person who controls any such underwriter, for any legal and any other expenses reasonably incurred in connection with investigating, preparing or defending any such claim, loss, damage, liability or action, as such expenses are incurred, 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 or alleged untrue statement or omission, made in reliance upon and in conformity with written information furnished to the Company by such Holder, controlling person or underwriter and stated to be specifically for use therein.

(b) Each Holder will, if Registrable Securities held by such Holder are included in the securities as to which such registration is being effected, indemnify the Company, each of its directors and officers, each underwriter, if any, of the Company's securities covered by such a registration statement, each person who controls the Company or such underwriter within the meaning of Section 15 of the Securities Act, and each other such Holder, each of its officers and directors and each person controlling such Holder within the meaning of Section 15 of the Securities 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 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, in light of the circumstances in which they were made, not misleading, and will reimburse the Company, such Holders, such directors, officers, persons, underwriters or control persons for any legal or any other expenses reasonably incurred in connection with investigating or defending any such claim, loss, damage, liability or action, as such expenses are incurred, in each case to the extent, but only to the extent, that such untrue statement (or alleged untrue statement) or omission (or alleged omission) is made in such registration statement, prospectus, offering circular or other document in reliance upon and in conformity with written information furnished to the Company by such Holder and stated to be specifically for use therein; provided however that in no event shall any indemnity under this Section 1.12(b) exceed the net proceeds from the offering received by such Holder unless such liability arises out of or is based upon the willful misconduct by such Holder.

(c) If the indemnification provided for in this Section 1.12 is held by a court of competent jurisdiction to be unavailable to a party entitled to indemnification under this Section 1.12 (the "**Indemnified Party**") with respect to any loss, liability, claim, damage or expense referred to herein, then the party required to provide indemnification (the "**Indemnifying Party**"), in lieu of indemnifying such Indemnified Party hereunder, instead shall contribute to the amount paid or payable by such Indemnified Party as a result of such loss, liability, claim, damage or expense in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party on the one hand and of the Indemnified Party on the other in connection with the statements or omissions that resulted in such loss, liability, claim, damage or expense, as well as any other relevant equitable considerations. The relative fault of the Indemnifying Party and of the Indemnified Party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the Indemnifying Party or by the Indemnified Party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission; provided however that in no event shall any contribution by a Holder under this Section 1.12(c) exceed the net proceeds from the offering received by such Holder unless such liability arises out of or is based upon the willful misconduct by such Holder.

(d) Each Indemnified Party shall give notice to the Indemnifying Party promptly after such Indemnified Party has actual knowledge of any claim as to which indemnity may be sought, 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 approved by the Indemnified Party (whose approval shall not unreasonably be withheld), and the Indemnified Party may participate in such defense at such party's expense; provided, however, that an Indemnified Party (together with all

other Indemnified Parties which may be represented without conflict by one counsel) shall have the right to retain its own separate counsel with the reasonable fees and expenses to be paid by the Indemnifying Party if the Indemnified Party reasonably determines that representation of such Indemnified Party would be appropriate due to actual or potential conflicts of interest between such Indemnified Party and any other party represented by such counsel in such proceeding. The failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations under this Section 1 unless the failure to give such notice is materially prejudicial to an Indemnifying Party's ability to defend such action. No Indemnifying Party, in the defense of any such claim or litigation, shall, except with the consent of each Indemnified Party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect of such claim or litigation.

1.13 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, the Registrable Securities held by them 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 Section 1.

1.14 Rule 144 Reporting. With a view to making available the benefits of certain rules and regulations of the Commission which may at any time permit the sale of the Restricted Securities to the public without registration, after such time as a public market exists for the Common Stock of the Company, the Company agrees to use commercially reasonable efforts to:

(a) Make and keep public information available, as those terms are understood and defined in Rule 144 under the Securities Act, at all times after the effective date that the Company becomes subject to the reporting requirements of the Exchange Act;

(b) File with the Commission in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements); and

(c) So long as a Holder owns any Restricted Securities, to furnish to the Holder promptly upon request a written statement by the Company as to its compliance with the reporting requirements of Rule 144 (at any time after ninety (90) days after the effective date of the first registration statement filed by the Company for an offering of its securities to the general public) and of 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 of the Company and other information in the possession of or reasonably obtainable by the Company as a Holder may reasonably request in availing itself of any rule or regulation of the Commission allowing a Holder to sell any such securities without registration; provided that the Company shall not be required to provide copies of any such reports and documents that are publicly available on the Commission's website.

1.15 Transfer of Registration Rights. The rights to cause the Company to register securities granted to Holders under Sections 1.6, 1.7 and 1.8 may only be assigned to (i) a transferee or assignee who acquires at least thirty percent (30%) of an original Holder's Registrable Securities as of the date hereof, (ii) a spouse, sibling, lineal descendant or ancestor, subsidiary, parent, general partner, limited partner, retired partner, member, retired member or Affiliate of a Holder (without restriction as to number of Shares transferred) or (iii) any other person with the written consent of the Company (it being understood that such consent may be withheld for any reason or no reason); provided in each case that prompt written notice of such assignment is given to the Company and such assignee agrees to be bound by the provisions of this Agreement.

1.16 Market Stand-off Agreement. Each Holder and Stockholder hereby agrees (a) in connection with the IPO of the Company's securities, (1) not to sell, make any short sale of, loan, grant any option for the purchase of, pledge, hypothecate, limit such Holder's market risk regarding or otherwise directly or indirectly dispose of (each, a "**Transfer**") any Registrable Securities (other than those included in the registration) or other capital stock of the Company or securities exchangeable or convertible into capital stock of the Company (the "**Securities**") without the prior written consent of the Company and/or such underwriters, as applicable, for such period of time (not to exceed one hundred eighty (180) days from the date of the final prospectus used in such registration with customary extensions) as may be requested by the Company or such managing underwriters, and (2) to enter into a lock-up agreement in customary form with such underwriters and (b) in connection with any other registration, (1) not to Transfer and Securities without the prior written consent of the Company and/or such underwriters, as applicable, for such period of time (not to exceed ninety (90) days from the date of the final prospectus used in such registration with customary extensions) as may be requested by the Company or such managing underwriters, and (2) to enter into a lock-up agreement in customary form with such underwriters. The foregoing provisions of this Section 1.16 shall only be applicable to the Holders if all officers and directors of the Company are bound by and have entered into substantially similar agreements.

1.17 Termination of Rights. The rights of any particular Holder or Permitted Transferee or assignee thereof to cause the Company to register securities under Sections 1.6, 1.7 and 1.8 shall terminate with respect to such Holder when such Holder (together with such Holder's Affiliates) has sold all of its Registrable Securities pursuant to Rule 144 of the Securities Act or pursuant to registration hereunder.

SECTION 2

RIGHT OF FIRST OFFER

2.1 Right of First Offer. Subject to the terms and conditions contained in this Section 2, the Company hereby grants to each Key Investor, each Major Holder, each Warrantholder, each other holder of Common Stock (solely to the extent such Common Stock was converted from warrants or Preferred Stock) and holders of Preferred Stock (solely with respect to "New Securities" that are shares of preferred stock of the Company) (each a "**RFO Holder**") the right of first offer (the "**Right of First Offer**") to purchase its Pro Rata Portion (as defined below) of any New Securities (as defined below) which the Company may, from time to time, propose to sell and issue. A RFO Holder's "**Pro Rata Portion"** for purposes of this Section 2 is equal to (x) the number of shares of the Company's Common Stock (calculated on an as exercised basis with respect to shares of Common Stock underlying outstanding warrants pursuant to the terms of such warrants and, in the case of New Securities that are preferred stock of the Company, as if the Preferred Stock was redeemed with shares of Common Stock, based on the Stated Value (as

defined in the applicable Certificate of Designation) of such Preferred Stock and the fair market value of Common Stock as determined in good faith by the Board) then held by such RFO Holder divided by (y) the total number of shares of the Company's Common Stock then outstanding (calculated on an as exercised basis with respect to shares of Common Stock underlying outstanding warrants pursuant to the terms of such warrants and, in the case of New Securities that are preferred stock of the Company, as if the Preferred Stock was redeemed with shares of Common Stock, based on the Stated Value (as defined in the applicable Certificate of Designation) of such Preferred Stock and the fair market value of Common Stock as determined in good faith by the Board).

2.2 Definition of New Securities. Except as set forth below, "**New Securities"** shall mean any shares of capital stock of the Company, including Common Stock, whether authorized or not, and rights, options or warrants to purchase said shares of capital stock, and securities of any type whatsoever that are, or may become, convertible into said shares of capital stock. Notwithstanding the foregoing, "**New Securities"** does not include:

(a) shares of Common Stock issued or deemed issued to officers, directors, consultants or employees of the Company, pursuant to an equity incentive plan approved by the Board,

(b) any sales or issuances of Common Stock of up to $2,000,000 in the aggregate to any employees, officers or directors of, the Company or any of its subsidiaries in connection with the commencement of their employment or services to the Company or any of its subsidiaries that are approved by the Board;

(c) shares of Common Stock issued or issuable as consideration other than cash pursuant to a merger, consolidation, acquisition, reorganization, asset purchase or similar business combination being entered into on arm's length terms, including Common Stock issued to CTEH Holdings pursuant to the CTEH Acquisition Agreement;

(d) shares of Series A-2 Preferred Stock and warrants issued pursuant to the Series A-2 Preferred Purchase Agreement, and shares or warrants issued in respect thereof;

(e) shares of Common Stock offered to the public generally pursuant to a registration statement under the Securities Act, provided that, after all Series A-2 Preferred Stock has been converted to Common Stock, this exclusion set forth in subsection (d) shall no longer apply;

(f) shares of Common Stock (or Common Stock equivalents) issued to financial institutions or commercial lenders or lessors in connection with credit arrangements, financings, commercial lease transactions or similar transactions that are entered into on arm's length terms and approved by the Board; provided, that such issuances, in the aggregate, shall not exceed 5% of the Company's Common Stock on a fully-diluted basis;

(g) Curative Equity (as defined in the Series A-2 Preferred Purchase Agreement) issued to the Series A-2 Preferred Stockholders pursuant to Section 7 of the Series A-2 Preferred Purchase Agreement;

(h) if the Series A-2 Preferred Stockholders decline or waive their right to provide Curative Equity (as defined in the Series A-2 Preferred Purchase Agreement) pursuant to Section 7 of the Series A-2 Preferred Purchase Agreement following delivery of a Breach Notice (as defined in the Series A-2 Preferred Purchase Agreement), the capital stock or securities offered and sold by the Company to cure the possible breach that gave rise to the Breach Notice;

(i) shares of Common Stock issued pursuant to the conversion, exercise or exchange of Series A-2 Preferred Stock or issued pursuant to the exercise of any warrants of the Company ("**Converted Common Equity**"); and

(j) shares of Common Stock issued in connection with any stock split, stock dividend or recapitalization by the Company.

2.3 Notice of Right. In the event the Company proposes to undertake an issuance of New Securities, it shall give each applicable RFO Holder written notice of its intention, describing the type of New Securities and the price and terms upon which the Company proposes to issue the same. The applicable RFO Holders shall have fifteen (15) days from the date of receipt of any such notice to agree to purchase shares of such New Securities (up to the amount referred to in Section 2.1), for the price and upon the terms specified in the notice, by giving written notice to the Company and stating therein the quantity of New Securities to be purchased. If any applicable RFO Holders do not indicate an interest in purchasing any such applicable RFO Holder's full Pro Rata Portion of such New Securities by the end of the fifteen (15)-day period, the Company shall give notice of any remaining available New Securities (the "**Overallotment Notice**") to each of the other applicable RFO Holders who has elected to purchase its full Pro Rata Portion (the "**Electing Holders**"). Such Overallotment Notice may be made by telephone if confirmed in writing within two (2) days. The Electing Holders shall then have a right of overallotment such that they shall have ten (10) days from the date such Overallotment Notice was given to indicate an interest to increase the number of shares of New Securities they may purchase pursuant to this Section 2, in an aggregate amount of up to the number of remaining available shares of New Securities which, if necessary, shall be apportioned pro rata on the basis of the proportion that the number of shares of Common Stock (on an as exercised basis with respect to outstanding warrants held by the Warrantholders pursuant to the terms of such warrants and, in the case of New Securities that are preferred stock of the Company, as if the Preferred Stock was redeemed with shares of Common Stock, based on the Stated Value (as defined in the applicable Certificate of Designation) of such Preferred Stock and the fair market value of Common Stock as determined in good faith by the Board) then held by each such Electing Holder who elects to increase the number of shares of New Securities it proposes to purchase bears to the number of shares of Common Stock then held by all such Electing Holders who elect to increase the number of shares of New Securities they propose to purchase.

2.4 Lapse and Reinstatement of Right. The Company shall have ninety (90) days following the expiration of such 10 day period to sell or enter into an agreement (pursuant to which the sale of New Securities covered thereby shall be closed, if at all, within sixty (60) days from the date of said agreement) to sell the New Securities not elected to be purchased by such applicable RFO Holder at the price and upon the terms no more favorable to the purchasers of such securities than specified in the Company's notice. In the event the Company has not sold the New Securities or entered into an agreement to sell the New Securities within said ninety (90)-day period (or sold

and issued New Securities in accordance with the foregoing within sixty (60) days from the date of said agreement), the Company shall not thereafter issue or sell any New Securities without first offering such securities to the applicable RFO Holders in the manner provided in Sections 2.1–2.4 above.

2.5 Transfer of Right of First Offer. Prior to an IPO, the Right of First Offer granted under Section 2 of this Agreement may be assigned to a transferee or assignee reasonably acceptable to the Company in connection with any transfer of shares of the Company capital stock held by the RFO Holder; provided that (a) such transfer may otherwise be effected in accordance with applicable securities laws and this Agreement; (b) written notice of such assignment is given to the Company; (c) the transferee or assignee executes a written agreement to be bound by the terms of this Agreement, the Voting and Drag Along Agreement and the Right of First Refusal and Co-Sale Agreement. Notwithstanding the above, an applicable RFO Holder that is an investment partnership, limited liability company or other fund (including the Investors) may assign or transfer such rights to an affiliated fund, partnership or limited liability company or its respective partners or members so long as the transferee executes a written agreement to be bound by the terms of this Agreement, the Voting and Drag Along Agreement and the Right of First Refusal and Co-Sale Agreement.

2.6 Rights of Affiliated Holders. For purposes of this Section 2, holders of Shares who are Affiliates of one or more other such holders shall, at the election of such a holder and one or more such Affiliates, be treated as a group (a "**Holder Group**"). Members of a Holder Group shall have the right to reallocate the rights granted by this Section 2 among themselves as they determine.

2.7 Advance Sales. Notwithstanding the provisions of Section 2 above, the Company may, in order to expedite the issuance of any New Securities (the "**Offered Securities**"), issue all of the Offered Securities to one or more Persons (the "**Initial Subscribing Stockholders**"), without complying with the provisions of Section 2 above, provided that either (i) the Initial Subscribing Stockholders agree to offer to sell to each applicable RFO Holder but not Initial Subscribing Stockholders (such applicable RFO Holders being hereinafter referred to as the "**Other Stockholders**") its respective Pro Rata Portion of the Offered Securities (calculated as provided in Section 2.1 above) on the same terms and conditions as issued to the Initial Subscribing Stockholders; provided, however, that the purchase price payable by the Other Stockholders to the Initial Subscribing Stockholders for the Offered Securities may include (A) an amount equal to any accrued and unpaid dividends thereon (if applicable), or (B) a reasonable rate of interest, in each case calculated from the date such Initial Subscribing Stockholders purchased such Offered Securities through the date of sale to the Other Stockholders, or (ii) the Company shall offer to sell an additional amount of Offered Securities to the Other Stockholders only in an amount and manner which provides the Other Stockholders with rights substantially similar to the rights outlined in Section 2.1 above; provided further, until the closing of the purchase of the Offered Securities by the Initial Subscribing Stockholders, the Company shall be prohibited from taking actions that adversely affects the rights of the Other Stockholders as the holders of the Offered Securities, including but not limited to any issuance of dividends, distributions or modifications to classes of equity. The Initial Subscribing Stockholders or the Company, as applicable, shall offer to sell such Offered Securities to the Other Stockholders within forty-five (45) days after the closing of the purchase of the Offered Securities by the Initial Subscribing Stockholders.

2.8 Termination of Right of First Offer. The Right of First Offer granted under this Agreement shall not apply to, and terminate and be of no further force or effect upon the effective date of, an IPO, in accordance with Section 4.15 of this Agreement.

SECTION 3

AFFIRMATIVE COVENANTS OF THE COMPANY

The Company hereby covenants and agrees as follows:

3.1 Financial Information.

(a) Upon request, the Company will furnish to the Key Investors, the Warrantholders and the Preferred Stockholders the following reports:

(i) As soon as practicable after the end of each fiscal year, and in any event within ninety (90) days thereafter, consolidated balance sheets of the Company and its subsidiaries, if any, as of the end of such fiscal year, and consolidated statements of income and cash flows of the Company and its subsidiaries, if any, for such year, prepared in accordance with generally accepted accounting principles applied on a consistent basis and setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and audited by independent public accountants of national standing selected by the Company and approved by the Board;

(ii) As soon as practicable after the end of each quarter, and in any event within forty-five (45) days thereafter (including the last calendar quarter of each fiscal year), unaudited consolidated balance sheets of the Company and its subsidiaries, if any, as of the end of such quarter, and unaudited consolidated statements of income and cash flows of the Company and its subsidiaries, if any, for such quarter, prepared in accordance with generally accepted accounting principles applied on a consistent basis; provided that footnotes and schedule disclosure appearing in audited financial statements shall not be required, all in reasonable detail and signed by the principal financial or accounting officer of the Company; and

(iii) As soon as practicable, but in any event prior to the beginning of each fiscal year, a budget for the next fiscal year, prepared on a monthly basis, and, as soon as prepared, any other updated or revised budgets for such fiscal year prepared by the Company and approved by the Board.

(b) The Company will furnish to each Major Holder who requests such information the reports set forth in (a) above.

3.2 Inspection. The Company shall permit each Holder of shares of Common Stock with an aggregate investment of at least $5 million, each Preferred Stockholder, each Warrantholder and each Key Investor to visit and inspect the Company's properties, to examine its books of account and records, receive copies of key reporting information prepared by the Company in the course of its operations and delivered to outside third parties and to discuss the Company's affairs, finances and accounts with its officers, all at such reasonable times as may be requested by such Holder.

3.3 Confidentiality. Each Major Holder, each Warrantholder and each Stockholder agrees and will cause any of their respective representatives to hold in confidence and trust and not use or disclose any information provided to or learned by it in connection with its rights under this Section 3 or otherwise that is identified in writing as confidential (collectively, the "**Confidential Information**"), except that such entity may disclose such information to any partner, member, subsidiary or parent of such entity for the purpose of evaluating its investment in the Company as long as (a) such partner, member, subsidiary or parent is advised of the confidentiality provisions of this Section 3.3, (b) such entity uses commercially reasonable efforts to ensure that such partner, member, subsidiary or parent holds such information in confidence and trust and will not use or disclose any information provided to or learned by it except as required by law and (c) such entity is not an actual competitor of the Company and shall not disclose such information to any of its Affiliates that is an actual competitor. Notwithstanding the above, this Section 3.3 shall not apply to any information which:

(a) was in the public domain at the time it was disclosed or has entered the public domain through no fault of such Major Holder, Warrantholder or Stockholder;

(b) was known to such Major Holder, Warrantholder or Stockholder, without restriction, at the time of disclosure, as demonstrated by files in existence at the time of disclosure;

(c) is disclosed with the prior written approval of the Company;

(d) was independently developed by such Major Holder, Warrantholder or Stockholder without any use of the Confidential Information and by employees of such entity who have not had access to the Confidential Information, as demonstrated by files created at the time of such independent development;

(e) became known to such entity, without restriction, from a source other than the Company without breach of this Section 3.3 by such entity and otherwise not in violation of the Company's rights;

(f) is disclosed generally to third parties by the Company without restrictions similar to those contained in this Section 3.3; or

(g) is disclosed pursuant to the order or requirement of a court, administrative agency, or other governmental body; provided, however, that such Major Holder or Stockholder shall provide prompt notice of such court order or requirement to the Company to enable the Company to seek a protective order or otherwise prevent or restrict such disclosure.

3.4 Patent, Copyright and Nondisclosure Agreements. The Company agrees to require each employee of the Company or its subsidiaries to execute a Patent, Copyright and Nondisclosure Agreement and each consultant and advisor of the Company to execute an agreement that provides for confidential treatment of the Company's proprietary information and for the assignment of all relevant inventions to the Company, substantially in a form reasonably acceptable to the Board, as a condition of employment or continued employment or engagement, as the case may be, unless otherwise approved by the Board.

3.5 Qualified Small Business. With respect to Shares previously sold by the Company, to the extent such Shares qualified as "qualified small business stock", the Company covenants that so long as any of the shares of Common Stock acquired by the Key Investors are held by the Key Investors (in whose hands such shares of Common Stock are eligible to qualify as "qualified small business stock" as defined in Section 1202(c) of the of the Internal Revenue Code of 1986, as amended (the "Code") ("Qualified Small Business Stock"), it will (i) comply with any applicable filing or reporting requirements imposed by the Code on issuers of Qualified Small Business Stock and (ii) execute and deliver to the Key Investors, from time to time, such forms, documents, schedules and other instruments as may be reasonably requested thereby to cause the Common Stock to qualify as Qualified Small Business Stock. No representation is made by the Company as to the qualification of any Shares as "qualified small business stock" regardless of when issued.

3.6 Insurance. Unless the Board otherwise agrees, the Company shall cause to be maintained the directors' and officers' liability insurance in place as of the date hereof (the "D & O Policy") in an amount approved by the Board from time to time.

3.7 Board Matters. All non-employee directors will be reimbursed for their reasonable out-of-pocket and travel expenses incurred (i) in attending Board meetings (or meetings of committees thereof), (ii) in attending other functions on behalf of the Company, or (iii) in connection with the performance of their duties as directors.

3.8 Intentionally Omitted

3.9 Termination of Covenants. The covenants set forth in this Section 3, in accordance with Section 4.15, shall terminate on, and be of no further force or effect at such time as the Company (i) consummates an IPO or (ii) becomes subject to the reporting provisions of the Exchange Act.

SECTION 4

MISCELLANEOUS

4.1 Successors and Assigns. Except as otherwise provided herein, the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors, assigns, heirs, executors and administrators and permitted transferees of the parties hereto.

4.2 Third Parties. Nothing in this Agreement, express or implied, is intended to confer upon any party, other than the parties hereto, and their respective successors and assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided herein.

4.3 Governing Law. This Agreement shall be governed by and construed under the laws of the State of Delaware as applied to agreements entered into and performed in the State of Delaware solely by residents thereof without reference to principles of conflicts of laws or choice of laws. The parties hereto hereby consent to the jurisdiction of any state or federal court located within the area encompassed by the State of Delaware and irrevocably agree that all actions or proceedings arising out of or relating to this Agreement shall be litigated in such courts. Each party hereto accepts for itself and in connection with its respective properties, generally and unconditionally, the exclusive jurisdiction and venue of the aforesaid courts and waives any defense of forum non conveniens, and irrevocably agrees to be bound by any final, nonappealable judgment rendered thereby in connection with this Agreement. TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW WHICH CANNOT BE WAIVED, EACH PARTY HERETO HEREBY 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 OR ACTION, CLAIM, CAUSE OF ACTION OR SUIT (IN CONTRACT, TORT OR OTHERWISE), INQUIRY, PROCEEDING OR INVESTIGATION ARISING OUT OF OR BASED UPON THIS AGREEMENT OR THE SUBJECT MATTER HEREOF OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE TRANSACTIONS CONTEMPLATED HEREBY, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING. EACH PARTY HERETO ACKNOWLEDGES THAT IT HAS BEEN INFORMED BY THE OTHER PARTIES HERETO THAT THIS SECTION 4.3 CONSTITUTES A MATERIAL INDUCEMENT UPON WHICH THEY ARE RELYING AND WILL RELY IN ENTERING INTO THIS AGREEMENT. ANY PARTY HERETO MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION 4.3 WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF EACH SUCH PARTY TO THE WAIVER OF ITS RIGHT TO TRIAL BY JURY.

4.4 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The exchange of copies of this Agreement and of signature pages by facsimile transmission (whether directly from one facsimile device to another by means of a dial-up connection or whether mediated by the worldwide web), by electronic mail in "portable document format" (".pdf") form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, or by combination of such means, shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes. Signatures of the parties transmitted by facsimile shall be deemed to be their original signatures for all purposes.

4.5 Notices. All notices, demands or other communications hereunder shall be in writing and shall be deemed given when delivered personally, mailed by certified mail, return receipt requested, sent by overnight courier service or telecopied, electronic mail (transmission confirmed), or otherwise actually delivered to the parties at the addresses provided to the Company (which the Company agrees to disclose to the other parties upon request) or such other address as a party may request by notifying the other in writing.

4.6 Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, portions of such provisions, or such provisions in their entirety, to the extent necessary, shall be severed from this Agreement, and the balance of this Agreement shall be enforceable in accordance with its terms.

4.7 Amendment and Waiver. Any provision of this Agreement may be amended or waived (either generally or in a particular instance and either retroactively or prospectively) with the written consent of the Company; provided, however that any amendment to this Agreement in a manner that adversely affects the rights of the Key Investors, Preferred Stockholders or the Warrantholders shall also require the written consent of the Key Investor Deciders (with respect to the Key Investors), the holders of a majority in interest of the issued and outstanding shares of Preferred Stock or a majority in interest of the shares of Common Stock underlying issued and outstanding warrants held by the Warrantholders, as applicable. Any amendment or waiver effected in accordance with this paragraph shall be binding upon the parties hereto but in no event shall any amendment or waiver adversely affect the obligations or rights of any individual Holder or class or category of holders in a manner different than the other Holders, except upon the written consent of such Holder or a majority of such adversely affected class or category of Holders, as applicable. In addition, the Company may waive performance of any obligation owing to it, as to some or all of the Holders of Registrable Securities, or agree to accept alternatives to such performance, without obtaining the consent of any Holder of Registrable Securities so long as such waiver or acceptance of alternative performance affects all Holders equally. The Company may amend Exhibits A, B and C hereto, without obtaining the approval of any of the Stockholders, Warrantholders or Investors, to reflect any changes to the information set forth thereon resulting from the issuance of any securities or transfer of any securities, in each case, provided such issuance or transfer was in accordance with the terms of this Agreement. Notwithstanding the foregoing, the Automatic Adjustment (as defined below) shall not require any consent of the Common Stockholders, Preferred Stockholders, Warrantholders, Key Investors, Key Investor Deciders or any other Person.

4.8 Rights of Holders. Each Holder of Registrable Securities shall have the right to exercise or refrain from exercising any right or rights that such Holder may have by reason of this Agreement, including, without limitation, the right to consent to the waiver or modification of any obligation under this Agreement, and such Holder shall not incur any liability to any other holder of any securities of the Company as a result of exercising or refraining from exercising any such right or rights.

4.9 Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to any party to this Agreement, upon any breach or default of the other party, shall impair any such right, power or remedy of such non-breaching party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party of any provisions or conditions of this Agreement, must be made in writing and shall be effective only to the extent specifically set forth in such writing.

4.10 Headings. The headings and captions used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement. All references in this Agreement to sections, paragraphs, exhibits and schedules shall, unless otherwise provided, refer to sections and paragraphs hereof and exhibits and schedules attached hereto, all of which are incorporated herein by this reference.

4.11 Entire Agreement. This Agreement constitutes the entire understanding and agreement of the parties with respect to the subject matter hereof and supersedes all prior negotiations, correspondence, agreements (including the Original Agreement), understandings, duties or obligations among the parties with respect to the subject matter hereof.

4.12 Further Assurances. From and after the date of this Agreement, upon the request of a party, the other parties shall execute and deliver such instruments, documents or other writings as may be reasonably necessary or desirable to confirm and carry out and to effectuate fully the intent and purposes of this Agreement.

4.13 Aggregation of Stock. All shares of the Common Stock (on an as exercised basis with respect to shares of Common Stock underlying outstanding warrants pursuant to the terms of such warrants and on an as converted basis with respect to shares of Common Stock underlying outstanding Preferred Stock to the extent such Preferred Stock is then convertible into Common Stock) held or acquired by affiliated entities or persons shall be aggregated together for the purpose of determining the availability of any rights under this Agreement.

4.14 Additional Stockholders; Termination of Rights. Notwithstanding Section 4.7 above, in the event that after the date of this Agreement, the Company issues shares of capital stock to any person (including, but not limited to, shares issued to Warrantholders following the exercise of warrants to purchase capital stock of the company, the shares of Common Stock, if any, issued upon a conversion of any shares of Series A-2 Preferred Stock, and the shares of Common Stock, if any, issued upon a Mandatory Redemption or Optional Redemption (as such terms are defined in the Series A-1 Certificate of Designation**)** upon an IPO, the Company shall cause such party to execute a Joinder Agreement in the form attached hereto as Exhibit D, and such party shall thereby be bound by, and subject to, all the terms and provisions of this Agreement applicable to a Stockholder. A Stockholder and/or Warrantholder, as applicable, shall cease to be deemed a Stockholder and/or Warrantholder hereunder, and shall no longer be a party to this Agreement, at such time as such Stockholder or Warrantholder ceases to own any securities of the Company.

4.15 Automatic Adjustment. Subject to and in accordance with the provisions of this Section 4.15, immediately following the consummation of an IPO, Sections 1–4 hereof, and the covenants and rights contained therein, shall terminate and be of no further force or effect and shall immediately be amended and restated in full and be replaced in their entirety with Sections 1–4 set forth on Exhibit E attached hereto (the "**Automatic Adjustment**").

[**REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK**]

IN WITNESS WHEREOF, the parties have executed this Third Amended and Restated Investors' Rights Agreement as of the date first above written.

COMPANY:

MONTROSE ENVIRONMENTAL GROUP, INC.

By: /s/ Vijay Manthripragada
Name: Vijay Manthripragada
Title: Chief Executive Officer

[SIGNATURE PAGE TO MONTROSE ENVIRONMENTAL GROUP, INC. THIRD AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

IN WITNESS WHEREOF, the parties have executed this Third Amended and Restated Investors' Rights Agreement as of the date first above written.

KEY INVESTORS:

Richard E. Perlman

/s/ Richard E. Perlman
Richard E. Perlman

Equity Trust Company, Custodian FBO
Richard E. Perlman Roth IRA 2151260

By: /s/ Richard E. Perlman
Name: Richard E. Perlman
Title:

Neal J. Fink, as Trustee of the Richard E. Perlman Irrevocable Trust F/B/O Wife's Nieces and Nephews, U/A dated June 28, 2016

By: /s/ Neil J. Fink
Name: Neil J. Fink
Title: Trustee

Neal J. Fink, as Trustee of the Richard E. Perlman Grandchildren's Irrevocable Trust, U/A dated June 28, 2016

By: /s/ Neil J. Fink
Name: Neil J. Fink
Title: Trustee

Neal J. Fink, as Trustee of the Richard E. Perlman Irrevocable Trust F/B/O Andrew Perlman, U/A dated June 28, 2016

By: /s/ Neil J. Fink
Name: Neil J. Fink
Title: Trustee

James K. Price

/s/ James K. Price
James K. Price

The Price Trust #1 FBO Kathleen Lauren Price

By: /s/ WK Price IV
Name: WK Price IV
Title: Trustee

The Price Trust #2 FBO Nicole Ashley Price

By: /s/ WK Price IV
Name: WK Price IV
Title: Trustee

The Price 2012 Trust

By: /s/ WK Price IV
Name: WK Price IV
Title: Trustee

J. Miguel Fernandez de Castro

/s/ J. Miguel Fernandez de Castro
J. Miguel Fernandez de Castro

IN WITNESS WHEREOF, the parties have executed this Third Amended and Restated Investors' Rights Agreement as of the date first above written.

COMMON STOCKHOLDERS:

[Any additional signature Blocks to Follow]

CTEH Holdings, LLC

By: /s/ Phillip T. Goad
Name: Phillip T. Goad
Title: CEO

IN WITNESS WHEREOF, the parties have executed this Third Amended and Restated Investors' Rights Agreement as of the date first above written.

PREFERRED STOCKHOLDERS:

OCM Montrose Holdings, L.P.

By: Oaktree Fund GP, LLC
Its: General Partner

By: Oaktree Fund GP I, L.P.
Its: Managing Member

By: /s/ Brook Hinchman
Name: Brook Hinchman
Title: Authorized Signatory

By: /s/ Jordan Mikes
Name: Jordan Mikes
Title: Authorized Signatory

OCM Montrose II Holdings, L.P.

By: Oaktree Fund GP, LLC
Its: General Partner

By: Oaktree Fund GP I, L.P.
Its: Managing Member

By: /s/ Brook Hinchman
Name: Brook Hinchman
Title: Authorized Signatory

By: /s/ Jordan Mikes
Name: Jordan Mikes
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties have executed this Third Amended and Restated Investors' Rights Agreement as of the date first above written.

WARRANTHOLDERS:

OCM Montrose Holdings, L.P.

By: Oaktree Fund GP, LLC
Its: General Partner

By: Oaktree Fund GP I, L.P.
Its: Managing Member

By: /s/ Brook Hinchman
Name: Brook Hinchman
Title: Authorized Signatory

By: /s/ Jordan Mikes
Name: Jordan Mikes
Title: Authorized Signatory

OCM Montrose II Holdings, L.P.

By: Oaktree Fund GP, LLC
Its: General Partner

By: Oaktree Fund GP I, L.P.
Its: Managing Member

By: /s/ Brook Hinchman
Name: Brook Hinchman
Title: Authorized Signatory

By: /s/ Jordan Mikes
Name: Jordan Mikes
Title: Authorized Signatory

EXHIBIT E

TERMS UPON AUTOMATIC ADJUSTMENT

See attached.

EXHIBIT E

SECTION 1

REGISTRATION RIGHTS;
RESTRICTIONS ON TRANSFERABILITY

1.1 Certain Definitions. As used in this Agreement, the following terms shall have the following respective meanings:

"**Affiliate**" shall mean with respect to any Person, any Person which directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such Person.

"**Business Day**" shall mean Monday through Friday of each week, except that no legal holiday recognized as such by the government of the United States or the State of California shall be regarded as a Business Day.

"**Certificate of Designation**" means Series A-1 Certificate of Designation or the Series A-2 Certificate of Designation.

"**Certificate of Incorporation**" means the Company's Amended and Restated Certificate of Incorporation as in effect as of the Closing Date (as amended, including by the Amendment to Certificate of Incorporation, dated as of December 6, 2017, and the Amendment to the Certificate of Incorporation, dated as of the Closing Date, the Series A Certificate of Designation, the Series A-1 Certificate of Designation, and the Series A-2 Certificate of Designation) and as thereafter amended in accordance with the terms thereof and the Delaware General Corporation Law.

"**Closing Date**" means the date of the consummation of the issuance of the Company's Series A-2 Preferred Stock.

"**Commission**" shall mean the Securities and Exchange Commission.

"**Common Stock**" shall mean the common stock, par value $[0.000004][1] per share, of the Company.

"**CTEH Acquisition Agreement**" means the Membership Interest Purchase Agreement, by and among CTEH Holdings, LLC ("**CTEH Holdings**"), the Company, The Center for Toxicology and Environmental Health, L.L.C., Montrose Planning & Permitting, LLC and the other parties thereto, dated as of March 28, 2020.

"**Exchange Act**" shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission promulgated thereunder.

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[1] Note to Draft: Subject to adjustment upon effectiveness.

"**First Transfer Period**" means the period beginning on the fourth (4th) anniversary of the Closing Date and ending on the day immediately prior to the fifth (5th) anniversary of the Closing Date.

"**Holder**" shall mean the Key Investors, the Preferred Stockholders, the Warrantholders or a Stockholder owning or having the right to acquire Registrable Securities or any transferee or assignee thereof in accordance with Section 1.15 hereof.

"**Immediate Family**" of an individual shall mean a spouse, lineal descendant or antecedent, father, mother, brother or sister of such individual.

"**Initiating Holders**" shall mean the (i) Key Investor Deciders (acting together as a class), (ii) Preferred Stockholders holding Series A-1 Preferred Stock and Warrantholders holding warrants issued in connection with the issuance of Series A-1 Preferred Stock (acting together as a class) (the "**Series A-1 Initiating Holders**"), (iii) Preferred Stockholders holding Series A-2 Preferred Stock and Warrantholders holding warrants issued in connection with the issuance of Series A-2 Preferred Stock (acting together as a class) (the "**Series A-2 Initiating Holders**") or (iv) Holders or any transferees or assignees of the Holders under Section 1.15 hereof who in the aggregate are Holders of not less than twenty-five percent (25%) of the outstanding Registrable Securities."

"**IPO**" shall mean the Company's first underwritten public offering of its Common Stock under the Securities Act.

"**Key Investor Deciders**" shall mean Richard E. Perlman and James K. Price.

"**Offered CTEH Common Stock**" shall mean 50% of the Common Stock issued to CTEH Holdings as the 2020 Earnout Amount (as defined in the CTEH Acquisition Agreement) if the 2020 Earnout Amount is earned and paid 100% in Common Stock.

"**Permitted Transfer**" shall mean any transfer of shares (i) with respect to a Stockholder which is a corporation, partnership or limited liability company, solely to its partners, limited partners, members or to any investment fund or other similar fund or investment vehicle affiliated with such Stockholder and other than with respect to any investment fund or other similar fund or investment vehicle affiliated with such Stockholder; provided, the transaction is made for no consideration; (ii) with respect to a Stockholder that is an individual, by will or intestacy to such Stockholder's Immediate Family, to a trust for the benefit of such Stockholder, or to such Stockholder's Immediate Family as a gift; or (iii) to any other person with the written consent of the Company (it being understood that such consent may be withheld for any reason or no reason); provided that the Stockholder shall inform the Company prior to effecting a transfer pursuant to one of the exemptions provided in clauses (i)–(iii) of this definition.

"**Permitted Transferee**" shall have the correlative meaning to "Permitted Transfer".

"**Person**" shall mean an individual, firm, a corporation, a partnership, an association, a trust or unincorporated organization, limited liability company or any other entity or organization.

"**Piggyback Underwritten Offering**" has the meaning as set forth in Section 1.7.

"**Preferred Stock**" shall mean the Series A-1 Preferred Stock and Series A-2 Preferred Stock.

The terms "**register**," "**registered**" and "**registration**" refer to a registration effected by preparing and filing a registration statement in compliance with the Securities Act, and the declaration or ordering of the effectiveness of such registration statement.

"**Registrable Securities**" shall mean (a) all Shares owned by the Holders, and (b) any Common Stock issued (or 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 for, or in replacement of, the Shares described in clause (a) hereof.

"**Registration Expenses**" shall mean all expenses incurred by the Company in complying with Sections 1.6, 1.7 and 1.8 hereof (other than Selling Expenses), including, without limitation, all registration, qualification and filing fees, printing expenses, fees and disbursements of counsel for the Company, blue sky fees and expenses, the expense of any special audits incident to or required by any such registration and all reasonable fees and disbursements of one special counsel for all of the Holders who elect to include their Registrable Securities in any such registration.

"**Restricted Securities**" shall mean the securities of the Company required to bear the legend set forth in Section 1.3 hereof and the warrants held by the Warrantholders issued in connection with the Series A-1 Preferred Stock.

"**Second Transfer Period**" means the period beginning on the fifth (5^{th}) anniversary of the Closing Date and ending on the day immediately prior to the sixth (6^{th}) anniversary of the Closing Date.

"**Secondary IPO**" has the meaning as set forth in Section 1.7.

"**Securities Act**" shall mean the Securities Act of 1933, as amended, or any similar or successor federal statute and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time.

"**Series A Certificate of Designation**" means the Amended and Restated Certificate of Designations of Series A Convertible Preferred Stock of the Company, as amended, restated, supplemented or otherwise modified from time to time in accordance with its terms.

"**Series A-1 Certificate of Designation**" means the Certificate of Designation of Cumulative Series A-1 Preferred Stock of the Company, as amended, restated, supplemented or otherwise modified from time to time in accordance with its terms.

"**Series A-2 Certificate of Designation**" means the Certificate of Designation of Cumulative Series A-2 Preferred Stock of the Company, as amended, restated, supplemented or otherwise modified from time to time in accordance with its terms.

"**Series A-1 Preferred Stock**" shall mean the Company's Cumulative Series A-1 Preferred Stock designated in the Series A-1 Certificate of Designation.

"**Series A-2 Preferred Stock**" shall mean the Company's Cumulative Series A-2 Preferred Stock designated in the Series A-2 Certificate of Designation.

"**Selling Expenses**" shall mean all underwriting discounts, selling commissions and stock transfer taxes applicable to the securities registered by the Holders.

"**Shares**" shall mean, collectively, the shares of Common Stock, the shares of Common Stock into which the warrants to purchase Common Stock of the Company held by the Warrantholders are exercisable pursuant to their respective terms, the shares of Common Stock, if any, issued upon a conversion of any shares of Series A-2 Preferred Stock, and the shares of Common Stock, if any, issued upon a Mandatory Redemption or Optional Redemption (as such terms are defined in the Series A-1 Certificate of Designation) upon an IPO.

"**Voting Stock**" as of any date shall mean the corporate stock of the Company that is at the time entitled to vote in the election of the board of directors (or individuals performing similar functions) of the Company.

1.2 Restrictions. The Shares, warrants issued in connection with the issuance of the Series A-1 Preferred Stock, and shares of Series A-2 Preferred Stock held by the Preferred Stockholders (and their transferees, as applicable), shall not be sold, assigned, transferred or pledged except upon the conditions specified in this Agreement and the Certificate of Incorporation. Unless the Shares and/or shares of Series A-2 Preferred Stock, as applicable, are registered in accordance with the terms of this Agreement and applicable law, the Company will cause any proposed purchaser, assignee, transferee or pledgee of the Shares and/or Series A-2 Preferred Stock, as applicable, to agree to take and hold such securities subject to the provisions and upon the conditions specified in this Agreement. Warrants held by the Warrantholders which were issued in connection with the issuance of the Series A-2 Preferred Stock shall be freely transferable and shall not constitute Restricted Securities hereunder; provided, that such Warrantholders shall provide a Joinder Agreement pursuant to Section 1.4(2) hereof. No shares of Series A-2 Preferred Stock (or Converted Common Equity) may be Transferred by the holders thereof without the prior written consent of the Company; provided, that, no prior written consent will be required for such a Transfer (i) to a Permitted Transferee, (ii) following the date that is 135 days following the occurrence and continuance of an Event of Noncompliance (as defined in the Series A-2 Certificate of Designation), (iii) during the First Transfer Period, of no more than an aggregate amount of $60.0 million in Stated Value (as defined in the Series A-2 Certificate of Designation) of Series A-2 Preferred Stock (or Converted Common Equity), (iv) during the Second Transfer Period, of no more than an aggregate amount of $120.0 million in Stated Value (which $120.0 million aggregate limit shall include the aggregate amount of any shares of Series A-2 Preferred Stock (or Converted Common Equity) Transferred during the First Transfer Period) and (v) after the Second Transfer Period, all Series A-2 Preferred Stock (and Converted Common Equity) shall be freely transferable.

1.3 Restrictive Legend. Each certificate representing (a) the Shares and the Preferred Stock and (b) any other unregistered securities issued in respect of the securities referenced in clause (a) upon any stock split, stock dividend, recapitalization, merger, consolidation or similar event, shall (unless otherwise permitted by the provisions of Section 1.4 below) be stamped or

otherwise imprinted with a legend in substantially the following form (in addition to any legend required under applicable state securities laws):

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") AND MAY NOT BE TRANSFERRED, SOLD OR OTHERWISE DISPOSED OF EXCEPT WHILE A REGISTRATION STATEMENT RELATING THERETO IS IN EFFECT UNDER THE SECURITIES ACT OR PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THE DESIGNATIONS, RIGHTS, PREFERENCES, POWERS, RESTRICTIONS AND LIMITATIONS SET FORTH IN THE CERTIFICATE OF DESIGNATION FOR THE SERIES A-2 PREFERRED STOCK FILED WITH THE SECRETARY OF STATE FOR THE STATE OF DELAWARE PURSUANT TO SECTION 151 OF THE DELAWARE GENERAL CORPORATION LAW (THE "CERTIFICATE OF DESIGNATION") AND THE RIGHTS, TERMS AND CONDITIONS SET FORTH IN THE INVESTORS' RIGHTS AGREEMENT BY AND AMONG MONTROSE ENVIRONMENTAL GROUP, INC. (THE "ISSUER") AND CERTAIN HOLDERS OF ISSUER SECURITIES PARTY THERETO (THE "INVESTMENT AGREEMENT"). NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY BE MADE EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF THE CERTIFICATE OF DESIGNATION AND THE INVESTMENT AGREEMENT. A COPY OF THE CERTIFICATE OF DESIGNATION AND THE INVESTMENT AGREEMENT WILL BE FURNISHED WITHOUT CHARGE BY THE ISSUER TO THE HOLDER UPON REQUEST."

"THE SHARES REPRESENTED BY THIS CERTIFICATE MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF AGREEMENTS BETWEEN THE COMPANY AND ITS STOCKHOLDERS, COPIES OF WHICH ARE ON FILE WITH THE SECRETARY OF THE COMPANY."

Each Holder consents to the Company making a notation on its records and giving instructions to any transfer agent of the Restricted Securities in order to implement the restrictions on transfer established in this Section 1.

1.4 Notice of Proposed Transfers(i) . The holder of each certificate or warrant representing Restricted Securities, by acceptance thereof, agrees to comply in all respects with the provisions of this Section 1. Prior to any proposed sale, assignment, transfer or pledge of any Restricted Securities (or any direct or indirect interest therein), unless there is in effect a registration statement under the Securities Act covering the proposed transfer, the holder thereof shall give written notice to the Company of such holder's intention to effect such transfer, sale,

assignment or pledge. Each such notice shall describe the manner, terms and circumstances of the proposed transfer, sale, assignment or pledge in sufficient detail (as reasonably determined by the Company), and shall be accompanied at such holder's expense by either (a) a written opinion of legal counsel who shall, and whose legal opinion shall be, reasonably satisfactory to the Company, addressed to the Company, to the effect that the proposed transfer of the Restricted Securities may be effected without registration under the Securities Act and that no registration or qualification under the securities or "blue sky" laws of any state is required in connection with such proposed disposition, or (b) any other evidence reasonably satisfactory to counsel to the Company, whereupon the holder of such Restricted Securities shall be entitled to transfer such Restricted Securities in accordance with the terms of the notice delivered by the holder to the Company, subject to compliance with the provisions of this Agreement and the satisfaction of the following conditions (provided, that any one or more of them (other than the conditions specified in clause (2) and (4) below) may be waived by the Company in its sole discretion): (1) either the Stockholder or the Person to whom such transfer is to be made shall undertake to pay all reasonable and documented out-of-pocket expenses incurred or payable by the Company in connection therewith; (2) the Company shall receive from the Person to whom such transfer is to be made a Joinder Agreement in the form attached hereto as Exhibit D and such other documents, instruments and certificates as may reasonably be requested by the Company pursuant to which such transferee shall become bound by this Agreement with respect to the Restricted Securities so transferred; (3) the Company shall receive from the Stockholder and the Person to whom such transfer is to be made such documents, instructions, opinions, instruments and certificates as counsel to the Company may reasonably request in order to assure that the transfer is made in compliance with this Agreement and applicable law; (4) such transfer does not result in a violation of any applicable laws; (5) such transfer would not cause the Company to become, with respect to any employee benefit plan subject to Title I of ERISA, a "party-in-interest" (as defined in ERISA Section 3(14)) or a "disqualified person" (as defined in Code Section 4975(c)); (6) such transfer would not cause any portion of the assets of the Company to constitute assets of any employee benefit plan pursuant to Department of Labor Regulations Section 2510.3-101; (7) such transfer does not subject the Company to regulation under the Investment Company Act of 1940, the Investment Advisors Act of 1940 or ERISA, each as amended; and (8) such transfer is not made to a Person that, in the good faith reasonable judgment of the Company, is an actual competitor of the Company. Notwithstanding the foregoing, the Company will not require a legal opinion required by the foregoing clause (a) (x) in any transaction in compliance with Rule 144, (y) in any transaction in which a Holder which is a corporation distributes Restricted Securities solely to its majority owned subsidiaries or Affiliates for no consideration, or (z) in any transaction in which Restricted Securities are transferred to a Permitted Transferee, under the exceptions to transfer restrictions in Section 1.2 or to any other person with the written consent of the Company (it being understood that such consent can be withheld for any reason or no reason); provided that each transferee agrees in writing to be subject to the terms of this Agreement. Each certificate evidencing the Restricted Securities transferred as above provided shall bear, except if such transfer is made pursuant to Rule 144, the appropriate restrictive legends set forth in this Section 1, except that such certificate shall not bear such restrictive legend if, in the opinion of counsel for such holder and the Company, such legend is not required in order to establish compliance with any provisions of the Securities Act or this Agreement. Any attempt to sell, assign, transfer or pledge any Restricted Securities (or any direct or indirect interest therein) which is not in accordance with this Section 1.1 shall be null and void *ab initio* and the Company shall not in any way give effect to any such transfer.

1.5 Intentionally Omitted.

1.6 Requested Registration.

(a) In case the Company shall receive from Initiating Holders a written request that the Company effect any registration with respect to the Registrable Securities, the Company will:

(i) promptly give written notice of the proposed registration, qualification or compliance to all other Holders; and

(ii) as soon as practicable and in any event within one-hundred twenty (120) days after receipt of such written request, use commercially reasonable efforts to effect such registration (including, without limitation, the execution of an undertaking to file post-effective amendments and appropriate qualification under applicable blue sky or other state securities laws) as may be so requested and, except as otherwise specified herein, as would permit or facilitate the sale and distribution of all or such portion of such Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any Holder or Holders joining in such request as are specified in a written request received by the Company within twenty (20) days after receipt of the written notice from the Company; provided, however, that the Company shall not be obligated to take any action to effect any such registration pursuant to this Section 1.6:

(A) In any particular jurisdiction in which the Company would be required to execute a general consent to service of process in effecting such registration or qualification unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act;

(B) Prior to six (6) months after the effective date of an IPO;

(C) (1) If requested by the Series A-1 Initiating Holders, after the Company has effected two (2) such registrations pursuant to this subparagraph 1.6(a) on behalf of the Series A-1 Initiating Holders, (2) If requested by the Series A-2 Initiating Holders, after the Company has effected three (3) such registrations pursuant to this subparagraph 1.6(a) on behalf of the Series A-2 Initiating Holders, (3) if requested by the Key Investor Deciders, after the Company has effected two (2) such registrations pursuant to this subparagraph 1.6(a) on behalf of the Key Investor Deciders and (4) if requested by any other Initiating Holders, after the Company has effected two (2) such registrations pursuant to this subparagraph 1.6(a) regardless of the requesting Initiating Holder, and, in each such case, such registrations have been declared or ordered effective;

(D) During the period starting with the date of filing of, and ending on a date ninety (90) days after the effective date of, a registration initiated by the Company; provided that the Company is actively employed in good faith in all commercially reasonable efforts to cause such registration statement to become effective and provided further that the rights of the Initiating Holders to include Registrable Securities for registration in the Company's registration shall be governed by Section 1.7 hereof; or

(E) If such registration involves securities with an aggregate value less than Five Million Dollars ($5,000,000), as determined by either (a) a good faith determination by the Company or (b) if the securities are traded actively on a nationally recognized securities exchange, the average of the per share price for the five trading days prior to the filing of such a registration statement.

Subject to the foregoing clauses (A) through (E), the Company shall file a registration statement covering the Registrable Securities so requested to be registered as soon as practicable after receipt of the request or requests of the Initiating Holders; provided, however, that if (i) such registration would require disclosure of information not otherwise then required by law to be publicly disclosed and, in the good faith judgment of the board of directors of the Company (the "**Board**"), such disclosure is reasonably likely to adversely affect any material financing, acquisition, corporate reorganization or merger or other material transaction or event involving the Company or otherwise have a material adverse effect on the Company (a "**Valid Business Reason**") and the Board concludes, as a result, that it is essential to defer the filing of such registration statement at such time, and (ii) the Company shall furnish to such Holders a certificate signed by the Chief Executive Officer of the Company stating that in the good faith judgment of the Board there exists a Valid Business Reason to defer the filing of such registration statement, then the Company shall have the right to defer such filing for up to two (2) periods of not more than sixty (60) days each after receipt of the request of the Initiating Holders, and provided further, that the Company shall not defer its obligation in this manner more than once in any twelve (12)-month period.

(b) Underwriting. In the event that a registration pursuant to Section 1.6 is for a registered public offering involving an underwriting, the Company shall so advise the Holders as part of the notice given pursuant to Section 1.6(a)(i). The right of any Holder to registration pursuant to Section 1.6 shall be conditioned upon such Holder's participation in the underwriting arrangements required by this Section 1.6 and the inclusion of such Holder's Registrable Securities in the underwriting, to the extent requested and provided herein.

The Company shall (together with all Holders proposing to distribute their securities through such underwriting) enter into an underwriting agreement in customary form with the managing underwriter selected for such underwriting by a majority in interest of the Initiating Holders (which managing underwriter shall be reasonably acceptable to the Company). Notwithstanding any other provision of this Section 1.6, if the managing underwriter advises the Initiating Holders in writing that marketing factors require a limitation of the number of shares to be underwritten, then the Company shall so advise all Holders of Registrable Securities to be included in the registration and the number of shares of Registrable Securities that may be included in the registration and underwriting shall be allocated among all Holders thereof in proportion, as nearly as practicable, to the respective number of Registrable Securities held by such Holders at the time of filing the registration statement. No Registrable Securities excluded from the underwriting by reason of the underwriter's marketing limitation shall be included in such registration; provided that to the extent any Registrable Securities shall not be included in such registration, the registration shall not be counted for the purposes of Section 1.6(a)(ii)(C). To

facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriters may round the number of shares to be included in the offering allocated to any Holder to the nearest one hundred (100) shares.

1.7 Company Registration

(a) Notice of Registration. Following the six (6) month anniversary of the effective date of an IPO, if at any time or from time to time the Company shall determine to register any of its securities for its own account, or pursuant to Section 1.6 and, solely with respect to the Preferred Stockholders, if any Registrable Securities owned by any Investors are expressly offered for sale in a Piggyback Underwritten Offering (as defined below) in connection with an IPO, then in connection with such IPO (the "Secondary IPO"), other than (i) a registration relating solely to employee benefit plans, or (ii) a registration relating solely to a merger, acquisition or exchange, then the Company shall:

(i) promptly give to each Holder (which, for purposes of a Piggyback Underwritten Offering that is a Secondary IPO, shall only refer to the Preferred Stockholders) written notice thereof; and

(ii) include in such registration (and any related qualification under blue sky laws), and in any underwriting involved therein, all the Registrable Securities specified in a written request or requests made within twenty (20) days after receipt of such written notice from the Company by any Holder (provided, that if such registration is related to a block trade, such request must be received within three (3) days after receipt of such written notice from the Company by any Holder), subject to the underwriter's right to limit the number of securities included in the registration as set forth in Section 1.7(b) below (the "Piggyback Underwritten Offering").

(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 1.7(a)(i). In such event, the right of any Holder to registration pursuant to Section 1.7 shall be conditioned upon such Holder's participation in such underwriting and the inclusion of Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall (together with the Company and the other Holders distributing their securities through such underwriting) enter into an underwriting agreement in customary form with the managing underwriter selected for such underwriting by the Company. Notwithstanding any other provision of this Section 1.7, (i) if the managing underwriter determines in its sole discretion that marketing factors require a limitation of the number of shares to be underwritten, the managing underwriter may limit the number of Registrable Securities to be included in the registration and underwriting, on a pro rata basis based on the total number of securities entitled to be included in such registration, including by entirely excluding the participating Holders if no other stockholder's securities are included, and (ii) in the case of a Piggyback Underwritten Offering in connection with a Secondary IPO in which the Offered CTEH Common Stock is being offered for sale, the number of Registrable Securities of the Preferred Stockholders to be included in the registration and underwriting may be reduced by the managing underwriter, on a pro rata basis, based on the total number of securities entitled to be included in such registration as necessary in order to allow

all of the Offered CTEH Common Stock to be included in such offering. To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriters may round the number of shares to be included in the offering allocated to any Holder or other holder to the nearest one hundred (100) shares.

(c) Right to Terminate Registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 1.7 prior to the effectiveness of such registration, whether or not any Holder has elected to include securities in such registration.

1.8 Registration on Form S-3.

(a) If the Key Investor Deciders, the Preferred Stockholders, the Warrantholders or any Holder or group of Holders holding at least twenty percent (20%) of the then outstanding Registrable Securities requests that the Company file a registration statement on Form S-3 (or any successor form to Form S-3) for a public offering of shares of the Registrable Securities, the reasonably anticipated aggregate price to the public of which, net of underwriting discounts and commissions, would exceed One Million Dollars ($1,000,000), and the Company is a registrant entitled to use Form S-3 to register the Registrable Securities for such an offering, the Company shall use commercially reasonable efforts to cause such Registrable Securities to be registered for the offering on such form. The Company will (i) promptly give written notice of the proposed registration to all other Holders, and (ii) as soon as practicable, but in no event later than sixty (60) days following the request, use commercially reasonable efforts to effect such registration (including, without limitation, the execution of an undertaking to file post-effective amendments and appropriate qualification under applicable blue sky or other state securities laws and appropriate compliance with applicable regulations issued under the Securities Act) as may be so requested and as would permit or facilitate the sale and distribution of all or such portion of such Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any Holder or Holders joining in such request as are specified in a written request received by the Company within twenty (20) days after receipt of written notice from the Company; provided that if such registration is related to a block trade, such request must be received within three (3) days after receipt of such written notice from the Company by any Holder. The substantive provisions of Section 1.6(b) shall be applicable to each registration initiated under this Section 1.8.

(b) Notwithstanding the foregoing, the Company shall not be obligated to take any action pursuant to this Section 1.8: (i) in any particular jurisdiction in which the Company would be required to execute a general consent to service of process in effecting such registration or qualification unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act; (ii) in a given twelve (12)-month period, after the Company has effected two (2) such registrations pursuant to subparagraph 1.8(a) during such period; or (iii) if the Company shall furnish to such requesting Holders a certificate signed by the Chief Executive Officer of the Company stating that, in the good faith judgment of the Board, there is a Valid Business Reason for such registration to be deferred for up to two (2) periods (including those set forth in Section 1.7), of sixty (60) days each. The Company shall not defer its obligation in this manner more than once with respect to any registration request in any twelve (12)-month period.

1.9 Corporate Transaction. In the event of a Corporate Transaction, the Company shall use reasonable efforts to cause the registration rights described under this Section 1 to be assumed or equivalent registration rights to be substituted by a successor corporation or a parent or subsidiary of such successor corporation in writing. "**Corporate Transaction**" means a sale of all or substantially all of the Company's assets or a merger, consolidation or other capital reorganization or business combination transaction of the Company with or into another corporation, entity or person or a sale of capital stock such that the stockholders immediately prior to such sale do not possess more than fifty percent (50%) of the voting power immediately after such sale; provided however, that (a) the provisions of this Section 1.9 may be waived by the holders of a majority of the then outstanding Registrable Securities and (b) the provisions of this Section 1.9 shall not apply in the event of any Corporate Transaction if all Holders are entitled to receive in exchange for their Registrable Securities consideration consisting solely of (i) cash; (ii) securities of the acquiring corporation which may be immediately sold to the public without registration under the Securities Act; or (iii) any combination thereof.

1.10 Expenses of Registration. All Registration Expenses incurred in connection with registrations pursuant to Sections 1.6, 1.7 and 1.8 shall be borne by the Company. The Company shall also pay the reasonable fees and expenses of one special counsel to represent all participating selling Holders. Unless otherwise stated, all Selling Expenses relating to securities registered on behalf of the Holders shall be borne by the Holders of the registered securities included in such registration pro rata on the basis of the number of shares so registered.

1.11 Registration Procedures. In the case of each registration effected by the Company pursuant to this Section 1, the Company will keep each Holder advised in writing as to the initiation of each registration and as to the completion thereof. The Company will:

(a) Prepare and file with the Commission a registration statement with respect to the Registrable Securities and use commercially reasonable efforts to cause such registration statement to become and remain effective for at least one hundred twenty (120) days or until the distribution described in the registration statement has been completed; provided, however, that (i) such one hundred twenty (120)-day period shall be extended for a period of time equal to any period that the Holder refrains from selling any securities included in such registration at the request of the Company or an underwriter of the Common Stock (or any other securities) of the Company as provided herein and (ii) in the case of any registration on Form S-3 which is intended to be offered on a continuous or delayed basis, such one hundred twenty (120)-day period shall be extended, if necessary, to keep the registration statement effective until all such Registrable Securities are sold, provided that Rule 415, or any successor rule under the Securities Act, permits an offering on a continuous or delayed basis, and provided further that applicable rules under the Securities Act governing the obligation to file a post-effective amendment permit, in lieu of filing a post-effective amendment which includes (A) any prospectus required by Section 10(a)(3) of the Securities Act or (B) reflects facts or events representing a material or fundamental change in the information set forth in the registration statement, the incorporation by reference of information required to be included in (A) and (B) above to be contained in periodic reports filed pursuant to Section 13 or 15(d) of the Exchange Act in the registration statement;

(b) Furnish to the Holders participating in such registration and to the underwriters of the securities being registered such reasonable number of copies of the registration

statement and amendments and supplements thereto, preliminary prospectus, final prospectus and such other documents as such underwriters may reasonably request in order to facilitate the public offering of such securities;

(c) If applicable, cause all such Registrable Securities registered hereunder to be listed on each securities exchange on which similar securities issued by the Company are then listed;

(d) 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 material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing;

(e) Provide a transfer agent and registrar for all Registrable Securities registered pursuant to such registration statement and a CUSIP number for all such Registrable Securities, in each case not later than effective date of such registration;

(f) Prepare and file amendments of or supplements to the registration statement or prospectus necessary to comply with the Securities Act with respect to disposition of the Registrable Securities covered by such registration statement;

(g) Use all commercially reasonable efforts to register and qualify the securities covered by such registration statement under such other securities or "blue sky" laws of such jurisdictions as shall be reasonably requested by the Holders, provided that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions unless the Company is already qualified to do business or subject to service of process in that jurisdiction;

(h) Use its best efforts to furnish in any underwritten offering (i) an opinion of the counsel representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering, addressed to the underwriters and (ii) a letter from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering, addressed to the underwriters;

(i) Make generally available to its security holders, and to deliver to each Holder participating in the registration, an earnings statement of the Company that will satisfy the provisions of Section 11(a) of the Securities Act covering a period of twelve (12) months beginning after the effective date of such registration statement as soon as reasonably practicable after the termination of such twelve (12)-month period; and

(j) 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 of such offering. Each Holder and other security holder participating in such underwriting shall also enter into and perform its obligations under such an agreement.

1.12 Indemnification

(a) The Company will indemnify each Holder, each of its officers and directors and partners, and each person controlling such Holder within the meaning of Section 15 of the Securities Act, with respect to which registration has been effected pursuant to this Section 1, and each underwriter, if any, and each person who controls any underwriter within the meaning of Section 15 of the Securities Act, against all expenses, claims, losses, damages or liabilities (or actions in respect thereof), including any of the foregoing incurred in settlement of any litigation, commenced or threatened, arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any registration statement, prospectus, offering circular or other document, or any amendment or supplement thereto, incident to any such registration, qualification or compliance, 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, in light of the circumstances in which they were made, not misleading, or any violation by the Company of any rule or regulation promulgated under the Securities Act, the Exchange Act or any state securities laws applicable to the Company in connection with any such registration or qualification and the Company will reimburse each such Holder, each of its officers and directors, and each person controlling such Holder, each such underwriter and each person who controls any such underwriter, for any legal and any other expenses reasonably incurred in connection with investigating, preparing or defending any such claim, loss, damage, liability or action, as such expenses are incurred, 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 or alleged untrue statement or omission, made in reliance upon and in conformity with written information furnished to the Company by such Holder, controlling person or underwriter and stated to be specifically for use therein.

(b) Each Holder will, if Registrable Securities held by such Holder are included in the securities as to which such registration is being effected, indemnify the Company, each of its directors and officers, each underwriter, if any, of the Company's securities covered by such a registration statement, each person who controls the Company or such underwriter within the meaning of Section 15 of the Securities Act, and each other such Holder, each of its officers and directors and each person controlling such Holder within the meaning of Section 15 of the Securities 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 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, in light of the circumstances in which they were made, not misleading, and will reimburse the Company, such Holders, such directors, officers, persons, underwriters or control persons for any legal or any other expenses reasonably incurred in connection with investigating or defending any such claim, loss, damage, liability or action, as such expenses are incurred, in each case to the extent, but only to the extent, that such untrue statement (or alleged untrue statement) or omission (or alleged omission) is made in such registration statement, prospectus, offering circular or other document in reliance upon and in conformity with written information furnished to the Company by such Holder and stated to be specifically for use therein; provided however that in no event shall any indemnity under this Section 1.12(b) exceed the net proceeds from the offering received by such Holder unless such liability arises out of or is based upon the willful misconduct by such Holder.

(c) If the indemnification provided for in this Section 1.12 is held by a court of competent jurisdiction to be unavailable to a party entitled to indemnification under this Section 1.12 (the "**Indemnified Party**") with respect to any loss, liability, claim, damage or expense referred to herein, then the party required to provide indemnification (the "**Indemnifying Party**"), in lieu of indemnifying such Indemnified Party hereunder, instead shall contribute to the amount paid or payable by such Indemnified Party as a result of such loss, liability, claim, damage or expense in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party on the one hand and of the Indemnified Party on the other in connection with the statements or omissions that resulted in such loss, liability, claim, damage or expense, as well as any other relevant equitable considerations. The relative fault of the Indemnifying Party and of the Indemnified Party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the Indemnifying Party or by the Indemnified Party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission; provided however that in no event shall any contribution by a Holder under this Section 1.12(c) exceed the net proceeds from the offering received by such Holder unless such liability arises out of or is based upon the willful misconduct by such Holder.

(d) Each Indemnified Party shall give notice to the Indemnifying Party promptly after such Indemnified Party has actual knowledge of any claim as to which indemnity may be sought, 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 approved by the Indemnified Party (whose approval shall not unreasonably be withheld), and the Indemnified Party may participate in such defense at such party's expense; provided, however, that an Indemnified Party (together with all other Indemnified Parties which may be represented without conflict by one counsel) shall have the right to retain its own separate counsel with the reasonable fees and expenses to be paid by the Indemnifying Party if the Indemnified Party reasonably determines that representation of such Indemnified Party would be appropriate due to actual or potential conflicts of interest between such Indemnified Party and any other party represented by such counsel in such proceeding. The failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations under this Section 1 unless the failure to give such notice is materially prejudicial to an Indemnifying Party's ability to defend such action. No Indemnifying Party, in the defense of any such claim or litigation, shall, except with the consent of each Indemnified Party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect of such claim or litigation.

1.13 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, the Registrable Securities held by them 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 Section 1.

1.14 Rule 144 Reporting. With a view to making available the benefits of certain rules and regulations of the Commission which may at any time permit the sale of the Restricted Securities to the public without registration, after such time as a public market exists for the Common Stock of the Company, the Company agrees to use commercially reasonable efforts to:

(a) Make and keep public information available, as those terms are understood and defined in Rule 144 under the Securities Act, at all times after the effective date that the Company becomes subject to the reporting requirements of the Exchange Act;

(b) File with the Commission in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements); and

(c) So long as a Holder owns any Restricted Securities, to furnish to the Holder promptly upon request a written statement by the Company as to its compliance with the reporting requirements of Rule 144 (at any time after ninety (90) days after the effective date of the first registration statement filed by the Company for an offering of its securities to the general public) and of 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 of the Company and other information in the possession of or reasonably obtainable by the Company as a Holder may reasonably request in availing itself of any rule or regulation of the Commission allowing a Holder to sell any such securities without registration; provided that the Company shall not be required to provide copies of any such reports and documents that are publicly available on the Commission's website.

1.15 Transfer of Registration Rights. The rights to cause the Company to register securities granted to Holders under Sections 1.6, 1.7 and 1.8 may only be assigned to (i) a transferee or assignee who acquires at least thirty percent (30%) of an original Holder's Registrable Securities as of the Closing Date or a Permitted Transferee, (ii) a spouse, sibling, lineal descendant or ancestor, subsidiary, parent, general partner, limited partner, retired partner, member, retired member or Affiliate of a Holder (without restriction as to number of Shares transferred) or (iii) any other person with the written consent of the Company (it being understood that such consent may be withheld for any reason or no reason); provided in each case that prompt written notice of such assignment is given to the Company and such assignee agrees to be bound by the provisions of this Agreement.

1.16 Market Stand-off Agreement. Each Holder and Stockholder hereby agrees in connection with any other registration that is not an IPO, (1) not to sell, make any short sale of, loan, grant any option for the purchase of, pledge, hypothecate, limit such Holder's market risk regarding or otherwise directly or indirectly dispose of (each, a "Transfer") any Registrable Securities (other than those included in the registration) or other capital stock of the Company or securities exchangeable or convertible into capital stock of the Company (the "Securities") without the prior written consent of the Company and/or such underwriters, as applicable, for such period of time (not to exceed ninety (90) days from the date of the final prospectus used in such registration with customary extensions) as may be requested by the Company or such managing underwriters, and (2) to enter into a lock-up agreement in customary form with such underwriters. The foregoing provisions of this Section 1.16 shall only be applicable to the Holders if all officers and directors of the Company are bound by and have entered into substantially similar agreements. In addition, without the prior written consent of the Company, the Preferred Stockholders and

Warrantholders shall not collectively Transfer more than $60.0 million of Converted Common Equity during any sixty (60) day period during the First Transfer Period, Second Transfer Period and the one year anniversary of the expiration of the Second Transfer Period; provided, that, no prior written consent will be required for such a Transfer following the date that is 135 days following the occurrence and continuance of an Event of Noncompliance (as defined in the Series A-2 Certificate of Designation).

1.17 Termination of Rights. The rights of any particular Holder or Permitted Transferee or assignee thereof to cause the Company to register securities under Sections 1.6, 1.7 and 1.8 shall terminate with respect to such Holder when such Holder (together with such Holder's Affiliates) has sold all of its Registrable Securities pursuant to Rule 144 of the Securities Act or pursuant to registration hereunder.

SECTION 2

RIGHT OF FIRST OFFER

2.1 Right of First Offer. Subject to the terms and conditions contained in this Section 2, the Company hereby grants to each Warrantholder, holder of Common Stock (solely to the extent such Common Stock was converted from Warrants or Preferred Stock) and holders of Preferred Stock (solely with respect to "New Securities" that are shares of preferred stock of the Company) (each a "**RFO Holder**") the right of first offer (the "**Right of First Offer**") to purchase its Pro Rata Portion (as defined below) of any New Securities (as defined below) which the Company may, from time to time, propose to sell and issue. A RFO Holder's "**Pro Rata Portion**" for purposes of this Section 2 is equal to (x) the number of shares of the Company's Common Stock (calculated on an as exercised basis with respect to shares of Common Stock underlying outstanding warrants pursuant to the terms of such warrants and, in the case of New Securities that are preferred stock of the Company, on an as converted basis with respect to shares of Common Stock underlying outstanding Preferred Stock) then held by such RFO Holder divided by (y) the total number of shares of the Company's Common Stock then outstanding (calculated on an as exercised basis with respect to shares of Common Stock underlying outstanding warrants pursuant to the terms of such warrants and, in the case of New Securities that are preferred stock of the Company, on an as converted basis with respect to shares of Common Stock underlying outstanding Preferred Stock).

2.2 Definition of New Securities. Except as set forth below, "**New Securities"** shall mean any shares of capital stock of the Company, including Common Stock, whether authorized or not, and rights, options or warrants to purchase said shares of capital stock, and securities of any type whatsoever that are, or may become, convertible into said shares of capital stock. Notwithstanding the foregoing, "**New Securities"** does not include:

(a) shares of Common Stock issued or deemed issued to officers, directors, consultants or employees of the Company, pursuant to an equity incentive plan approved by the Board,

(b) any sales or issuances of Common Stock of up to $2,000,000 in the aggregate to any employees, officers or directors of, the Company or any of its subsidiaries in connection with the commencement of their employment or services to the Company or any of its subsidiaries that are approved by the Board;

(c) shares of Common Stock issued or issuable as consideration other than cash pursuant to a merger, consolidation, acquisition, reorganization, asset purchase or similar business combination being entered into on arm's length terms, including Common Stock issued to CTEH Holdings pursuant to the CTEH Acquisition Agreement;

(d) shares of Common Stock offered to the public generally pursuant to a registration statement under the Securities Act, provided that, after all Series A-2 Preferred Stock has been converted to Common Stock, this exclusion set forth in subsection (d) shall no longer apply);

(e) shares of Common Stock (or Common Stock equivalents) issued to financial institutions or commercial lenders or lessors in connection with credit arrangements, financings, commercial lease transactions or similar transactions that are entered into on arm's length terms and approved by the Board; provided, that such issuances, in the aggregate, shall not exceed 5% of the Company's Common Stock on a fully-diluted basis;

(f) Curative Equity (as defined in the Series A-2 Preferred Purchase Agreement) issued to the Series A-2 Preferred Stockholders pursuant to Section 7 of the Series A-2 Preferred Purchase Agreement;

(g) if the Series A-2 Preferred Stockholders decline or waive their right to provide Curative Equity (as defined in the Series A-2 Preferred Purchase Agreement) pursuant to Section 7 of the Series A-2 Preferred Purchase Agreement following delivery of a Breach Notice (as defined in the Series A-2 Preferred Purchase Agreement), the capital stock or securities offered and sold by the Company to cure the possible breach that gave rise to the Breach Notice;

(h) shares of Common Stock issued pursuant to the conversion, exercise or exchange of Series A-2 Preferred Stock or issued pursuant to the exercise of any warrants of the Company ("**Converted Common Equity**"); and

(i) shares of Common Stock issued in connection with any stock split, stock dividend or recapitalization by the Company.

2.3 Notice of Right. In the event the Company proposes to undertake an issuance of New Securities, it shall give each applicable RFO Holder written notice of its intention, describing the type of New Securities and the price and terms upon which the Company proposes to issue the same. The applicable RFO Holders shall have fifteen (15) days from the date of receipt of any such notice to agree to purchase shares of such New Securities (up to the amount referred to in Section 2.1), for the price and upon the terms specified in the notice, by giving written notice to the Company and stating therein the quantity of New Securities to be purchased. If any applicable RFO Holders do not indicate an interest in purchasing any such applicable RFO Holder's full Pro Rata Portion of such New Securities by the end of the fifteen (15)-day period, the Company shall give notice of any remaining available New Securities (the "**Overallotment Notice**") to each of the other applicable RFO Holders who has elected to purchase its full Pro Rata Portion (the "**Electing Holders**"). Such Overallotment Notice may be made by telephone if confirmed in

writing within two (2) days. The Electing Holders shall then have a right of overallotment such that they shall have ten (10) days from the date such Overallotment Notice was given to indicate an interest to increase the number of shares of New Securities they may purchase pursuant to this Section 2, in an aggregate amount of up to the number of remaining available shares of New Securities which, if necessary, shall be apportioned pro rata on the basis of the proportion that the number of shares of Common Stock (on an as exercised basis with respect to outstanding warrants held by the Warrantholders pursuant to the terms of the warrants and, in the case of New Securities that are preferred stock of the Company, on an as converted basis with respect to shares of Common Stock underlying outstanding Preferred Stock) then held by each such Electing Holder who elects to increase the number of shares of New Securities it proposes to purchase bears to the number of shares of Common Stock then held by all such Electing Holders who elect to increase the number of shares of New Securities they propose to purchase.

2.4 Lapse and Reinstatement of Right. The Company shall have ninety (90) days following the expiration of such 10 day period to sell or enter into an agreement (pursuant to which the sale of New Securities covered thereby shall be closed, if at all, within sixty (60) days from the date of said agreement) to sell the New Securities not elected to be purchased by such applicable RFO Holder at the price and upon the terms no more favorable to the purchasers of such securities than specified in the Company's notice. In the event the Company has not sold the New Securities or entered into an agreement to sell the New Securities within said ninety (90)-day period (or sold and issued New Securities in accordance with the foregoing within sixty (60) days from the date of said agreement), the Company shall not thereafter issue or sell any New Securities without first offering such securities to the applicable RFO Holders in the manner provided in Sections 2.1–2.4 above.

2.5 Transfer of Right of First Offer. Notwithstanding the above, an applicable RFO Holder that is an investment partnership, limited liability company or other fund (including the Investors) may assign or transfer such rights to an affiliated fund, partnership or limited liability company or its respective partners or members so long as the transferee executes a written agreement to be bound by the terms of this Agreement.

2.6 Rights of Affiliated Holders. For purposes of this Section 2, holders of Shares who are Affiliates of one or more other such holders shall, at the election of such a holder and one or more such Affiliates, be treated as a group (a "**Holder Group**"). Members of a Holder Group shall have the right to reallocate the rights granted by this Section 2 among themselves as they determine.

2.7 Advance Sales. Notwithstanding the provisions of Section 2 above, the Company may, in order to expedite the issuance of any New Securities (the "**Offered Securities**"), issue all of the Offered Securities to one or more Persons (the "**Initial Subscribing Stockholders**"), without complying with the provisions of Section 2 above, provided that either (i) the Initial Subscribing Stockholders agree to offer to sell to each applicable RFO Holder but not Initial Subscribing Stockholders (such applicable RFO Holders being hereinafter referred to as the "**Other Stockholders**") its respective Pro Rata Portion of the Offered Securities (calculated as provided in Section 2.1 above) on the same terms and conditions as issued to the Initial Subscribing Stockholders; provided, however, that the purchase price payable by the Other Stockholders to the Initial Subscribing Stockholders for the Offered Securities may include (A) an amount equal to

any accrued and unpaid dividends thereon (if applicable), or (B) a reasonable rate of interest, in each case calculated from the date such Initial Subscribing Stockholders purchased such Offered Securities through the date of sale to the Other Stockholders, or (ii) the Company shall offer to sell an additional amount of Offered Securities to the Other Stockholders only in an amount and manner which provides the Other Stockholders with rights substantially similar to the rights outlined in Section 2.1 above; provided further, until the closing of the purchase of the Offered Securities by the Initial Subscribing Stockholders, the Company shall be prohibited from taking actions that adversely affects the rights of the Other Stockholders as the holders of the Offered Securities, including but not limited to any issuance of dividends, distributions or modifications to classes of equity. The Initial Subscribing Stockholders or the Company, as applicable, shall offer to sell such Offered Securities to the Other Stockholders within forty-five (45) days after the closing of the purchase of the Offered Securities by the Initial Subscribing Stockholders.

2.8 Termination of Right of First Offer. This Section 2 shall apply so long as any Preferred Stock, warrants or Converted Common Equity remain outstanding.

SECTION 3

AFFIRMATIVE COVENANTS OF THE COMPANY

The Company hereby covenants and agrees as follows:

3.1 Inspection. The Company shall permit the Preferred Stockholders and Warrantholders to visit and inspect the Company's properties, to examine its books of account and records and to discuss the Company's affairs, finances and accounts with its officers, all at such reasonable times as may be requested by such Holder.

3.2 Termination of Covenants. The covenants set forth in this Section 3 shall apply so long as the Preferred Stock and warrants remain outstanding.

SECTION 4

MISCELLANEOUS

4.1 Qualified Small Business. With respect to Shares previously sold by the Company, to the extent such Shares qualified as "qualified small business stock", the Company covenants that so long as any of the shares of Common Stock acquired by the Key Investors are held by the Key Investors (in whose hands such shares of Common Stock are eligible to qualify as "qualified small business stock" as defined in Section 1202(c) of the of the Internal Revenue Code of 1986, as amended (the "Code") ("Qualified Small Business Stock"), it will (i) comply with any applicable filing or reporting requirements imposed by the Code on issuers of Qualified Small Business Stock and (ii) execute and deliver to the Key Investors, from time to time, such forms, documents, schedules and other instruments as may be reasonably requested thereby to cause the Common Stock to qualify as Qualified Small Business Stock. No representation is made by the Company as to the qualification of any Shares as "qualified small business stock" regardless of when issued.

4.2 Successors and Assigns. Except as otherwise provided herein, the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors, assigns, heirs, executors and administrators and permitted transferees of the parties hereto.

4.3 Third Parties. Nothing in this Agreement, express or implied, is intended to confer upon any party, other than the parties hereto, and their respective successors and assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided herein.

4.4 Governing Law. This Agreement shall be governed by and construed under the laws of the State of Delaware as applied to agreements entered into and performed in the State of Delaware solely by residents thereof without reference to principles of conflicts of laws or choice of laws. The parties hereto hereby consent to the jurisdiction of any state or federal court located within the area encompassed by the State of Delaware and irrevocably agree that all actions or proceedings arising out of or relating to this Agreement shall be litigated in such courts. Each party hereto accepts for itself and in connection with its respective properties, generally and unconditionally, the exclusive jurisdiction and venue of the aforesaid courts and waives any defense of forum non conveniens, and irrevocably agrees to be bound by any final, nonappealable judgment rendered thereby in connection with this Agreement. TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW WHICH CANNOT BE WAIVED, EACH PARTY HERETO HEREBY 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 OR ACTION, CLAIM, CAUSE OF ACTION OR SUIT (IN CONTRACT, TORT OR OTHERWISE), INQUIRY, PROCEEDING OR INVESTIGATION ARISING OUT OF OR BASED UPON THIS AGREEMENT OR THE SUBJECT MATTER HEREOF OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE TRANSACTIONS CONTEMPLATED HEREBY, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING. EACH PARTY HERETO ACKNOWLEDGES THAT IT HAS BEEN INFORMED BY THE OTHER PARTIES HERETO THAT THIS SECTION 4.4 CONSTITUTES A MATERIAL INDUCEMENT UPON WHICH THEY ARE RELYING AND WILL RELY IN ENTERING INTO THIS AGREEMENT. ANY PARTY HERETO MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION 4.4 WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF EACH SUCH PARTY TO THE WAIVER OF ITS RIGHT TO TRIAL BY JURY.

4.5 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The exchange of copies of this Agreement and of signature pages by facsimile transmission (whether directly from one facsimile device to another by means of a dial-up connection or whether mediated by the worldwide web), by electronic mail in “portable document format” (“.pdf”) form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, or by combination of such means, shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes. Signatures of the parties transmitted by facsimile shall be deemed to be their original signatures for all purposes.

4.6 Notices. All notices, demands or other communications hereunder shall be in writing and shall be deemed given when delivered personally, mailed by certified mail, return receipt requested, sent by overnight courier service or telecopied, electronic mail (transmission confirmed), or otherwise actually delivered to the parties at the addresses provided to the Company (which the Company agrees to disclose to the other parties upon request) or such other address as a party may request by notifying the other in writing.

4.7 Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, portions of such provisions, or such provisions in their entirety, to the extent necessary, shall be severed from this Agreement, and the balance of this Agreement shall be enforceable in accordance with its terms.

4.8 Amendment and Waiver. Any provision of this Agreement may be amended or waived (either generally or in a particular instance and either retroactively or prospectively) with the written consent of the Company; provided, however, that any amendment to this Agreement in a manner that adversely affects the rights of the Key Investors, Preferred Stockholders or the Warrantholders shall also require the written consent of the Key Investor Deciders (with respect to the Key Investors), the holders of a majority in interest of the issued and outstanding shares of Preferred Stock or a majority in interest of the shares of Common Stock underlying issued and outstanding warrants held by the Warrantholders, as applicable. Any amendment or waiver effected in accordance with this paragraph shall be binding upon the parties hereto but in no event shall any amendment or waiver adversely affect the obligations or rights of any individual Holder or class or category of holders in a manner different than the other Holders, except upon the written consent of such Holder or a majority of such adversely affected class or category of Holders, as applicable. In addition, the Company may waive performance of any obligation owing to it, as to some or all of the Holders of Registrable Securities, or agree to accept alternatives to such performance, without obtaining the consent of any Holder of Registrable Securities so long as such waiver or acceptance of alternative performance affects all Holders equally. The Company may amend Exhibits A, B and C hereto, without obtaining the approval of any of the Stockholders, Warrantholders or Investors, to reflect any changes to the information set forth thereon resulting from the issuance of any securities or transfer of any securities, in each case, provided such issuance or transfer was in accordance with the terms of this Agreement.

4.9 Rights of Holders. Each Holder of Registrable Securities shall have the right to exercise or refrain from exercising any right or rights that such Holder may have by reason of this Agreement, including, without limitation, the right to consent to the waiver or modification of any obligation under this Agreement, and such Holder shall not incur any liability to any other holder of any securities of the Company as a result of exercising or refraining from exercising any such right or rights.

4.10 Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to any party to this Agreement, upon any breach or default of the other party, shall impair any such right, power or remedy of such non-breaching party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under

this Agreement, or any waiver on the part of any party of any provisions or conditions of this Agreement, must be made in writing and shall be effective only to the extent specifically set forth in such writing.

4.11 Headings. The headings and captions used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement. All references in this Agreement to sections, paragraphs, exhibits and schedules shall, unless otherwise provided, refer to sections and paragraphs hereof and exhibits and schedules attached hereto, all of which are incorporated herein by this reference.

4.12 Entire Agreement. This Agreement constitutes the entire understanding and agreement of the parties with respect to the subject matter hereof and supersedes all prior negotiations, correspondence, agreements (including the Original Agreement), understandings, duties or obligations among the parties with respect to the subject matter hereof.

4.13 Further Assurances. From and after the date of this Agreement, upon the request of a party, the other parties shall execute and deliver such instruments, documents or other writings as may be reasonably necessary or desirable to confirm and carry out and to effectuate fully the intent and purposes of this Agreement.

4.14 Aggregation of Stock. All shares of the Common Stock (on an as exercised basis with respect to shares of Common Stock underlying outstanding warrants pursuant to the terms of such warrants and on an as converted basis with respect to shares of Common Stock underlying outstanding Preferred Stock) held or acquired by affiliated entities or persons shall be aggregated together for the purpose of determining the availability of any rights under this Agreement.

4.15 Termination of Rights. A Stockholder and/or Warrantholder, as applicable, shall cease to be deemed a Stockholder and/or Warrantholder hereunder, and shall no longer be a party to this Agreement, at such time as such Stockholder or Warrantholder ceases to own any securities of the Company.

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Exhibit 4.2

Execution Version

MONTROSE ENVIRONMENTAL GROUP, INC.

THIRD AMENDED AND RESTATED
RIGHT OF FIRST REFUSAL AND CO-SALE AGREEMENT

THIS THIRD AMENDED AND RESTATED RIGHT OF FIRST REFUSAL AND CO-SALE AGREEMENT (the "**Agreement**") is made as of April 13, 2020, by and among Montrose Environmental Group, Inc., a Delaware corporation (the "**Company**"), the holders of shares of Common Stock listed on Exhibit A (collectively, the "**Common Stockholders**" and individually a "**Common Stockholder**"), the holders of shares of Series A-1 Preferred Stock and Series A-2 Preferred Stock ("**Preferred Stock**") listed on Exhibit B (collectively, the "**Preferred Stockholders,**" individually a "**Preferred Stockholder**" and jointly with the Common Stockholders, the "**Stockholders**" or individually a "**Stockholder**"), the warrantholders listed on Exhibit C (the "**Warrantholders**") and the former members of EnviroWorks, LLC, a Delaware limited liability company ("**EnviroWorks**"), listed on Exhibit D (collectively, the "**Investors**").

RECITALS

WHEREAS, the Company, the Common Stockholders, the holders of shares of Series A-1 Preferred Stock (the "**Series A-1 Preferred Stockholders**"), and EnviroWorks, previously entered into a Second Amended and Restated Right of First Refusal and Co-Sale Agreement dated October 19, 2018 (the "**Original Agreement**");

WHEREAS, the Company previously consummated a private placement of 12,000 shares of Series A-1 Preferred Stock and a warrant to issue 534,420 shares of Common Stock on October, 19, 2018, and issued such shares and warrant to OCM Montrose Holdings, L.P., a Delaware limited partnership;

WHEREAS, on December 6, 2019, EnviroWorks transferred all of the Common Stock held by EnviroWorks to its members: (i) Richard E. Perlman, (ii) Equity Trust Company, Custodian FBO Richard E. Perlman Roth IRA 2151260, (iii) Neal J. Fink, as Trustee of the Richard E. Perlman Irrevocable Trust F/B/O Wife's Nieces and Nephews, U/A dated June 28, 2016, (iv) Neal J. Fink, as Trustee of the Richard E. Perlman Grandchildren's Irrevocable Trust, U/A dated June 28, 2016, (v) Neal J. Fink, as Trustee of the Richard E. Perlman Irrevocable Trust F/B/O Andrew Perlman, U/A dated June 28, 2016, (vi) James K. Price, (vii) The Price Trust #1 FBO Kathleen Lauren Price, (viii) The Price Trust #2 FBO Nicole Ashley Price, (ix) The Price 2012 Trust and (x) J. Miguel Fernandez de Castro (collectively, the "**Investors**" and each an "**Investor**");

WHEREAS, on the date hereof, the Company purchased all of the membership interests (the "**Acquisition**") of The Center for Toxicology and Environmental Health, L.L.C. ("**Target**") pursuant to that certain Membership Interest Purchase Agreement, dated as of March 28, 2020, by and among the Company, Montrose Planning & Permitting, LLC, Target, CTEH Holdings, LLC ("**CTEH Holdings**") and certain other parties thereto in exchange for cash, 791,139 shares of Common Stock, which were issued to CTEH Holdings, and other contingent consideration;

WHEREAS, in connection with the Acquisition, pursuant to the terms of that certain Purchase Agreement, dated as of March 28, 2020, by and between OCM Montrose II Holdings, L.P. and the Company (the "Series A-2 Preferred Purchase Agreement"), the Company has consummated a private placement of its new Series A-2 Preferred Stock and warrants to purchase Common Stock (collectively, the "**Offering**") the proceeds of which were used to partially fund the Acquisition;

WHEREAS, in connection with the closing of the Offering, the Company, the Common Stockholders, the Warrantholders, the Preferred Stockholders and the Investors desire to amend and restate the Original Agreement to, among other things, (i) add the Investors, CTEH Holdings, the Preferred Stockholders issued Series A-2 Preferred Stock and the Warrantholders issued warrants to purchase Common Stock in the Offering to the Original Agreement and (ii) incorporate the terms and conditions contemplated by the Offering; and

WHEREAS, this amended and restated Agreement requires the consent of the Company, EnviroWorks, the Preferred Stockholders and the Warrantholders, which consent is evidenced by their execution of this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and covenants hereafter set forth, the parties hereby agree as follows:

1. RIGHTS OF FIRST REFUSAL

(a) General. Subject to Section 1(h) below, a Stockholder or Warrantholder (in the case of warrants issued in connection with the issuance of the Series A-2 Preferred Stock, solely to the extent there has been no full redemption of the Series A-2 Preferred Stock) shall not, whether voluntarily or by operation of law, directly or indirectly, sell, transfer, pledge, hypothecate, gift, bequest, devise, assign or otherwise dispose of (collectively, "**transfer**") any securities, whether now or hereafter acquired by such Stockholder, having voting rights in the election of the Board of Directors of the Company, or any securities evidencing an ownership interest in the Company, any shares of Series A-1 Preferred Stock or Series A-2 Preferred Stock or any securities convertible into or exercisable for any shares of the foregoing (collectively, "**Equity Securities**") except for Permitted Transfers (as defined in Section 1(h) below). Warrants held by the Warrantholders which were issued in connection with the issuance of the Series A-2 Preferred Stock shall, after the redemption in full of the Series A-2 Preferred Stock, be freely transferable and not subject to this Section 1; provided, that the Warrantholders holding such Warrants and the persons to whom such Warrants are transferred shall comply with all but the first sentence of Section 1.4 of the Investor Rights Agreement. If a Stockholder or Warrantholder (the "**Selling Stockholder**") desires to transfer any Equity Securities (the "**Offered Shares**") in one or more related transactions (other than a Permitted Transfer) and has received a bona fide offer from unaffiliated third parties (each, a "**Proposed Transferee**") to buy any Offered Shares, then the Selling Stockholder shall promptly give written notice (the "**Notice**") to the Company and to the Investors and the Warrantholders (collectively, the "**ROFR Parties**") at least thirty (30) days prior to the closing of such sale or transfer. The Notice shall describe in reasonable detail the proposed sale or transfer including, without limitation, the number of Offered Shares to be sold or transferred, the nature of such sale or transfer, the consideration to be paid (the "**Offered Price**"), and the name and address of each prospective purchaser or transferee.

(b) Right of Company. The Company has the right of first refusal to purchase all or any portion of the Selling Stockholder's Offered Shares at the same price and subject to the same material terms and conditions as described in the Notice, if the Company gives written notice of the exercise of such right to the ROFR Parties and the Selling Stockholder within fifteen (15) days (the "**Company Refusal Period**") after the receipt of the Notice. If the Company does not desire to purchase any Offered Shares or desires to purchase only a portion of the Offered Shares, then, on or before the expiration of the Company Refusal Period, the Company will give written notice of such decision to the ROFR Parties and the Selling Stockholder. If the Company fails to give notice to the ROFR Parties and the Selling Stockholder pursuant to the foregoing two sentences of this Section 1(b) during the Company Refusal Period, the Company shall be deemed to have elected not to purchase any of the Offered Shares and to have delivered notice of such decision to the ROFR Parties and the Selling Stockholder. For purposes hereof, a "**Company Notice**" shall mean any written notice given pursuant to this Section 1(b).

(c) Right of the ROFR Parties. Each of the ROFR Parties shall have an option for a fifteen (15) day period following delivery of the Company Notice to elect to purchase the Offered Shares that the Company has declined to purchase at the same price and subject to the same material terms and conditions as described in the Notice. Each of the ROFR Parties may exercise such purchase option and, thereby, agree to purchase all or any portion of the Offered Shares, by notifying the Selling Stockholder and the Company in writing, before the expiration of such fifteen (15)-day period, as to the number of such shares which such ROFR Party wishes to purchase, which number shall not be more than the number of Offered Shares multiplied by a fraction, the numerator of which shall be the number of shares of Common Stock (calculated on an as exercised basis with respect to shares of Common Stock underlying outstanding warrants pursuant to the terms of such warrants) held by such ROFR Party and the denominator of which shall be the sum of the number of shares of Common Stock (calculated on an as exercised basis with respect to shares of Common Stock underlying outstanding warrants pursuant to the terms of such warrants) held by the participating ROFR Parties.

(d) Purchase Price. The purchase price (the "**Purchase Price**") for the Offered Shares purchased by the Company or the ROFR Parties under this Section 1 shall be the Offered Price (or such portion of the Offered Price as is proportional to the number of Offered Shares purchased by the Company and/or each of the respective ROFR Parties, as applicable). If the Offered Price includes consideration other than cash, then the Company or the ROFR Parties, as the case may be, may elect to pay the cash equivalent value of such non-cash consideration, the value of which non-cash consideration shall be promptly determined by the Board of Directors of the Company in good faith.

(e) Closing; Payment. Payment of the Purchase Price shall be made in the non-cash consideration specified in the Notice and/or in cash (by check or wire transfer), or, if the purchaser is the Company, by cancellation of all or a portion of any outstanding bona fide indebtedness of the Selling Stockholder to the Company, or by any combination thereof within forty (40) days after receipt of the Notice or in the manner and at the times set forth in the Notice. At the closing of such sale, the Selling Stockholder shall represent and warrant that (i) the Offered

Shares being sold are free and clear of all liens, claims and encumbrances, (ii) such Selling Stockholder is the beneficial owner of the Offered Shares and (iii) the Selling Stockholder is transferring good and valid title to the Offered Shares. At such closing, all of the parties to the transaction shall execute such additional documents as are otherwise necessary or appropriate, consistent with the terms hereof.

(f) Selling Stockholder's Right to Transfer. Any portion of the Offered Shares proposed in the Notice to be transferred to a given Proposed Transferee that are not purchased by the Company or the ROFR Parties, as provided in this Section 1, may be transferred by the Selling Stockholder to the Proposed Transferee at the Offered Price or at a higher price, provided that such sale or other transfer (i) complies with the provisions of Section 2 of this Agreement with respect to co-sale rights, (ii) is consummated within one hundred twenty (120) days after the date of the Notice, (iii) is in accordance with all the terms of this Agreement and all other agreements between the Selling Stockholder and the Company (including, without limitation, the Third Amended and Restated Investors' Rights Agreement dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time in accordance with its terms, the "**Investor Rights Agreement**") and the Third Amended and Restated Voting and Drag Along Agreement dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time in accordance with its terms, the "**Voting and Drag Along Agreement**"), and (iv) is effected in accordance with any applicable securities laws. If the Offered Shares described in the Notice are not transferred to the Proposed Transferee within such one hundred twenty (120) day period, a new Notice shall be given to the Company and the ROFR Parties, and the Company and the ROFR Parties shall again be offered the Rights of First Refusal pursuant to this Section 1 before any Offered Shares held by the Selling Stockholder may be sold or otherwise transferred.

(g) Involuntary Transfers.

(i) Each Stockholder shall notify the Company and the ROFR Parties upon the occurrence of an Involuntary Transfer (as defined below) of any Equity Securities (including Involuntary Transfers of a beneficial interest of any beneficial owner) (an "**Involuntary Transfer Notice**"). If an Involuntary Transfer of any of the Equity Securities owned by any Stockholder or Warrantholder shall occur, such Equity Securities (the "**Transferred Securities**") shall remain subject to all the terms of this Agreement and the Company and the ROFR Parties shall have the same rights of first refusal under this Section 1 with respect thereto, as if the Involuntary Transfer had been a proposed voluntary transfer by such Stockholder or Warrantholder, except that:

(1) the periods within which such rights must be exercised shall run from the date the Involuntary Transfer Notice is received from the Stockholder or its legal representatives with respect to which such Involuntary Transfer has occurred; and

(2) such rights shall be exercised by notice to the Involuntary Transferee rather than to the Stockholder with respect to which such Involuntary Transfer has occurred, and the rights and obligations of the Selling Stockholder set forth in Sections 1(a)–(f) above shall apply to such Involuntary Transferee.

(ii) The purchase price of Transferred Securities shall be the lesser of the fair market value of the Transferred Securities on the date of such Involuntary Transfer or on the date of the relevant Involuntary Transfer Notice, such fair market value to be determined by the Board of Directors of the Company in good faith.

(iii) In the event that the provisions of this Section 1(g) shall be held to be unenforceable with respect to any particular Involuntary Transfer of Equity Securities, such Equity Securities shall remain subject to all the terms of this Agreement and the Company and the ROFR Parties shall have the same right of first refusal as set forth in Sections 1(a)–(g) hereof if the Involuntary Transferee subsequently obtains a bona fide offer in writing from unaffiliated third parties to transfer such Transferred Securities.

(iv) For purposes of this Section 1(g), "**Involuntary Transfer**" shall mean any transfer, proceeding or action (other than to a Permitted Transferee) by or in which a Stockholder shall be deprived or divested of any right, title or interest in or to any Equity Securities, including, without limitation, (1) any seizure under levy of attachment or execution, (2) any foreclosure upon a pledge of such Equity Securities or such Equity Securities themselves, (3) any transfer in connection with bankruptcy (whether pursuant to the filing of a voluntary or an involuntary petition under the Federal Bankruptcy Code of 1978, or any modifications or revisions thereto or any similar state laws) or other court proceeding to a debtor in possession, trustee in bankruptcy or receiver or other officer or agency, or (4) any transfer to a state or to a public officer or agency pursuant to any statute pertaining to escheat or abandoned property. For the avoidance of doubt, any transfer to a Stockholder's spouse or domestic partner as a result of the termination of the marital relationship of the Stockholder and the Stockholder's spouse shall not be deemed an "Involuntary Transfer". "**Involuntary Transferee**" shall have a correlative meaning to "Involuntary Transfer."

(h) Exception for Certain Transfers. This Section 1 shall not apply to shares transferred (i) by will or intestacy to the Selling Stockholder's Immediate Family, (ii) to a trust for the benefit of the Selling Stockholder, (iii) to the Selling Stockholder's Immediate Family as a gift, (iv) with respect to a Selling Stockholder which is a corporation, partnership or limited liability company, solely to its partners, limited partners, members or to any investment fund or other similar fund or investment vehicle affiliated with such Selling Stockholder and other than with respect to any investment fund or other similar fund or investment vehicle affiliated with such Selling Stockholder, the transaction is made for no consideration, (v) to another current Stockholder or Warrantholder or (vi) to any other person with the written consent of the Company (it being understood that such consent may be withheld for any reason or no reason); provided that (A) the Selling Stockholder shall inform the Company prior to effecting a transfer pursuant to one of the exemptions provided in clauses (i)–(v) of this Section 1(h), (B) each transferee or other recipient in a Permitted Transfer shall receive and hold the shares so transferred subject to the provisions of this Agreement, the Investor Rights Agreement and the Voting and Drag Along Agreement and (C) there shall be no further transfer of such shares except in accordance with the terms of this Agreement, the Investor Rights Agreement and the Voting and Drag Along Agreement. "**Immediate Family**" of an individual shall mean a spouse, lineal descendant or antecedent, father, mother, brother or sister of such individual. "**Permitted Transfer**" shall mean and refer to each of the transfers described in clauses (i) through (vi) of this Section 1(h) and "**Permitted Transferee**" shall have the correlative meaning to "Permitted Transfer".

(i) Termination of Rights of First Refusal. This Section 1 shall not apply to and shall terminate immediately before the earlier to occur of (i) the closing of an IPO (as defined in the Investor Rights Agreement) or (ii) a Sale of the Company (as defined in the Voting and Drag Along Agreement).

2. INVESTORS AND WARRANTHOLDERS CO-SALE RIGHTS

(a) General. To the extent the Company and the ROFR Parties do not exercise their Rights of First Refusal under Section 1 of this Agreement with respect to shares of Common Stock, the Selling Stockholder shall send a written notice (the "**Investor Co-Sale Notice**") to the Investors and the Warrantholders (collectively, the "**Co-Sale Parties**") containing the terms and conditions of the proposed transfer and the number of Offered Shares within sixty (60) days of sending the original Notice pursuant to Section 1(a) of this Agreement. Within ten (10) days of the date of the Investor Co-Sale Notice, each of the Co-Sale Parties shall notify the Selling Stockholder if such holder elects to participate in such transfer. Any such Co-Sale Party electing to participate in such transfer shall then have the right to sell, at the same price and on the same terms as the Selling Stockholder, an amount of shares of Common Stock (calculated on an as exercised basis with respect to warrants held by the Warrantholders pursuant to the terms of such warrants) equal to the number of shares of Common Stock (calculated on an as exercised basis with respect to shares of Common Stock underlying outstanding warrants pursuant to the terms of such warrants) to be sold or transferred pursuant to the Investor Co-Sale Notice multiplied by a fraction, the numerator of which shall be the number of shares of Common Stock (calculated on an as exercised basis with respect to shares of Common Stock underlying outstanding warrants pursuant to the terms of such warrants) held by such Co-Sale Party and the denominator of which shall be the sum of the number of shares of Common Stock held by the Selling Stockholder and the participating Co-Sale Parties (calculated on an as exercised basis with respect to shares of Common Stock underlying outstanding warrants pursuant to the terms of such warrants).

(b) Closing. Each of the Co-Sale Parties agrees to enter into an agreement with the purchaser on terms and conditions identical, to the extent feasible, with the agreement entered into by the Selling Stockholder providing representations and warranties (as to its own shareholding) and other terms and conditions agreed to by the Selling Stockholder.

(c) Exception for Certain Transfers. Anything to the contrary contained in this Section 2 notwithstanding, this Section 2 shall not apply to shares transferred in a Permitted Transfer, transferred to the Company as part of a redemption or repurchase or transferred to another current Stockholder or Warrantholder. In such case, the transferee or other recipient shall receive and hold the shares so transferred subject to the provisions of this Agreement, and there shall be no further transfer of such shares except in accordance with the terms of this Agreement.

(d) Assignment of Co-Sale Rights. The Co-Sale Rights described in this Section 2 may only be assigned by a Co-Sale Party to an affiliate of such Co-Sale Party or to its members.

(e) Termination of Co-Sale Rights. The Co-Sale Rights described in this Section 2 shall not apply to and shall terminate immediately before the earlier to occur of (i) the closing of an IPO or (ii) a Sale of the Company.

3. OTHER CO-SALE RIGHTS

(a) "Co-Sale" Transfers. If an Investor or a Permitted Transferee of an Investors (for purposes of this Section 3, any such person, the "**Proposed Transferor**"), at any time or from time to time, in one transaction or in a series of related transactions, desires to enter into an agreement (whether oral or written) to transfer (for purposes of this Section 3, a "**Co-Sale Transfer**") shares of Common Stock to any person, then each of the other Common Stockholders (other than the Proposed Transferor but including Warrantholders) (for purposes of this Section 3, collectively, the "**Other Stockholders**") shall have the right, but not the obligation, to elect that the Proposed Transferor be obligated to require, as a condition to such Co-Sale Transfer, that the proposed purchaser purchase from each such electing Other Stockholder (each Other Stockholder electing to participate in the Co-Sale Transfer, an "**Electing Other Stockholder**"):

(i) a number of shares of Common Stock elected by such Other Stockholder up to the number of shares of Common Stock derived by multiplying the total number of shares of Common Stock owned by such Electing Other Stockholder by a fraction, the numerator of which is equal to the number of shares of Common Stock then owned by the Proposed Transferor that are to be purchased by the proposed purchaser (without giving effect to any reduction in such number of shares by reason of any Other Stockholder's election to exercise the "co-sale" rights provided in this Section 3 in connection with such transaction) and the denominator of which is the total number of shares of Common Stock owned by the Proposed Transferor prior to such sale, in each case calculated on an as exercised basis with respect to shares of Common Stock underlying outstanding warrants pursuant to the terms of such warrants with respect to the Warrantholders.

(ii) With respect to the Warrantholders, if the Warrantholders elect to participate in the Co-Sale Transfer as an Electing Other Stockholder, prior to the consummation of the Co-Sale Transfer contemplated under this Section 3, the Warrantholder shall exercise its respective warrants to purchase shares of Common Stock and shall become "Common Stockholders" hereunder pursuant to Section 6(l) of this Agreement.

(b) Co-Sale Transfer Terms. In any such transaction contemplated by this Section 3, all of such shares of Common Stock shall be purchased at, or be converted into the right to receive, the same price per share of Common Stock (and the same type of consideration), as received by the Proposed Transferor and the terms and conditions of such sale, including, with respect to any non-cash consideration received in such sale, including sale and exit rights (i.e., rights of first refusal, drag-along and co-sale rights) with respect to such non-cash consideration to be received in such sale, shall be the same terms and conditions for all Stockholders, including the Proposed Transferor, subject to any applicable ownership thresholds with respect to any such sale and exit rights to be received in such sale. To the extent that the parties are required to provide any indemnification with respect to breaches of representations and warranties by or on behalf of the Company or agreements by the Company or otherwise assume any other post-closing liabilities, each Electing Other Stockholder shall do so severally and not jointly (and on a pro rata basis in accordance with the proceeds to be received by the Proposed Transferor (and their affiliates, if applicable) and each Electing Other Stockholder), and each Electing Other Stockholder's respective potential liability thereunder (including any tax liability) shall not exceed the actual proceeds received by such Electing Other Stockholder. The only representations and warranties that an Electing Other Stockholder shall be required to make in connection with such sale transaction are with respect to his, her or its ownership of the Equity Securities to be sold by him, her or it (including his, her or its ability to convey title free and clear of all liens, encumbrances, adverse claims or similar restrictions; no conflicts with agreements to which, he, she or it is a party; no conflicts with law; authority; and enforceability); provided that the foregoing shall not limit any of the obligations of an Electing Other Stockholder pursuant to the preceding sentence to share pro rata in any indemnification or post-closing liabilities (except that such Electing Other Stockholder's liability thereunder shall not exceed the actual proceeds received by such Electing Other Stockholder). In addition, no Electing Other Stockholder shall be liable (on a pro rata basis or otherwise) for breach of the representations and warranties of any other Stockholder made in its individual capacity as to its individual ownership, authorization and other related matters which apply only to such Stockholder. Each Electing Other Stockholder whose Equity Securities are sold in a Co-Sale Transfer shall be required to bear a proportionate share of the expenses of the transaction (with such proportionate share of expenses being based on such Electing Other Stockholder's proportionate share of the proceeds received in such transaction), including, without limitation, legal, accounting and investment banking fees and expenses. Notwithstanding the foregoing, in no event shall the Warrantholders be required to agree to any non-solicit or non-compete covenants in connection with a sale under this Section 3.

(c) Notice of Co-Sale Opportunity. The Proposed Transferor participating in a Co-Sale Transfer shall promptly (and in no event less than twenty (20) Business Days prior to the consummation thereof) provide the Company with notice (for purposes of this Section 3, the "**Proposed Transfer Notice**") of the proposed Co-Sale Transfer (which the Company shall transmit to each Other Stockholder within three (3) Business Days after its receipt thereof) containing the following:

(i) the name and address of the proposed transferee in the Co-Sale Transfer and a summary of the terms and conditions (including the proposed amount and form of consideration to be paid) of such Co-Sale Transfer;

(ii) the number of shares of Common Stock proposed to be transferred by the Proposed Transferor in the event none of the Other Stockholders elects to participate;

(iii) the aggregate number of shares of Common Stock held of record by the Proposed Transferor as of the date (for purposes of this Section 3, the "**Notice Date**") of the Proposed Transfer Notice;

(iv) the aggregate number of shares of Common Stock held of record as of the Notice Date by all Other Stockholders as a group, as shall be confirmed by the Company upon request;

(v) the maximum number of shares of Common Stock (calculated on an as exercised basis with respect to shares of Common Stock underlying outstanding warrants pursuant to the terms of such warrants with respect to the warrants held by the Warrantholders) each such Other Stockholder is entitled to include in the Co-Sale Transfer (as computed in accordance with the equations set forth in Section 3(a), as shall be confirmed by the Company upon request; and

(vi) that the proposed transferee has been informed of the "co-sale" rights provided for in Section 3(a).

(d) Notice and Terms of Acceptance of Co-Sale Opportunity.

(i) If an Electing Other Stockholder desires to participate in such Co-Sale Transfer, such Electing Other Stockholder shall provide written notice (the "**Co-Sale Notice**") to the Proposed Transferor not later than ten (10) Business Days after the Notice Date setting forth the number of shares of Common Stock such Electing Other Stockholder elects to include in the Co-Sale Transfer.

(ii) The Co-Sale Notice given by any Electing Other Stockholder shall constitute such Electing Other Stockholder's binding agreement to sell such Equity Securities as are included therein on the terms and conditions applicable to such sale (including the requirements of this Section 3). In the event that the proposed transferee does not purchase the Equity Securities of the Proposed Transferor, then the proposed Co-Sale Transfer by the Electing Other Stockholders to such proposed transferee shall not take place. If the Co-Sale Notice from any Other Stockholder is not received by the Proposed Transferor within the ten (10) Business Day period specified above in this Section 3(d), the Proposed Transferor shall have the right to consummate the Co-Sale Transfer with the proposed transferee without any participation by such Other Stockholder, but only on the terms and conditions stated in the Proposed Transfer Notice or on terms and conditions no more favorable to the Proposed Transferor and only if a definitive and binding agreement to consummate such Co-Sale Transfer is entered into not later than thirty (30) days after the end of such ten (10) Business Day period specified above in this Section 3(d).

(e) Application of Co-Sale Provisions. The provisions of this Section 3 shall not apply to:

(i) any transaction in which shares of Common Stock are proposed to be sold publicly pursuant to a registration statement filed under the Securities Act;

(ii) any transfer to a Permitted Transferee;

(iii) any shares of Common Stock proposed to be transferred which are purchased by the Company or the ROFR Parties pursuant to Section 1 of this Agreement;

(iv) any transfer to another current Stockholder or Warrantholder;

(v) any transfer to the Company as part of a redemption or repurchase; and

(vi) any transfer of Equity Securities in connection with the exercise of the Investor Deciders' (as defined below) Drag-Along Right set forth in Section 3 of the Voting and Drag Along Agreement.

(f) Termination of Co-Sale Rights. Notwithstanding anything herein to the contrary, the rights and obligations provided for in this Section 3 shall terminate immediately before the earlier to occur of (i) the closing of an IPO or (ii) a Sale of the Company.

4. REFUSAL TO TRANSFER

(a) Refusal to Transfer. Any attempt by the Selling Stockholder or Proposed Transferor to transfer any shares in violation of any provision of this Agreement will be void *ab initio*. The Company will not be required (i) to transfer on its books any shares that have been sold, gifted or otherwise transferred in violation of this Agreement, or (ii) to treat as owner of such shares, or to accord the right to vote or pay dividends to any purchaser, donee or other transferee to whom such shares may have been so transferred.

(b) Call Option. In the event of a prohibited transfer in violation of Section 1(c) of this Agreement (a "**Prohibited Transaction**"), the Investors shall have the option to purchase from the pledgee, purchaser or transferee of the Offered Shares transferred in violation of Section 1 hereof, the number of shares that the Investors would have been entitled to purchase had such Prohibited Transaction been effected in accordance with Section 1 hereof, on the following terms and conditions:

(i) The price per share at which the shares are to be purchased by the Investors shall be equal to the price per share paid to the Selling Stockholder by the third party purchaser or purchasers of such Offered Shares that is subject to the Prohibited Transaction; and

(ii) The Selling Stockholder shall reimburse the Investors for any reasonable and documented out-of-pocket expenses, including reasonable legal fees and expenses, incurred in effecting such purchase; provided, however, that the Investors shall only be entitled to such reimbursement if such exercise or attempted exercise of the Investors' rights under this Section 4(b) was made with evidence that a Prohibited Transaction had occurred.

5. LEGEND REQUIREMENT

Each certificate representing Equity Securities now or hereafter owned by a Stockholder or issued to any transferee in a Permitted Transfer shall bear a legend in substantially the following form:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") AND MAY NOT BE TRANSFERRED, SOLD OR OTHERWISE DISPOSED OF EXCEPT WHILE A REGISTRATION STATEMENT RELATING THERETO IS IN EFFECT UNDER THE SECURITIES ACT OR PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THE DESIGNATIONS, RIGHTS, PREFERENCES, POWERS, RESTRICTIONS AND LIMITATIONS SET FORTH IN THE CERTIFICATE OF DESIGNATION FOR THE SERIES A-1 PREFERRED STOCK FILED WITH THE SECRETARY OF STATE FOR THE STATE OF DELAWARE PURSUANT TO SECTION 151 OF THE DELAWARE GENERAL CORPORATION LAW (THE "A-1 CERTIFICATE OF DESIGNATION"), THE CERTIFICATE OF DESIGNATION FOR THE SERIES A-2 PREFERRED STOCK FILED WITH THE SECRETARY OF STATE FOR THE STATE OF DELAWARE PURSUANT TO SECTION 151 OF THE DELAWARE GENERAL CORPORATION LAW (THE "A-2 CERTIFICATE OF DESIGNATION") AND THE RIGHTS, TERMS AND CONDITIONS SET FORTH IN THE INVESTOR RIGHTS AGREEMENT, VOTING AND DRAG ALONG AGREEMENT AND RIGHT OF FIRST REFUSAL AND CO-SALE AGREEMENT, EACH BY AND AMONG MONTROSE ENVIRONMENTAL GROUP, INC. (THE "ISSUER") AND CERTAIN HOLDERS OF ISSUER SECURITIES PARTY THERETO (THE "INVESTMENT AGREEMENTS"). NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY BE MADE EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF THE A-1 CERTIFICATE OF DESIGNATION, THE A-2 CERTIFICATE OF DESIGNATION AND THE INVESTMENT AGREEMENTS. A COPY OF THE A-1 CERTIFICATE OF DESIGNATION, THE A-2 CERTIFICATE OF DESIGNATION AND THE INVESTMENT AGREEMENTS WILL BE FURNISHED WITHOUT CHARGE BY THE ISSUER TO THE HOLDER UPON REQUEST."

At any time after the termination of this Agreement, any holder of a stock certificate legended pursuant to this Section 5 may surrender such certificate to the Company for removal of such legend and the Company shall duly reissue a new certificate without the legend.

6. MISCELLANEOUS

(a) All Shares Held by Stockholders. The terms and conditions of this Agreement govern all Equity Securities held or acquired by any Stockholder or Warrantholder subsequent to the date of this Agreement. In the event of a conflict between the terms of this Agreement and similar terms in an option agreement or other agreement governing shares of stock held by a Stockholder, the terms of this Agreement shall govern.

(b) Successors and Assigns. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted transferees and permitted assigns of the parties.

(c) Governing Law; Consent to Jurisdiction; Waiver of Jury Trial. This Agreement shall be governed by and construed under the internal laws of the State of Delaware, without reference to principles of conflict of laws or choice of laws. The parties hereto hereby consent to the jurisdiction of any state or federal court located within the area encompassed by the State of Delaware and irrevocably agree that all actions or proceedings arising out of or relating to this Agreement shall be litigated in such courts. Each party hereto accepts for itself and in connection with its respective properties, generally and unconditionally, the exclusive jurisdiction and venue of the aforesaid courts and waives any defense of forum non conveniens, and irrevocably agrees to be bound by any final, nonappealable judgment rendered thereby in connection with this Agreement. TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW WHICH CANNOT BE WAIVED, EACH PARTY HERETO HEREBY 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 OR ACTION, CLAIM, CAUSE OF ACTION OR SUIT (IN CONTRACT, TORT OR OTHERWISE), INQUIRY, PROCEEDING OR INVESTIGATION ARISING OUT OF OR BASED UPON THIS AGREEMENT OR THE SUBJECT MATTER HEREOF OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE TRANSACTIONS CONTEMPLATED HEREBY, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING. EACH PARTY HERETO ACKNOWLEDGES THAT IT HAS BEEN INFORMED BY THE OTHER PARTIES HERETO THAT THIS SECTION 6(C) CONSTITUTES A MATERIAL INDUCEMENT UPON WHICH THEY ARE RELYING AND WILL RELY IN ENTERING INTO THIS AGREEMENT. ANY PARTY HERETO MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION 6(C) WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF EACH SUCH PARTY TO THE WAIVER OF ITS RIGHT TO TRIAL BY JURY.

(d) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(e) Headings. The headings and captions used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement. All references in this Agreement to sections, paragraphs, exhibits and schedules shall, unless otherwise provided, refer to sections and paragraphs hereof and exhibits and schedules attached hereto, all of which are incorporated herein by this reference.

(f) Stock Splits, etc. All share numbers used in this Agreement are subject to adjustment in the case of any stock split, reverse stock split, combination or similar events.

(g) Notices. All notices, demands or other communications hereunder shall be in writing and shall be deemed given when delivered personally, mailed by certified mail, return receipt requested, sent by overnight courier service or telecopied, by email (transmission confirmed), or otherwise actually delivered to the parties to be notified at the addresses set forth on the signature page of this Agreement (which the Company agrees to disclose to the other parties upon request) or such other address as a party may request by notifying the other in writing.

(h) Amendments and Waivers. Any provision of this Agreement may be amended or waived (either generally or in a particular instance and either retroactively or prospectively) with the written consent of the Company; provided, however that any amendment to this Agreement in a manner that adversely affects the rights of the Investors, the Preferred Stockholders or the Warrantholders shall also require the written consent of Richard E. Perlman and James K. Price (collectively, the "**Investor Deciders**") (with respect to the Investors), the holders of a majority in interest of the issued and outstanding shares of Preferred Stock or a majority in interest of the shares of Common Stock underlying issued and outstanding warrants held by the Warrantholders, as applicable. Any amendment or waiver effected in accordance with this paragraph shall be binding upon the parties hereto but in no event shall any amendment or waiver adversely affect the obligations or rights of any individual Stockholder or class or category of Stockholder in a manner different than the other Stockholders, except upon the written consent of such Stockholder or a majority of such adversely affected class or category of Stockholders, as applicable. In addition, the Company may waive performance of any obligation owing to it, as to some or all of the Stockholder, or agree to accept alternatives to such performance, without obtaining the consent of any Stockholder so long as such waiver or acceptance of alternative performance affects all Stockholders equally. The Company may amend Exhibits A, B, C and D hereto, without obtaining the approval of any of the Stockholders, Warrantholders or Investor Deciders, to reflect any changes to the information set forth thereon resulting from the issuance of any new securities or transfer of any securities, in each case, provided such issuance or transfer was in accordance with the terms of this Agreement.

(i) Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, such provision(s) shall be excluded from this Agreement and the balance of the Agreement shall be interpreted as if such provision(s) were so excluded and shall be enforceable in accordance with its terms to the maximum extent possible.

(j) Entire Agreement. This Agreement, together with all exhibits and schedules hereto, constitutes the entire understanding and agreement of the parties with respect to the subject matter hereof and supersedes all prior negotiations, correspondence, agreements (including the Original Agreement), understandings, duties or obligations among the parties with respect to the subject matter hereof.

(k) Further Assurances. From and after the date of this Agreement, upon the request of a party, the other parties shall execute and deliver such instruments, documents or other writings as may be reasonably necessary or desirable to confirm and carry out and to effectuate fully the intent and purposes of this Agreement.

(l) Additional Parties; Termination of Rights. Notwithstanding Section 6(h) above, in the event that after the date of this Agreement, the Company issues shares of Equity Securities to any officer, employee or other person or entity (including, but not limited to, shares issued to Warrantholders following the exercise of warrants to purchase capital stock of the Company), the Company shall cause such person to execute a Joinder Agreement in the form attached hereto as Exhibit E, and such person shall thereby be bound by, and subject to, all the terms and provisions of this Agreement applicable to a Stockholder. A Stockholder and/or Warrantholder, as applicable, shall cease to be deemed a Stockholder and/or Warrantholder hereunder, and shall no longer be a party to this Agreement, at such time as such Stockholder or Warrantholder ceases to own any securities of the Company.

(m) Certain Definitions. For purposes of this Agreement:

"**Business Day**" means Monday through Friday of each week, except that no legal holiday recognized as such by the government of the United States or the State of California shall be regarded as a Business Day.

"**Common Stock**" shall mean the common stock, par value $0.000004 per share.

"**Series A-1 Certificate of Designation**" means the Certificate of Designation of Cumulative Series A-1 Preferred Stock of the Company, as amended, restated, supplemented or otherwise modified from time to time in accordance with its terms.

"**Series A-2 Certificate of Designation**" means the Certificate of Designation of Cumulative Series A-2 Preferred Stock of the Company, as amended, restated, supplemented or otherwise modified from time to time in accordance with its terms.

"**Series A-1 Preferred Stock**" shall mean the Company's Cumulative Series A-1 Preferred Stock designated in the Series A-1 Certificate of Designation.

"**Series A-2 Preferred Stock**" shall mean the Company's Cumulative Series A-2 Preferred Stock designated in the Series A-2 Certificate of Designation.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Third Amended and Restated Right of First Refusal and Co-Sale Agreement as of the date first above written.

COMPANY: **ADDRESS:**

MONTROSE ENVIRONMENTAL GROUP, INC.

By: /s/ Vijay Manthripragada
Name: Vijay Manthripragada
Title: Chief Executive Officer

1 Park Plaza
Suite 1000
Irvine, CA 92614

INVESTORS: **ADDRESS:**

Richard E. Perlman

/s/ Richard E. Perlman
Richard E. Perlman

Equity Trust Company, Custodian FBO
Richard E. Perlman Roth IRA 2151260

By: /s/ Richard E. Perlman
Name: Richard E. Perlman
Title:

Neal J. Fink, as Trustee of the Richard E. Perlman
Irrevocable Trust F/B/O Wife's Nieces and
Nephews, U/A dated June 28, 2016

By: /s/ Neil J. Fink
Name: Neil J. Fink
Title: Trustee

Neal J. Fink, as Trustee of the Richard E. Perlman Grandchildren's Irrevocable Trust, U/A dated June 28, 2016

By: /s/ Neil J. Fink
Name: Neil J. Fink
Title: Trustee

Neal J. Fink, as Trustee of the Richard E. Perlman Irrevocable Trust F/B/O Andrew Perlman, U/A dated June 28, 2016

By: /s/ Neil J. Fink
Name: Neil J. Fink
Title: Trustee

James K. Price

/s/ James K. Price
James K. Price

The Price Trust #1 FBO Kathleen Lauren Price

By: /s/ WK Price IV
Name: WK Price IV
Title: Trustee

The Price Trust #2 FBO Nicole Ashley Price

By: /s/ WK Price IV
Name: WK Price IV
Title: Trustee

The Price 2012 Trust

By: /s/ WK Price IV
Name: WK Price IV
Title: Trustee

J. Miguel Fernandez de Castro

/s/ J. Miguel Fernandez de Castro
J. Miguel Fernandez de Castro

IN WITNESS WHEREOF, the parties hereto have executed this Third Amended and Restated Right of First Refusal and Co-Sale Agreement as of the date first above written.

PREFERRED STOCKHOLDERS:

ADDRESS:
c/o Oaktree Capital Management, L.P.
333 S. Grand Ave., 28th Floor
Los Angeles, CA 90071

OCM Montrose Holdings, L.P.

By: Oaktree Fund GP, LLC
Its: General Partner

By: Oaktree Fund GP I, L.P.
Its: Managing Member

By: /s/ Brook Hinchman
Name: Brook Hinchman
Title: Authorized Signatory

By: /s/ Jordan Mikes
Name: Jordan Mikes
Title: Authorized Signatory

OCM Montrose II Holdings, L.P.

By: Oaktree Fund GP, LLC
Its: General Partner

By: Oaktree Fund GP I, L.P.
Its: Managing Member

By: /s/ Brook Hinchman
Name: Brook Hinchman
Title: Authorized Signatory

By: /s/ Jordan Mikes
Name: Jordan Mikes
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have executed this Third Amended and Restated Right of First Refusal and Co-Sale Agreement as of the date first above written.

COMMON STOCKHOLDERS: **ADDRESS:**

CTEH Holdings, LLC

By: /s/ Phillip T. Goad
Name: Phillip T. Goad
Title: CEO

[SIGNATURE PAGE TO MONTROSE ENVIRONMENTAL GROUP, INC.
THIRD AMENDED AND RESTATED RIGHT OF FIRST REFUSAL AND CO-SALE AGREEMENT]

IN WITNESS WHEREOF, the parties hereto have executed this Third Amended and Restated Right of First Refusal and Co-Sale Agreement as of the date first above written.

WARRANTHOLDERS:

ADDRESS:
c/o Oaktree Capital Management, L.P.
333 S. Grand Ave., 28th Floor
Los Angeles, CA 90071

OCM Montrose Holdings, L.P.

By: Oaktree Fund GP, LLC
Its: General Partner

By: Oaktree Fund GP I, L.P.
Its: Managing Member

By: /s/ Brook Hinchman
Name: Brook Hinchman
Title: Authorized Signatory

By: /s/ Jordan Mikes
Name: Jordan Mikes
Title: Authorized Signatory

OCM Montrose II Holdings, L.P.

By: Oaktree Fund GP, LLC
Its: General Partner

By: Oaktree Fund GP I, L.P.
Its: Managing Member

By: /s/ Brook Hinchman
Name: Brook Hinchman
Title: Authorized Signatory

By: /s/ Jordan Mikes
Name: Jordan Mikes
Title: Authorized Signatory

EXHIBIT B
SCHEDULE OF PREFERRED STOCKHOLDERS

OCM Montrose Holdings, L.P.

OCM Montrose II Holdings, L.P.

EXHIBIT C

SCHEDULE OF WARRANTHOLDERS

OCM Montrose Holdings, L.P.

OCM Montrose II Holdings, L.P.

EXHIBIT D

SCHEDULE OF INVESTORS

Richard E. Perlman

Equity Trust Company, Custodian FBO Richard E. Perlman Roth IRA 2151260

Neal J. Fink, as Trustee of the Richard E. Perlman Irrevocable Trust F/B/O Wife's Nieces and Nephews, U/A dated June 28, 2016

Neal J. Fink, as Trustee of the Richard E. Perlman Grandchildren's Irrevocable Trust, U/A dated June 28, 2016

Neal J. Fink, as Trustee of the Richard E. Perlman Irrevocable Trust F/B/O Andrew Perlman, U/A dated June 28, 2016

James K. Price

The Price Trust #1 FBO Kathleen Lauren Price

The Price Trust #2 FBO Nicole Ashley Price

The Price 2012 Trust

J. Miguel Fernandez de Castro

EXHIBIT E

JOINDER AGREEMENT TO
MONTROSE ENVIRONMENTAL GROUP, INC.
THIRD AMENDED AND RESTATED RIGHT OF FIRST REFUSAL AND CO-SALE AGREEMENT

The undersigned hereby agrees, effective as of the date hereof, to become a party to that certain Third Amended and Restated Right of First Refusal and Co-Sale Agreement (the "**Agreement**") dated as of April 13, 2020, as may be amended from time to time, by and among Montrose Environmental Group, Inc. (the "**Company**") and the other parties from time to time named therein, to become bound by all of the terms and conditions of the Agreement as though an original party thereto and shall assume all of the applicable rights and obligations of a [Stockholder/Warrantholder/Investor], as defined in the Agreement. The address, electronic mail address and facsimile number to which notices shall be sent to the undersigned are as follows:

Address: _____
_____
_____

Facsimile Number: _____

Email: _____

Accordingly, the undersigned has executed and delivered this Joinder Agreement as of the date written below.

_____
Print Name: _____
Date: _____

Exhibit 4.3

Execution Version

MONTROSE ENVIRONMENTAL GROUP, INC.

THIRD AMENDED AND RESTATED
VOTING AND DRAG ALONG AGREEMENT

THIS THIRD AMENDED AND RESTATED VOTING AND DRAG ALONG AGREEMENT (the "**Agreement**") is made as April 13, 2020 by and among Montrose Environmental Group, Inc., a Delaware corporation (the "**Company**"), the holders of shares of Common Stock of the Company (the "**Common Stock**") listed on Exhibit A, including the EW Transferees (collectively, the "**Common Stockholders**" and individually a "**Common Stockholder**"), the holders of shares of the Company's Cumulative Series A-1 Preferred Stock (the "**Series A-1 Preferred Stock**") and the Company's Cumulative Series A-2 Preferred Stock (the "**Series A-2 Preferred Stock**") listed on Exhibit B (collectively, the "**Preferred Stockholders,**" individually a "**Preferred Stockholder**"), the warrantholders listed on Exhibit C (the "**Warrantholders**" and jointly with the Common Stockholders and the Preferred Stockholders, the "**Stockholders**" or individually, a "**Stockholder**").

RECITALS

WHEREAS, the Company, the Common Stockholders, the holders of shares of Series A-1 Preferred Stock, certain Warrantholders and EnviroWorks, LLC, a Delaware limited liability company ("**EnviroWorks**"), previously entered into a Second Amended and Restated Voting and Drag Along Agreement dated October 19, 2018 (the "**Original Agreement**");

WHEREAS, the Company previously consummated a private placement of 12,000 shares of Series A-1 Preferred Stock and a warrant to issue 534,420 shares of Common Stock on October, 19, 2019, and issued such shares and warrant to OCM Montrose Holdings, L.P., a Delaware limited partnership;

WHEREAS, on December 6, 2019, EnviroWorks transferred all of the Common Stock held by EnviroWorks to its members: (i) Richard E. Perlman, (ii) Equity Trust Company, Custodian FBO Richard E. Perlman Roth IRA 2151260, (iii) Neal J. Fink, as Trustee of the Richard E. Perlman Irrevocable Trust F/B/O Wife's Nieces and Nephews, U/A dated June 28, 2016, (iv) Neal J. Fink, as Trustee of the Richard E. Perlman Grandchildren's Irrevocable Trust, U/A dated June 28, 2016, (v) Neal J. Fink, as Trustee of the Richard E. Perlman Irrevocable Trust F/B/O Andrew Perlman, U/A dated June 28, 2016, (vi) James K. Price, (vii) The Price Trust #1 FBO Kathleen Lauren Price, (viii) The Price Trust #2 FBO Nicole Ashley Price, (ix) The Price 2012 Trust and (x) J. Miguel Fernandez de Castro (collectively, the "**EW Transferees**" and each an "**EW Transferee**");

WHEREAS, the Company purchased on the date hereof all of the membership interests (the "**Acquisition**") of The Center for Toxicology and Environmental Health, L.L.C. pursuant to that certain Membership Interest Purchase Agreement, dated as of March 28, 2020, by and among the Company, Montrose Planning & Permitting, LLC, Target, CTEH Holdings, LLC ("**CTEH Holdings**") and certain other parties thereto in exchange for cash, 791,139 shares of Common Stock, which were issued to CTEH Holdings, and other contingent consideration;

WHEREAS, in connection with the Acquisition, pursuant to the terms of that certain Purchase Agreement, dated as of March 28, 2020, by and between OCM Montrose II Holdings, L.P. and the Company, the Company has consummated a private placement (the "**Offering**") of its new Series A-2 Preferred Stock and warrants to purchase Common Stock (the "**Warrants**"), the proceeds of which were used to partially fund the Acquisition;

WHEREAS, in connection with the closing of the Offering, the Company, the Common Stockholders, the Warrantholders, and the Preferred Stockholders desire to amend and restate the Original Agreement to, among other things, (i) add CTEH Holdings, the EW Transferees, and the Preferred Stockholders that were issued Series A-2 Preferred Stock and the Warrantholders that were issued Warrants in the Offering, to the Original Agreement and (ii) incorporate the terms and conditions contemplated by the Offering, including the right of the holders of the Series A-2 Preferred Stock to appoint the Series A-2 Preferred Director (as defined below); and

WHEREAS, this amended and restated Agreement requires the consent of the Company and EnviroWorks, the Preferred Stockholders and the Warrantholders, which consent is evidenced by their execution of this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and covenants hereafter set forth, the parties hereby agree as follows:

1. BOARD REPRESENTATION At each annual meeting of the stockholders of the Company, or at any meeting of the stockholders of the Company at which members of the Board of Directors of the Company (the "**Board**") are to be elected, or whenever members of the Board are to be elected by written consent, the Stockholders agree to vote or act with respect to their shares so as to elect no fewer than seven (7) directors as follows:

(a) Three (3) individuals shall be designated jointly by Richard E. Perlman and James K. Price (the "**Investor Deciders**"), who shall initially be Richard E. Perlman, James K. Price and J. Miguel Fernandez de Castro (each an "**Investor Director**").

(b) The Chief Executive Officer of the Company shall be designated a director for so long as he or she is employed by the Company.

(c) So long as shares of Series A-1 Preferred Stock remain outstanding, one (1) or more individuals (each a "**Series A-1 Preferred Director**") shall be designated by the Holder Majority (as defined in the Amended and Restated Certificate of Designation of Cumulative Series A-1 Preferred Stock of the Company (the "**Series A-1 Certificate**" and such Holder Majority, the "**Series A-1 Holder Majority**")) in accordance with the terms set forth in Section 4(c) of the Series A-1 Certificate, who shall initially be Brook Hinchman.

(d) So long as shares of Series A-2 Preferred Stock remain outstanding, one (1) or more individuals (each a "**Series A-2 Preferred Director**") shall be designated by the Holder Majority (as defined in the Certificate of Designation of Cumulative Series A-2 Preferred Stock of the Company (the "**Series A-2 Certificate**") and such Holder Majority, the "**Series A-2 Holder Majority**")) in accordance with the terms set forth in Section 4(c) of the Series A-2 Certificate, who shall initially be Peter Jonna.

(e) All remaining vacancies shall be designated by the Common Stockholders holding a majority of the outstanding shares of Common Stock. The undersigned Common Stockholders agree to vote to elect Peter Graham, J. Thomas Presby and Robin Newmark to the Board through the earlier to occur of (i) twelve (12) months from the date hereof or (ii) the filing or submission of a registration statement in connection with an initial public offering by the Company, after which time Messrs. Graham and Presby and Dr. Newmark may continue to serve on the Board if so elected by a majority of the Common Stockholders.

2. CHANGE IN NUMBER OF DIRECTORS. Any increase or decrease in the number of members of the Board shall occur in accordance with the terms and conditions set forth in the Company's bylaws, the Series A-1 Certificate and the Series A-2 Certificate. Any vacancy on the Board shall be filled by the person or group that is entitled to designate the relevant director, if any, or otherwise as provided in the Company's bylaws. The Company, the Investor Deciders and the Stockholders shall take, at any time and from time to time, all actions necessary to effect the provisions of Section 1 and Section 2.

3. DRAG-ALONG RIGHT

(a) Definitions.

(i) A "**Person**" shall mean an individual, firm, a corporation, a partnership, an association, a trust or unincorporated organization, limited liability company or any other entity or organization

(ii) "**Sale of the Company**" shall mean any transaction or series of related transactions (by stock sale, merger, consolidation or otherwise) (a) consummated after the date hereof, pursuant to which a person acquires at least 51% of the outstanding Voting Stock of the Company (including pursuant to a transfer or series of related transfers); or (b) that result in a sale or disposition of all or substantially all of the assets of the Company and its subsidiaries on a consolidated basis other than to an entity with respect to which, following such sale or disposition, at least 50% of the combined voting power of the then outstanding Voting Stock of such entity is then beneficially owned (within the meaning of Rule 13d-5 of the Securities and Exchange Act of 1934, as amended (the "**Exchange Act**") as in effect on the date hereof), directly or indirectly, by all or substantially all of the individuals and entities (or affiliates of such individuals and entities) who beneficially owned (within the meaning of Rule 13d-3 of the Exchange Act as in effect on the date hereof) the Voting Stock of the Company immediately prior to such sale or other disposition.

(iii) "**Voting Stock**" as of any date means the capital stock of the Company that is at the time entitled to vote in the election of the board of directors (or individuals performing similar functions) of the Company.

(b) Actions to be Taken. In the event that the Investor Deciders approve a Sale of the Company in writing, specifying that this Section 3 shall apply to such transaction, then each Stockholder hereby agrees:

(i) if such transaction requires stockholder approval, with respect to all shares of Common Stock, Series A-1 Preferred Stock or Series A-2 Preferred Stock (the "**Shares**") that such Stockholder owns or over which such Stockholder otherwise exercises voting power, to the extent applicable, to vote (in person, by proxy or by action by written consent, as applicable) all Shares in favor of, and adopt, such Sale of the Company and to vote in opposition to any and all other proposals that could reasonably be expected to delay or impair the ability of the Company to consummate such Sale of the Company; provided, that the foregoing shall not require the Warrantholders to so vote their Shares if such vote would, in such Warrantholder's reasonable and good faith discretion, cause the board of directors, general partner, manager or equivalent body of such Warrantholder to violate its fiduciary duties;

(ii) if such transaction is a sale of stock, to sell the same proportion of shares of capital stock of the Company beneficially held by such Stockholder as is being sold by the Investor Deciders to the Person to whom the Investor Deciders propose to sell their Shares

(iii) to execute and deliver all related documentation in materially similar form as executed by the Investor Deciders and take such other action in support of the Sale of the Company as shall reasonably be requested by the Company or the Investor Deciders in order to carry out the terms and provision of this Section 3, including without limitation executing and delivering instruments of conveyance and transfer, and any purchase agreement, merger agreement, indemnity agreement, escrow agreement, consent (except, in the case of Warrantholders, for any consent that would, in such Warrantholder's reasonable and good faith discretion, cause the board of directors, general partner, manager or equivalent body of such Warrantholder to violate its fiduciary duties), waiver, governmental filing, share certificates duly endorsed for transfer (free and clear of impermissible liens, claims and encumbrances) and any similar or related documents; provided, to the extent that the Stockholders are required to provide any indemnification with respect to breaches of representations and warranties by or on behalf of the Company or agreements by the Company or otherwise assume any other post-closing liabilities, each Stockholder (other than the Preferred Stockholders) shall do so severally and not jointly (and on a pro rata basis in accordance with the proceeds to be received by such Stockholder; provided, further, the only representations and warranties that a Stockholder shall be required to make in connection with such sale transaction are with respect to his, her or its ownership of the Shares to be sold by him, her or it (which shall only include his, her or its ability to convey title free and clear of all liens, encumbrances, adverse claims or similar restrictions; no conflicts with agreements to which, he, she or it is a party; no conflicts with law; authority; and enforceability) and no Stockholder shall be liable (on a pro rata basis or otherwise) for breach of the representations and warranties of any other Stockholder made in its individual capacity as to its individual ownership, authorization and other related matters which apply only to such Stockholder; provided further that each Stockholder's respective potential liability thereunder (including any tax liability) shall not exceed the actual proceeds received by such Stockholder; and

(iv) to refrain from exercising any dissenters' rights or rights of appraisal under applicable law at any time with respect to such Sale of the Company.

Notwithstanding the foregoing, in no event shall the Preferred Stockholders or the Warrantholders be required to agree to any non-compete or non-solicitation covenants in connection with any sale under this Section 3. In the event a sale under this Section 3 provides for consideration in a form other than cash, then the Company shall structure such sale so that the Warrantholders receive only cash in such sale.

4. VOTING

(a) Appointment of Directors. In the event of the resignation, death, removal or disqualification of a director selected under Section 1, a new director shall promptly be nominated following the procedure originally used to designate the director being replaced and, after written notice of the nomination has been given by the Company to the Stockholders following the director's nomination, each Stockholder shall vote his, her or its shares of capital stock of the Company to elect such nominee to the Board.

(b) Removal. A director elected under Section 1 may be removed at any time and from time to time, with or without cause (subject to the Bylaws of the Company, the Series A-1 Certificate and the Series A-2 Certificate, as each are in effect from time to time and any requirements of applicable law) in the following manner: in the case of a director nominated under Section 1(a), by the Investor Deciders; in the case of a director nominated under Section 1(c), by the Series A-1 Holder Majority in accordance with the Series A-1 Certificate; in the case of a director nominated under Section 1(d), by the Series A-2 Holder Majority in accordance with the Series A-2 Certificate; and in the case of a director nominated under Section 1(e), by Stockholders holding a majority of the outstanding shares of Common Stock.

(c) Covenant to Vote. Each Stockholder or its representative shall appear in person or by proxy at any annual or special meeting of stockholders for the purpose of obtaining a quorum and shall vote the shares of the Company's capital stock owned by such Stockholder and entitled to vote upon any matter submitted to a vote of the stockholders of the Company in a manner so as to be consistent and not in conflict with, and to implement, the terms of this Agreement. Each Stockholder shall execute any and all written consents circulated with regard to any matter reasonably necessary to implement the terms of this Agreement and shall deliver each such executed consent to the Company without unreasonable delay.

(d) Failure to Vote; Proxy Grant. In the event that any Stockholder shall fail to vote the shares it is entitled or required to vote in the manner set forth herein, such Stockholder shall be deemed immediately upon the existence of such breach to have granted to the Chief Executive Officer, any Investor Director and each of them, with full power of substitution, as the proxies of the party with respect to the matters set forth herein, and hereby authorizes each of them to represent and vote such Stockholder's shares to ensure that such shares will be voted as set forth herein. Each of the Stockholders acknowledges that each proxy granted hereby, including any successive proxy if need be, is given to secure the performance of a duty, is coupled with an interest, and shall be irrevocable until the duty is performed. Each party hereto hereby revokes any and all previous proxies with respect to the shares of the Company's capital stock.

(e) No Voting or Conflicting Agreements. No Stockholder shall grant any proxy or enter into or agree to be bound by any voting trust with respect to the shares held by such Stockholder nor shall any Stockholder enter into any stockholder agreements or arrangements of any kind with any person with respect to their shares inconsistent with the provisions of this Agreement (whether or not such agreements and arrangements are with other stockholders of the Company that are not parties to this Agreement) unless, in connection with the Sale of the Company, specifically requested to do so by the acquiror. The foregoing prohibition includes, but is not limited to, agreements or arrangements with respect to the acquisition, disposition or voting of shares of Common Stock held by such Stockholders , unless the acquiror or transferee of such shares agrees to be bound by the terms of this Agreement with respect to the voting of such shares. No Stockholder shall 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 of shares of the Company's capital stock in any manner which is inconsistent with the provisions of this Agreement.

(f) Injunctive Relief. It is acknowledged that it will be impossible to measure in money the damages that would be suffered if the parties fail to comply with any of the obligations herein imposed on them and that in the event of any such failure, an aggrieved person will be irreparably damaged and will not have an adequate remedy at law. Any such person shall, therefore, be entitled to injunctive relief, including specific performance, to enforce such obligations, and if any action shall be brought in equity to enforce any of the provisions of this Agreement, none of the parties hereto shall raise the defense that there is an adequate remedy at law.

5. LEGENDS. Each certificate representing any Stockholders' shares shall be endorsed by the Company with a legend reading as follows:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") AND MAY NOT BE TRANSFERRED, SOLD OR OTHERWISE DISPOSED OF EXCEPT WHILE A REGISTRATION STATEMENT RELATING THERETO IS IN EFFECT UNDER THE SECURITIES ACT OR PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THE DESIGNATIONS, RIGHTS, PREFERENCES, POWERS, RESTRICTIONS AND LIMITATIONS SET FORTH IN THE CERTIFICATE OF DESIGNATION FOR THE SERIES A-1 PREFERRED STOCK FILED WITH THE SECRETARY OF STATE FOR THE STATE OF DELAWARE PURSUANT TO SECTION 151 OF THE DELAWARE GENERAL CORPORATION LAW (THE "A-1 CERTIFICATE OF DESIGNATION") AND THE CERTIFICATE OF DESIGNATION FOR THE SERIES A-2 PREFERRED STOCK FILED WITH THE SECRETARY OF STATE FOR THE STATE OF

DELAWARE PURSUANT TO SECTION 151 OF THE DELAWARE GENERAL CORPORATION LAW (THE "A-2 CERTIFICATE OF DESIGNATION") AND THE RIGHTS, TERMS AND CONDITIONS SET FORTH IN THE INVESTORS' RIGHTS AGREEMENT, VOTING AND DRAG ALONG AGREEMENT AND RIGHT OF FIRST REFUSAL AND CO-SALE AGREEMENT, EACH BY AND AMONG MONTROSE ENVIRONMENTAL GROUP, INC. (THE "ISSUER") AND CERTAIN HOLDERS OF ISSUER SECURITIES PARTY THERETO (THE "INVESTMENT AGREEMENTS"). NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY BE MADE EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF THE A-1 CERTIFICATE OF DESIGNATION, THE A-2 CERTIFICATE OF DESIGNATION AND THE INVESTMENT AGREEMENTS. A COPY OF THE CERTIFICATE OF DESIGNATION AND THE INVESTMENT AGREEMENTS WILL BE FURNISHED WITHOUT CHARGE BY THE ISSUER TO THE HOLDER UPON REQUEST."

6. NO LIABILITY FOR ELECTION OF RECOMMENDED DIRECTORS. Neither the Company, the Stockholders, nor any officer, director, stockholder, partner, employee or agent of any such party, makes any representation or warranty as to the fitness or competence of the nominee of any party hereunder to serve on the Company's Board by virtue of such party's execution of this Agreement or by the act of such party in voting for such nominee pursuant to this Agreement.

7. TERMINATION. This Agreement shall terminate upon the earlier of (a) the closing of an initial public offering approved by the Investor Directors; (b) the closing of a Sale of the Company or (c) ten (10) years from the date hereof. A Stockholder and/or Warrantholder, as applicable, shall cease to be deemed a Stockholder and/or Warrantholder hereunder, and shall no longer be a party to this Agreement, at such time as such Stockholder or Warrantholder ceases to own any securities of the Company.

8. AMENDMENT; WAIVERS. Any provision of this Agreement may be amended or waived (either generally or in a particular instance and either retroactively or prospectively) with the written consent of the Company; provided, however that any amendment to this Agreement in a manner that adversely affects the rights of the Investor Deciders, Preferred Stockholders or the Warrantholders shall also require the written consent of the Investor Deciders (with respect to the Investor Deciders) holders of a majority in interest of the issued and outstanding shares of Preferred Stock or a majority in interest of the shares of Common Stock underlying issued and outstanding warrants held by the Warrantholders, as applicable. Any amendment or waiver effected in accordance with this paragraph shall be binding upon the parties hereto but in no event shall any amendment or waiver adversely affect the obligations or rights of any individual Stockholder or class or category of Stockholder in a manner different than the other Stockholders, except upon the written consent of such Stockholder or a majority of such adversely affected class or category of Stockholders, as applicable. In addition, the Company may waive performance of any obligation owing to it, as to some or all of the Stockholders, or agree to accept alternatives to such performance, without obtaining the consent of any Stockholder so long as such waiver or acceptance of alternative performance affects all Stockholders equally. The Company may amend Exhibits A, B, C and D hereto, without obtaining the approval of any of the Stockholders, Warrantholders or Investor Deciders, to reflect any changes to the information set forth thereon resulting from the issuance of any new securities or transfer of any securities, in each case, provided such issuance or transfer was in accordance with the terms of this Agreement.

9. NOTICES. All notices, demands or other communications hereunder shall be in writing and shall be deemed given when delivered personally, mailed by certified mail, return receipt requested, sent by overnight courier service or telecopied, telegraphed or telexed (transmission confirmed), or otherwise actually delivered to the party to be notified at such party's address as set forth below or on the signature pages hereto, or as subsequently modified by written notice.

10. SEVERABILITY. If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (a) such provision shall be excluded from this Agreement; (b) the balance of the Agreement shall be interpreted as if such provision were so excluded; and (c) the balance of the Agreement shall be enforceable in accordance with its terms.

11. GOVERNING LAW; CONSENT TO JURISDICTION; WAIVER OF JURY TRIAL. This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Delaware, without giving effect to principles of conflicts of law. The parties hereto hereby consent to the jurisdiction of any state or federal court located within the area encompassed by the State of Delaware and irrevocably agree that all actions or proceedings arising out of or relating to this Agreement shall be litigated in such courts. Each party hereto accepts for itself and in connection with its respective properties, generally and unconditionally, the exclusive jurisdiction and venue of the aforesaid courts and waives any defense of forum non conveniens, and irrevocably agrees to be bound by any final, nonappealable judgment rendered thereby in connection with this Agreement. TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW WHICH CANNOT BE WAIVED, EACH PARTY HERETO HEREBY 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 OR ACTION, CLAIM, CAUSE OF ACTION OR SUIT (IN CONTRACT, TORT OR OTHERWISE), INQUIRY, PROCEEDING OR INVESTIGATION ARISING OUT OF OR BASED UPON THIS AGREEMENT OR THE SUBJECT MATTER HEREOF OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE TRANSACTIONS CONTEMPLATED HEREBY, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING. EACH PARTY HERETO ACKNOWLEDGES THAT IT HAS BEEN INFORMED BY THE OTHER PARTIES HERETO THAT THIS SECTION 11 CONSTITUTES A MATERIAL INDUCEMENT UPON WHICH THEY ARE RELYING AND WILL RELY IN ENTERING INTO THIS AGREEMENT. ANY PARTY HERETO MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION 11 WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF EACH SUCH PARTY TO THE WAIVER OF ITS RIGHT TO TRIAL BY JURY.

12. ENTIRE AGREEMENT. This Agreement constitutes the entire understanding and agreement of the parties with respect to the subject matter hereof and supersedes all prior negotiations, correspondence, agreements (including the Original Agreement), understandings, duties or obligations among the parties with respect to the subject matter hereof.

13. COUNTERPARTS. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument. The exchange of copies of this Agreement and of signature pages by facsimile transmission (whether directly from one facsimile device to another by means of a dial-up connection or whether mediated by the worldwide web), by electronic mail in "portable document format" (".pdf") form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, or by combination of such means, shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes. Signatures of the parties transmitted by facsimile shall be deemed to be their original signatures for all purposes.

14. SUCCESSORS AND ASSIGNS. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

15. ADDITIONAL STOCKHOLDERS. Notwithstanding Section 8 above, in the event that after the date of this Agreement, the Company issues shares of capital stock to any Person (including, but not limited to, shares issued to Warrantholders following the exercise of warrants to purchase capital stock of the Company), the Company shall cause such Person to execute a Joinder Agreement in the form attached hereto as Exhibit D, and such party shall thereby be bound by, and subject to, all the terms and provisions of this Agreement applicable to a Stockholder.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Third Amended and Restated Voting and Drag Along Agreement as of the date first written above.

COMPANY:

MONTROSE ENVIRONMENTAL GROUP, INC.

By: /s/ Vijay Manthripragada
Name: Vijay Manthripragada
Title: Chief Executive Officer

ADDRESS:

1 Park Plaza
Suite 1000
Irvine, CA 92614

[SIGNATURE PAGE TO MONTROSE ENVIRONMENTAL GROUP, INC.
THIRD AMENDED AND RESTATED VOTING AND DRAG ALONG AGREEMENT]

IN WITNESS WHEREOF, the parties hereto have executed this Third Amended and Restated Voting and Drag Along Agreement as of the date first written above.

COMMON STOCKHOLDERS: **ADDRESS:**

Richard E. Perlman

/s/ Richard E. Perlman
Richard E. Perlman

Equity Trust Company, Custodian FBO
Richard E. Perlman Roth IRA 2151260

By: /s/ Richard E. Perlman
Name: Richard E. Perlman
Title:

Neal J. Fink, as Trustee of the Richard E. Perlman
Irrevocable Trust F/B/O Wife's Nieces and
Nephews, U/A dated June 28, 2016

By: /s/ Neil J. Fink
Name: Neil J. Fink
Title: Trustee

Neal J. Fink, as Trustee of the Richard E. Perlman
Grandchildren's Irrevocable Trust, U/A dated June 28, 2016

By: /s/ Neil J. Fink
Name: Neil J. Fink
Title: Trustee

Neal J. Fink, as Trustee of the Richard E. Perlman Irrevocable Trust F/B/O Andrew Perlman, U/A dated June 28, 2016

By: /s/ Neil J. Fink
Name: Neil J. Fink
Title: Trustee

James K. Price

?s/ James K. Price
James K. Price

The Price Trust #1 FBO Kathleen Lauren Price

By: /s/ WK Price IV
Name: WK Price IV
Title: Trustee

The Price Trust #2 FBO Nicole Ashley Price

By: /s/ WK Price IV
Name: WK Price IV
Title: Trustee

The Price 2012 Trust

By: /s/ WK Price IV
Name: WK Price IV
Title: Trustee

J. Miguel Fernandez de Castro

/s/ J. Miguel Fernandez de Castro
J. Miguel Fernandez de Castro

CTEH Holdings, LLC

By: /s/ Phillip T. Goad
Name: Phillip T. Goad
Title: CEO

IN WITNESS WHEREOF, the parties hereto have executed this Third Amended and Restated Voting and Drag Along Agreement as of the date first written above.

PREFERRED STOCKHOLDERS:

ADDRESS:
c/o Oaktree Capital Management, L.P.
333 S. Grand Ave., 28th Floor
Los Angeles, CA 90071

OCM Montrose Holdings, L.P.

By: Oaktree Fund GP, LLC
Its: General Partner

By: Oaktree Fund GP I, L.P.
Its: Managing Member

By: /s/ Brook Hinchman
Name: Brook Hinchman
Title: Authorized Signatory

By: /s/ Jordan Mikes
Name: Jordan Mikes
Title: Authorized Signatory

OCM Montrose II Holdings, L.P.

By: Oaktree Fund GP, LLC
Its: General Partner

By: Oaktree Fund GP I, L.P.
Its: Managing Member

By: /s/ Brook Hinchman
Name: Brook Hinchman
Title: Authorized Signatory

By: /s/ Jordan Mikes
Name: Jordan Mikes
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have executed this Third Amended and Restated Voting and Drag Along Agreement as of the date first written above.

WARRANTHOLDERS:

ADDRESS:
c/o Oaktree Capital Management, L.P.
333 S. Grand Ave., 28th Floor
Los Angeles, CA 90071

OCM Montrose Holdings, L.P.

By: Oaktree Fund GP, LLC
Its: General Partner

By: Oaktree Fund GP I, L.P.
Its: Managing Member

By: /s/ Brook Hinchman
Name: Brook Hinchman
Title: Authorized Signatory

By: /s/ Jordan Mikes
Name: Jordan Mikes
Title: Authorized Signatory

OCM Montrose II Holdings, L.P.

By: Oaktree Fund GP, LLC
Its: General Partner

By: Oaktree Fund GP I, L.P.
Its: Managing Member

By: /s/ Brook Hinchman
Name: Brook Hinchman
Title: Authorized Signatory

By: /s/ Jordan Mikes
Name: Jordan Mikes
Title: Authorized Signatory

EXHIBIT B
SCHEDULE OF PREFERRED STOCKHOLDERS

OCM Montrose Holdings, L.P.

OCM Montrose II Holdings, L.P.

EXHIBIT C

SCHEDULE OF WARRANTHOLDERS

OCM Montrose Holdings, L.P.

OCM Montrose II Holdings, L.P.

EXHIBIT D

JOINDER AGREEMENT TO
MONTROSE ENVIRONMENTAL GROUP, INC.
THIRD AMENDED AND RESTATED VOTING AND DRAG ALONG AGREEMENT

The undersigned hereby agrees, effective as of the date hereof, to become a party to that certain Third Amended and Restated Voting and Drag Along Agreement (the "**Agreement**") dated as of April 13, 2020, as may be amended from time to time, by and among Montrose Environmental Group, Inc., a Delaware corporation (the "**Company**") and the other parties from time to time parties named therein, to become bound by all of the terms and conditions of the Agreement as though an original party thereto and shall assume all applicable rights and obligations of a [Stockholder/Warrantholder], as defined in the Agreement. The address, electronic mail address and facsimile number to which notices shall be sent to the undersigned are as follows:

Address: _____

_____

_____

_____

Facsimile Number: _____

Email: _____

Accordingly, the undersigned has executed and delivered this Joinder Agreement as of the date written below.

_____

Print Name: _____
Date: _____

EXHIBIT 4.5

EXECUTION VERSION

THIS WARRANT AND ANY SECURITIES ACQUIRED UPON EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS, AND NONE OF THIS WARRANT, SUCH SECURITIES OR ANY INTEREST THEREIN MAY BE OFFERED, SOLD, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT OR SUCH LAWS OR AN EXEMPTION FROM REGISTRATION UNDER SUCH ACT AND SUCH LAWS.

THIS WARRANT AND THE SECURITIES ACQUIRED UPON EXERCISE OF THIS WARRANT ARE SUBJECT TO THE RIGHTS, TERMS AND CONDITIONS SPECIFIED BELOW AND IN THE STOCKHOLDER AGREEMENTS, IN EACH CASE AS AMENDED FROM TIME TO TIME. NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THIS WARRANT MAY BE MADE EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF THE STOCKHOLDER AGREEMENTS. A COPY OF THE STOCKHOLDER AGREEMENTS WILL BE FURNISHED WITHOUT CHARGE BY THE COMPANY TO THE HOLDER UPON REQUEST.

MONTROSE ENVIRONMENTAL GROUP, INC.

WARRANT

Issuance Date: October 19, 2018 Certificate No. W-_____

FOR VALUE RECEIVED, Montrose Environmental Group, Inc., a Delaware corporation (the "Company"), hereby grants to OCM Montrose Holdings, L.P., a Delaware limited partnership or its registered assigns (the "Registered Holder") the right, upon the terms and subject to the conditions set forth herein, to purchase from the Company 534,240 shares of the Warrant Stock at a price per share of $0.01 (as adjusted from time to time in accordance herewith, the "Exercise Price"); provided that the Registered Holder may exercise this Warrant on a "net" basis by paying the Aggregate Exercise Price (as defined below) by delivering to the Company a portion of this Warrant with a Fair Market Value equal to such Aggregate Exercise Price as set forth in Section 1B(ii). In connection with this grant, the Registered Holder, the Company and the holders of Common Stock will enter into each of the Stockholder Agreements. Certain capitalized terms used herein are defined in Section 4 hereof. The amount and kind of securities obtainable pursuant to the rights granted hereunder and the purchase price for such securities are subject to adjustment pursuant to the provisions contained in this Warrant.

This Warrant is subject to the following provisions:

Section 1. Exercise of Warrant.

1A. Exercise Period. The Registered Holder or the Purchaser (as defined below) may exercise, in whole or in part, the purchase rights for the Warrant Stock represented by this Warrant at any time and from time to time after the Issuance Date to and including the Expiration Date (the "Exercise Period").

1B. Exercise Procedure.

(i) This Warrant shall be deemed to have been exercised when the Company has received all of the following items (the "Exercise Time"):

(a) a completed Exercise Agreement, as described in Section 1C (the "Exercise Agreement"), duly executed by the Person exercising all or part of the purchase rights represented by this Warrant (the "Purchaser");

(b) this Warrant;

(c) if this Warrant is not registered in the name of the Purchaser, an assignment or assignments substantially in the form set forth on Exhibit I attached hereto evidencing the assignment of this Warrant to the Purchaser, in which case the Registered Holder shall have complied with the provisions set forth in Section 6;

(d) a check or wire transfer of immediately available funds payable to the Company in an amount equal to the product of the Exercise Price multiplied by the number of shares of Warrant Stock being purchased upon such exercise (the "Aggregate Exercise Price"); and

(e) a Joinder Agreement to each of the Stockholder Agreements in the form attached to the applicable Stockholder Agreement, in each case duly executed by the Purchaser pursuant to and in accordance with the applicable Stockholder Agreement.

(ii) As an alternative to the exercise of this Warrant as provided in Section 1B(i), the holder of this Warrant may exercise this Warrant on a "net basis" such that in lieu of payment of the Aggregate Exercise Price, the number of shares of the Warrant Stock issuable upon exercise of this Warrant shall be reduced by a number of shares of the Warrant Stock with a Fair Market Value equal to the Aggregate Exercise Price.

(iii) Certificates for shares of Warrant Stock purchased upon exercise of this Warrant shall be delivered by the Company to the Purchaser within five business days after the date of the Exercise Time. Unless this Warrant has expired or all of the rights represented hereby have been exercised, the Company shall prepare a new Warrant, substantially identical hereto, representing the rights formerly represented by this Warrant which have not expired or been exercised and shall, within such five-business day period, deliver such new Warrant to the Person designated for delivery in the Exercise Agreement.

(iv) No fractional shares or scrip representing fractional shares shall be issued upon an exercise of this Warrant. In lieu of any fraction shares which would otherwise be issuable, the Company shall pay cash equal to the product of such fraction multiplied by the fair market value of one share of Warrant Stock at the Exercise Time. The "fair market value" shall be determined in good faith by the Board of Directors of the Company.

(v) The issuance of certificates for shares of Warrant Stock upon exercise of this Warrant shall be made without charge to the Registered Holder or the Purchaser for any stamp duty or similar tax with respect to such issuance. Each share of Warrant Stock will, upon exercise of this Warrant in accordance with the terms hereof and payment of the Exercise Price therefor, be fully paid and nonassessable and free from all liens with respect to the issuance thereof.

(vi) The Warrant Stock issuable upon the exercise of this Warrant shall be deemed to have been issued to the Purchaser at the Exercise Time, and the Purchaser shall be deemed for all purposes to have become the record holder of such Warrant Stock at the Exercise Time.

(vii) The Company shall not close its books against the transfer of this Warrant or of any share of Warrant Stock issued or issuable upon the exercise of this Warrant in any manner which interferes with the timely exercise of this Warrant. The Company shall from time to time take all such action as may be necessary to assure that the par value per share of the unissued Warrant Stock acquirable upon exercise of this Warrant is at all times equal to or less than the Exercise Price then in effect.

(viii) The Company shall use commercially reasonable efforts to assist and cooperate with any Registered Holder or Purchaser required to make any governmental filings or obtain any governmental approvals prior to or in connection with any exercise of this Warrant (including, without limitation, making any filings required to be made by the Company). Any such governmental filings or approvals required prior to or in connection with the exercise of this Warrant shall be made or obtained at the Registered Holder's expense.

(ix) The Company shall give the Registered Holder at least 20 days' advance written notice of the date on which a Sale of the Company (as defined in the Investors Rights Agreement) or an IPO would become effective ("Transaction Notice"). Notwithstanding any other provision hereof, if an exercise of any portion of this Warrant is to be made in connection with an IPO or the Sale of the Company, the exercise of any portion of this Warrant may, at the election of the Registered Holder or Purchaser, be conditioned upon the consummation of the IPO or Sale of the Company in which case such exercise shall not be deemed to be effective until the consummation of such transaction.

(x) The Company shall at all times reserve and keep available out of its authorized but unissued shares of Warrant Stock solely for the purpose of issuance upon the exercise of this Warrant, such number of shares of Warrant Stock issuable upon the exercise of this Warrant (and any other warrants issued by the Company). All shares of Warrant Stock which are so issuable shall, when issued, be duly and validly issued. The Company shall take commercially reasonable steps to assure that all such shares of Warrant Stock may be so issued without violation of any applicable law or governmental regulation or any requirements of any

domestic securities exchange upon which shares of Common Stock may be listed (except for official notice of issuance which shall be immediately delivered by the Company upon each such issuance). The Company shall not take any action which would cause the number of authorized but unissued shares of Common Stock to be less than the number of shares of the Warrant Stock required to be reserved hereunder for issuance upon exercise of this Warrant (and any other warrants issued by the Company).

(xi) Upon request by the Registered Holder from time to time, but not more than one time per quarter, the Company shall issue to the Registered Holder a certificate setting forth the then-outstanding Common Stock or other equity interests of the Company and any securities convertible into or exchangeable for Common Stock or other equity interests of the Company.

1C. Exercise Agreement. Upon any exercise of this Warrant, the Exercise Agreement shall be substantially in the form set forth on Exhibit II attached hereto, except that if the shares of Warrant Stock are not to be issued in the name of the Person in whose name this Warrant is registered, the Exercise Agreement shall also state the name of the Person to whom the certificates for the shares of Warrant Stock are to be issued, and if the number of shares of Warrant Stock to be issued does not include all the shares of Warrant Stock purchasable hereunder, the Exercise Agreement shall also state the name of the Person to whom a new Warrant for the unexercised portion of the rights hereunder is to be delivered. Such Exercise Agreement shall be dated the actual date of execution thereof and shall indicate whether the Aggregate Exercise Price is to be paid in cash or on a "net basis".

Section 2. Record Date. If the Company takes a record of the holders of Common Stock for the purpose of entitling them (i) to receive a dividend or other distribution payable in Common Stock, Options or in Convertible Securities or (ii) to subscribe for or purchase Common Stock, Options or Convertible Securities, then such record date shall be deemed to be the date of the issue or sale of the shares of Common Stock deemed to have been issued or sold upon the declaration of such dividend or the making of such other distribution or the date of the granting of such right of subscription or purchase, as the case may be.

2A. Subdivision or Combination of Common Stock. If the Company at any time subdivides (by any stock split, stock dividend, recapitalization or otherwise) the Warrant Stock into a greater number of shares, the Exercise Price in effect immediately prior to such subdivision shall be proportionately reduced and the number of shares of Warrant Stock obtainable upon exercise of this Warrant shall be proportionately increased. If the Company at any time combines (by reverse stock split or otherwise) the Warrant Stock into a smaller number of shares, the Exercise Price in effect immediately prior to such combination shall be proportionately increased and the number of shares of Warrant Stock obtainable upon exercise of this Warrant shall be proportionately decreased. In addition, the number of shares of Common Stock outstanding at any given time does not include shares owned or held by or for the account of the Company or any subsidiary thereof, and the disposition of any shares so owned or held shall be considered an issue or sale of Common Stock.

2B. Reorganization, Reclassification, Consolidation, Merger or Sale. Any recapitalization, reorganization, reclassification, spin-off, consolidation, merger, sale of all or substantially all of the Company's assets with, into or to another Person or other similar transaction

which is effected in such a way that holders of Common Stock are entitled to receive (either directly or upon subsequent liquidation) stock or other equity interests, securities, assets or other property with respect to or in exchange for Common Stock is referred to herein as "Organic Change"; provided that (1) in the event an Organic Change that is a Sale of the Company provides for consideration in a form other than cash or (2) in connection with an Organic Change in which the Company is not the surviving Person and the Person surviving any such consolidation, merger or sale (if other than the Company) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made is not a corporation organized or existing under the laws of the jurisdiction of organization of the Company, or the laws of the United States, any state thereof or the District of Columbia, or any territory thereof (a "Specified Corporation"), in each case the Company shall structure such Organic Change in a manner so that the Registered Holder receives only cash in such Organic Change (and, in case of clause (2), upon receiving such cash, the Registered Holder shall not be adversely affected in respect of taxes as compared with the Organic Change occurring and the Registered Holder being paid in cash immediately prior to the Company becoming a Specified Corporation (if applicable)). Prior to the consummation of any Organic Change, the Company shall make appropriate provision to ensure that the Registered Holder of this Warrant shall thereafter have the right to acquire and receive, in lieu of or in addition to (as the case may be) the shares of Warrant Stock immediately theretofore acquirable and receivable upon the exercise of this Warrant, such shares of stock or equity interests, securities, assets or other property as would have been issued or payable in such Organic Change (as if this Warrant had been exercised immediately prior to such Organic Change) with respect to or in exchange for the shares of Warrant Stock immediately theretofore acquirable and receivable upon exercise of this Warrant had such Organic Change not taken place. In any such case, the Company shall make appropriate provision with respect to such holder's rights and interests to ensure that the provisions of this Section 2 shall thereafter be applicable to this Warrant. The Company shall not effect any such consolidation, merger or sale, unless prior to the consummation thereof, the successor entity (if other than the Company) resulting from consolidation or merger or the entity purchasing such assets assumes by written instrument, the obligation to deliver to each such holder such shares of stock or equity interests, securities, assets or other property as, in accordance with the foregoing provisions, such holder may be entitled to acquire. The Company, its successor entity or the purchaser entity, as applicable, shall promptly issue to the Registered Holder a certificate setting forth the aggregate shares of the Common Stock or equity interests, securities, assets or other property obtainable under this Warrant following such recapitalization, reorganization, reclassification, consolidation, merger or sale.

2C. Notices.

(i) Upon any adjustment of the Exercise Price and/or number of shares of Warrant Stock, the Company shall give written notice thereof to the Registered Holder, setting forth in reasonable detail and certifying the calculation of such adjustment.

(ii) The Company shall give written notice to the Registered Holder at least 10 days prior to the date on which the Company closes its books or takes a record (a) with respect to any dividend or distribution upon the Common Stock, (b) with respect to any pro rata subscription offer (including with respect to any options, convertible securities or rights to purchase stock, warrants, securities or other property) to holders of Common Stock or (c) for determining rights to vote with respect to any Organic Change, Sale of the Company, IPO, dissolution or liquidation.

(iii) The Company shall give written notice to the Registered Holder at least 10 days prior to the date on which any Organic Change, Sale of the Company, IPO, dissolution or liquidation shall take place.

2D. No Impairment. The Company shall not avoid or seek to avoid the observance or performance of any of the terms to be observed or performed by the Company under this Section 2, but shall at all times in good faith assist in carrying out of all the provisions of this Section 2 and in taking all such reasonable action as may be necessary or appropriate to protect the Registered Holder's rights under this Section 2 against impairment.

2E. Restricted Actions. For so long as the Registered Holder holds any portion of this Warrant, the Company shall not, and shall cause its subsidiaries not to become subject to (including, without limitation, by way of amendment to or modification of) any agreement or instrument which by its terms would materially restrict the right of the Company or any of its subsidiaries to fulfill its obligations under this Warrant.

2F. Expenses. The Company shall prepare, issue and deliver at its own expense any new Warrant or Warrants required to be issued hereunder.

Section 3. Dividends and Distributions. If the Company declares or pays a dividend or distribution upon its Common Stock, except for a dividend or distribution payable in common stock (a "Distribution"), then the Company shall pay to the Registered Holder (or any Person designated by the Registered Holder) at the time of payment thereof the Distribution which would have been paid to the Registered Holder on the Warrant Stock had this Warrant been fully exercised immediately prior to the date on which a record is taken for such Distribution or, if no record is taken, the date as of which the record holders of Common Stock entitled to such Distribution are to be determined**.**

Section 4. Definitions. The following terms have meanings set forth below:

"Commission" means the Securities and Exchange Commission.

"Common Stock" means, the Company's Common Stock, par value $0.000004, and any capital stock of any class of the Company hereafter authorized which is not limited to a fixed sum or percentage of par or stated value in respect to the rights of the holders thereof to participate in dividends or in the distribution of assets upon any liquidation, dissolution or winding up of the Company.

"Convertible Securities" means any stock or securities (directly or indirectly) convertible into or exchangeable for Common Stock.

"Expiration Date" the date that is the 10th anniversary of the Issuance Date.

"Fair Market Value" of the Company will mean the amount which the Company would receive in an all-cash sale of all of its assets and businesses as a going concern (free and clear of all liens and after payment of indebtedness for borrowed money) in an arms-length transaction with an unaffiliated third party consummated on the day immediately preceding the

date on which the event occurred which necessitated the determination of the Fair Market Value. After a determination of the Fair Market Value of the Company is made as provided above, the Fair Market Value of (i) an equity security will be determined by making a calculation reflecting the cash distributions which would be made to the equityholders in accordance with the Company's certificate of incorporation in respect of such equity security if the Company were deemed to have received such Fair Market Value in cash and then distributed the same to the equityholders in accordance with the terms of the Company's certificate of incorporation incident to the liquidation of the Company after payment to all of the Company's creditors from such cash receipts, and assuming that all of the convertible debt and other convertible securities were repaid or converted (whichever yields more cash to the holders of such convertible securities) and all options to acquire equity securities (whether or not currently exercisable) that have an exercise price below the Fair Market Value of such equity securities were exercised and the exercise price therefor paid, and (ii) a warrant will be determined by reference to the Fair Market Value, if any, of the equity securities issuable thereunder, reduced by the aggregate exercise price applicable thereto. In the event of a Sale of the Company, the Fair Market Value of an equity security shall be equal to the price paid for such equity security in such Sale of the Company, to the extent applicable. "Fair Market Value" shall be determined in good faith by the Board of Directors of the Company.

"Investors Rights Agreement" means that certain Second Amended and Restated Investors' Rights Agreement, dated on or around the date hereof, by and among the Company and the stockholders and warrantholders party thereto.

"IPO" means an initial sale of Common Stock of the Company or any subsidiary of the Company (or, in each case, any successor thereto) pursuant to an effective registration statement under the Securities Act filed with the Commission.

"Options" means any rights or options to subscribe for or purchase Common Stock or Convertible Securities.

"Person" means an individual, a partnership, a joint venture, a corporation, a limited liability company, a trust, an unincorporated organization and a government or any department or agency thereof.

"Securities Act" means the Securities Act of 1933, as amended, or any similar or successor federal statute and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time.

"Stockholder Agreements" means the Investors Rights Agreement, that certain Second Amended and Restated Voting and Drag Along Agreement, dated on or around the date hereof, by and among the Company and the stockholders and warrantholders party thereto and that certain Second Amended and Restated Right of First Refusal and Co-Sale Agreement, dated on or around the date hereof, by and among the Company and the stockholders and warrantholders party thereto (the "ROFR and Co-Sale Agreement").

"Warrant Stock" means shares of the Common Stock; provided that if there is a change such that the securities issuable upon exercise of the Warrants are issued by an entity other than the Company or there is a change in the type or class of securities so issuable, then the term

"Warrant Stock" shall mean one share of the security issuable upon exercise of the Warrants if such security is issuable in shares, or shall mean the smallest unit in which such security is issuable if such security is not issuable in shares.

Section 5. No Rights as a Stockholder; Limitations of Liability. This Warrant shall not entitle the holder hereof to any voting rights or other rights as a stockholder of the Company. No provision hereof, in the absence of affirmative action by the Registered Holder to purchase Warrant Stock by exercise of this Warrant, and no enumeration herein of the rights or privileges of the Registered Holder shall (i) cause the Registered Holder to be or have any rights of a stockholder of the Company for any purpose or (ii) give rise to any liability of such holder for the Exercise Price of Warrant Stock acquirable by exercise hereof or as a stockholder of the Company.

Section 6. Transfers.

6A. Unregistered Securities. Each holder of this Warrant acknowledges that this Warrant and the Warrant Stock have not been registered under the Securities Act, and agrees not to sell, offer for sale, pledge, hypothecate, distribute, transfer or otherwise dispose of this Warrant or any Warrant Stock issued upon its exercise in violation of any of the Stockholder Agreements. Each certificate or other instrument for Warrant Stock issued upon the exercise of this Warrant pursuant to Section 1B shall bear a legend substantially to the foregoing effect.

6B. Restrictions on Transfer. This Warrant and any securities acquired upon exercise of this Warrant may not be transferred or assigned in whole or in part except in accordance with the terms and conditions set forth in the Stockholder Agreements, including the Permitted Transfers (as defined in the ROFR and Co-Sale Agreement) of the Registered Holder.

Section 7. Warrant Exchangeable for Different Denominations. This Warrant is exchangeable, upon the surrender hereof by the Registered Holder at the principal office of the Company, for new Warrants of like tenor representing in the aggregate the rights hereunder, and each new Warrant shall represent such portion of such rights as is designated by the Registered Holder at the time of such surrender. The date the Company initially issues this Warrant shall be deemed to be the "Issuance Date" hereof regardless of the number of times new certificates representing the unexpired and unexercised rights formerly represented by this Warrant shall be issued. All Warrants representing portions of the rights hereunder are included in the definition of this "Warrant" hereunder.

Section 8. Replacement. Upon receipt of evidence reasonably satisfactory to the Company (an affidavit of the Registered Holder shall be satisfactory) of the ownership and the loss, theft, destruction or mutilation of any certificate evidencing this Warrant, and in the case of any such loss, theft or destruction, upon receipt of indemnity reasonably satisfactory to the Company, or, in the case of any such mutilation upon surrender of such certificate, the Company shall (at its expense) execute and deliver in lieu of such certificate a new certificate of like kind representing the same rights represented by such lost, stolen, destroyed or mutilated certificate and dated the date of such lost, stolen, destroyed or mutilated certificate.

Section 9. Notices. Except as expressly set forth to the contrary in this Warrant, all notices, requests or consents provided for or permitted to be given under this Warrant must be in writing and shall be deemed delivered (a) one business day after depositing such writing with a reputable overnight courier for next day delivery, (b) three business days after depositing such writing in the United States mail, postage paid, and registered or certified with return receipt requested or (c) upon delivering such writing to the recipient in person, by courier or by facsimile or electronic transmission (if the facsimile or electronic mail is sent during normal business hours of the recipient; but if not, then such notice shall be deemed given on the next business day). All notices, requests and consents to be sent to the Registered Holder must be sent to or made at c/o Oaktree Capital Management, L.P., 333 S. Grand Ave., 28th Fl., Los Angeles, CA 90071, Attention: Emily Stephens and Brook Hinchman, Facsimile: *** and ***, Email: *** and ***, or such other address as the Registered Holder may specify by notice to the Company. Any notice, request or consent to the Company must be sent to or made at Montrose Environmental Group, Inc., 1 Park Plaza, Suite 1000, Irvine, CA, 92614, Attention: Nasym Afsari, Facsimile: ***, Email: ***.

Section 10. Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Warrant.

Section 11. Amendment and Waiver. The provisions of this Warrant may be amended and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, only with, in each case, the prior written consent of the Company and the Registered Holders of Warrants representing a majority of the Warrant Stock obtainable upon exercise of the Warrants.

Section 12. Descriptive Headings; Governing Law. The descriptive headings of the several sections and paragraphs of this Warrant are inserted for convenience only and do not constitute a part of this Warrant. The corporate laws of the State of Delaware shall govern all issues concerning the relative rights of the Company and its stockholders. All other issues concerning the construction, validity, enforcement and interpretation of this Warrant shall be governed by the internal law of the State of Delaware, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Delaware or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of Delaware.

* * * *

IN WITNESS WHEREOF, the parties have executed this Warrant as of the Issuance Date hereof.

MONTROSE ENVIRONMENTAL GROUP, INC.

By: /s/ Vijay Manthripragada
Name: Vijay Manthripragada
Title: Chief Executive Officer

[SIGNATURE PAGE TO WARRANT]

Accepted and Agreed:

OCM Montrose Holdings, L.P.

By: Oaktree Fund GP, LLC
Its: General Partner

By: Oaktree Fund GP I, L.P.
Its: Managing Member

By: /s/ Bob O'Leary
Name: Bob O'Leary
Title: Authorized Signatory

By: /s/ Brook Hinchman
Name: Brook Hinchman
Title: Authorized Signatory

EXHIBIT I

ASSIGNMENT

FOR VALUE RECEIVED, _____ the undersigned hereby sells, assigns and transfers all of the rights of the undersigned under the attached Warrant (Certificate No. W-_____) with respect to the number of shares of the common stock of Montrose Environmental Group, Inc. covered thereby set forth below, unto:

Names of Assignee	Address	No. of Shares

Each assignee listed above hereby acknowledges and agrees to be bound by all terms and conditions of the attached Warrant as if such assignee were signatory to this Warrant.

[NAME OF HOLDER]

By: _____
Name:
Title:

Agreed and acknowledged by:

[NAME OF ASSIGNEE]

By: _____
Name:
Title:

Date: _____

EXHIBIT II

EXERCISE AGREEMENT

To: Montrose Environmental Group, Inc. Dated:

The undersigned, pursuant to the provisions set forth in the attached Warrant (Certificate No. W-_____), hereby agrees to subscribe for the purchase of _____ shares of the common stock of Montrose Environmental Group, Inc., a Delaware corporation, covered by such Warrant [and makes payment herewith in full therefor at the price per unit provided by such Warrant] [and elects to effect such exercise on a "net basis"].

[NAME OF HOLDER]

By: _____
Name:
Title:

Address:

Exhibit 4.6

Execution Version

THIS WARRANT AND ANY SECURITIES ACQUIRED UPON EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS, AND NONE OF THIS WARRANT, SUCH SECURITIES OR ANY INTEREST THEREIN MAY BE OFFERED, SOLD, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT OR SUCH LAWS OR AN EXEMPTION FROM REGISTRATION UNDER SUCH ACT AND SUCH LAWS.

THIS WARRANT AND THE SECURITIES ACQUIRED UPON EXERCISE OF THIS WARRANT ARE SUBJECT TO THE RIGHTS, TERMS AND CONDITIONS SPECIFIED BELOW AND IN THE STOCKHOLDER AGREEMENTS, IN EACH CASE AS AMENDED FROM TIME TO TIME. NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THIS WARRANT MAY BE MADE EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF THE STOCKHOLDER AGREEMENTS. A COPY OF THE STOCKHOLDER AGREEMENTS WILL BE FURNISHED WITHOUT CHARGE BY THE COMPANY TO THE HOLDER UPON REQUEST.

MONTROSE ENVIRONMENTAL GROUP, INC.

WARRANT

Issuance Date: April 13, 2020 Certificate No. W-4

FOR VALUE RECEIVED, Montrose Environmental Group, Inc., a Delaware corporation (the "Company"), hereby grants to OCM Montrose II Holdings, L.P., a Delaware limited partnership or its registered assigns (the "Registered Holder"), the right, upon the terms and subject to the conditions set forth herein, to purchase from the Company one million, three hundred fifty one thousand, nine hundred sixty (1,351,960) shares of the Warrant Stock at a price per share of $0.01 (as adjusted from time to time in accordance herewith, the "Exercise Price") of which nine hundred forty nine thousand, three hundred sixty seven (949,367) shares of the Warrant Stock shall constitute the "Participating Warrant Stock" and, subject to Section 2A, four hundred two thousand, five hundred ninety three (402,593) shares of the Warrant Stock shall constitute the "Non-Participating Warrant Stock"; provided that the Registered Holder may exercise this Warrant on a "net" basis by paying the Aggregate Exercise Price (as defined below) by delivering to the Company a portion of this Warrant representing Warrant Stock with a Fair Market Value equal to such Aggregate Exercise Price as set forth in Section 1B(ii). In connection with this grant, the Registered Holder, the Company and the holders of Common Stock will enter into each of the Stockholder Agreements. Certain capitalized terms used herein are defined in Section 4 hereof. The amount of securities obtainable pursuant to the rights granted hereunder and the purchase price for such securities are subject to adjustment pursuant to the provisions contained in this Warrant.

This Warrant is subject to the following provisions:

Section 1. Exercise of Warrant.

1A. Exercise Period. The Registered Holder or the Purchaser (as defined below) may exercise, in whole or in part, the purchase rights for the Warrant Stock represented by this Warrant with effect upon (or immediately prior to) any event set forth in clause (A), (B) or (C) of Section 2A (any such event, an "Exercise Event") so long as the exercise takes into effect any Warrant Adjustment trigged upon such Exercise Event and such Exercise Event occurs after the Issuance Date to and including the Expiration Date (the "Exercise Period").

1B. Exercise Procedure.

(i) This Warrant shall be deemed to have been exercised when the Company has received all of the following items (the "Exercise Time"):

(a) a completed Exercise Agreement, as described in Section 1C (the "Exercise Agreement"), duly executed by the Person exercising all or part of the purchase rights represented by this Warrant (the "Purchaser");

(b) this Warrant;

(c) if this Warrant is not registered in the name of the Purchaser, an assignment or assignments substantially in the form set forth on Exhibit I attached hereto evidencing the assignment of this Warrant to the Purchaser, in which case the Registered Holder shall have complied with the provisions set forth in Section 6;

(d) a check or wire transfer of immediately available funds payable to the Company in an amount equal to the product of the Exercise Price multiplied by the number of shares of Warrant Stock being purchased upon such exercise (the "Aggregate Exercise Price"); and

(e) a Joinder Agreement to each of the Stockholder Agreements in the form attached to the applicable Stockholder Agreement, in each case duly executed by the Purchaser pursuant to and in accordance with the applicable Stockholder Agreement.

(ii) As an alternative to the exercise of this Warrant as provided in Section 1B(i), the holder of this Warrant may exercise this Warrant on a "net basis" such that in lieu of payment of the Aggregate Exercise Price, the number of shares of the Warrant Stock issuable upon exercise of this Warrant shall be reduced by a number of shares of the Warrant Stock with a Fair Market Value equal to the Aggregate Exercise Price.

(iii) Certificates for shares of Warrant Stock (if any) purchased upon exercise of this Warrant shall be delivered by the Company to the Purchaser within five business days after the date of the Exercise Time. Unless this Warrant has expired or all of the rights represented hereby have been exercised, the Company shall prepare a new Warrant, substantially identical hereto, representing the rights formerly represented by this Warrant which have not expired or been exercised and shall, within such five-business day period, deliver such new Warrant to the Person designated for delivery in the Exercise Agreement.

(iv) No fractional shares or scrip representing fractional shares shall be issued upon an exercise of this Warrant. In lieu of any fraction shares which would otherwise be issuable, the Company shall pay cash equal to the product of such fraction multiplied by the Fair Market Value of one share of Warrant Stock at the Exercise Time.

(v) The issuance of certificates for shares of Warrant Stock (if any) upon exercise of this Warrant shall be made without charge to the Registered Holder or the Purchaser for any stamp duty or similar tax with respect to such issuance. Each share of Warrant Stock will, upon exercise of this Warrant in accordance with the terms hereof and payment of the Exercise Price therefor, be fully paid and nonassessable and free from all liens with respect to the issuance thereof.

(vi) The Warrant Stock issuable upon the exercise of this Warrant shall be deemed to have been issued to the Purchaser at the Exercise Time, and the Purchaser shall be deemed for all purposes to have become the record holder of such Warrant Stock at the Exercise Time.

(vii) The Company shall not close its books against the transfer of this Warrant or of any share of Warrant Stock issued or issuable upon the exercise of this Warrant in any manner which interferes with the timely exercise of this Warrant. The Company shall from time to time take all such action as may be necessary to assure that the par value per share of the unissued Warrant Stock acquirable upon exercise of this Warrant is at all times equal to or less than the Exercise Price then in effect.

(viii) The Company shall use commercially reasonable efforts to assist and cooperate with any Registered Holder or Purchaser required to make any governmental filings or obtain any governmental approvals prior to or in connection with any exercise of this Warrant (including, without limitation, making any filings required to be made by the Company). Any such governmental filings or approvals required prior to or in connection with the exercise of this Warrant shall be made or obtained at the Registered Holder's expense.

(ix) The Company shall give the Registered Holder at least 20 days' advance written notice of the date on which a Sale of the Company (as defined in the Investors Rights Agreement) or an IPO would become effective ("Transaction Notice"). Notwithstanding any other provision hereof, an exercise of any portion of this Warrant may, at the election of the Registered Holder or Purchaser, be conditioned upon the consummation of an Exercise Event in which case such exercise shall not be deemed to be effective until the consummation of such Exercise Event.

(x) The Company shall at all times reserve and keep available out of its authorized but unissued shares of Warrant Stock solely for the purpose of issuance upon the exercise of this Warrant, such number of shares of Warrant Stock issuable upon the exercise of this Warrant (and any other warrants issued by the Company). All shares of Warrant Stock which are so issuable shall, when issued, be duly and validly issued. The Company shall take commercially reasonable steps to assure that all such shares of Warrant Stock may be so issued

without violation of any applicable law or governmental regulation or any requirements of any domestic securities exchange upon which shares of Common Stock may be listed (except for official notice of issuance which shall be immediately delivered by the Company upon each such issuance). The Company shall not take any action which would cause the number of authorized but unissued shares of Common Stock to be less than the number of shares of the Warrant Stock required to be reserved hereunder for issuance upon exercise of this Warrant (and any other warrants issued by the Company).

(xi) Upon request by the Registered Holder from time to time, but not more than one time per quarter, the Company shall issue to the Registered Holder a certificate setting forth the then-outstanding Common Stock or other equity interests of the Company and any securities convertible into or exchangeable for Common Stock or other equity interests of the Company.

1C. Exercise Agreement. Upon any exercise of this Warrant, the Exercise Agreement shall be substantially in the form set forth on Exhibit II attached hereto, except that if the shares of Warrant Stock are not to be issued in the name of the Person in whose name this Warrant is registered, the Exercise Agreement shall also state the name of the Person to whom the certificates for the shares of Warrant Stock are to be issued, and if the number of shares of Warrant Stock to be issued does not include all the shares of Warrant Stock purchasable hereunder, the Exercise Agreement shall also state the name of the Person to whom a new Warrant for the unexercised portion of the rights hereunder is to be delivered. Such Exercise Agreement shall be dated the actual date of execution thereof and shall indicate whether the Aggregate Exercise Price is to be paid in cash or on a "net basis".

Section 2. Record Date. If the Company takes a record of the holders of Common Stock for the purpose of entitling them (i) to receive a dividend or other distribution payable in Common Stock, Options or in Convertible Securities or (ii) to subscribe for or purchase Common Stock, Options or Convertible Securities, then such record date shall be deemed to be the date of the issue or sale of the shares of Common Stock deemed to have been issued or sold upon the declaration of such dividend or the making of such other distribution or the date of the granting of such right of subscription or purchase, as the case may be.

2A. Adjustment of Number of Shares upon Certain Events. Upon the earlier to occur of (A) a Qualifying IPO, (B) a Full Buyout Private Offering and (C) a redemption of all of the Series A-2 Preferred Stock of the Company (the "Adjustment Event"), if the Fair Market Value of a share of Common Stock at the time of the Adjustment Event (the "Adjustment Value") is (1) greater than $22.19 per share of Common Stock, as adjusted for any Reallocation (as defined below) (the "Issuance Value"), then immediately upon the occurrence of the Adjustment Event, the number of shares of Warrant Stock acquirable upon exercise of this Warrant shall be reduced by the Warrant Reduction Amount, or (2) less than the Issuance Value, then immediately upon the occurrence of the Adjustment Event, the number of shares of Warrant Stock acquirable upon exercise of this Warrant shall be increased by the Warrant Increase Amount (in either case of clause (1) or (2), the "Warrant Adjustment"). The "Warrant Reduction Amount" shall be an amount equal to (x) the Adjustment Value minus the Issuance Value, multiplied by (y) the number of shares of Warrant Stock acquirable upon exercise of this Warrant prior to the Adjustment Event, divided by (z) the Adjustment Value. The "Warrant Increase Amount" shall be an amount equal to (x) the Issuance Value minus the Adjustment Value, multiplied by (y) the number of shares of

Warrant Stock acquirable upon exercise of this Warrant prior to the Adjustment Event, divided by (z) the Adjustment Value. After an Adjustment Event, all Warrant Stock for which this Warrant is exercisable (including such shares of Non-Participating Warrant Stock as are acquirable by reason of the Warrant Increase Amount, if any) shall be deemed to be Participating Warrant Stock effective immediately after the Warrant Adjustment is applied and the Registered Holder shall forfeit its right to the other shares of Non-Participating Warrant Stock.

2B. Subdivision or Combination of Common Stock. If the Company at any time subdivides (by any stock split, stock dividend, recapitalization or otherwise) the Warrant Stock into a greater number of shares (any such event, a "Subdivision"), the Exercise Price in effect immediately prior to such subdivision shall be proportionately reduced and the number of shares of Warrant Stock obtainable upon exercise of this Warrant shall be proportionately increased. If the Company at any time combines (by reverse stock split or otherwise) the Warrant Stock into a smaller number of shares (any such event, a "Combination" and, together with any Subdivision, a "Reallocation"), the Exercise Price in effect immediately prior to such combination shall be proportionately increased and the number of shares of Warrant Stock obtainable upon exercise of this Warrant shall be proportionately decreased. In addition, the number of shares of Common Stock outstanding at any given time does not include shares owned or held by or for the account of the Company or any subsidiary thereof, and the disposition of any shares so owned or held shall be considered an issue or sale of Common Stock.

2C. Reorganization, Reclassification, Consolidation, Merger or Sale. Any recapitalization, reorganization, reclassification, spin-off, consolidation, merger, sale of all or substantially all of the Company's assets with, into or to another Person or other similar transaction which is effected in such a way that holders of Common Stock are entitled to receive (either directly or upon subsequent liquidation) stock or other equity interests, securities, assets or other property with respect to or in exchange for Common Stock is referred to herein as "Organic Change"; provided that (1) in the event an Organic Change that is a Sale of the Company provides for consideration in a form other than cash or (2) in connection with an Organic Change in which the Company is not the surviving Person and the Person surviving any such consolidation, merger or sale (if other than the Company) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made is not a corporation organized or existing under the laws of the jurisdiction of organization of the Company, or the laws of the United States, any state thereof or the District of Columbia, or any territory thereof (a "Specified Corporation"), in each case the Company shall structure such Organic Change in a manner so that the Registered Holder receives only cash in such Organic Change (and, in case of clause (2), upon receiving such cash, the Registered Holder shall not be adversely affected in respect of taxes as compared with the Organic Change occurring and the Registered Holder being paid in cash immediately prior to the Company becoming a Specified Corporation (if applicable)). Prior to the consummation of any Organic Change, the Company shall make appropriate provision to ensure that the Registered Holder of this Warrant shall thereafter have the right to acquire and receive, in lieu of or in addition to (as the case may be) the shares of Participating Warrant Stock immediately theretofore acquirable and receivable upon the exercise of this Warrant, such shares of stock or equity interests, securities, assets or other property as would have been issued or payable in such Organic Change (as if this Warrant had been exercised immediately prior to such Organic Change) with respect to or in exchange for the shares of Participating Warrant Stock immediately theretofore acquirable and receivable upon exercise of this Warrant had such Organic Change not taken place.

In any such case, the Company shall make appropriate provision with respect to such holder's rights and interests to ensure that the provisions of this Section 2 shall thereafter be applicable to this Warrant. The Company shall not effect any such consolidation, merger or sale, unless prior to the consummation thereof, the successor entity (if other than the Company) resulting from consolidation or merger or the entity purchasing such assets assumes by written instrument, the obligation to deliver to each such holder such shares of stock or equity interests, securities, assets or other property as, in accordance with the foregoing provisions, such holder may be entitled to acquire. The Company, its successor entity or the purchaser entity, as applicable, shall promptly issue to the Registered Holder a certificate setting forth the aggregate shares of the Common Stock or equity interests, securities, assets or other property obtainable under this Warrant following such recapitalization, reorganization, reclassification, consolidation, merger or sale.

2D. Notices.

(i) Upon any adjustment of the Exercise Price and/or number of shares of Warrant Stock, the Company shall give written notice thereof to the Registered Holder, setting forth in reasonable detail and certifying the calculation of such adjustment.

(ii) The Company shall give written notice to the Registered Holder at least 10 days prior to the date on which the Company closes its books or takes a record (a) with respect to any dividend or distribution upon the Common Stock, (b) with respect to any pro rata subscription offer (including with respect to any options, convertible securities or rights to purchase stock, warrants, securities or other property) to holders of Common Stock or (c) for determining rights to vote with respect to any Organic Change, Sale of the Company, IPO, dissolution or liquidation.

(iii) The Company shall give written notice to the Registered Holder at least 10 days prior to the date on which any Organic Change, Sale of the Company, IPO, dissolution or liquidation shall take place.

2E. No Impairment. The Company shall not avoid or seek to avoid the observance or performance of any of the terms to be observed or performed by the Company under this Section 2, but shall at all times in good faith assist in carrying out of all the provisions of this Section 2 and in taking all such reasonable action as may be necessary or appropriate to protect the Registered Holder's rights under this Section 2 against impairment.

2F. Restricted Actions. For so long as the Registered Holder holds any portion of this Warrant, the Company shall not, and shall cause its subsidiaries not to become subject to (including, without limitation, by way of amendment to or modification of) any agreement or instrument which by its terms would materially restrict the right of the Company or any of its subsidiaries to fulfill its obligations under this Warrant.

2G. Expenses. The Company shall prepare, issue and deliver at its own expense any new Warrant or Warrants required to be issued hereunder.

Section 3. Dividends and Distributions. If the Company declares or pays a dividend or distribution upon its Common Stock, except for a dividend or distribution payable in common stock (a "Distribution"), then the Company shall pay to the Registered Holder (or any Person designated by the Registered Holder) at the time of payment thereof the Distribution which would have been paid to the Registered Holder on the Participating Warrant Stock had this Warrant been fully exercised immediately prior to the date on which a record is taken for such Distribution or, if no record is taken, the date as of which the record holders of Common Stock entitled to such Distribution are to be determined.

Section 4. Definitions. The following terms have meanings set forth below:

"Business Day" means each day that is not a Legal Holiday.

"Closing Price" of the Common Stock on any date of determination means the closing sale price or, if no closing sale price is reported, the last reported sale price, of the shares of the Common Stock on the Relevant Exchange on such date. If the Common Stock is not traded on the Relevant Exchange on any date of determination, the Closing Price of the Common Stock on such date of determination means the closing sale price as reported in the composite transactions for the principal United States securities exchange or automated quotation system on which the Common Stock is so listed or quoted, or, if no closing sale price is reported, the last reported sale price on the principal United States securities exchange or automated quotation system on which the Common Stock is so listed or quoted, or if the Common Stock is not so listed or quoted on a United States securities exchange or automated quotation system, the last quoted bid price for the Common Stock in the over-the-counter market as reported by OTC Markets Group Inc. or any similar organization, or, if that bid price is not available, the market price of the Common Stock on that date as determined by an Independent Financial Advisor retained by the Company for such purpose.

"Commission" means the Securities and Exchange Commission.

"Common Stock" means, the Company's Common Stock, par value $0.000004, and any capital stock of any class of the Company hereafter authorized which is not limited to a fixed sum or percentage of par or stated value in respect to the rights of the holders thereof to participate in dividends or in the distribution of assets upon any liquidation, dissolution or winding up of the Company.

"Convertible Securities" means any stock or securities (directly or indirectly) convertible into or exchangeable for Common Stock.

"Expiration Date" the date that is the 10th anniversary of the Issuance Date.

"Fair Market Value" of the Company will mean the amount which the Company would receive in an all-cash sale of all of its assets and businesses as a going concern (free and clear of all liens and after payment of indebtedness for borrowed money) in an arms-length transaction with an unaffiliated third party consummated on the day immediately preceding the date on which the event occurred which necessitated the determination of the Fair Market Value. After a determination of the Fair Market Value of the Company is made as provided above, the Fair Market Value of (i) an equity security will be determined by making a calculation reflecting the cash distributions which would be made to the equityholders in accordance with the Company's certificate of incorporation in respect of such equity security if the Company were deemed to have received such Fair Market Value in cash and then distributed the same to the

equityholders in accordance with the terms of the Company's certificate of incorporation incident to the liquidation of the Company after payment to all of the Company's creditors from such cash receipts, and assuming that all of the convertible debt and other convertible securities were repaid or converted (whichever yields more cash to the holders of such convertible securities) and all options to acquire equity securities (whether or not currently exercisable) that have an exercise price below the Fair Market Value of such equity securities were exercised and the exercise price therefor paid, and (ii) a warrant will be determined by reference to the Fair Market Value, if any, of the equity securities issuable thereunder, reduced by the aggregate exercise price applicable thereto. In the event of a Sale of the Company, the Fair Market Value of an equity security shall be equal to the price paid for such equity security in such Sale of the Company, to the extent applicable. "Fair Market Value" shall be determined in good faith by the Board of Directors of the Company. Notwithstanding the foregoing, (A) upon the consummation of an IPO, the "Fair Market Value" of a share of Common Stock will mean the issuance price of a share of Common Stock upon the consummation of the IPO, (B) upon the consummation of a Full Buyout Private Offering, the "Fair Market Value" will mean the greater of (1) the amount per share of Common Stock as calculated pursuant to this definition and (2) the price per share of Common Stock paid by the third party investor in such Full Buyout Private Offering and (C) following the consummation of an IPO, "Fair Market Value" of the Common Stock will mean the VWAP for a share of Common Stock for the ten (10) consecutive Trading Days immediately prior to the date of valuation.

"Full Buyout Private Offering" shall have the meaning set forth in the Series A-2 Certificate of Designation.

"Independent Financial Advisor" means an accounting, appraisal, investment banking firm or consultant of nationally recognized standing; provided, however, that such firm or consultant is not an Affiliate (as defined in the Investors Rights Agreement) of the Company and reasonably acceptable to the Registered Holder.

"Investors Rights Agreement" means that certain Third Amended and Restated Investors' Rights Agreement, dated on or around the date hereof, by and among the Company and the stockholders and warrantholders party thereto, as may be amended, restated or modified pursuant to its terms (including the contemplated amendment and restatement to occur in connection with a Qualifying IPO).

"IPO" means an initial sale of Common Stock of the Company or any subsidiary of the Company (or, in each case, any successor thereto) pursuant to an effective registration statement under the Securities Act filed with the Commission.

"Legal Holiday" means a Saturday, a Sunday or a day on which commercial banking institutions are not required or authorized to be open in the State of New York.

"Market Disruption Event" means any of the following events:

(a) any suspension of, or limitation imposed on, trading of the Common Stock by any exchange or quotation system on which the Closing Price is determined pursuant to the definition of the term "Closing Price" (the "Relevant Exchange") during the one-hour period prior to the close of trading for the regular trading session on the Relevant Exchange (or for purposes of determining the VWAP per share of Common Stock, any period or periods aggregating one half-hour or longer during the regular trading session on the relevant day) and whether by reason of movements in price exceeding limits permitted by the Relevant Exchange as to securities generally, or otherwise relating to the Common Stock; or

(b) any event that disrupts or impairs (as determined by the Company in its reasonable discretion) the ability of market participants during the one-hour period prior to the close of trading for the regular trading session on the Relevant Exchange (or for purposes of determining the VWAP per share of Common Stock, any period or periods aggregating one half-hour or longer during the regular trading session on the relevant day) in general to effect transactions in, or obtain market values for, the Common Stock on the Relevant Exchange.

"Options" means any rights or options to subscribe for or purchase Common Stock or Convertible Securities.

"Person" means an individual, a partnership, a joint venture, a corporation, a limited liability company, a trust, an unincorporated organization and a government or any department or agency thereof.

"Qualifying IPO" shall have the meaning set forth in the Series A-2 Certificate of Designation.

"Securities Act" means the Securities Act of 1933, as amended, or any similar or successor federal statute and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time.

"Series A-2 Certificate of Designation" means the Certificate of Designation of Series A-2 Perpetual Convertible Preferred Stock of the Company, as amended, restated, supplemented or otherwise modified from time to time in accordance with its terms.

"Stockholder Agreements" means the Investors Rights Agreement, that certain Third Amended and Restated Voting and Drag Along Agreement, dated on or around the date hereof, by and among the Company and the stockholders and warrantholders party thereto and that certain Third Amended and Restated Right of First Refusal and Co-Sale Agreement, dated on or around the date hereof, by and among the Company and the stockholders and warrantholders party thereto (the "ROFR and Co-Sale Agreement"). Following the consummation of a Qualifying IPO, the only Stockholder Agreement shall be deemed to be the Investor Rights Agreement (as amended and restated in connection therewith).

"Trading Day" means a Business Day on which the Relevant Exchange is scheduled to be open for business and on which there has not occurred a Market Disruption Event.

"VWAP" per share of Common Stock on any Trading Day means the per share volume-weighted average price as displayed under the heading Bloomberg VWAP on Bloomberg (or, if Bloomberg ceases to publish such price, any successor service reasonably chosen by the Company) page "[MEG]" <equity> AQR" (or its equivalent successor if such page is not available) in respect of the period from the open of trading on the relevant Trading Day until the close of trading on such Trading Day (or if such volume-weighted average price is unavailable, the market price of one (1) share of Common Stock on such Trading Day determined, using a volume-weighted average method, by an Independent Financial Advisor retained for such purpose by the Company.

"Warrant Stock" means shares of the Common Stock; provided that if there is a change such that the securities issuable upon exercise of the Warrants are issued by an entity other than the Company or there is a change in the type or class of securities so issuable, then the term "Warrant Stock" shall mean one share of the security issuable upon exercise of the Warrants if such security is issuable in shares, or shall mean the smallest unit in which such security is issuable if such security is not issuable in shares.

"Warrant Value" means $30,000,000.

Section 5. No Rights as a Stockholder; Limitations of Liability; Participating Warrant Stock Rights under the Stockholder Agreements.

5A. This Warrant shall not entitle the holder hereof to any voting rights or other rights as a stockholder of the Company. No provision hereof, in the absence of affirmative action by the Registered Holder to purchase Warrant Stock by exercise of this Warrant, and no enumeration herein of the rights or privileges of the Registered Holder shall (i) cause the Registered Holder to be or have any rights of a stockholder of the Company for any purpose or (ii) give rise to any liability of such holder for the Exercise Price of Warrant Stock acquirable by exercise hereof or as a stockholder of the Company.

5B. This Warrant shall only entitle the holder hereof to the rights and privileges provided pursuant to the Stockholder Agreements to the Warrantholders thereunder solely with respect to the portion of this Warrant that represents Participating Warrant Stock.

Section 6. Transfers.

6A. Unregistered Securities. Each holder of this Warrant acknowledges that this Warrant and the Warrant Stock have not been registered under the Securities Act, and agrees not to sell, offer for sale, pledge, hypothecate, distribute, transfer or otherwise dispose of this Warrant or any Warrant Stock issued upon its exercise in violation of any of the Stockholder Agreements. Each certificate or other instrument for Warrant Stock issued upon the exercise of this Warrant pursuant to Section 1B shall bear a legend substantially to the foregoing effect.

6B. Restrictions on Transfer. This Warrant and any securities acquired upon exercise of this Warrant may not be transferred or assigned in whole or in part except in accordance with the terms and conditions set forth in the Stockholder Agreements, including the Permitted Transfers (as defined in the ROFR and Co-Sale Agreement) of the Registered Holder.

Section 7. Warrant Exchangeable for Different Denominations. This Warrant is exchangeable, upon the surrender hereof by the Registered Holder at the principal office of the Company, for new Warrants of like tenor representing in the aggregate the rights hereunder, and each new Warrant shall represent such portion of such rights as is designated by the Registered Holder at the time of such surrender. The date the Company initially issues this Warrant shall be deemed to be the "Issuance Date" hereof regardless of the number of times new certificates representing the unexpired and unexercised rights formerly represented by this Warrant shall be issued. All Warrants representing portions of the rights hereunder are included in the definition of this "Warrant" hereunder.

Section 8. Replacement. Upon receipt of evidence reasonably satisfactory to the Company (an affidavit of the Registered Holder shall be satisfactory) of the ownership and the loss, theft, destruction or mutilation of any certificate evidencing this Warrant, and in the case of any such loss, theft or destruction, upon receipt of indemnity reasonably satisfactory to the Company, or, in the case of any such mutilation upon surrender of such certificate, the Company shall (at its expense) execute and deliver in lieu of such certificate a new certificate of like kind representing the same rights represented by such lost, stolen, destroyed or mutilated certificate and dated the date of such lost, stolen, destroyed or mutilated certificate.

Section 9. Notices. Except as expressly set forth to the contrary in this Warrant, all notices, requests or consents provided for or permitted to be given under this Warrant must be in writing and shall be deemed delivered (a) one business day after depositing such writing with a reputable overnight courier for next day delivery, (b) three business days after depositing such writing in the United States mail, postage paid, and registered or certified with return receipt requested or (c) upon delivering such writing to the recipient in person, by courier or by facsimile or electronic transmission (if the facsimile or electronic mail is sent during normal business hours of the recipient; but if not, then such notice shall be deemed given on the next business day). All notices, requests and consents to be sent to the Registered Holder must be sent to or made at c/o Oaktree Capital Management, L.P., 11611 San Vicente Blvd., Suite 700 Los Angeles, CA 90049, Attention Peter Jonna, Facsimile: *** and 333 S. Grand Ave., 28th Fl., Los Angeles, CA 90071 and Attention: Brook Hinchman, and ***, Email: *** and ***, or such other address as the Registered Holder may specify by notice to the Company. Any notice, request or consent to the Company must be sent to or made at Montrose Environmental Group, Inc., 1 Park Plaza, Suite 1000, Irvine, CA, 92614, Attention: Nasym Afsari, Facsimile: ***, Email: ***.

Section 10. Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Warrant.

Section 11. Amendment and Waiver. The provisions of this Warrant may be amended and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, only with, in each case, the prior written consent of the Company and the Registered Holders of Warrants representing a majority of the Warrant Stock obtainable upon exercise of the Warrants.

Section 12. Descriptive Headings; Governing Law. The descriptive headings of the several sections and paragraphs of this Warrant are inserted for convenience only and do not constitute a part of this Warrant. The corporate laws of the State of Delaware shall govern all issues concerning the relative rights of the Company and its stockholders. All other issues concerning the construction, validity, enforcement and interpretation of this Warrant shall be governed by the internal law of the State of Delaware, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Delaware or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of Delaware.

* * * *

IN WITNESS WHEREOF, the parties have executed this Warrant as of the Issuance Date hereof.

MONTROSE ENVIRONMENTAL GROUP, INC.

By: /s/ Vijay Manthripragada
Name: Vijay Manthripragada
Title: Chief Executive Officer

[SIGNATURE PAGE TO WARRANT]

Accepted and Agreed:

OCM Montrose II Holdings, L.P.

By: Oaktree Fund GP, LLC
Its: General Partner

By: Oaktree Fund GP I, L.P.
Its: Managing Member

By: /s/ Brook Hinchman
Name: Brook Hinchman
Title: Authorized Signatory

By: /s/ Jordan Mikes
Name: Jordan Mikes
Title: Authorized Signatory

EXHIBIT I

ASSIGNMENT

FOR VALUE RECEIVED, _____the undersigned hereby sells, assigns and transfers all of the rights of the undersigned under the attached Warrant (Certificate No. W-4) with respect to the number of shares of the common stock of Montrose Environmental Group, Inc. covered thereby set forth below, unto:

Names of Assignee	Address	No. of Shares

Each assignee listed above hereby acknowledges and agrees to be bound by all terms and conditions of the attached Warrant as if such assignee were signatory to this Warrant.

[NAME OF HOLDER]

By: _____
Name:
Title:

Agreed and acknowledged by:

[NAME OF ASSIGNEE]

By: _____
Name:
Title:

Date: _____

EXHIBIT II

EXERCISE AGREEMENT

To: Montrose Environmental Group, Inc. Dated:

The undersigned, pursuant to the provisions set forth in the attached Warrant (Certificate No. W-4), hereby agrees to subscribe for the purchase of _____ shares of the common stock of Montrose Environmental Group, Inc., a Delaware corporation, covered by such Warrant [and makes payment herewith in full therefor at the price per unit provided by such Warrant] [and elects to effect such exercise on a "net basis"].

[NAME OF HOLDER]

By: _____
Name:
Title:

Address:

Exhibit 5.1

GIBSON DUNN

Gibson, Dunn & Crutcher LLP

333 South Grand Avenue
Los Angeles, CA 90071-3197
Tel 213.229.7000
www.gibsondunn.com

Client: 31568-00002

, 2020

Montrose Environmental Group, Inc.
1 Park Plaza, Suite 1000
Irvine, CA 92614

Re: *Montrose Environmental Group, Inc.*
Registration Statement on Form S-1 (File No. 333-)

Ladies and Gentlemen:

We have examined the Registration Statement on Form S-1, File No. 333- , as amended (the "Registration Statement"), of Montrose Environmental Group, Inc., a Delaware corporation (the "Company"), filed with the Securities and Exchange Commission (the "Commission") pursuant to the Securities Act of 1933, as amended (the "Securities Act"), in connection with the offering by the Company of up to shares of the Company's common stock, par value $0.000004 per share, (the "Shares").

In arriving at the opinion expressed below, we have examined originals, or copies certified or otherwise identified to our satisfaction as being true and complete copies of the originals, of specimen Common Stock certificates and such other documents, corporate records, certificates of officers of the Company and of public officials and other instruments as we have deemed necessary or advisable to enable us to render the opinions set forth below. In our examination, we have assumed without independent investigation the genuineness of all signatures, the legal capacity and competency of all natural persons, the authenticity of all documents submitted to us as originals and the conformity to original documents of all documents submitted to us as copies.

Based upon the foregoing, and subject to the assumptions, exceptions, qualifications and limitations set forth herein, we are of the opinion that the Shares, when issued against payment therefor as set forth in the Registration Statement, will be validly issued, fully paid and non-assessable.

We consent to the filing of this opinion as an exhibit to the Registration Statement, and we further consent to the use of our name under the caption "Legal Matters" in the Registration Statement and the prospectus that forms a part thereof. In giving these consents, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act or the Rules and Regulations of the Commission.

Very truly yours,

Exhibit 10.1

INDEMNIFICATION AGREEMENT

This Indemnification Agreement (this "Agreement") is entered effective (the "Effective Date") by and between Montrose Environmental Group, Inc., a Delaware corporation (the "Company"), and (the "Indemnitee").

RECITALS

WHEREAS, the Board of Directors has determined that the inability to attract and retain qualified persons as directors and officers is detrimental to the best interests of the Company's stockholders and that the Company should act to assure such persons that there shall be adequate certainty of protection through insurance and indemnification against risks of claims and actions against them arising out of their service to and activities on behalf of the Company;

WHEREAS, the Company has adopted provisions in its Certificate of Incorporation and Bylaws providing for indemnification and advancement of expenses of its directors and officers to the fullest extent authorized by the General Corporation Law of the State of Delaware (the "DGCL"), and the Company wishes to clarify and enhance the rights and obligations of the Company and the Indemnitee with respect to indemnification and advancement of expenses;

WHEREAS, in order to induce and encourage highly experienced and capable persons such as the Indemnitee to serve and continue to serve as directors and officers of the Company and in any other capacity with respect to the Company as the Company may request, and to otherwise promote the desirable end that such persons shall resist what they consider unjustified lawsuits and claims made against them in connection with the good faith performance of their duties to the Company, with the knowledge that certain costs, judgments, penalties, fines, liabilities, and expenses incurred by them in their defense of such litigation are to be borne by the Company and they shall receive appropriate protection against such risks and liabilities, the Board of Directors of the Company has determined that the following Agreement is reasonable and prudent to promote and ensure the best interests of the Company and its stockholders; and

WHEREAS, the Company desires to have the Indemnitee continue to serve as a director or officer of the Company and in any other capacity with respect to the Company as the Company may request, as the case may be, free from undue concern for unpredictable, inappropriate, or unreasonable legal risks and personal liabilities by reason of the Indemnitee acting in good faith in the performance of the Indemnitee's duty to the Company; and the Indemnitee desires to continue so to serve the Company, provided, and on the express condition, that he or she is furnished with the protections set forth hereinafter.

AGREEMENT

NOW, THEREFORE, in consideration of the Indemnitee's continued service as a director or officer of the Company, the parties hereto agree as follows:

1. Definitions. For purposes of this Agreement:

(a) A "Change in Control" will be deemed to have occurred if, with respect to any particular 24-month period, the individuals who, at the beginning of such 24-month period, constituted the Board of Directors of the Company (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board of Directors; provided, however, that any individual becoming a director subsequent to the beginning of such 24-month period whose election, or nomination for election by the stockholders of the Company, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board of Directors.

(b) "Disinterested Director" means a director of the Company who is not or was not a party to the Proceeding in respect of which indemnification is being sought by the Indemnitee.

(c) "Expenses" includes, without limitation, expenses incurred in connection with the defense or settlement of any action, suit, arbitration, alternative dispute resolution mechanism, investigation, inquiry, judicial, administrative, or legislative hearing, or any other threatened, pending, or completed proceeding, whether brought by or in the right of the Company or otherwise, including any and all appeals, whether of a civil, criminal, administrative, legislative, investigative (whether formal or informal), or other nature, attorneys' fees, witness fees and expenses, fees and expenses of accountants and other advisors, retainers and disbursements and advances thereon, the premium, security for, and other costs relating to any bond (including cost bonds, appraisal bonds, or their equivalents), and any expenses of establishing a right to indemnification or advancement under Sections 9, 11, 13, and 16 hereof, but shall not include the amount of judgments, fines, ERISA excise taxes, or penalties actually levied against the Indemnitee, or any amounts paid in settlement by or on behalf of the Indemnitee.

(d) "Independent Counsel" means a law firm or a member of a law firm that neither is presently nor in the past five years has been retained to represent (i) the Company or the Indemnitee in any matter material to either such party or (ii) any other party to the Proceeding giving rise to a request for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or the Indemnitee in an action to determine the Indemnitee's right to indemnification under this Agreement.

(e) "Proceeding" means any action, suit, arbitration, alternative dispute resolution mechanism, investigation, inquiry, judicial, administrative, or legislative hearing, or any other threatened, pending, or completed proceeding, whether brought by or in the right of the Company or otherwise, including any and all appeals, whether of a civil, criminal, administrative, legislative, investigative, or other nature, to which the Indemnitee was or is a party or is threatened to be made a party or is otherwise involved in by reason of the fact that the Indemnitee is or was a director, officer, employee, agent, or trustee of the Company or while a director, officer, employee, agent, or trustee of the Company is or was serving at the request of the Company 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, or by reason of anything done or not done by the Indemnitee in any such capacity, whether or not the Indemnitee is serving in such capacity at the time any expense, liability, or loss is incurred for which indemnification or advancement can be provided under this Agreement.

2. Service by the Indemnitee. The Indemnitee shall serve and/or continue to serve as a director or officer of the Company faithfully and to the best of the Indemnitee's ability so long as the Indemnitee is duly elected or appointed and until such time as the Indemnitee's successor is elected and qualified or the Indemnitee is removed as permitted by applicable law or tenders a resignation in writing.

3. Indemnification and Advancement of Expenses. The Company shall indemnify and hold harmless the Indemnitee, and shall pay to the Indemnitee in advance of the final disposition of any Proceeding all Expenses incurred by the Indemnitee in defending any such Proceeding, to the fullest extent authorized by the DGCL, as the same exists or may hereafter be amended, all on the terms and conditions set forth in this Agreement. Without diminishing the scope of the rights provided by this Section, the rights of the Indemnitee to indemnification and advancement of Expenses provided hereunder shall include but shall not be limited to those rights hereinafter set forth, except that no indemnification or advancement of Expenses shall be paid to the Indemnitee:

(a) to the extent expressly prohibited by applicable law as determined in a final adjudication not subject to further appeal;

(b) for and to the extent that payment is actually made to the Indemnitee under a valid and collectible insurance policy or under a valid and enforceable indemnity clause, provision of the certificate of incorporation or bylaws, or agreement of the Company or any other company or other enterprise (and the Indemnitee shall reimburse the Company for any amounts paid by the Company and subsequently so recovered by the Indemnitee); provided, however, that payment made to Indemnitee pursuant to an insurance policy purchased and maintained by Indemnitee at his or her own expense of any amounts otherwise indemnifiable or obligated to be made pursuant to this Agreement shall not reduce the Company's obligations to Indemnitee pursuant to this Agreement; or

(c) in connection with an action, suit, or proceeding, or part thereof voluntarily initiated by the Indemnitee (including claims and counterclaims, whether such counterclaims are asserted by (i) the Indemnitee, or (ii) the Company in an action, suit, or proceeding initiated by the Indemnitee), except a judicial proceeding or arbitration pursuant to Section 11 to enforce rights under this Agreement, unless the action, suit, or proceeding, or part thereof, was authorized or ratified by the Board of Directors of the Company or the Board of Directors otherwise determines that indemnification or advancement of Expenses is appropriate.

4. Action or Proceedings Other than an Action by or in the Right of the Company. Except as limited by Section 3 above, the Indemnitee shall be entitled to the indemnification rights provided in this Section if the Indemnitee was or is a party or is threatened to be made a party to, or was or is otherwise involved in, any Proceeding (other than an action by or in the right of the Company) by reason of the fact that the Indemnitee is or was a director, officer, employee, agent,

or trustee of the Company or while a director, officer, employee, agent, or trustee of the Company is or was serving at the request of the Company 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 (including as a deemed fiduciary thereto), or by reason of anything done or not done by the Indemnitee in any such capacity. Pursuant to this Section, the Indemnitee shall be indemnified against all expense, liability, and loss (including judgments, fines, ERISA excise taxes, penalties, amounts paid in settlement by or on behalf of the Indemnitee, and Expenses) actually and reasonably incurred by the Indemnitee in connection with such Proceeding, if the Indemnitee acted in good faith and in a manner the Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, and with respect to any criminal Proceeding, had no reasonable cause to believe his or her conduct was unlawful.

5. Indemnity in Proceedings by or in the Right of the Company. Except as limited by Section 3 above, the Indemnitee shall be entitled to the indemnification rights provided in this Section if the Indemnitee was or is a party or is threatened to be made a party to, or was or is otherwise involved in, any Proceeding brought by or in the right of the Company to procure a judgment in its favor by reason of the fact that the Indemnitee is or was a director, officer, employee, agent, or trustee of the Company or while a director, officer, employee, agent, or trustee of the Company is or was serving at the request of the Company 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, or by reason of anything done or not done by the Indemnitee in any such capacity. Pursuant to this Section, the Indemnitee shall be indemnified against all expense, liability, and loss (including judgments, fines, ERISA excise taxes, penalties, amounts paid in settlement by or on behalf of the Indemnitee, and Expenses) actually and reasonably incurred by the Indemnitee in connection with such Proceeding if the Indemnitee acted in good faith and in a manner the Indemnitee reasonably believed to be in or not opposed to the best interests of the Company; provided, however, that no such indemnification shall be made in respect of any claim, issue, or matter as to which the DGCL expressly prohibits such indemnification by reason of any finding of liability of Indemnitee to the Company in a final adjudication not subject to further appeal, unless and only to the extent that the Court of Chancery of the State of Delaware or the court in which such Proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, the Indemnitee is entitled to indemnification for such expense, liability, and loss as such court shall deem proper.

6. Indemnification for Costs, Charges, and Expenses of Successful Party. Notwithstanding any limitations of Sections 3(c), 4, and 5 above, to the extent that the Indemnitee has been successful, on the merits or otherwise, in whole or in part, in defense of any Proceeding, or in defense of any claim, issue, or matter therein, including, without limitation, the dismissal of any action without prejudice, or if it is ultimately determined, by final judicial decision of a court of competent jurisdiction from which there is no further right to appeal, that the Indemnitee is otherwise entitled to be indemnified against Expenses, the Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by the Indemnitee in connection therewith.

7. Partial Indemnification. If the Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the expense, liability, and loss (including judgments, fines, ERISA excise taxes, penalties, amounts paid in settlement by or

on behalf of the Indemnitee, and Expenses) actually and reasonably incurred in connection with any Proceeding, or in connection with any judicial proceeding or arbitration pursuant to Section 11 to enforce rights under this Agreement, but not, however, for all of the total amount thereof, the Company shall nevertheless indemnify the Indemnitee for the portion of such expense, liability, and loss actually and reasonably incurred to which the Indemnitee is entitled.

8. Indemnification for Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the maximum extent permitted by the DGCL, the Indemnitee shall be entitled to indemnification against all Expenses actually and reasonably incurred by the Indemnitee or on the Indemnitee's behalf if the Indemnitee appears as a witness or otherwise incurs legal expenses as a result of or related to the Indemnitee's service as a director or officer of the Company, in any threatened, pending, or completed action, suit, arbitration, alternative dispute resolution mechanism, investigation, inquiry, judicial, administrative, or legislative hearing, or any other threatened, pending, or completed proceeding, whether of a civil, criminal, administrative, legislative, investigative, or other nature, to which the Indemnitee neither is, nor is threatened to be made, a party.

9. Determination of Entitlement to Indemnification. To receive indemnification under this Agreement, the Indemnitee shall submit a written request to an officer of the Company. Such request shall include documentation or information that is necessary for such determination and is reasonably available to the Indemnitee. Upon receipt by an officer of the Company of a written request by the Indemnitee for indemnification, the entitlement of the Indemnitee to indemnification, to the extent not required pursuant to the terms of Section 6 or Section 8 of this Agreement, shall be determined by the following person or persons who shall be empowered to make such determination (as selected by the Board of Directors, except with respect to Section 9(e) below): (a) the Board of Directors of the Company by a majority vote of Disinterested Directors, whether or not such majority constitutes a quorum; (b) a committee of Disinterested Directors designated by a majority vote of such directors, whether or not such majority constitutes a quorum; (c) if there are no Disinterested Directors, or if the Disinterested Directors so direct, by Independent Counsel in a written opinion to the Board of Directors, a copy of which shall be delivered to the Indemnitee; (d) the stockholders of the Company; or (e) in the event that a Change in Control has occurred, by Independent Counsel in a written opinion to the Board of Directors, a copy of which shall be delivered to the Indemnitee. Such Independent Counsel shall be selected by the Board of Directors and approved by the Indemnitee, except that in the event that a Change in Control has occurred, Independent Counsel shall be selected by the Indemnitee. Upon failure of the Board of Directors so to select such Independent Counsel or upon failure of the Indemnitee so to approve (or so to select, in the event a Change in Control has occurred), such Independent Counsel shall be selected upon application to a court of competent jurisdiction. The determination of entitlement to indemnification shall be made and, unless a contrary determination is made, such indemnification shall be paid in full by the Company not later than 60 calendar days after receipt by an Officer of the Company of a written request for indemnification. If the person making such determination shall determine that the Indemnitee is entitled to indemnification as to part (but not all) of the application for indemnification, such person shall reasonably prorate such partial indemnification among the claims, issues, or matters at issue at the time of the determination.

10. Presumptions and Effect of Certain Proceedings. The Secretary of the Company shall, promptly upon receipt of the Indemnitee's written request for indemnification, advise in

writing the Board of Directors or such other person or persons empowered to make the determination as provided in Section 9 that the Indemnitee has made such request for indemnification. Upon making such request for indemnification, the Indemnitee shall be presumed to be entitled to indemnification hereunder and the Company shall have the burden of proof in making any determination contrary to such presumption by clear and convincing evidence to the contrary. If the person or persons so empowered to make such determination shall have failed to make the requested determination with respect to indemnification within 60 calendar days after receipt by an Officer of the Company of such request, a requisite determination of entitlement to indemnification shall be deemed to have been made and the Indemnitee shall be absolutely entitled to such indemnification, absent actual fraud in the request for indemnification. The termination of any Proceeding described in Sections 4 or 5 by judgment, order, settlement, or conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself (a) create a presumption that the Indemnitee did not act in good faith and in a manner the Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, and with respect to any criminal Proceeding, had reasonable cause to believe his or her conduct was unlawful or (b) otherwise adversely affect the rights of the Indemnitee to indemnification except as may be provided herein.

11. Remedies of the Indemnitee in Cases of Determination Not to Indemnify or to Advance Expenses; Right to Bring Suit. In the event that a determination is made that the Indemnitee is not entitled to indemnification hereunder or if payment is not timely made following a determination of entitlement to indemnification pursuant to Sections 9 and 10, or if an advancement of Expenses is not timely made pursuant to Section 16, the Indemnitee may at any time thereafter bring suit against the Company seeking an adjudication of entitlement to such indemnification or advancement of Expenses, and any such suit shall be brought in the Court of Chancery of the State of Delaware unless otherwise required by the law of the state in which the Indemnitee primarily resides and works. Alternatively, the Indemnitee at the Indemnitee's option may seek an award in an arbitration to be conducted by a single arbitrator in the State of Delaware pursuant to the rules of the American Arbitration Association, such award to be made within 60 calendar days following the filing of the demand for arbitration. The Company shall not oppose the Indemnitee's right to seek any such adjudication or award in arbitration. In any suit or arbitration brought by the Indemnitee to enforce a right to indemnification hereunder (but not in a suit or arbitration brought by the Indemnitee to enforce a right to an advancement of Expenses), it shall be a defense that the Indemnitee has not met any applicable standard of conduct for indemnification set forth in the DGCL, including the standard described in Section 4 or 5, as applicable. Further, in any suit brought by the Company to recover an advancement of Expenses pursuant to the terms of an undertaking, the Company shall be entitled to recover such Expenses upon a final judicial decision of a court of competent jurisdiction from which there is no further right to appeal that the Indemnitee has not met the standard of conduct described above. Neither the failure of the Company (including the Disinterested Directors, a committee of Disinterested Directors, Independent Counsel, or its stockholders) to have made a determination prior to the commencement of such suit or arbitration that indemnification of the Indemnitee is proper in the circumstances because the Indemnitee has met the standard of conduct described above, nor an actual determination by the Company (including the Disinterested Directors, a committee of Disinterested Directors, Independent Counsel, or its stockholders) that the Indemnitee has not met the standard of conduct described above shall create a presumption that the Indemnitee has not met the standard of conduct described above, 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 Company 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 Section 11 or otherwise shall be on the Company. If a determination is made or deemed to have been made pursuant to the terms of Section 9 or 10 that the Indemnitee is entitled to indemnification, the Company shall be bound by such determination and is precluded from asserting that such determination has not been made or that the procedure by which such determination was made is not valid, binding, and enforceable. The Company further agrees to stipulate in any court or before any arbitrator pursuant to this Section 11 that the Company is bound by all the provisions of this Agreement and is precluded from making any assertions to the contrary. If the court or arbitrator shall determine that the Indemnitee is entitled to any indemnification or advancement of Expenses hereunder, the Company shall pay all Expenses actually and reasonably incurred by the Indemnitee in connection with such adjudication or award in arbitration (including, but not limited to, any appellate proceedings) to the fullest extent permitted by law, and in any suit brought by the Company to recover an advancement of Expenses pursuant to the terms of an undertaking, the Company shall pay all Expenses actually and reasonably incurred by the Indemnitee in connection with such suit to the extent the Indemnitee has been successful, on the merits or otherwise, in whole or in part, in defense of such suit, to the fullest extent permitted by law.

12. Non-Exclusivity of Rights. The rights to indemnification and to the advancement of Expenses provided by this Agreement shall not be deemed exclusive of any other right that the Indemnitee may now or hereafter acquire under any applicable law, agreement, vote of stockholders or Disinterested Directors, provisions of a charter or bylaws (including the Certificate of Incorporation or Bylaws of the Company), or otherwise.

13. Expenses to Enforce Agreement. In the event that the Indemnitee is subject to or intervenes in any action, suit, or proceeding in which the validity or enforceability of this Agreement is at issue or seeks an adjudication or award in arbitration to enforce the Indemnitee's rights under, or to recover damages for breach of, this Agreement, the Indemnitee, if the Indemnitee prevails in whole or in part in such action, suit, or proceeding, shall be entitled to recover from the Company and shall be indemnified by the Company against any Expenses actually and reasonably incurred by the Indemnitee in connection therewith.

14. Continuation of Indemnity. All agreements and obligations of the Company contained herein shall continue during the period the Indemnitee is a director, officer, employee, agent, or trustee of the Company or while a director, officer, employee, agent, or trustee is serving at the request of the Company 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 (included as a deemed fiduciary thereto), and shall continue thereafter with respect to any possible claims based on the fact that the Indemnitee was a director, officer, employee, agent, or trustee of the Company or was serving at the request of the Company 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. This Agreement shall be binding upon all successors and assigns of the Company (including any transferee of all or substantially all of its assets and any successor by merger or operation of law) and shall inure to the benefit of the Indemnitee's heirs, executors, and administrators. In addition,

the Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all, or a substantial part, of the business and/or assets of the Company, by written agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement and indemnify Indemnitee to the fullest extent permitted by law.

15. Notification and Defense of Proceeding. Promptly after receipt by the Indemnitee of notice of any Proceeding, the Indemnitee shall, if a request for indemnification or an advancement of Expenses in respect thereof is to be made against the Company under this Agreement, notify the Company in writing of the commencement thereof; but the omission so to notify the Company shall not relieve it from any liability that it may have to the Indemnitee. Notwithstanding any other provision of this Agreement, with respect to any such Proceeding of which the Indemnitee notifies the Company:

(a) The Company shall be entitled to participate therein at its own expense;

(b) Except as otherwise provided in this Section 15(b), to the extent that it may wish, the Company, jointly with any other indemnifying party similarly notified, shall be entitled to assume the defense thereof, with counsel satisfactory to the Indemnitee. After notice from the Company to the Indemnitee of its election so to assume the defense thereof, the Company shall not be liable to the Indemnitee under this Agreement for any expenses of counsel subsequently incurred by the Indemnitee in connection with the defense thereof except as otherwise provided below. The Indemnitee shall have the right to employ the Indemnitee's own counsel in such Proceeding, but the fees and expenses of such counsel incurred after notice from the Company of its assumption of the defense thereof shall be at the expense of the Indemnitee unless (i) the employment of counsel by the Indemnitee has been authorized by the Company, (ii) the Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Company and the Indemnitee in the conduct of the defense of such Proceeding, or (iii) the Company shall not within 60 calendar days of receipt of notice from the Indemnitee in fact have employed counsel to assume the defense of the Proceeding, in each of which cases the fees and expenses of the Indemnitee's counsel shall be at the expense of the Company. The Company shall not be entitled to assume the defense of any Proceeding brought by or on behalf of the Company or as to which the Indemnitee shall have made the conclusion provided for in (ii) above; and

(c) Notwithstanding any other provision of this Agreement, the Company shall not be liable to indemnify the Indemnitee under this Agreement for any amounts paid in settlement of any Proceeding effected without the Company's written consent, or for any judicial or other award, if the Company was not given an opportunity, in accordance with this Section 15, to participate in the defense of such Proceeding. The Company shall not be required to obtain the consent of the Indemnitee for the settlement of any Proceeding the Company has undertaken to defend if the Company assumes full and sole responsibility for each such settlement; provided, however, that the Company shall be required to obtain Indemnitee's prior written approval, which may be granted or withheld in Indemnitee's sole, reasonable discretion, before entering into any settlement which (i) does not grant Indemnitee a complete and unqualified release of liability; (ii) would impose any penalty or limitation on Indemnitee or (b) would admit any liability or misconduct by Indemnitee.

16. Advancement of Expenses.

(a) All Expenses incurred by the Indemnitee in defending any Proceeding described in Section 4 or 5 shall be paid by the Company in advance of the final disposition of such Proceeding at the request of the Indemnitee. The right to advances under this section shall in all events continue until the final disposition of any Proceeding, including any appeal therein. The Indemnitee's right to advancement shall not be subject to the satisfaction of any standard of conduct and advances shall be made without regard to the Indemnitee's ultimate entitlement to indemnification under the provisions of this Agreement or otherwise, and shall be made without regard to Indemnitee's ability to repay. Advances shall be unsecured and interest free.

(b) The Company shall not seek from a court, or agree to, a "bar order" which would have the effect of prohibiting or limiting the Indemnitee's rights to receive advancement of expenses under this Agreement.

(c) Without limiting the generality or effect of the foregoing, within thirty days after any request by Indemnitee, the Company shall, in accordance with such request (but without duplication), (a) pay such Expenses on behalf of Indemnitee, (b) advance to Indemnitee funds in an amount sufficient to pay such Expenses, or (c) reimburse Indemnitee for such Expenses. To receive an advancement of Expenses under this Agreement, the Indemnitee shall submit a written request to the Company. Such request shall reasonably evidence the Expenses incurred by the Indemnitee and shall include or be accompanied by an undertaking, by or on behalf of the Indemnitee, to repay all amounts so advanced if it shall ultimately be determined, by final judicial decision of a court of competent jurisdiction from which there is no further right to appeal, that the Indemnitee is not entitled to be indemnified for such Expenses by the Company as provided by this Agreement or otherwise.

(d) The Indemnitee shall qualify for advances upon the execution and delivery to the Company of this Agreement, which shall constitute an undertaking providing that the Indemnitee undertakes to the fullest extent permitted by law to repay the advance (without interest) if and to the extent that it is ultimately determined by a court of competent jurisdiction in a final judgment, not subject to further appeal, that Indemnitee is not entitled to be indemnified by the Company. No other form of undertaking shall be required other than the execution of this Agreement.

(e) Each such advancement of Expenses shall be made within 20 calendar days after the receipt by an Officer of the Company of such written request.

(f) The Indemnitee's entitlement to Expenses under this Agreement shall include those incurred in connection with any action, suit, or proceeding by the Indemnitee seeking an adjudication or award in arbitration pursuant to Section 11 of this Agreement (including the enforcement of this provision) to the extent the court or arbitrator shall determine that the Indemnitee is entitled to an advancement of Expenses hereunder.

17. Severability; No Imputation; Prior Indemnification Agreements. If any provision or provisions of this Agreement shall be held to be invalid, illegal, or unenforceable as applied to any person or entity or circumstance for any reason whatsoever, then, to the fullest extent permitted

by law (a) the validity, legality, and enforceability of such provision in any other circumstance and of the remaining provisions of this Agreement (including, without limitation, all portions of any paragraphs of this Agreement containing any such provision held to be invalid, illegal, or unenforceable, that are not by themselves invalid, illegal, or unenforceable) and the application of such provision to other persons or entities or circumstances shall not in any way be affected or impaired thereby, and (b) to the fullest extent possible, the provisions of this Agreement (including, without limitation, all portions of any paragraph of this Agreement containing any such provision held to be invalid, illegal, or unenforceable, that are not themselves invalid, illegal, or unenforceable) shall be construed so as to give effect to the intent of the parties that the Company provide protection to the Indemnitee to the fullest extent set forth in this Agreement. The knowledge and/or actions, or failure to act, of any director, officer, agent or employee of the Company or the Company itself shall not be imputed to Indemnitee for purposes of determining any rights under this Agreement. This Agreement shall supersede and replace any prior indemnification agreements entered into by and between the Company and the Indemnitee and any such prior agreements shall be terminated upon execution of this Agreement.

18. Good Faith. For purposes of any determination of good faith, Indemnitee shall be presumed to have acted in good faith if Indemnitee's action is based on the records or books of account of the Company, including financial statements, or on information supplied to Indemnitee by the officers of the Company in the course of their duties, or on the advice of legal counsel for the Company or the Board or counsel selected by any committee of the Board or on information or records given or reports made to the Company by an independent certified public accountant or by an appraiser, investment banker, compensation consultant, or other expert selected with reasonable care by the Company or the Board or any committee of the Board. The provisions of this Section 19 shall not be deemed to be exclusive or to limit in any way the other circumstances in which the Indemnitee may be deemed to have met the applicable standard of conduct. Whether or not the foregoing provisions of this Section are satisfied, it shall in any event be presumed that Director has at all times acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company.

19. Monetary Damages Insufficient/Specific Performance. The Company and Indemnitee agree that a monetary remedy for breach of this Agreement may be inadequate, impracticable and difficult of proof, and further agree that such breach may cause Indemnitee irreparable harm. Accordingly, the parties hereto agree that Indemnitee may enforce this Agreement by seeking injunctive relief and/or specific performance hereof, without any necessity of showing actual damage or irreparable harm (having agreed that actual and irreparable harm will result in not forcing the Company to specifically perform its obligations pursuant to this Agreement) and that by seeking injunctive relief and/or specific performance, Indemnitee shall not be precluded from seeking or obtaining any other relief to which he may be entitled. The Company and Indemnitee further agree that Indemnitee shall be entitled to such specific performance and injunctive relief, including temporary restraining orders, preliminary injunctions and permanent injunctions, without the necessity of posting bonds or other undertaking in connection therewith. The Company acknowledges that in the absence of a waiver, a bond or undertaking may be required of Indemnitee by the Court, and the Company hereby waives any such requirement of a bond or undertaking.

20. Contribution. If the indemnification provided pursuant to this Agreement is unavailable in whole or in part and may not be paid to Indemnitee for any reason other than those set forth in Section 3, then in respect to any Proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such Proceeding), to the fullest extent permissible under applicable law, the Company, in lieu of indemnifying and holding harmless Indemnitee, shall pay, in the first instance, the entire amount incurred by Indemnitee, whether for Expenses, judgments, decisions of arbitrators, fines, penalties, and/or amounts paid or to be paid in settlement, in connection with any Proceeding without requiring Indemnitee to contribute to such payment, and the Company hereby waives and relinquishes any right of contribution it may have at any time against Indemnitee; provided, however, that such right to contribution described in this section shall terminate at the time the Company concludes (per the terms of this Agreement) that (i) Indemnitee is not entitled to indemnification pursuant to this agreement, or (ii) such indemnification obligation to Indemnitee has been fully discharged by the Company.

21. Insurance. If, at the time of the receipt of a notice of a claim pursuant to the terms hereof, the Company has D&O Insurance in effect, the Company shall give prompt notice of the commencement of such proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such proceeding in accordance with the terms of such policies. In the event of a change of control or the Company's becoming insolvent, the Company shall maintain in force any and all insurance policies then maintained by the Company in providing insurance—directors' and officers' liability, fiduciary, employment practices or otherwise—in respect of the individual directors and officers of the Company, for a fixed period of six years thereafter (a "Tail Policy"). Such coverage shall be non-cancellable. Such broker shall place the Tail policy with the incumbent insurance carriers using the policies that were in place at the time of the change of control event (unless the incumbent carriers will not offer such policies, in which case the Tail Policy placed by the Company's insurance broker shall be substantially comparable in scope and amount as the expiring policies, and the insurance carriers for the Tail Policy shall have an AM Best rating that is the same or better than the AM Best ratings of the expiring policies).

22. Headings; References; Pronouns. The headings of the sections of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof. References herein to section numbers are to sections of this Agreement. All pronouns and any variations thereof shall be deemed to refer to the singular or plural as appropriate.

23. Other Provisions.

(a) This Agreement and all disputes or controversies arising out of or related to this Agreement shall be governed by, and construed in accordance with, the internal laws of the State of Delaware, without regard to the laws of any other jurisdiction that might be applied because of conflicts of laws principles of the State of Delaware , unless otherwise required by the law of the state in which the Indemnitee primarily resides and works.

(b) This Agreement may be executed in two or more counterparts, all of which shall be considered one and the same instrument and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party.

(c) This Agreement shall not be deemed an employment contract between the Company and any Indemnitee who is an officer of the Company, and, if the Indemnitee is an officer of the Company, the Indemnitee specifically acknowledges that the Indemnitee may be discharged at any time for any reason, with or without cause, and with or without severance compensation, except as may be otherwise provided in a separate written contract between the Indemnitee and the Company.

(d) In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of the Indemnitee (excluding insurance obtained on the Indemnitee's own behalf), and the Indemnitee shall execute all papers required and shall do everything that may be reasonably necessary to secure such rights, including the execution of such documents necessary to enable the Company effectively to bring suit to enforce such rights.

(e) This Agreement may not be amended, modified, or supplemented in any manner, whether by course of conduct or otherwise, except by an instrument in writing specifically designated as an amendment hereto, signed on behalf of each party. No failure or delay of either party in exercising any right or remedy hereunder shall operate as a waiver thereof, and no single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such right or power, or any course of conduct, shall preclude any other or further exercise thereof or the exercise of any other right or power.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the Company and the Indemnitee have caused this Agreement to be executed as of the date first written above.

MONTROSE ENVIRONMENTAL GROUP, INC.

By: _____
Name:
Title:

_____
Indemnitee:

Exhibit 10.2

Published CUSIP Number: 61510GAN9
Revolving Commitments CUSIP Number: 61510GAP4
Term Loan CUSIP Number: 61510GAQ2

FIFTH AMENDED AND RESTATED CREDIT AGREEMENT

Dated as of July 24, 2019

among

MONTROSE ENVIRONMENTAL GROUP, INC.,
as the Parent Borrower,

1203524 B.C. LTD.,
as the Canadian Borrower,

CERTAIN SUBSIDIARIES OF THE PARENT BORROWER,
as the Guarantors,

BANK OF AMERICA, N.A.,
as Administrative Agent, Swing Line Lender and L/C Issuer,

CAPITAL ONE, NATIONAL ASSOCIATION,
as Syndication Agent,

and

THE LENDERS
from time to time party hereto

BOFA SECURITIES, INC.,
and
CAPITAL ONE, NATIONAL ASSOCIATION,
as Joint Lead Arrangers and Co-Bookrunners

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FIFTH AMENDED AND RESTATED CREDIT AGREEMENT

This FIFTH AMENDED AND RESTATED CREDIT AGREEMENT is entered into as of July 24, 2019 among **MONTROSE ENVIRONMENTAL GROUP, INC.**, a Delaware corporation (the "Parent Borrower"), **1203524 B.C. LTD.**, a company incorporated under the laws of the Province of British Columbia (the "Canadian Borrower"; and together with the Parent Borrower, each, a "Borrower" and collectively, the "Borrowers"), the Guarantors (defined herein), the Lenders (defined herein), and **BANK OF AMERICA, N.A.**, as Administrative Agent, Swing Line Lender and L/C Issuer.

The Parent Borrower, certain Guarantors, certain Lenders and the Administrative Agent were party to that certain Credit Agreement, dated as of July 5, 2013 (as amended from time to time prior to the date of the Existing Credit Agreement (as defined below), the "Original Credit Agreement").

The Parent Borrower requested that such Lenders amend and restate the Original Credit Agreement pursuant to that certain Amended and Restated Credit Agreement, dated as of February 25, 2015, among the Parent Borrower, the Guarantors party thereto, certain Lenders and the Administrative Agent party thereto (as amended from time to time prior to the date hereof, the "First Amended Credit Agreement").

The Parent Borrower requested that such Lenders amend and restate the First Amended Credit Agreement pursuant to that certain Second Amended and Restated Credit Agreement, dated as of October 30, 2015, among the Parent Borrower, the Guarantors party thereto, certain Lenders and the Administrative Agent party thereto (as amended from time to time prior to the date hereof, the "Second Amended Credit Agreement").

The Parent Borrower requested that such Lenders amend and restate the Second Amended Credit Agreement pursuant to that certain Third Amended and Restated Credit Agreement, dated as of September 29, 2017, among the Parent Borrower, the Guarantors party thereto, certain Lenders and the Administrative Agent party thereto (as amended from time to time prior to the date hereof, the "Third Amended Credit Agreement").

The Parent Borrower requested that such Lenders amend and restate the Third Amended Credit Agreement pursuant to that certain Fourth Amended and Restated Credit Agreement, dated as of October 19, 2018, among the Parent Borrower, the Guarantors party thereto, certain Lenders and the Administrative Agent party thereto (as amended from time to time prior to the date hereof, the "Existing Credit Agreement").

The Parent Borrower has requested that the Lenders amend and restate the Existing Credit Agreement and provide facilities for the purposes set forth herein, and the Lenders are willing to do so on the terms and conditions set forth herein.

In consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

ARTICLE I.

DEFINITIONS AND ACCOUNTING TERMS

1.01 **Defined Terms.**

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

"Accepting Lenders" has the meaning specified in Section 11.01.

"Acquisition", by any Person, means the acquisition by such Person, in a single transaction or in a series of related transactions, of all or any substantial portion of the property of, or a line of business, division of or other business unit of, another Person or at least a majority of the Voting Stock of another Person, in each case whether or not involving a merger, amalgamation or consolidation with such other Person and whether for cash, property, services, assumption of Indebtedness, securities or otherwise; provided that the purchase of specific equipment of a Person for an aggregate purchase price of less than $2,000,000 that (i) constitute all or any substantial portion of the property of, or a line of business, division or other business unit of, such Person, (ii) would otherwise constitute capital expenditures of the Parent Borrower and its Subsidiaries in accordance with GAAP and (iii) are not acquired in connection with the acquisition of the operations or business of such Person as a going concern, shall not be deemed to be an Acquisition hereunder.

"Administrative Agent" means Bank of America (or any of its designated branch offices or affiliates) in its capacity as administrative agent under any of the Loan Documents, or any successor administrative agent.

"Administrative Agent's Office" means, with respect to any currency, the Administrative Agent's address and, as appropriate, account as set forth on Schedule 11.02 with respect to such currency or such other address or account with respect to such currency as the Administrative Agent may from time to time notify the Parent Borrower and the Lenders.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affiliate" means, with respect to any Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Aggregate Revolving Commitments" means the Revolving Commitments of all the Lenders. The aggregate principal amount of the Aggregate Revolving Commitments in effect on the Closing Date is $110,000,000.

"Agreement" means this Credit Agreement, as it may be amended, restated, supplemented or otherwise modified from time to time.

"Agreement Currency" has the meaning specified in Section 11.23.

"All-In Yield" means, as to any Indebtedness, the yield thereof, whether in the form of interest rate, margin, original issue discount, upfront fees, interest rate floor or otherwise, in each case, incurred or payable by the Parent Borrower generally to all lenders of such Indebtedness, calculated in a manner reasonably determined by the Administrative Agent; provided that "All-In Yield" shall not include arrangement, structuring, commitment, underwriting or other similar fees (regardless of whether paid in whole or in part to any lenders) not paid generally to all lenders of such Indebtedness.

"Applicable Percentage" means with respect to any Lender at any time (a) with respect to such Lender's Revolving Commitment at any time, the percentage of the Aggregate Revolving Commitments represented by such Lender's Revolving Commitment at such time, subject to adjustment as provided in Section 2.15; provided that if the commitment of each Lender to make Revolving Loans and the obligation of the L/C Issuer to make L/C Credit Extensions have been terminated pursuant to Section 9.02 or if the Aggregate Revolving Commitments have expired, then the Applicable Percentage of each Lender shall be determined based on the Applicable Percentage of such Lender most recently in effect giving effect to any subsequent assignments, (b) with respect to such Lender's portion of the outstanding Term Loan, the percentage of the Term Loan represented by the outstanding principal amount of such Lender's portion of the Term Loan at such time and (c) with respect to such Lender's portion of the outstanding Incremental Term Loan at any time, the percentage of the outstanding principal amount of the Incremental Term Loan held by such Lender at such time. The initial Applicable Percentage of each Lender as of the Closing Date is set forth opposite the name of such Lender on Schedule 2.01 or in the Assignment and Assumption or other agreement pursuant to which such Lender becomes a party hereto, as applicable.

"Applicable Rate" means (a) with respect to the Incremental Term Loan, the percentage(s) per annum set forth in the Incremental Term Loan Lender Joinder Agreement, and (b) with respect to Revolving Loans, the Term Loan, Swing Line Loans, Letters of Credit and the Commitment Fee, the following percentages per annum, based upon the Consolidated Total Leverage Ratio as set forth in the most recent Compliance Certificate received by the Administrative Agent pursuant to Section 7.02(a):

Pricing Tier	Consolidated Total Leverage Ratio	Commitment Fee	Letter of Credit Fee	Eurocurrency Rate Loans and LIBOR Daily Floating Rate Loans	Base Rate Loans
1	> 3.75 to 1.0	0.50%	4.00%	4.00%	3.00%
2	£ 3.75 to 1.0 but > 3.00 to 1.0	0.50%	3.50%	3.50%	2.50%
3	£ 3.00 to 1.0 but > 2.25 to 1.0	0.40%	3.00%	3.00%	2.00%
4	£ 2.25 to 1.0	0.30%	2.50%	2.50%	1.50%

Any increase or decrease in the Applicable Rate resulting from a change in the Consolidated Total Leverage Ratio shall become effective as of the first Business Day immediately following the date a Compliance Certificate is delivered pursuant to Section 7.02(a); provided, however, that if a Compliance Certificate is not delivered when due in accordance with such Section, then, upon the request of the Required Lenders, Pricing Tier 1 shall apply as of the first Business Day after the date on which such Compliance Certificate was required to have been delivered and shall continue to apply until the first Business Day immediately following the date a Compliance Certificate is delivered in accordance with Section 7.02(a), whereupon the Applicable Rate shall be adjusted based upon the calculation of the Consolidated Total Leverage Ratio contained in such Compliance Certificate. Notwithstanding the foregoing, (a) the Applicable Rate in effect from the Closing Date until the first Business Day immediately following the date a Compliance Certificate is required to be delivered pursuant to Section 7.02(a) for the fiscal quarter ending June 30, 2019 shall be determined based upon Pricing Tier 3 and (b) the Applicable Rate in effect from the first Business Day immediately following the date a Compliance Certificate is required to be delivered pursuant to Section 7.02(a) for the fiscal quarter ending June 30, 2019 until the first Business Day immediately following the date a Compliance Certificate is required to be delivered

pursuant to Section 7.02(a) for the fiscal quarter ending September 30, 2019 shall be determined based upon the Pro Forma Q2 Consolidated Total Leverage Ratio set forth in the Compliance Certificate required to be delivered pursuant to Section 7.02(a) for the fiscal quarter ending June 30, 2019. Notwithstanding anything to the contrary contained in this definition, the determination of the Applicable Rate for any period shall be subject to the provisions of Section 2.10(b).

"Applicable Time" means, with respect to any borrowings and payments in Canadian Dollars, the local time in the place of settlement for Canadian Dollars as may be determined by the Administrative Agent or the L/C Issuer, as the case may be, to be necessary for timely settlement on the relevant date in accordance with normal banking procedures in the place of payment.

"Approved Fund" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Arrangers" means BofA Securities and Capital One, National Association in their capacities as joint lead arrangers and co-bookrunners.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 11.06(b)), and accepted by the Administrative Agent, in substantially the form of Exhibit F or any other form (including electronic documentation generated by MarkitClear or other electronic platform) approved by the Administrative Agent.

"Attributable Indebtedness" means, on any date, (a) in respect of any Capital Lease of any Person, the capitalized amount thereof that would appear as indebtedness on a balance sheet of such Person prepared as of such date in accordance with GAAP, (b) in respect of any Synthetic Lease of any Person, the capitalized amount of the remaining lease payments under the relevant lease that would appear as indebtedness on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease were accounted for as a Capital Lease and (c) in respect of any Securitization Transaction of any Person, the outstanding principal amount of such financing, after taking into account reserve accounts and making appropriate adjustments, determined by the Administrative Agent in its reasonable judgment.

"Audited Financial Statements" has the meaning provided in Section 7.01(a).

"Auto-Borrow Agreement" has the meaning specified in Section 2.04(g).

"Availability Period" means, with respect to the Revolving Commitments, the period from and including the Closing Date to the earliest of (a) the Maturity Date, (b) the date of termination of all of the Aggregate Revolving Commitments pursuant to Section 2.06, and (c) the date of termination of the commitment of each Lender to make Loans and of the obligation of the L/C Issuer to make L/C Credit Extensions pursuant to Section 9.02.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

"Bail-In Legislation" means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

"Bank of America" means Bank of America, N.A. and its successors.

"Base Rate" means for any day a fluctuating rate per annum equal to the highest of (a) the Federal Funds Rate plus 0.50%, (b) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its "prime rate" and (c) the Eurocurrency Rate plus 1.00%. The "prime rate" is a rate set by Bank of America based upon various factors including Bank of America's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in the "prime rate" announced by Bank of America shall take effect at the opening of business on the day specified in the public announcement of such change.

"Base Rate Loan" means a Loan that bears interest based on the Base Rate. All Base Rate Loans are only available to the Parent Borrower and in Dollars.

"Beneficial Ownership Certification" means a certification regarding beneficial ownership required by the Beneficial Ownership Regulation.

"Beneficial Ownership Regulation" means 31 C.F.R. § 1010.230.

"Benefit Plan" means any of (a) an "employee benefit plan" (as defined in ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan".

"BHC Act Affiliate" of a party means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

"BofA Securities" means BofA Securities, Inc.

"Borrower" and "Borrowers" each has the meaning specified in the introductory paragraph hereto.

"Borrower Materials" has the meaning specified in Section 7.02.

"Borrowing" means each of the following: (a) a borrowing of Swing Line Loans pursuant to Section 2.04 and (b) a borrowing consisting of simultaneous Loans of the same Type, and, in the case of Eurocurrency Rate Loans, having the same Interest Period made by each of the Lenders pursuant to Section 2.01.

"Business Day" means (a) any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state where the Administrative Agent's Office is located and (b) (i) if such day relates to any interest rate settings as to a Eurocurrency Rate Loan denominated in Dollars, any fundings, disbursements, settlements and payments in Dollars in respect of any such Eurocurrency Rate Loan, or any other dealings in Dollars to be carried out pursuant to this Agreement in respect of any such Eurocurrency Rate Loan, means any such day that is also a London Banking Day, and (ii) if such day relates to any interest rate settings as to a Eurocurrency Rate Loan denominated in Canadian Dollars, means any such day other than a day on which banking institutions in Toronto, Ontario are authorized by law to close.

"Businesses" means, at any time, a collective reference to the businesses operated by the Parent Borrower and its Subsidiaries at such time.

"Canadian AML Acts" means applicable Canadian law regarding anti-money laundering, anti-terrorist financing, government sanction and "know your client" matters, including the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada).

"Canadian Borrower" has the meaning specified in the introductory paragraph hereto.

"Canadian Defined Benefit Pension Plan" means a Canadian Pension Plan that contains or has ever contained a "defined benefit provision" as such term is defined in Section 147.1(1) of the ITA.

"Canadian Dollar" means the lawful currency of Canada.

"Canadian Dollar Equivalent" means, at any time, (a) with respect to any amount denominated in Canadian Dollars, such amount, and (b) with respect to any amount denominated in Dollars, the equivalent amount thereof in Canadian Dollars as determined by the Administrative Agent or the L/C Issuer, as the case may be, at such time on the basis of the Spot Rate (determined in respect of the most recent Revaluation Date) for the purchase of Canadian Dollars with Dollars.

"Canadian Dollar Sublimit" means an amount equal to the lesser of the Aggregate Revolving Commitments and $10,000,000. The Canadian Dollar Sublimit is part of, and not in addition to, the Aggregate Revolving Commitments.

"Canadian Guarantors" means, collectively, (a) each Canadian Subsidiary of the Parent Borrower identified as a "Canadian Guarantor" on the signature pages hereto, (b) each other Person that joins as a Canadian Guarantor pursuant to Section 7.12(b), (c) with respect to (i) Canadian Obligations of any Canadian Subsidiary (other than the Canadian Borrower) under any Secured Swap Agreement, and (ii) Canadian Obligations of any Canadian Subsidiary (other than the Canadian Borrower) under any Secured Treasury Management Agreement, the Canadian Borrower, and (d) the successors and permitted assigns of the foregoing.

"Canadian Loan Parties" means, collectively, the Canadian Borrower and each Canadian Guarantor.

"Canadian Obligations" means (a) all advances to, and debts, liabilities, obligations, covenants and duties of, any Canadian Loan Party arising under any Loan Document or otherwise with respect to any Loan or Letter of Credit, and (b) all obligations of any Canadian Subsidiary owing to a Treasury Management Bank or a Swap Bank in respect of Secured Treasury Management Agreements or Secured Swap Agreements, in the case of each of clauses (a) and (b), whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Canadian Loan Party or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding; provided, however, that the "Canadian Obligations" of a Canadian Loan Party shall exclude any Excluded Swap Obligations with respect to such Canadian Loan Party.

"Canadian Pension Plan" means a pension plan or plan that is subject to applicable pension benefits legislation in any jurisdiction of Canada and that is organized and administered to provide pensions, pension benefits or retirement benefits for employees and former employees of any Canadian Loan Party or any Subsidiary thereof.

"Canadian Pledge Agreement" means the pledge agreement dated as of the Closing Date executed in favor of the Administrative Agent, for the benefit of the holders of the Obligations, by the Parent Borrower and governed by the laws of the Province of Ontario.

"Canadian Subsidiary" means each Foreign Subsidiary organized under the laws of Canada or any province or territory thereof.

"Cannabis" means all parts of the plant Cannabis sativa L., whether growing or not; the seeds thereof; the resin extracted from any part of such plant; and every compound, manufacture, salt, derivative, mixture, or preparation of such plant, its seeds or resin, except that "Cannabis" does not include: (a) the mature stalks of such plant, fiber produced from such stalks, oil or cake made from the seeds of such plant, any other compound, manufacture, salt, derivative, mixture, or preparation of such mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of such plant which is incapable of germination; (b) hemp, defined as the plant Cannabis sativa L. and any part of that plant, including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a delta-9 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis or (c) any other part or variation or derivative of such plant of which the use, consumption, distribution or sale is not in violation of applicable Law.

"Capital Lease" means, as applied to any Person, any lease of any property by that Person as lessee which, in accordance with GAAP, is required to be accounted for as a capital lease on the balance sheet of that Person, subject, for the avoidance of doubt, to the last sentence of Section 1.03(b).

"Cash Collateralize" means to pledge and deposit with or deliver to the Administrative Agent, for the benefit of one or more of L/C Issuer or the Lenders, as collateral for L/C Obligations, or obligations of the Lenders to fund participations in respect of L/C Obligations, cash or deposit account balances or, if the Administrative Agent and the L/C Issuer shall agree in their sole discretion, other credit support, in each case pursuant to documentation in form and substance satisfactory to (a) the Administrative Agent and (b) the L/C Issuer. "Cash Collateral" shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

"Cash Equivalents" means, as at any date, (a) securities issued or directly and fully guaranteed or insured by the United States, Canada or any agency or instrumentality thereof (provided that the full faith and credit of the United States or Canada is pledged in support thereof) having maturities of not more than twelve (12) months from the date of acquisition, (b) Dollar or Canadian Dollar denominated time deposits and certificates of deposit of (i) any Lender, (ii) any commercial bank organized under the laws of the United states, any state thereof, the District of Columbia, Canada, any province or territory thereof of recognized standing having capital and surplus in excess of $500,000,000 or (iii) any bank whose short-term commercial paper rating from S&P is at least A-1 or the equivalent thereof or from Moody's is at least P-1 or the equivalent thereof (any such bank being an "Approved Bank"), in each case with maturities of not more than 270 days from the date of acquisition, (c) commercial paper and variable or fixed rate notes issued by any Approved Bank (or by the parent company thereof) or any variable rate notes issued by, or guaranteed by, any domestic corporation rated A-1 (or the equivalent thereof) or better by S&P or P-1 (or the equivalent thereof) or better by Moody's and maturing within six (6) months of the date of acquisition, (d) repurchase agreements entered into by any Person with a bank or trust company (including any of the Lenders) or recognized securities dealer having capital and surplus in excess of $500,000,000 for direct obligations issued by or fully guaranteed by the United States or Canada in which such Person shall have a perfected first priority security interest (subject to no other Liens) and having, on the date of purchase thereof, a fair market value of at least one hundred percent (100%) of the amount of the repurchase obligations and (e) Investments, classified in accordance with GAAP as current assets, in money market investment programs registered under the Investment Company Act of 1940 which are administered by reputable financial institutions having capital of at least $500,000,000 and the portfolios of which are limited to Investments of the character described in the foregoing subdivisions (a) through (d).

"Change in Law" means the occurrence, after the Closing Date, of any of the following: (a) the adoption or taking effect of any Law, (b) any change in any Law, or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States, Canadian or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

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

(a) prior to the Qualifying IPO, the failure of the Control Group to maintain beneficial ownership of at least a majority of the Equity Interests of the Parent Borrower entitled to vote for the members of the board of directors or equivalent governing body of the Parent Borrower on a fully diluted basis;

(b) after the Qualifying IPO, any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding the Control Group and any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have "beneficial ownership" of all securities that such person or group has the right to acquire (such right, an "option right"), whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of 35% or more of the Equity Interests of the Parent Borrower entitled to vote for members of the board of directors or equivalent governing body of the Parent Borrower on a fully diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right);

(c) during any period of twenty-four (24) consecutive months, a majority of the members of the board of directors or other equivalent governing body of the Parent Borrower cease to be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election, appointment or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election, appointment or nomination at least a majority of that board or equivalent governing body or (iii) whose election, appointment or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election, appointment or nomination at least a majority of that board or equivalent governing body;

(d) the Parent Borrower ceases to directly or indirectly own one hundred percent (100%) of the voting rights and economic interests (on a fully diluted basis) with respect to all ownership interests of the Subsidiaries existing on the Closing Date (other than any such Subsidiary, all of the ownership interests of which have been sold or otherwise disposed of in accordance with this Agreement) at all times; or

(e) the occurrence of a "change in control" or comparable term under the Series A-1 Preferred Equity Documents.

"Closing Date" means the date hereof.

"Closing Date Audited Financial Statements" means the audited consolidated balance sheet of the Parent Borrower and its Subsidiaries as at the end of the fiscal year of the Parent Borrower ended December 31, 2018, and the related consolidated statements of income or operations, changes in shareholders' equity and cash flows for such fiscal year, all in reasonable detail and prepared in accordance with GAAP.

"Collateral" means a collective reference to all real and personal property with respect to which Liens in favor of the Administrative Agent, for the benefit of the holders of the Obligations, are purported to be granted pursuant to and in accordance with the terms of the Collateral Documents.

"Collateral Documents" means a collective reference to the Security Agreement, the Canadian Pledge Agreement, the Mortgages and other security documents as may be executed and delivered by the U.S. Loan Parties pursuant to the terms of Section 7.14.

"Commitment" means, as to each Lender, the Revolving Commitment of such Lender, the Term Loan Commitment of such Lender and/or the Incremental Term Loan Commitment of such Lender.

"Commitment Fee" has the meaning specified in Section 2.09(a).

"Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. Section 1 *et seq.*) as amended or otherwise modified, and any successor statute.

"Compliance Certificate" means a certificate substantially in the form of Exhibit D.

"Connection Income Taxes" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"Consolidated Capital Expenditures" means, for any period, for the Parent Borrower and its Subsidiaries on a consolidated basis, all capital expenditures determined in accordance with GAAP, but excluding (i) expenditures made in connection with the acquisition, replacement, substitution or restoration of assets to the extent financed (x) from insurance proceeds (or other similar recoveries) paid on account of the loss of or damage to the assets being replaced or restored, (y) with cash awards of compensation arising from the taking by eminent domain or condemnation of the assets being replaced or (z) with cash proceeds of Dispositions that are reinvested in accordance with this Agreement, (ii) Permitted Acquisitions or other Investments expressly permitted under Section 8.02, and (iii) expenditures made as a tenant in leasehold improvements to the extent reimbursed by its landlord or any other unaffiliated third party.

"Consolidated Cash Taxes" means, for any period, for the Parent Borrower and its Subsidiaries on a consolidated basis, the aggregate of all taxes, as determined in accordance with GAAP, to the extent the same are paid in cash during such period.

"Consolidated EBITDA" means for any period, for the Parent Borrower and its Subsidiaries on a consolidated basis, an amount equal to:

(a) Consolidated Net Income for such period;

plus,

(b) without duplication, the following to the extent (except in the case of clauses (b)(x)(B) and (b)(xii)(C) below) deducted in calculating such Consolidated Net Income:

(i) Consolidated Interest Charges for such period;

(ii) net income tax expense (or net expense for franchise taxes in lieu of income taxes) of the Parent Borrower and its Subsidiaries for such period;

(iii) depreciation and amortization expense for such period;

(iv) [reserved]

(v) [reserved]

(vi) (A) (1) reasonable fees and expenses of professional advisors, investment bankers and legal counsel, bonuses incurred, and filing and other fees payable to, or in connection with filings made with, the SEC, in each case, in connection with a Qualifying IPO for such period, and (2) one-time expenses related to audits required to be conducted in connection with a Qualifying IPO (including audits required under 17 C.F.R. 210.3-05), (B) without duplication, Qualifying IPO Costs for such period in an amount not to exceed, with respect to this clause (B), $1,500,000, and (C) any "make-whole premium" paid in connection with a redemption of the Series A-1 Preferred Equity that is permitted hereunder, to the extent not capitalized (it being agreed that if capitalized, the same are covered by clause (b)(iii) above);

(vii) (A) costs and expenses for such period attributable (i) to the closing of this Agreement, in an aggregate amount of all such costs expenses described in this clause (i) not to exceed $500,000 and (ii) to the closing of the Existing Credit Agreement, the issuance of the Series A-1 Preferred Equity on the Existing Credit Agreement Closing Date, the repayment of outstanding Indebtedness in part or in whole (including any prepayment premiums) on the Existing Credit Agreement Closing Date (including the repayment of the Second Lien Indebtedness), the Permitted Series A Preferred Equity Exchange, the Permitted Stock Options Repurchase, and the Permitted Yukon Redemption, in an aggregate amount of all such costs expenses described in this clause (ii) not to exceed $1,000,000, in any case, to the extent such costs and expenses are not capitalized (it being agreed that if capitalized, the same are covered by clause (b)(iii) above), and (B) write-offs of previously capitalized expenses in connection with the consummation of the transactions referenced in clause (A)(ii) of this clause (vii);

(viii) all non-cash charges or losses for such period, including non-cash stock based compensation expense for such period (other than (A) charges relating to inventory or accounts receivable and (B) any such non-cash charges or losses to the extent representing accruals of or reserves for cash expenses in any future period or an amortization of a prepaid cash expense);

(ix) all non-cash monitoring fees expensed pursuant to the Monitoring Fee Agreement in such period, to the extent such monitoring fees were permitted to be accrued hereunder;

(x) (A) charges and expenses reimbursed to the Parent Borrower and its Subsidiaries by insurance or indemnity payments by third parties for such period and, in the case of this clause (A), such additional charges and expenses for such period that, in the good faith judgment of the Parent Borrower, are reasonably expected to be so reimbursed to the Parent Borrower and its

Subsidiaries within one year after the incurrence of such charge or expense (and if not so reimbursed within one year, such unreimbursed amounts shall be deducted from Consolidated EBITDA during the next period), and (B) proceeds of business interruption insurance received in such period in an amount representing the earnings for such period that such proceeds are intended to replace (to the extent not reflected in Consolidated Net Income), in an aggregate amount of such amounts added back pursuant to clauses (A) and (B) not to exceed $500,000 in any period of four fiscal quarters;

(xi) reasonable costs and expenses incurred in connection with Permitted Acquisitions whether consummated or unconsummated during such period to the extent such costs and expenses are not capitalized (it being agreed that if capitalized, the same are covered by clause (b)(iii) above);

(xii) (A) other non-recurring or extraordinary losses, charges and expenses for such period,

(B) losses from start-up labs or de novo locations, businesses or services, so long as such loss was incurred within twelve months of the openings of such start-up labs or de novo locations, or the initial investment in such de novo business or service offering, as applicable, and

(C) the amount of "run rate" cost savings and operating expense reductions projected by the Parent Borrower in good faith to be realized after specified actions which are taken within twelve months of the consummation or implementation of a Permitted Acquisition or the implementation of a cost-savings or similar initiative, net of the amount of actual benefits realized during such period from such actions, and in each case, are reasonably expected to be realized within the first twelve months following the consummation or implementation thereof and are reasonably identifiable and factually supportable, as certified by a Responsible Officer of Parent Borrower in the Compliance Certificate delivered pursuant to Section 7.02 for such period; provided that no cost savings or operating expense reductions shall be added pursuant to this clause (b)(xii)(C) to the extent duplicative of any amounts otherwise added to, or included in, Consolidated EBITDA, whether through a pro forma adjustment or otherwise, for such period;

provided, that (x) the aggregate amount added back to Consolidated EBITDA pursuant to clauses (b)(xi) and (b)(xii)(A) – (b)(xii)(C) shall not exceed 15.0% of Consolidated EBITDA for any such period in the aggregate (calculated prior to giving effect to such addbacks), and (y) the aggregate amount added back to Consolidated EBITDA pursuant to clauses (b)(xii)(B) and (b)(xii)(C) shall not exceed 7.5% of Consolidated EBITDA for any such period in the aggregate (calculated prior to giving effect to such addbacks);

(xiii) any charges or losses attributable to the Permitted Stock Options Repurchase;

minus

(c) to the extent included in calculating Consolidated Net Income,

(i) the amount of cash expended in such period in respect of any amount that, under clause (b)(viii) above, was taken into account in determining Consolidated EBITDA for such or any prior period, all as determined in accordance with GAAP;

(ii) all non-cash gains for such period;

(iii) all extraordinary gains for such period;

(iv) all non-recurring gains;

(v) without limitation of clauses (iii) and (iv) above, all other gains included in Consolidated Net Income not generated directly from the operations of the permitted lines of business of the Parent Borrower and its Subsidiaries; and

(vi) all gains attributable to the Permitted Stock Options Repurchase.

"Consolidated Fixed Charge Coverage Ratio" means, as of any date of determination, the ratio of (a)(i) Consolidated EBITDA (subject to the proviso at the end of this definition) minus (ii) the sum of (A) Consolidated Cash Taxes paid or payable, and (B) Consolidated Unfinanced Capital Expenditures made, in each case, for the period of the four (4) fiscal quarters most recently ended to (b) Consolidated Fixed Charges for the period of the four (4) fiscal quarters most recently ended; provided that for purposes of calculating the Consolidated Fixed Charge Coverage Ratio, Consolidated EBITDA will be calculated as the sum of the following clauses of the definition thereof: (a) plus (b)(i) plus (b)(ii) plus (b)(iii) plus (b)(vi), plus (b)(vii) plus (b)(viii) plus (b)(ix), limited to a maximum amount of $1,500,000 for any period of four fiscal quarters, plus (b)(xi), limited to a maximum amount of $2,000,000 for any period of four fiscal quarters, plus (b)(xii)(B), limited to a maximum amount of $1,000,000 for any period of four fiscal quarters plus (b)(xiii), minus (c).

"Consolidated Fixed Charges" means, for any period, for the Parent Borrower and its Subsidiaries on a consolidated basis, an amount equal to the sum of, without duplication, (a) the cash portion of Consolidated Interest Charges (but excluding, all dividends, interest, premium payments, fees, charges and related expenses in connection with the Series A-1 Preferred Equity) for such period plus (b) Consolidated Scheduled Funded Indebtedness Payments for such period plus (c) all cash payments of dividends with respect to the Series A-1 Preferred Equity made pursuant to Section 8.06(h) for such period; provided that for purposes of calculating Consolidated Fixed Charges, Consolidated Scheduled Funded Indebtedness Payments with respect to the Term Loan for any period of four fiscal quarters will be the greater of (x) actual Consolidated Scheduled Funded Indebtedness Payments with respect to the Term Loan for such period and (y) the Term Loan Proxy Amount for such period; provided that for purposes of calculating Consolidated Fixed Charges:

(i) Consolidated Interest Charges for any period prior to the Existing Credit Agreement Closing Date with respect to the Second Lien Indebtedness and the Indebtedness under the Third Amended Credit Agreement shall be disregarded;

(ii) all references to the Revolving Loans and the Term Loan in this definition shall include the "Revolving Loans" and the "Term Loan" under the Existing Credit Agreement;

(iii) Consolidated Interest Charges with respect to the Revolving Loans and the Term Loan for any period ending after the Existing Credit Agreement Closing Date shall be calculated as if the Revolving Loans and the Term Loan outstanding after giving effect to the Existing Credit Agreement Closing Date had been made on October 1, 2018 utilizing for any day prior to the Existing Credit Agreement Closing Date the interest rate which is in effect on the Existing Credit Agreement Closing Date;

(iv) [reserved];

(v) [reserved];

(vi) Consolidated Interest Charges with respect to the Revolving Loans and the Term Loan for the period ended June 30, 2019 shall be the actual Consolidated Interest Charges for the period of three fiscal quarters then ended (subject to adjustment as provided in clauses (i) and (iii) above) multiplied by one and one-third ($1\frac{1}{3}$); and

(vii) Consolidated Interest Charges with respect to the Revolving Loans and the Term Loan for the period ended September 30, 2019 shall be the actual Consolidated Interest Charges for the period of four fiscal quarters then ended (subject to adjustment as provided in clauses (i) and (iii) above).

"Consolidated Funded Indebtedness" means the Funded Indebtedness (excluding amounts paid in connection with the financing of insurance premiums) of the Parent Borrower and its Subsidiaries on a consolidated basis.

"Consolidated Interest Charges" means, for any period, for the Parent Borrower and its Subsidiaries on a consolidated basis, an amount equal to the sum of (a) all interest, premium payments, debt discount, fees, charges and related expenses in connection with borrowed money (including capitalized interest) or in connection with the deferred purchase price of assets, in each case to the extent treated as interest in accordance with GAAP but excluding, to the extent otherwise included as an interest expense transaction costs related to (i) the closing of this Agreement, and (ii) the closing of the Existing Credit Agreement, including up-front fees and expenses, plus (b) the portion of rent expense with respect to such period under Capital Leases that is treated as interest in accordance with GAAP plus (c) the implied interest component of Synthetic Leases with respect to such period plus (d) all dividends, interest, premium payments, fees, charges and related expenses in connection with the Series A-1 Preferred Equity to the extent treated as interest in accordance with GAAP but excluding, to the extent otherwise included as an interest expense transaction costs related to the closing of the Series A-1 Preferred Equity Documents, including "up-front"-like fees and expenses.

"Consolidated Net Income" means, for any period, for the Parent Borrower and its Subsidiaries on a consolidated basis, the net income of the Parent Borrower and its Subsidiaries for that period, as determined in accordance with GAAP; provided that Consolidated Net Income shall exclude any income (or loss) for such period of any Person if such Person is not a Subsidiary, except that the Parent Borrower's equity in the net income of any such Person for such period shall be included in Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such period to the Parent Borrower or a Subsidiary as a dividend or other distribution.

"Consolidated Scheduled Funded Indebtedness Payments" means for any period for the Parent Borrower and its Subsidiaries on a consolidated basis, the sum of all scheduled payments of principal on Funded Indebtedness, as determined in accordance with GAAP. For purposes of this definition, "scheduled payments of principal" (a) shall be determined after giving effect to any reduction of such scheduled payments resulting from the application of any voluntary or mandatory prepayments made during the applicable period, (b) shall be deemed to include the Attributable Indebtedness in respect of Capital Leases, Securitization Transactions and Synthetic Leases, (c) shall not include any voluntary prepayments or mandatory prepayments required pursuant to Section 2.05, and (d) shall not include any scheduled payment of principal with respect to Earn Out Obligations.

"Consolidated Total Leverage Ratio" means, as of any date of determination, the ratio of (a) Consolidated Funded Indebtedness to (b) Consolidated EBITDA for the period of the four (4) fiscal quarters most recently ended; provided, that for the calculation of Consolidated Total Leverage Ratio as of any date

of determination, the Parent Borrower may subtract cash and Cash Equivalents of the Loan Parties in an aggregate amount not to exceed $5,000,000 that do not appear (or would not be required to appear) as "restricted" on a consolidated balance sheet of the Parent Borrower and are not subject to a Lien (other than Liens of the type described in Sections 8.01(a), 8.01(m) or 8.01(s)) from the amount of Consolidated Funded Indebtedness as of such date.

"Consolidated Unfinanced Capital Expenditures" means, for any period, Consolidated Capital Expenditures less all expenditures made with the proceeds of any Indebtedness or equity issuance or contribution.

"Contractual Obligation" means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto. Without limiting the generality of the foregoing, a Person shall be deemed to be Controlled by another Person if such other Person possesses, directly or indirectly, power to vote ten percent (10%) or more of the securities having ordinary voting power for the election of directors, managing general partners or the equivalent.

"Control Group" means Compass Partners, L.L.C. and any Affiliate that is controlled directly or indirectly through one or more intermediaries, or both, by Compass Partners, L.L.C.

"Covered Entity" means any of the following: (a) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (b) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (c) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"Covered Party" has the meaning specified in Section 11.22.

"Credit Extension" means each of the following: (a) a Borrowing and (b) an L/C Credit Extension.

"Debt Issuance" means the issuance by any Loan Party or any Subsidiary of any Indebtedness other than Indebtedness permitted under Section 8.03.

"Debtor Relief Laws" means the Bankruptcy Code of the United States, the Bankruptcy and Insolvency Act (Canada), the Companies' Creditors Arrangement Act (Canada), the Winding-Up and Restructuring Act (Canada), and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States, Canada or other applicable jurisdictions from time to time in effect.

"Default" means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

"Default Rate" means (a) when used with respect to Obligations other than Letter of Credit Fees, an interest rate equal to (i) the Base Rate plus (ii) the Applicable Rate, if any, applicable to Base Rate Loans plus (iii) 2% per annum; provided, however, that with respect to a Eurocurrency Rate Loan, the Default Rate shall be an interest rate equal to the interest rate (including any Applicable Rate) otherwise applicable to such Loan plus 2% per annum, in each case to the fullest extent permitted by applicable Laws and (b) when used with respect to Letter of Credit Fees, a rate equal to the Applicable Rate plus 2% per annum.

"Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"Defaulting Lender" means, subject to Section 2.15(b), any Lender that (a) has failed to (i) fund all or any portion of its Loans within two Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Parent Borrower in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent, the L/C Issuer, the Swing Line Lender or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit or Swing Line Loans) within two Business Days of the date when due, (b) has notified the Parent Borrower, the Administrative Agent, the L/C Issuer or the Swing Line Lender in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Administrative Agent or the Parent Borrower, to confirm in writing to the Administrative Agent and the Parent Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Parent Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity or (iii) become the subject of a Bail-In Action; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above, and of the effective date of such status, shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.15(b)) as of the date established therefor by the Administrative Agent in a written notice of such determination, which shall be delivered by the Administrative Agent to the Parent Borrower, the L/C Issuer, the Swing Line Lender and each other Lender promptly following such determination.

"Designated Lender" has the meaning specified in Section 2.16.

"Disposition" or "Dispose" means the sale, transfer, license, lease or other disposition (including any Sale and Leaseback Transaction and any issuance of Equity Interests by a Subsidiary of such Person) of any property by any Person (including the Equity Interests of any Subsidiary), including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith, but excluding (a) the sale, lease, license, transfer or other disposition of inventory in the ordinary course of business; (b) the sale, lease, license, transfer or other disposition in the ordinary course of business of surplus, obsolete or worn out property no longer used or useful in the conduct of business of any Loan Party or any Subsidiary; (c) any sale, lease, license, transfer or other disposition of property to any Loan Party or any Subsidiary (provided, that (i) if the transferor of such property is a U.S. Loan Party (A) the transferee thereof is a U.S. Loan Party, (B) the transferee thereof is a

Canadian Loan Party (provided, that, all such sales, leases, licenses, transfers or other dispositions of property made pursuant to this clause (c)(i)(B) shall not exceed $500,000 in the aggregate in any fiscal year of the Parent Borrower) or (C) to the extent such transaction constitutes an Investment, such transaction is permitted under Section 8.02 and (ii) if the transferor of such property is a Canadian Loan Party (A) the transferee thereof must be a Loan Party or (B) to the extent such transaction constitutes an Investment, such transaction is permitted under Section 8.02); (d) any Involuntary Disposition; (e) the sale or disposition of Cash Equivalents for fair market value; (f) transfers which constitute Permitted Liens; (g) the forgiveness of notes taken pursuant to Sections 8.02(i) and (o); (h) dispositions of overdue accounts receivable in connection with the collection or compromise thereof in the ordinary course of business; (i) the abandonment of IP Rights that are no longer used or useful to the conduct of the business of the Parent Borrower and its Subsidiaries as determined by the applicable Loan Party in its reasonable judgment and that are disposed of in the ordinary course of business; (j) non-exclusive outbound licenses or sublicenses of IP Rights granted by any Loan Party in the ordinary course of business and not interfering in any material respect with the ordinary conduct of business of the Parent Borrower and its Subsidiaries, taken as a whole; (k) leases or subleases (or licenses or sublicenses) of property (other than IP Rights) entered into in the ordinary course of business and not interfering in any material respect with the ordinary conduct of business of the Parent Borrower and its Subsidiaries, taken as a whole; (l) abandonment of leasehold interests in the ordinary course of business; (m) the granting, existence or creation of a Lien (but not the sale or other disposition of the property subject to such Lien) permitted by Section 8.01; (n) to the extent constituting Dispositions, Investments permitted under Section 8.02, fundamental changes permitted under Section 8.04 and Restricted Payments permitted under Section 8.06, in each case, except by reference to Section 8.05 or this definition; (o) any issuance by the Parent Borrower of any of its Equity Interests or the issuance of any Equity Interests of any Subsidiary to the Parent Borrower or another Subsidiary; and (p) the unwinding of any Swap Contract permitted hereunder in accordance with its terms.

"Disqualified Stock" means any Equity Interest which, by its terms (or by the terms of any security or other Equity Interests into which it is convertible or for which it is exchangeable), or upon the happening of any event or condition (a) matures or is mandatorily redeemable (other than solely for Equity Interests that are not Disqualified Stock), pursuant to a sinking fund obligation or otherwise (except as a result of a change of control or asset sale so long as any rights of the holders thereof upon the occurrence of a change of control or asset sale event shall be subject to the prior repayment in full of the Loans and all other Obligations that are accrued and payable and the termination of the Commitments), (b) is redeemable or subject to a mandatory repurchase requirement at the option of the holder thereof, in whole or in part, (c) provides for the scheduled payments of dividends in cash or (d) is or becomes convertible into or exchangeable for Indebtedness or any other Equity Interests that would constitute Disqualified Stock, in each case, prior to the date that is 180 days after the Maturity Date in effect at the time of issuance of the respective Disqualified Stock.

"Dollar" and "$" mean lawful money of the United States.

"Dollar Equivalent" means, at any time, (a) with respect to any amount denominated in Dollars, such amount, and (b) with respect to any amount denominated in Canadian Dollars, the equivalent amount thereof in Dollars as determined by the Administrative Agent or the L/C Issuer, as the case may be, at such time on the basis of the Spot Rate (determined in respect of the most recent Revaluation Date) for the purchase of Dollars with Canadian Dollars.

"Domestic Subsidiary" means any Subsidiary that is organized under the laws of any state of the United States or the District of Columbia.

"Earn Out Obligations" means, with respect to an Acquisition, all obligations of the Parent Borrower or any Subsidiary to make earn out or other contingency payments (including purchase price adjustments, non-competition and consulting agreements, or other indemnity obligations) pursuant to the documentation relating to such Acquisition. The amount of any Earn Out Obligations at the time of determination shall be the aggregate amount, if any, of such Earn Out Obligations that are required at such time under GAAP to be recognized as liabilities on the consolidated balance sheet of the Parent Borrower.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Eligible Assets" means property that is used or useful in the same or a similar line of business as the Parent Borrower and its Subsidiaries were engaged in on the Closing Date (or any reasonable extension or expansions thereof).

"Eligible Assignee" means any Person that meets the requirements to be an assignee under Section 11.06(b)(iii) and (v) (subject to such consents, if any, as may be required under Section 11.06(b)(iii)) or for purposes of an assignment permitted pursuant to Section 10.09, any acquisition vehicle formed pursuant to Section 10.09 in connection with any credit bid.

"Environmental Laws" means any and all federal, state, provincial, territorial, local, foreign and other applicable statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including Hazardous Materials, air emissions and discharges to waste or public systems.

"Environmental Liability" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of any Loan Party or any Subsidiary directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Equity Interests" means, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination. For the avoidance of doubt, the Series A-1 Preferred Equity shall constitute Equity Interests of the Parent Borrower.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.

"ERISA Affiliate" means any trade or business (whether or not incorporated) under common control with any Borrower within the meaning of Section 414(b) or (c) of the Internal Revenue Code (and Sections 414(m) and (o) of the Internal Revenue Code for purposes of provisions relating to Section 412 of the Internal Revenue Code).

"ERISA Event" means (a) a Reportable Event with respect to a Pension Plan; (b) the withdrawal of any Borrower or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which such entity was a "substantial employer" as defined in Section 4001(a)(2) of ERISA or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by any Borrower or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization; (d) the filing of a notice of intent to terminate, the treatment of a Pension Plan amendment as a termination under Sections 4041 or 4041A of ERISA; (e) the institution by the PBGC of proceedings to terminate a Pension Plan; (f) any event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; or (g) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon any Borrower or any ERISA Affiliate.

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"Eurocurrency Base Rate" means:

(a) for any Interest Period, with respect to any Eurocurrency Rate Loan:

(i) denominated in Dollars, the rate per annum equal to the London Interbank Offered Rate ("LIBOR") or a comparable or successor rate, which rate is approved by the Administrative Agent, as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, for Dollar deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period;

(ii) denominated in Canadian Dollars, the rate per annum equal to the Canadian Dollar Offered Rate or a comparable or successor rate, which rate is approved by the Administrative Agent, as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) at approximately 10:00 a.m., Toronto, Ontario time, on the Rate Determination Date with a term equivalent to such Interest Period;

(b) for any interest rate calculation with respect to a Base Rate Loan on any date, the rate per annum equal to LIBOR, at approximately 11:00 a.m., London time, determined two Business Days prior to such date for Dollar deposits with a term of one month commencing that date;

provided, that, (i) to the extent a comparable or successor rate is approved by the Administrative Agent in connection herewith, the approved rate shall be applied in a manner consistent with market practice; provided, further, that, to the extent such market practice is not administratively feasible for the Administrative Agent, such approved rate shall be applied in a manner as otherwise reasonably determined by the Administrative Agent and (ii) if the Eurocurrency Base Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

"Eurocurrency Rate" means (a) for any Interest Period with respect to any Eurocurrency Rate Loan, a rate per annum determined by the Administrative Agent to be equal to the quotient obtained by dividing (i) the Eurocurrency Base Rate for such Eurocurrency Rate Loan for such Interest Period by (ii) one minus the Eurocurrency Reserve Percentage for such Eurocurrency Rate Loan for such Interest Period and (b) for any day with respect to any Base Rate Loan bearing interest at a rate based on the Eurocurrency Rate, a rate per annum determined by the Administrative Agent to be equal to the quotient obtained by dividing (i) the Eurocurrency Base Rate for such Base Rate Loan for such day by (ii) one minus the Eurocurrency Reserve Percentage for such Base Rate Loan for such day.

"Eurocurrency Rate Loan" means a Loan that bears interest at a rate based on clause (a) of the definition of "Eurocurrency Rate". Eurocurrency Rate Loans may be denominated in Dollars or in Canadian Dollars. All Loans denominated in Canadian Dollars must be Eurocurrency Rate Loans. All Loans made to the Canadian Borrower must be Eurocurrency Rate Loans denominated in Canadian Dollars.

"Eurocurrency Reserve Percentage" means, for any day, the reserve percentage (expressed as a decimal, carried out to five (5) decimal places) in effect on such day, whether or not applicable to any Lender, under regulations issued from time to time by the FRB for determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) with respect to Eurocurrency funding (currently referred to as "Eurocurrency liabilities"). The Eurocurrency Rate for each outstanding Eurocurrency Rate Loan and for each outstanding Base Rate Loan the interest on which is determined by reference to the Eurocurrency Rate, in each case, shall be adjusted automatically as of the effective date of any change in the Eurocurrency Reserve Percentage.

"Event of Default" has the meaning specified in Section 9.01.

"Excess Cash Flow" means, for any period for the Parent Borrower and its Subsidiaries, an amount equal to the sum, without duplication, of (a) Consolidated EBITDA (without giving effect to any adjustments thereto as a result of calculating Consolidated EBITDA on a Pro Forma Basis after giving effect to certain transactions) minus (b) Consolidated Unfinanced Capital Expenditures paid in cash, minus (c) the cash portion of Consolidated Interest Charges minus (d) Consolidated Cash Taxes minus (e) Consolidated Scheduled Funded Indebtedness Payments minus (f) mandatory prepayments by any Loan Party for such period of any Indebtedness of such Loan Party (excluding mandatory prepayments of the Loans); provided that such prepayment is not prohibited by this Agreement minus (g) all cash items added to Consolidated Net Income in the determination of Consolidated EBITDA for such period minus (h) all cash payments (other than any cash payments funded with the cash proceeds of any Indebtedness (other than Revolving Loans) or issuance of Equity Interests or contribution on account of Equity Interests) made during such period with respect to Investments that are permitted to be made hereunder (including, without limitation, Permitted Acquisitions) minus (i) all working capital and purchase price adjustments paid in cash (other than any such payments funded with the cash proceeds of any Indebtedness (other than Revolving Loans) or issuance of Equity Interests or contribution on account of Equity Interests) during such period, in each case, on a consolidated basis determined in accordance with GAAP minus (j) any

increases in Net Working Capital during such period, minus (k) unrealized cost savings, to the extent added to Consolidated Net Income in the determination of Consolidated EBITDA for such period plus (l) any decreases in Net Working Capital during such period minus (m) Restricted Payments described in the definitions of "Permitted Stock Options Repurchase" and "Permitted Yukon Redemption" and Section 8.06(l), in each case, paid in cash (other than any cash payments funded with the cash proceeds of any Indebtedness (other than Revolving Loans) or issuance of Equity Interests or contribution on account of Equity Interests) made during such period.

"Excluded Property" means, with respect to any Loan Party, including any Person that becomes a Loan Party after the Closing Date as contemplated by Section 7.12(b), (a) any owned real property that is located outside of the United States or not required to be mortgaged pursuant to Section 7.14(b), (b) any leased real property, (c) any personal property (including, without limitation, motor vehicles) in respect of which perfection of a Lien is not either (i) governed by the Uniform Commercial Code or (ii) effected by appropriate evidence of the Lien being filed in either the United States Copyright Office or the United States Patent and Trademark Office, unless requested by the Administrative Agent or the Required Lenders, (d) the Equity Interests of any direct or indirect Foreign Subsidiary of a Loan Party or FSHCO to the extent not required to be pledged to secure the Obligations pursuant to Section 7.14(a), (e) any property which, subject to the terms of Section 8.09, is subject to a Lien of the type described in Section 8.01(i) pursuant to documents which prohibit such Loan Party from granting any other Liens in such property, and (f) all other property excluded from Collateral in the Security Agreement.

"Excluded Swap Obligation" means, with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the Guaranty of such Guarantor of, or the grant under a Loan Document by such Guarantor of a security interest to secure, such Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act (or the application or official interpretation thereof) by virtue of such Guarantor's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act (determined after giving effect to Section 4.08 and any and all guarantees of such Guarantor's Swap Obligations by other Loan Parties) at the time the Guaranty of such Guarantor, or grant by such Guarantor of a security interest, becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a Master Agreement governing more than one Swap Contract, such exclusion shall apply to only the portion of such Swap Obligations that is attributable to Swap Contracts for which such Guaranty or security interest becomes illegal.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to any Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, (i) U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (A) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Parent Borrower under Section 11.13) or (B) such Lender changes its Lending Office, except in each case to the extent that, pursuant to Section 3.01(a)(ii) or 3.01(c), amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its Lending Office or (ii) any Canadian federal withholding Taxes imposed on any Recipient as a result of such Recipient not dealing at arm's length (within the meaning of the ITA) with a Borrower at the time an amount is paid or payable (other than where the non-arm's length relationship arises, as a result of such Recipient having become a party to, received or perfected a security interest under or received or enforced any rights hereunder or under any other Loan Document), (c) if the payment is in respect of a debt or other obligation to pay an amount to a person with whom the payor is not dealing at arm's length for the purposes of the ITA, (d) Taxes attributable to such Recipient's failure to comply with Section 3.01(e) and (e) any withholding Taxes imposed pursuant to FATCA.

"Existing Credit Agreement" has the meaning specified in the recitals hereto.

"Existing Credit Agreement Closing Date" means October 19, 2018.

"Existing Seller Indebtedness" means the unsecured Indebtedness of the Parent Borrower and its Subsidiaries identified on Schedule 8.03 attached hereto.

"Facilities" means, at any time, a collective reference to the facilities and real properties owned, leased or operated by any Loan Party or any Subsidiary.

"Facility Office" means the office designated by the applicable Lender through which such Lender will perform its obligations under this Agreement.

"FASB ASC" means the Accounting Standards Codification of the Financial Accounting Standards Board.

"FATCA" means Sections 1471 through 1474 of the Internal Revenue Code, as of the Closing Date (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Internal Revenue Code, and any treaties or intergovernmental agreements implementing the foregoing.

"Federal Funds Rate" means, for any day, the rate per annum equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to Bank of America on such day on such transactions as determined by the Administrative Agent.

"Fee Letter" means the Fee Letter dated as of July 24, 2019, between the Parent Borrower, the Administrative Agent and BofA Securities.

"Flood Insurance Laws" means, collectively, (i) the National Flood Insurance Act of 1968 as now or hereafter in effect or any successor statute thereto, (ii) the Flood Disaster Protection Act of 1973 as now or hereafter in effect or any successor statute thereto, (iii) the National Flood Insurance Reform Act of 1994 as now or hereafter in effect or any successor statute thereto, (iv) the Flood Insurance Reform Act of 2004 and the Biggert –Waters Flood Insurance Reform Act of 2012, as now or hereafter in effect of any successor statute thereto, in each case, together with all statutory and regulatory provisions consolidating, amending, replacing, supplementing, implementing or interpreting any of the foregoing, as amended or modified from time to time.

"Foreign Lender" means, with respect to any Borrower, (a) if such Borrower is a U.S. Person, a Lender that is not a U.S. Person, and (b) if such Borrower is not a U.S. Person, a Lender that is resident or organized under the Laws of a jurisdiction other than that in which such Borrower is resident for tax purposes. For purposes of this definition, the United States, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"Foreign Subsidiary" means any Subsidiary that is not a Domestic Subsidiary.

"FRB" means the Board of Governors of the Federal Reserve System of the United States.

"Fronting Exposure" means, at any time there is a Defaulting Lender, (a) with respect to the L/C Issuer, such Defaulting Lender's Applicable Percentage of the outstanding L/C Obligations other than L/C Obligations as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof and (b) with respect to the Swing Line Lender, such Defaulting Lender's Applicable Percentage of Swing Line Loans other than Swing Line Loans as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders in accordance with the terms hereof.

"FSHCO" means any direct or indirect Subsidiary of any Loan Party that owns no material assets other than the equity interests of one or more Subsidiaries (together with its successors) that are Foreign Subsidiaries and/or other FSHCOs.

"Fund" means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

"Funded Indebtedness" means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

(a) all obligations for borrowed money, whether current or long-term (including the Obligations) and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments;

(b) all purchase money Indebtedness;

(c) the principal portion of all obligations under conditional sale or other title retention agreements relating to property purchased by such Person or any Subsidiary thereof (other than customary reservations or retentions of title under agreements with suppliers entered into in the ordinary course of business);

(d) all obligations arising under letters of credit (including standby and commercial, but excluding any letters of credit which are cash collateralized), bankers' acceptances, bank guaranties, surety bonds and similar instruments;

(e) all obligations in respect of the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business), including, without limitation, any Earn Out Obligations recognized as a liability on the balance sheet of the Parent Borrower and its Subsidiaries in accordance with GAAP;

(f) the Attributable Indebtedness of Capital Leases, Securitization Transactions and Synthetic Leases;

(g) all obligations of such Person to purchase, redeem, retire, defease or otherwise make any payment in respect of any Equity Interests in such Person or any other Person, valued, in the case of a redeemable preferred interest, at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends, but excluding any Series A-1 Preferred Equity issued on the Existing Credit Agreement Closing Date (and any accrued interest, fees, expenses or premiums in respect of such Series A-1 Preferred Equity);

(h) all Funded Indebtedness of others secured by (or for which the holder of such Funded Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on, or payable out of the proceeds of production from, property owned or acquired by such Person, whether or not the obligations secured thereby have been assumed;

(i) all Guarantees with respect to Funded Indebtedness of the types specified in clauses (a) through (h) above of another Person; and

(j) all Funded Indebtedness of the types referred to in clauses (a) through (i) above of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or joint venturer, except to the extent that such Funded Indebtedness is expressly made non-recourse to such Person.

For purposes hereof, the amount of any direct obligation arising under letters of credit (including standby and commercial), bankers' acceptances, bank guaranties, surety bonds and similar instruments shall be the maximum amount available to be drawn thereunder.

"GAAP" means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board, consistently applied and as in effect from time to time.

"Governmental Authority" means the government of the United States, Canada or any other nation, or of any political subdivision thereof, whether state, provincial, territorial or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including the Financial Conduct Authority, the Prudential Regulation Authority and any supra-national bodies such as the European Union or the European Central Bank).

"Guarantee" means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term "Guarantee" as a verb has a corresponding meaning.

"Guaranteed Obligations" has the meaning set forth in Section 4.01.

"Guarantors" means, collectively, the Canadian Guarantors and the U.S. Guarantors.

"Guaranty" means, collectively, (a) the Guaranty in respect of the Obligations made by the U.S. Guarantors in favor of the Administrative Agent and the other holders of the Obligations pursuant to Article IV, and (b) the Guaranty in respect of the Canadian Obligations made by the Canadian Guarantors in favor of the Administrative Agent and the other holders of the Obligations pursuant to Article IV.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants of any nature, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, or infectious or medical wastes which are listed or regulated pursuant to any Environmental Law.

"Honor Date" has the meaning set forth in Section 2.03(c).

"IFRS" means international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements delivered under or referred to herein.

"Immaterial Subsidiary" means, as of any date of determination, any Subsidiary that as of the last day the period of the four fiscal quarters most recently ended for which the Parent Borrower has delivered financial statements pursuant to Section 7.01(a) or (b), (a) did not have, together with its Subsidiaries, total assets in excess of two and one-half percent (2.5%) of consolidated total assets of the Parent Borrower and its Subsidiaries and (b) did not have (excluding any contribution to Consolidated EBITDA from intercompany transactions) Consolidated EBITDA for such period attributable to it (together with its Subsidiaries) in excess of two and one-half percent (2.5%) of Consolidated EBITDA for such period (excluding any contribution to Consolidated EBITDA from intercompany transactions); provided, that, if, as of the date financial statements are delivered or required to be delivered pursuant to Section 7.01(a) or Section 7.01(b), (i) the total assets of any or all Immaterial Subsidiaries, together with their Subsidiaries, shall have, as of the last day of the period of the four fiscal quarters most recently ended, exceeded five percent (5.0%) of consolidated total assets of the Parent Borrower and its Subsidiaries, or (ii) the Consolidated EBITDA of any or all Immaterial Subsidiaries, together with their Subsidiaries, shall have, as of the period of the four fiscal quarters most recently ended, exceeded five percent (5.0%) of Consolidated EBITDA for such period (excluding any contribution to Consolidated EBITDA from intercompany transactions), then, in each case, within ten (10) Business Days (or such later date as agreed by the Administrative Agent in its sole discretion) after the date such financial statements are delivered or required to be delivered, the Parent Borrower shall re-designate one or more Immaterial Subsidiaries, such that, as a result thereof, the total assets and Consolidated EBITDA of such Immaterial Subsidiary or all Immaterial Subsidiaries in the aggregate, as applicable, do not exceed such limits.

"Impacted Loans" has the meaning specified in Section 3.03.

"Incremental Cap" has the meaning specified in Section 2.02(f).

"Incremental Revolving Lender Joinder Agreement" means a joinder agreement, substantially in the form of Exhibit M, executed and delivered in accordance with the provisions of Section 2.02(f).

"Incremental Term Loan" shall have the meaning provided in Section 2.01(c).

"Incremental Term Loan Commitment" means, as to each Incremental Term Loan Lender, the commitment of such Incremental Term Loan Lender to make the Incremental Term Loan hereunder pursuant to the Incremental Term Loan Lender Joinder Agreement; provided that, at any time after the funding of the Incremental Term Loan, determination of "Required Lenders" shall include the Outstanding Amount of the Incremental Term Loan.

"Incremental Term Loan Lender" means each of the Persons identified as an "Incremental Term Loan Lender" in the Incremental Term Loan Lender Joinder Agreement, together with their respective successors and assigns.

"Incremental Term Loan Lender Joinder Agreement" means a joinder agreement, substantially in the form of Exhibit I, executed and delivered in accordance with the provisions of Section 2.02(f).

"Incremental Term Loan Maturity Date" shall be as set forth in the Incremental Term Loan Lender Joinder Agreement.

"Incremental Term Note" has the meaning specified in Section 2.11(a).

"Indebtedness" means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

(a) all Funded Indebtedness;

(b) the Swap Termination Value of any Swap Contract;

(c) all Guarantees with respect to outstanding Indebtedness of the types specified in clauses (a) and (b) above of any other Person; and

(d) all Indebtedness of the types referred to in clauses (a) through (c) above of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person or a Subsidiary thereof is a general partner or joint venturer, unless such Indebtedness is expressly made non-recourse to such Person or such Subsidiary.

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in clause (a), Other Taxes.

"Indemnitee" has the meaning specified in Section 11.04(b).

"Information" has the meaning specified in Section 11.07.

"Interest Payment Date" means (a) as to any Eurocurrency Rate Loan, the last day of each Interest Period applicable to such Loan and the Maturity Date or the Incremental Term Loan Maturity Date, as applicable; provided, however, that if any Interest Period for a Eurocurrency Rate Loan exceeds three (3) months, the respective dates that fall every three (3) months after the beginning of such Interest Period shall also be Interest Payment Dates; and (b) as to any Base Rate Loan (including a Swing Line Loan), the last Business Day of each March, June, September and December and the Maturity Date or the Incremental Term Loan Maturity Date, as applicable.

"Interest Period" means, as to each Eurocurrency Rate Loan, the period commencing on the date such Eurocurrency Rate Loan is disbursed or converted to or continued as a Eurocurrency Rate Loan and ending on the date one (1), two (2), three (3) or six (6) months thereafter (in each case, subject to availability for the interest rate applicable to the relevant currency), as selected by the applicable Borrower in its Loan Notice, or such other period that is twelve (12) months or less requested by the applicable Borrower and consented to by all of the applicable Lenders; provided that:

(a) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless in the case of a Eurocurrency Rate Loan, such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

(b) any Interest Period pertaining to a Eurocurrency Rate Loan that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period;

(c) no Interest Period with respect to any Revolving Loan or Term Loan shall extend beyond the Maturity Date; and

(d) no Interest Period with respect to the Incremental Term Loan shall extend beyond the Incremental Term Loan Maturity Date.

"Interim Financial Statements" means unaudited consolidated financial statements of the Parent Borrower and its Subsidiaries for the fiscal quarter ended March 31, 2019, including balance sheets and statements of income or operations, shareholders' equity and cash flows.

"Internal Revenue Code" means the U.S. Internal Revenue Code of 1986, as amended.

"Investment" means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of Equity Interests of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of debt of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person and any arrangement pursuant to which the investor Guarantees Indebtedness of such other Person, or (c) an Acquisition. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

"Involuntary Disposition" means any loss of, damage to or destruction of, or any condemnation or other taking for public use of, any property of any Loan Party or any of its Subsidiaries.

"IP Rights" has the meaning specified in Section 6.17.

"IRS" means the United States Internal Revenue Service.

"ISP" means, with respect to any Letter of Credit, the "International Standby Practices 1998" published by the Institute of International Banking Law & Practice, Inc. (or such later version thereof as may be in effect at the time of issuance).

"Issuer Documents" means with respect to any Letter of Credit, the Letter of Credit Application, and any other document, agreement and instrument entered into by the L/C Issuer and the Parent Borrower (or any Subsidiary) or in favor of the L/C Issuer and relating to any such Letter of Credit.

"ITA" means the *Income Tax Act* (Canada).

"Joinder Agreement" means a joinder agreement substantially in the form of Exhibit E executed and delivered by a Domestic Subsidiary in accordance with the provisions of Section 7.12(b).

"Judgment Currency" has the meaning specified in Section 11.23.

"Laws" means, collectively, all international, foreign, federal, state, provincial, territorial and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

"L/C Advance" means, with respect to each Lender, such Lender's funding of its participation in any L/C Borrowing in accordance with its Applicable Percentage. All L/C Advances shall be denominated in Dollars.

"L/C Borrowing" means an extension of credit resulting from a drawing under any Letter of Credit which has not been reimbursed on the date when made or refinanced as a Borrowing of Revolving Loans. All L/C Borrowings shall be denominated in Dollars.

"L/C Credit Extension" means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the increase of the amount thereof.

"L/C Issuer" means Bank of America, through itself or through one of its designated Affiliates or branch offices, in its capacity as issuer of Letters of Credit hereunder, or any successor issuer of Letters of Credit hereunder.

"L/C Obligations" means, as at any date of determination, the aggregate amount available to be drawn under all outstanding Letters of Credit plus the aggregate of all Unreimbursed Amounts, including all L/C Borrowings. For purposes of computing the amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the ISP, such Letter of Credit shall be deemed to be "outstanding" in the amount so remaining available to be drawn.

"LEHDER Acquisition" means the Acquisition by the Canadian Borrower (or a Canadian Guarantor) of 100% of the Equity Interests of LEHDER Environmental Services Limited on terms consistent in all material respects with those provided to the Administrative Agent prior to the Closing Date.

"Lenders" means each of the Persons identified as a "Lender" on the signature pages hereto, each other Person that becomes a "Lender" in accordance with this Agreement and their successors and permitted assigns, each Person that executes a lender joinder agreement or commitment agreement in accordance with Section 2.02(f) and each Incremental Term Loan Lender and, as the context requires, includes the Swing Line Lender. The term "Lender" shall include any Designated Lender.

"Lending Office" means, as to any Lender, the office or offices of such Lender described as such in such Lender's Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Parent Borrower and the Administrative Agent.

"Letter of Credit" means any standby letter of credit issued hereunder providing for the payment of cash upon the honoring of a presentation thereunder. Letters of Credit shall be issued in Dollars or Canadian Dollars.

"Letter of Credit Application" means an application and agreement for the issuance or amendment of a Letter of Credit in the form from time to time in use by the L/C Issuer.

"Letter of Credit Expiration Date" means the day that is thirty (30) days prior to the Maturity Date then in effect (or, if such day is not a Business Day, the next preceding Business Day).

"Letter of Credit Fee" has the meaning specified in Section 2.03(h).

"Letter of Credit Sublimit" means an amount equal to the lesser of (a) the Aggregate Revolving Commitments and (b) $10,000,000. The Letter of Credit Sublimit is part of, and not in addition to, the Aggregate Revolving Commitments.

"LIBOR" has the meaning specified in the definition of "Eurocurrency Base Rate".

"LIBOR Daily Floating Rate" means a fluctuating rate of interest, which can change on each Business Day, equal to LIBOR, or a comparable or successor rate which is approved by the Administrative Agent, as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by Bank of America from time to time) at or about 11:00 a.m. London time two (2) Business Days prior to the date in question for Dollar deposits with a term equivalent to one month beginning on that date; provided that to the extent a comparable or successor rate is approved by the Administrative Agent in connection herewith, the approved rate shall be applied in a manner consistent with market practice; provided, further that (a) to the extent such market practice is not administratively feasible for the Administrative Agent, such approved rate shall be applied in a manner as otherwise reasonably determined by the Administrative Agent and (b) if the LIBOR Daily Floating Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

"LIBOR Daily Floating Rate Loan" means a Swing Line Loan that bears interest based on the LIBOR Daily Floating Rate.

"LIBOR Screen Rate" means the LIBOR quote on the applicable screen page the Administrative Agent designates to determine LIBOR (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time).

"LIBOR Successor Rate" has the meaning specified in Section 3.08.

"LIBOR Successor Rate Conforming Changes" means, with respect to any proposed LIBOR Successor Rate, any conforming changes to the definition of Base Rate, Interest Period, timing and frequency of determining rates and making payments of interest and other administrative matters as may be appropriate, in the discretion of the Administrative Agent, to reflect the adoption of such LIBOR Successor Rate and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent determines that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of such LIBOR Successor Rate exists, in such other manner of administration as the Administrative Agent determines in consultation with the Parent Borrower).

"Lien" means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

"Loan" means an extension of credit by a Lender to a Borrower under Article II in the form of a Revolving Loan, Swing Line Loan, Term Loan or Incremental Term Loan.

"Loan Documents" means this Agreement, each Note, each Issuer Document, each Joinder Agreement, the Fee Letter, each Incremental Term Loan Lender Joinder Agreement, any agreement creating or perfecting rights in Cash Collateral pursuant to the provisions of Section 2.14 of this Agreement, any Auto-Borrow Agreement, the Collateral Documents and any other agreement, instrument or document designated by its terms as a "Loan Document" (but specifically excluding Secured Swap Agreements and Secured Treasury Management Agreements).

"Loan Modification Offer" has the meaning specified in Section 11.01.

"Loan Notice" means a notice of (a) a Borrowing of Loans, (b) a conversion of Loans from one Type to the other, or (c) a continuation of Eurocurrency Rate Loans, in each case pursuant to Section 2.02(a), which, if in writing, shall be substantially in the form of Exhibit A or such other form as may be approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent) appropriately completed and signed by a Responsible Officer of the applicable Borrower.

"Loan Parties" means, collectively, each Borrower and each Guarantor.

"London Banking Day" means any day on which dealings in Dollar deposits are conducted by and between banks in the London interbank eurodollar market.

"Mandatory Cost" means any amount incurred periodically by any Lender during the term of this Agreement which constitutes fees, costs or charges imposed on lenders generally in the jurisdiction in which such Lender is domiciled, subject to regulation, or has its Facility Office by any Governmental Authority.

"Master Agreement" has the meaning specified in the definition of "Swap Contract".

"Material Adverse Effect" means (a) a material adverse change in, or a material adverse effect upon, the operations, business, assets, properties, liabilities (actual or contingent) or condition (financial or otherwise) of the Parent Borrower and its Subsidiaries taken as a whole; (b) a material impairment of the ability of any Loan Party to perform its material obligations under any Loan Document to which it is a party; or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against any Loan Party of any Loan Document to which it is a party.

"Maturity Date" means October 19, 2021; provided, however, that if such date is not a Business Day, the Maturity Date shall be the next preceding Business Day.

"Minimum Collateral Amount" means, at any time, with respect to Cash Collateral consisting of cash or deposit account balances provided to reduce or eliminate Fronting Exposure during the existence of a Defaulting Lender, an amount equal to 105% of the Fronting Exposure of the L/C Issuer with respect to Letters of Credit issued and outstanding at such time, (b) with respect to Cash Collateral consisting of cash or deposit account balances provided in accordance with the provisions of Section 2.14(a)(i), (a)(ii) or (a)(iii), an amount equal to 105% of the Outstanding Amount of all L/C Obligations, and (c) otherwise, an amount determined by the Administrative Agent and the L/C Issuer in their sole discretion.

"Monitoring Fee Agreement" means that certain Monitoring Fee Agreement dated as of July 5, 2013 between the Parent Borrower and Compass Partners, L.L.C. as in effect on the date hereof.

"Moody's" means Moody's Investors Service, Inc. and any successor thereto.

"Mortgaged Property" means any real property that is owned or leased by a U.S. Loan Party and is subject to a Mortgage.

"Mortgages" means any mortgages, deeds of trust or deeds to secure debt that purport to grant to the Administrative Agent, for the benefit of the holders of the Obligations, a security interest in the fee interest and/or leasehold interests of any U.S. Loan Party in real property (other than Excluded Property).

"Multiemployer Plan" means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which any Borrower or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five (5) plan years, has made or been obligated to make contributions.

"Multiple Employer Plan" means a Pension Plan which has two or more contributing sponsors (including any Borrower or any ERISA Affiliate) at least two of whom are not under common control, as such a plan is described in Section 4064 of ERISA.

"Net Cash Proceeds" means the aggregate cash or Cash Equivalents proceeds received by any Loan Party or any Subsidiary in respect of any Disposition, Debt Issuance or Involuntary Disposition, net of (a) direct costs incurred in connection therewith (including, without limitation, legal, accounting and investment banking fees, and sales commissions), (b) taxes paid or payable as a result thereof, (c) the amount of any reserves taken in accordance with GAAP with respect to such event (provided, that if such reserves are released, such released amounts shall constitute Net Cash Proceeds at such time) and (d) in the case of any Disposition, the amount necessary to retire any Indebtedness secured by a Permitted Lien (ranking senior to any Lien of the Administrative Agent) on the related property; it being understood that "Net Cash Proceeds" shall include, without limitation, any cash or Cash Equivalents received upon the sale or other disposition of any non-cash consideration received by any Loan Party or any Subsidiary in any Disposition, Debt Issuance or Involuntary Disposition.

"Net Working Capital" means the remainder of (a) the consolidated current assets of the Parent Borrower and its Subsidiaries minus the amount of cash and cash equivalents included in such consolidated current assets, minus (b) the consolidated current liabilities of the Parent Borrower and its Subsidiaries minus the amount of consolidated short-term Indebtedness (including current maturities of long-term Indebtedness) of the Parent Borrower and its Subsidiaries included in such consolidated current liabilities.

"Non-Canadian Obligations" means all Obligations other than the Canadian Obligations.

"Non-Consenting Lender" means any Lender that does not approve any consent, waiver or amendment that (a) requires the approval of all Lenders or the affected Lenders in accordance with the terms of Section 11.01 and (b) has been approved by the Required Lenders.

"Non-Defaulting Lender" means, at any time, each Lender that is not a Defaulting Lender at such time.

"Note" or "Notes" means the Revolving Notes, the Swing Line Note, the Term Loan Notes and/or the Incremental Term Notes, individually or collectively, as appropriate.

"Notice of Loan Prepayment" means a notice of prepayment with respect to a Loan, which shall be in substantially the form of Exhibit J or such other form as may be approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent) appropriately completed and signed by a Responsible Officer of the applicable Borrower.

"Obligations" means (a) all advances to, and debts, liabilities, obligations, covenants and duties of, any Loan Party arising under any Loan Document or otherwise with respect to any Loan or Letter of Credit, and (b) all obligations of any Subsidiary owing to a Treasury Management Bank or a Swap Bank in respect of Secured Treasury Management Agreements or Secured Swap Agreements, in the case of each of clauses (a) and (b), whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Loan Party or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding; provided, however, that the "Obligations" of a Loan Party shall exclude any Excluded Swap Obligations with respect to such Loan Party.

"Organization Documents" means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement; and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

"Original Credit Agreement" has the meaning specified in the recitals hereto.

"Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"Other Taxes" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 3.06).

"Outstanding Amount" means (a) with respect to any Loans on any date, the Dollar Equivalent amount of the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of any Loans occurring on such date; and (b) with respect to any L/C Obligations on any date, the Dollar Equivalent amount of the aggregate outstanding amount of such L/C Obligations on such date after giving effect to any L/C Credit Extension occurring on such date and any other changes in the aggregate amount of the L/C Obligations as of such date, including as a result of any reimbursements by the Parent Borrower of Unreimbursed Amounts.

"Overnight Rate" means, for any day, (a) with respect to any amount denominated in Dollars, the greater of (i) the Federal Funds Rate and (ii) an overnight rate determined by the Administrative Agent, the L/C Issuer, or the Swing Line Lender, as the case may be, in accordance with banking industry rules on interbank compensation, and (b) with respect to any amount denominated in Canadian Dollars, an overnight rate determined by the Administrative Agent or the L/C Issuer, as the case may be, in accordance with banking industry rules on interbank compensation.

"Parent Borrower" has the meaning specified in the introductory paragraph hereto.

"Participant" has the meaning specified in Section 11.06(d).

"Participant Register" has the meaning specified in Section 11.06(d).

"PATRIOT Act" has the meaning specified in Section 11.17.

"PBGC" means the Pension Benefit Guaranty Corporation or any successor thereto.

"Pension Act" means the Pension Protection Act of 2006.

"Pension Funding Rules" means the rules of the Internal Revenue Code and ERISA regarding minimum required contributions (including any installment payment thereof) to Pension Plans and set forth in, with respect to plan years ending prior to the effective date of the Pension Act, Section 412 of the Internal Revenue Code and Section 302 of ERISA, each as in effect prior to the Pension Act and, thereafter, Section 412, 430, and 436 of the Internal Revenue Code and Section 302 of ERISA.

"Pension Plan" means any employee pension benefit plan (including a Multiple Employer Plan and excluding a Multiemployer Plan) that is maintained or is contributed to by any Borrower and any ERISA Affiliate and is either covered by Title IV of ERISA or is subject to minimum funding standards under Section 412 of the Internal Revenue Code.

"Permitted Acquisitions" means Investments consisting of an Acquisition by the Parent Borrower or any Subsidiary, provided that, (a) no Default shall have occurred and be continuing or would result from such Acquisition, (b) the property acquired (or the property of the Person acquired) in such Acquisition is used or useful in the same or a related line of business as the Parent Borrower and its Subsidiaries were engaged in on the Closing Date (or any reasonable extensions or expansions thereof), (c) the property or the Person acquired in such Acquisition shall have attained positive EBITDA (as calculated in accordance with the definition of Consolidated EBITDA contained herein) for the immediately preceding twelve month period preceding the consummation of such Acquisition, as demonstrated pursuant to financial information satisfactory to the Administrative Agent, (d) the Administrative Agent shall have received, within 30 days (or such later date as the Administrative Agent may agree in its reasonable discretion) from the date of the consummation of such Acquisition, all items in respect of the Equity Interests or property acquired in such Acquisition required to be delivered by the terms of Section 7.12 and/or Section 7.14, (e) in the case of an Acquisition of the Equity Interests of another Person, the board of directors, shareholders (or other comparable governing body) of such other Person shall have duly approved such Acquisition, (f) the Parent Borrower shall have delivered to the Administrative Agent prior to the consummation of such Acquisition a Pro Forma Compliance Certificate demonstrating that, upon giving effect to such Acquisition on a Pro Forma Basis, the Consolidated Total Leverage Ratio does not exceed 0.25:1.00 less than the required level set forth in Section 8.11(a) for the most recently completed four fiscal quarter period for which the Parent Borrower has delivered financial statements pursuant to Section 7.01(a) or (b), (g) at least five (5) days (or such shorter period as the Administrative Agent may agree in its reasonable discretion) prior to the consummation of such Acquisition, the Parent Borrower shall have delivered to the Administrative Agent

(i) drafts of any then-available purchase agreement or merger agreement with respect to such Acquisition and (ii) a quality of earnings report for the target of such Acquisition (to the extent such target has EBITDA greater than $1,000,000 for the most recent twelve month period for which financial statements are available), (h) the representations and warranties made by the Loan Parties in each Loan Document shall be true and correct in all material respects (without duplication of any materiality qualifiers) at and as if made as of the date of such Acquisition (after giving effect thereto) except to the extent such representations and warranties expressly relate to an earlier date (in which case they shall be true and correct in all material respects (without duplication of any materiality qualifiers) as of such earlier date, and except that for purposes of this clause (h), the representations and warranties contained in subsections (a) and (b) of Section 6.05 shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 7.01, (i) any Earn Out Obligations arising out of such Acquisition are subordinated to the Obligations in a manner reasonably acceptable to the Administrative Agent, and (j) the aggregate consideration (including cash and non-cash consideration, any assumption of Indebtedness, incurrence of Seller Subordinated Indebtedness, deferred purchase price and any Earn Out Obligations, but excluding consideration paid in the form of Equity Interests of the Parent Borrower) paid by the Parent Borrower or any such Subsidiary, as applicable, for any such Acquisition shall not exceed $10,000,000, or $20,000,000 when taking into account consideration paid in the form of Equity Interests of the Parent Borrower; provided that the aggregate consideration (including cash and non-cash consideration, any assumption of Indebtedness, incurrence of Seller Subordinated Indebtedness, deferred purchase price and any Earn Out Obligations) paid for all Acquisitions of the Equity Interests of Persons that will be Foreign Subsidiaries, or of assets that will be owned by a Foreign Subsidiaries (in each case, excluding any such Acquisition consummated prior to the Closing Date and the LEHDER Acquisition), shall not exceed $5,000,000.

"Permitted Amendments" has the meaning specified in Section 11.01.

"Permitted Liens" means, at any time, Liens in respect of property of any Loan Party or any of its Subsidiaries permitted to exist at such time pursuant to the terms of Section 8.01.

"Permitted Refinancing" means, with respect to any Indebtedness of any Person, any modification, refinancing, replacement, refunding, renewal or extension of such Indebtedness; provided, that, (a) the principal amount thereof does not exceed the sum of (i) the outstanding principal amount of the Indebtedness so modified, refinanced, replaced, refunded, renewed or extended plus (ii) prepayment premiums paid, accrued but unpaid interest thereon and reasonable and customary fees and expenses incurred, in connection with such modification, refinancing, replacement, refunding, renewal or extension, (b) such modification, refinancing, replacement, refunding, renewal or extension has (i) a final maturity date equal to or later than the final maturity date of the Indebtedness being modified, refinanced, replaced, refunded, renewed or extended, and (ii) a weighted average life to maturity equal to or longer than the weighted average life to maturity of the Indebtedness being modified, refinanced, replaced, refunded, renewed or extended, (c) the direct and contingent obligors of such Indebtedness shall not be changed, as a result of or in connection with such modification, refinancing, replacement, refunding, renewal or extension, (d) the terms (excluding pricing, fees, rate floors, discounts, premiums and optional prepayment or redemption terms) of such Indebtedness, taken as a whole, shall not be changed in any manner that is materially adverse, taken as a whole, to the Parent Borrower or any Subsidiary, as applicable, as a result of or in connection with such modification, refinancing, replacement, refunding, renewal or extension, (e) if the Indebtedness being modified, refinanced, replaced, refunded, renewed or extended is subordinated in right of payment to the Obligations or secured by Liens on the Collateral junior to those created under the Collateral Documents, such modification, refinancing, replacement, refunding, renewal or extension is subordinated to the Obligations on terms at least as favorable to the Lenders as those contained in the documentation governing the Indebtedness being so modified, refinanced, replaced, refunded, renewed or extended, (f) if the Indebtedness being modified, refinanced, replaced, refunded, renewed or extended is unsecured, such modification, refinancing, replacement, refunding, renewal or extension shall be unsecured (unless such Indebtedness is otherwise permitted to be secured by a Permitted Lien), and (g) at the time of such modification, refinancing, replacement, refunding, renewal or extension of such Indebtedness, no Default or Event of Default shall have occurred and be continuing or result therefrom.

"Permitted Series A Preferred Equity Exchange" means the Restricted Payments made on or before the date five Business Days following the Existing Credit Agreement Closing Date by the Parent Borrower to exchange the Series A Preferred Equity for common Equity Interests of the Parent Borrower or redeem for cash the Series A Preferred Equity in an amount equal to $30,986,419.

"Permitted Stock Options Repurchase" means the Restricted Payments made on or before the date six months following the Existing Credit Agreement Closing Date by the Parent Borrower to repurchase outstanding stock options from officers or employees in an amount equal to $1,372,128.

"Permitted Yukon Redemption" means the Restricted Payments made on or before the date three months following the Existing Credit Agreement Closing Date by the Parent Borrower to redeem common Equity Interests of the Parent Borrower owned by Yukon on the Existing Credit Agreement Closing Date with proceeds of the Series A-1 Preferred Equity issued on the Existing Credit Agreement Closing Date in an amount equal to $2,721,597.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any employee benefit plan within the meaning of Section 3(3) of ERISA (including a Pension Plan but excluding a Multiemployer Plan), maintained for employees of any Borrower or any ERISA Affiliate or any such Plan to which any Borrower or any ERISA Affiliate is required to contribute on behalf of any of its employees.

"Platform" has the meaning specified in Section 7.02.

"Pro Forma Basis" means, for purposes of calculating the financial covenants set forth in Section 8.11(a) (including for purposes of determining the Applicable Rate), that any Disposition, Involuntary Disposition, Acquisition, Restricted Payment, management fee payments or other applicable transaction shall be deemed to have occurred as of the first day of the most recent four (4) fiscal quarter period preceding the date of such transaction for which the Parent Borrower was required to deliver financial statements pursuant to Section 7.01(a) or (b). In connection with the foregoing, (a) with respect to any Disposition or Involuntary Disposition, income statement and cash flow statement items (whether positive or negative) attributable to the property disposed of shall be excluded to the extent relating to any period occurring prior to the date of such transaction and (b) with respect to any Acquisition, (i) income statement items attributable to the Person or property acquired shall be included to the extent relating to any period applicable in such calculations to the extent (A) such items are not otherwise included in such income statement items for the Parent Borrower and its Subsidiaries in accordance with GAAP or in accordance with any defined terms set forth in Section 1.01 and (B) such items are supported by financial statements or other information reasonably satisfactory to the Administrative Agent, (ii) any Indebtedness incurred or assumed by the Parent Borrower or any Subsidiary (including the Person or property acquired) in connection with such transaction (A) shall be deemed to have been incurred as of the first day of the applicable period and (B) if such Indebtedness has a floating or formula rate, shall have an implied rate of interest for the applicable period for purposes of this definition determined by utilizing the rate which is or would be in effect with respect to such Indebtedness as at the relevant date of determination and (iii) adjustments may be made with respect to the EBITDA of any Person or property acquired relating to such period based on cost savings demonstrated for the applicable period in a quality of earnings report (or with respect to an Acquisition of a Person or property with EBITDA of less than $1,500,000 for the most recent

twelve month period, as demonstrated by the Parent Borrower), such adjustments to be reasonably satisfactory to the Administrative Agent. It is understood and agreed that in calculating compliance on a Pro Forma Basis with any financial covenant set forth in Section 8.11 as a condition to the consummation of a certain transaction, (i) such calculation shall be made in accordance with the foregoing after giving effect to (x) such transaction and (y) any other Disposition, Involuntary Disposition, Acquisition, Restricted Payment, management fee payments or other applicable transaction occurring after the end of the most recent four (4) fiscal quarter period for which the Parent Borrower was required to deliver financial statements pursuant to Section 7.01(a) or (b) and on or prior to the date of such calculation, and (ii) Consolidated Funded Indebtedness for purposes of such calculation shall be actual Consolidated Funded Indebtedness as of the date of the consummation of such transaction, after giving effect thereto.

"Pro Forma Compliance Certificate" means a certificate of a Responsible Officer of the Parent Borrower containing reasonably detailed calculations of the financial covenants set forth in Section 8.11(a) as of the most recent fiscal quarter end for which the Parent Borrower was required to deliver financial statements pursuant to Section 7.01(a) or (b) after giving effect to the applicable transaction on a Pro Forma Basis.

"Pro Forma Q2 Consolidated Total Leverage Ratio" has the meaning specified in Section 7.02(a).

"PTE" means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

"Public Lender" has the meaning specified in Section 7.02.

"QFC" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

"QFC Credit Support" has the meaning specified in Section 11.22.

"Qualified ECP Guarantor" means, at any time, each Loan Party with total assets exceeding $10,000,000 or that qualifies at such time as an "eligible contract participant" under the Commodity Exchange Act and can cause another Person to qualify as an "eligible contract participant" at such time under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

"Qualifying IPO" means the underwritten primary public offering of the common stock of the Parent Borrower or a direct or indirect parent of the Parent Borrower (a) pursuant to an effective registration statement filed with the United States Securities and Exchange Commission in accordance with the Securities Act (whether alone or in conjunction with a secondary public offering) and (b) resulting in gross proceeds of at least $120,000,000.

"Qualifying IPO Costs" means costs incurred by the Parent Borrower and its Subsidiaries associated with, or in anticipation of, or preparation for, compliance with the requirements of the Sarbanes-Oxley Act of 2002, in connection with any initial public offering of the common stock of the Parent Borrower or a direct or indirect parent of the Parent Borrower, and the rules and regulations promulgated in connection therewith or other enhanced accounting functions, whether or not a Qualifying IPO is consummated; provided that any such costs described above in respect of the ongoing operation of the Parent Borrower and its Subsidiaries (or any direct or indirect parent company of the Parent Borrower and its Subsidiaries) as a listed equity security following the four (4) fiscal quarters immediately after the initial listing of the Parent Borrower's equity securities on a national securities exchange shall not constitute Qualifying IPO Costs.

"Rate Determination Date" means two (2) Business Days prior to the commencement of such Interest Period (or such other day as is generally treated as the rate fixing day by market practice in such interbank market, as determined by the Administrative Agent; provided that to the extent such market practice is not administratively feasible for the Administrative Agent, then "Rate Determination Date" means such other day as otherwise reasonably determined by the Administrative Agent).

"Recipient" means the Administrative Agent, any Lender, the L/C Issuer or any other recipient of any payment to be made by or on account of any obligation of any Loan Party hereunder.

"Register" has the meaning specified in Section 11.06(c).

"Related Parties" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

"Reportable Event" means any of the events set forth in Section 4043(c) of ERISA, other than events for which the thirty (30)-day notice period has been waived.

"Request for Credit Extension" means (a) with respect to a Borrowing, conversion or continuation of Loans, a Loan Notice, (b) with respect to an L/C Credit Extension, a Letter of Credit Application and (c) with respect to a Swing Line Loan, a Swing Line Loan Notice.

"Required Lenders" means, at any time, Lenders having Total Credit Exposures representing more than 50% of the Total Credit Exposures of all Lenders; provided, however, that if at any time there exist two or more Lenders that are not Affiliates, the above percentage shall remain 50% but "Required Lenders" shall include at least two (2) Lenders that are not Affiliates. The Total Credit Exposure of any Defaulting Lender shall be disregarded in determining Required Lenders at any time; provided that, the amount of any participation in any Swing Line Loan and Unreimbursed Amounts that such Defaulting Lender has failed to fund that have not been reallocated to and funded by another Lender shall be deemed to be held by the Lender that is the Swing Line Lender or L/C Issuer, as the case may be, in making such determination.

"Responsible Officer" means the chief executive officer, president, chief financial officer, treasurer, assistant treasurer or controller of a Loan Party and, solely for purposes of the delivery of certificates pursuant to Sections 5.01 or 7.12(b), the secretary or any assistant secretary (or another authorized person) of a Loan Party and, solely for purposes of notices given pursuant to Article II, any other officer or employee of the applicable Loan Party so designated by any of the foregoing officers in a notice to the Administrative Agent or any other officer or employee of the applicable Loan Party designated in or pursuant to an agreement between the applicable Loan Party and the Administrative Agent. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party. To the extent requested by the Administrative Agent, each Responsible Officer will provide an incumbency certificate and appropriate authorization documentation, in each case, in form and substance satisfactory to the Administrative Agent.

"Restricted Payment" means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests of any Loan Party or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interests or on account of any return of capital to such Person's stockholders, partners or members (or the equivalent Person thereof), or any setting apart of funds or property for any of the foregoing, and including, without limitation, any redemption of, or payments of dividends, in cash, in kind or otherwise, in respect of, the Series A-1 Preferred Equity.

"Revaluation Date" means (a) with respect to any Loan, each of the following: (i) each date of a Borrowing of a Eurocurrency Rate Loan denominated in Canadian Dollars, (ii) each date of a continuation of a Eurocurrency Rate Loan denominated in Canadian Dollars pursuant to Section 2.02, and (iii) such additional dates as the Administrative Agent shall determine or the Required Lenders shall require; and (b) with respect to any Letter of Credit, each of the following: (i) each date of issuance, amendment and/or extension of a Letter of Credit denominated in Canadian Dollars, (ii) each date of any payment by the L/C Issuer under any Letter of Credit denominated in Canadian Dollars, and (iii) such additional dates as the Administrative Agent or the L/C Issuer shall determine or the Required Lenders shall require.

"Revolving Commitment" means, as to each Lender, its obligation to (a) make Revolving Loans to a Borrower pursuant to Section 2.01(a), (b) purchase participations in L/C Obligations and (c) purchase participations in Swing Line Loans, in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender's name on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement.

"Revolving Credit Exposure" means, as to any Lender at any time, the aggregate principal amount at such time of its outstanding Revolving Loans and such Lender's participation in L/C Obligations and Swing Line Loans at such time.

"Revolving Loan" has the meaning specified in Section 2.01(a).

"Revolving Note" has the meaning specified in Section 2.11(a).

"S&P" means Standard & Poor's Financial Services LLC, a subsidiary of The McGraw-Hill Companies, Inc. and any successor thereto.

"Sale and Leaseback Transaction" means, with respect to any Loan Party or any Subsidiary, any arrangement, directly or indirectly, with any Person whereby the Loan Party or such Subsidiary shall sell or transfer any property used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property that it intends to use for substantially the same purpose or purposes as the property being sold or transferred.

"Same Day Funds" means (a) with respect to disbursements and payments in Dollars, immediately available funds, and (b) with respect to disbursements and payments in Canadian Dollars, same day or other funds as may be determined by the Administrative Agent or the L/C Issuer, as the case may be, to be customary in the place of disbursement or payment for the settlement of international banking transactions in Canadian Dollars.

"Sanctions" has the meaning specified in Section 6.22.

"Scheduled Unavailability Date" has the meaning specified in Section 3.08.

"SEC" means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

"Second Lien Indebtedness" means the Indebtedness of the Loan Parties evidenced by that certain Second Lien Credit Agreement dated as of September 29, 2017, among the Parent Borrower, the guarantors party thereto, the lenders identified therein and CM Agency, LLC, as administrative agent, as amended, modified or otherwise supplemented from time to time prior to the date hereof.

"Secured Party Designation Notice" means a notice from any Lender or an Affiliate of a Lender substantially in the form of Exhibit G.

"Secured Swap Agreement" means any Swap Contract permitted under Section 8.03 between any Loan Party or any of its Subsidiaries and any Swap Bank; provided, that for any of the foregoing to be included as a "Secured Swap Agreement" on any date of determination by the Administrative Agent, the applicable Swap Bank (other than the Administrative Agent or an Affiliate of the Administrative Agent) must have delivered a Secured Party Designation Notice to the Administrative Agent prior to such date of determination.

"Secured Treasury Management Agreement" means any Treasury Management Agreement between any Loan Party or any of its Subsidiaries and any Treasury Management Bank; provided, that for any of the foregoing to be included as a "Secured Treasury Management Agreement" on any date of determination by the Administrative Agent, the applicable Treasury Management Bank (other than the Administrative Agent or an Affiliate of the Administrative Agent) must have delivered a Secured Party Designation Notice to the Administrative Agent prior to such date of determination.

"Securitization Transaction" means, with respect to any Person, any financing transaction or series of financing transactions (including factoring arrangements) pursuant to which such Person or any Subsidiary of such Person may sell, convey or otherwise transfer, or grant a security interest in, accounts, payments, receivables, rights to future lease payments or residuals or similar rights to payment to a special purpose subsidiary or affiliate of such Person.

"Security Agreement" means the security and pledge agreement dated as of the Closing Date executed in favor of the Administrative Agent, for the benefit of the holders of the Obligations, by each of the U.S. Loan Parties.

"Seller Subordinated Indebtedness" means any unsecured Indebtedness (including non-contingent deferred purchase price obligations) of the Parent Borrower or any Subsidiary issued subsequent to the Closing Date in favor of a seller as consideration for a Permitted Acquisition, which unsecured Indebtedness by its terms is expressly subordinated in right of payment to the prior payment of the Obligations pursuant to subordination provisions reasonably satisfactory to the Administrative Agent and which Indebtedness shall not (a) mature, and have no scheduled principal payments, prepayments, repurchases, redemptions or sinking fund or like payments required, at any time on or prior to 180 days after the Maturity Date other than scheduled principal payments not exceeding $1,000,000 in any fiscal year of the Parent Borrower or (b) include any financial maintenance covenants and the terms thereof shall otherwise not be more restrictive in any respect to the Parent Borrower and its Subsidiaries than the provisions of this Agreement.

"Series A Preferred Equity" means the Series A Convertible Preferred Stock of the Parent Borrower.

"Series A-1 Certificate of Designation" means the Certificate of Designation of Cumulative Series A-1 Preferred Stock of the Parent Borrower, executed by the Parent Borrower as of the Existing Credit Agreement Closing Date.

"Series A-1 Preferred Equity" means the Cumulative Series A-1 Preferred Stock of the Parent Borrower.

"Series A-1 Preferred Equity Documents" means the Series A-1 Certificate of Designation, the Series A-1 Purchase Agreement and any other documents or agreements entered into in connection with the issuance of, or governing the terms of, the Series A-1 Preferred Equity.

"Series A-1 Purchase Agreement" means the Purchase Agreement, dated as of the Existing Credit Agreement Closing Date, between the Parent Borrower and the Series A-1 Preferred Equity Holders.

"Series A-1 Preferred Equity Holders" means Oaktree Capital Management, L.P., or any of its Controlled Affiliates through which an investment was made in the Parent Borrower on the Existing Credit Agreement Closing Date.

"Solvent" or "Solvency" means, with respect to any Person as of a particular date, that on such date (a) such Person is generally able to pay its debts and other liabilities, contingent obligations and other commitments as they mature in the ordinary course of business, (b) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to generally pay as such debts and liabilities mature in their ordinary course, (c) such Person is not engaged in a business or a transaction, and is not about to engage in a business or a transaction, for which such Person's property would constitute unreasonably small capital after giving due consideration to the prevailing practice in the industry in which such Person is engaged or is to engage, (d) the fair value of the property of such Person is greater than the total amount of liabilities, including, without limitation, contingent liabilities, of such Person and (e) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured. In computing the amount of contingent liabilities at any time, it is intended that such liabilities will be computed at the amount which, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

"Specified Loan Party" has the meaning specified in Section 4.08.

"Spot Rate" for a currency means the rate determined by the Administrative Agent or the L/C Issuer, as applicable, to be the rate quoted by the Person acting in such capacity as the spot rate for the purchase by such Person of such currency with another currency through its principal foreign exchange trading office at approximately 11:00 a.m. on the date two (2) Business Days prior to the date as of which the foreign exchange computation is made; provided that the Administrative Agent or the L/C Issuer may obtain such spot rate from another financial institution designated by the Administrative Agent or the L/C Issuer if the Person acting in such capacity does not have as of the date of determination a spot buying rate for any such currency; provided, further that the L/C Issuer may use such spot rate quoted on the date as of which the foreign exchange computation is made in the case of any Letter of Credit denominated in Canadian Dollars.

"Subordinated Indebtedness" means, collectively, the Indebtedness evidenced by the Seller Subordinated Indebtedness and the Existing Seller Indebtedness.

"Subsidiary" of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of Voting Stock is at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of the Parent Borrower.

"Supported QFC" has the meaning specified in Section 11.22.

"Swap Bank" means any Person that (a) at the time it enters into a Swap Contract, is a Lender or the Administrative Agent or an Affiliate of a Lender or the Administrative Agent, (b) in the case of any Swap Contract in effect on or prior to the Closing Date, is, as of the Closing Date or within 30 days thereafter, a Lender or the Administrative Agent or an Affiliate of a Lender or the Administrative Agent and a party to a Swap Contract or (c) within 30 days after the time it enters into the applicable Swap Contract, becomes a Lender, the Administrative Agent or an Affiliate of a Lender or the Administrative Agent, in each case, in its capacity as a party to such Swap Contract.

"Swap Contract" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

"Swap Obligation" means with respect to any Guarantor any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of Section 1a(47) of the Commodity Exchange Act.

"Swap Termination Value" means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s) and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include a Lender or any Affiliate of a Lender).

"Swing Line Lender" means Bank of America in its capacity as provider of Swing Line Loans, or any successor swing line lender hereunder.

"Swing Line Loan" has the meaning specified in Section 2.04(a).

"Swing Line Loan Notice" means a notice of a Borrowing of Swing Line Loans pursuant to Section 2.04(b), which, if in writing, shall be substantially in the form of Exhibit K or such other form as is approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer of the Parent Borrower.

"Swing Line Note" has the meaning specified in Section 2.11(a).

"Swing Line Sublimit" means an amount equal to the lesser of (a) the Aggregate Revolving Commitments and (b) $10,000,000. The Swing Line Sublimit is part of, and not in addition to, the Aggregate Revolving Commitments.

"Synthetic Lease" means any synthetic lease, tax retention operating lease, off-balance sheet loan or similar off-balance sheet financing arrangement whereby the arrangement is considered borrowed money indebtedness for tax purposes but is classified as an operating lease or does not otherwise appear on a balance sheet under GAAP.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Term Loan" has the meaning specified in Section 2.01(b).

"Term Loan Commitment" means, as to each Lender, its obligation to make its portion of the Term Loan to the Parent Borrower pursuant to Section 2.01(b), in the principal amount set forth opposite such Lender's name on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement. The aggregate principal amount of the Term Loan Commitments of all of the Lenders as in effect on the Closing Date is $50,000,000.

"Term Loan Note" has the meaning provided in Section 2.11(a).

"Term Loan Proxy Amount" means, for the periods of four (4) fiscal quarters ending on the dates set forth below, the amount set forth below opposite such date:

Period of Four Fiscal Quarters Ending	Term Loan Proxy Amount
June 30, 2019	$ 4,000,000
September 30, 2019, December 31, 2019, March 31, 2020 and June 30, 2020	$ 5,000,000

; provided that, for any period of four (4) fiscal quarters ending on a date not set forth above, the "Term Loan Proxy Amount" shall be zero.

"Threshold Amount" means $2,500,000.

"Total Credit Exposure" means, as to any Lender at any time, the unused Commitments, Revolving Credit Exposure, Outstanding Amount of the Term Loan and Outstanding Amount of all Incremental Term Loans of such Lender at such time.

"Total Revolving Outstandings" means the aggregate Outstanding Amount of all Revolving Loans, all Swing Line Loans and all L/C Obligations.

"Treasury Management Agreement" means any agreement governing the provision of treasury or cash management services, including deposit accounts, overdraft, credit or debit card, funds transfer, automated clearinghouse, zero balance accounts, returned check concentration, controlled disbursement, lockbox, account reconciliation and reporting and trade finance services and other cash management services.

"Treasury Management Bank" means any Person that (a) at the time it enters into a Treasury Management Agreement, is a Lender or the Administrative Agent or an Affiliate of a Lender or the Administrative Agent, (b) in the case of any Treasury Management Agreement in effect on or prior to the Closing Date, is, as of the Closing Date or within 30 days thereafter, a Lender or the Administrative Agent or an Affiliate of a Lender or the Administrative Agent and a party to a Treasury Management Agreement or (c) within 30 days after the time it enters into the applicable Treasury Management Agreement, becomes a Lender, the Administrative Agent or an Affiliate of a Lender or the Administrative Agent, in each case, in its capacity as a party to such Treasury Management Agreement.

"Type" means, with respect to any Loan, its character as a Base Rate Loan or a Eurocurrency Rate Loan.

"United States" and "U.S." mean the United States of America.

"Unreimbursed Amount" has the meaning specified in Section 2.03(c)(i).

"U.S. Guarantors" means, collectively, (a) each Domestic Subsidiary of the Parent Borrower identified as a "U.S. Guarantor" on the signature pages hereto, (b) each other Person that joins as a U.S. Guarantor pursuant to Section 7.12(b), (c) with respect to (i) the Canadian Obligations, (ii) Obligations under any Secured Swap Agreement, (iii) Obligations under any Secured Treasury Management Agreement and (iv) any Swap Obligation of a Specified Loan Party (determined before giving effect to Sections 4.01 and 4.08) under the Guaranty, the Parent Borrower, and (d) the successors and permitted assigns of the foregoing. Notwithstanding anything in any Loan Document to the contrary, (A) no Foreign Subsidiary or FSHCO (in each case, other than the Canadian Loan Parties) shall be required to provide any Guaranty of the Obligations or become a Guarantor under any Loan Document to Guarantee any Obligations, and (B) no Canadian Loan Party shall be required to provide any Guaranty of the Non-Canadian Obligations.

"U.S. Loan Parties" means, collectively, the Parent Borrower and each U.S. Guarantor.

"U.S. Person" means any Person that is a "United States person" as defined in Section 7701(a)(30) of the Internal Revenue Code.

"U.S. Special Resolution Regimes" has the meaning specified in Section 11.22.

"U.S. Tax Compliance Certificate" has the meaning specified in Section 3.01(e)(ii)(B)(3).

"Voting Stock" means, with respect to any Person, Equity Interests issued by such Person the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such Person, even though the right so to vote has been suspended by the happening of such a contingency.

"Wholly Owned Subsidiary" means any Person one hundred percent (100%) of whose Equity Interests are at the time owned by the Parent Borrower directly or indirectly through other Persons one hundred percent (100%) of whose Equity Interests are at the time owned, directly or indirectly, by the Parent Borrower.

"Write-Down and Conversion Powers" means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

"Yukon" means Yukon Environmental Fund I, LP and Yukon Environmental Fund II, LP.

1.02 **Other Interpretive Provisions.**

With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document (including the Loan Documents and any Organization Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, extended, restated, replaced, supplemented or otherwise modified from time to time (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iii) the words "hereto", "herein," "hereof" and "hereunder," and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory rules, regulations, orders and provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified, extended restated, replaced or supplemented from time to time, and (vi) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all real and personal property and tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including;" the words "to" and "until" each mean "to but excluding;" and the word "through" means "to and including."

(c) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

(d) Any reference herein to a merger, transfer, consolidation, amalgamation, assignment, sale, disposition or transfer, or similar term, shall be deemed to apply to a division of or by a limited liability company, or an allocation of assets to a series of a limited liability company (or the unwinding of such a division or allocation), as if it were a merger, transfer, consolidation, amalgamation, assignment, sale, disposition or transfer, or similar term, as applicable, to, of or with a separate Person. Any division of a limited liability company shall constitute a separate Person hereunder (and each division of any limited liability company that is a Subsidiary, joint venture or any other like term shall also constitute such a Person or entity).

(e) Any reference to a "merger" shall be deemed to include an "amalgamation" and any reference to the "continuing or surviving entity" shall be deemed to include the entity resulting from such amalgamation.

1.03 **Accounting Terms.**

(a) Generally. Except as otherwise specifically prescribed herein, all accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the Audited Financial Statements, except as otherwise specifically prescribed herein; provided, however, that calculations of Attributable Indebtedness under any Synthetic Lease or the implied interest component of any Synthetic Lease shall be made by the Parent Borrower in accordance with accepted financial practice and consistent with the terms of such Synthetic Lease. Notwithstanding the foregoing, for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, Indebtedness of the Loan Parties and their Subsidiaries shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 and FASB ASC 470-20 on financial liabilities shall be disregarded.

(b) Changes in GAAP. The Parent Borrower will provide a written summary of material changes in GAAP and in the consistent application thereof with each annual and quarterly Compliance Certificate delivered in accordance with Section 7.02(a). If at any time any change in GAAP (including the adoption of IFRS) would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Parent Borrower or the Required Lenders shall so request, the Administrative Agent, the Lenders and the Parent Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Parent Borrower shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP. Without limiting the foregoing, leases shall continue to be classified and accounted for on a basis consistent with that reflected in the Closing Date Audited Financial Statements for all purposes of this Agreement, notwithstanding any change in GAAP relating thereto, unless the parties hereto shall enter into a mutually acceptable amendment addressing such changes, as provided for above.

(c) Pro Forma Calculations. Notwithstanding the above, the parties hereto acknowledge and agree that all calculations of the financial covenant in Section 8.11(a) (including for purposes of determining the Applicable Rate) shall be made on a Pro Forma Basis.

1.04 **Rounding.**

Any financial ratios required to be maintained by the Parent Borrower pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

1.05 **Times of Day; Rates; Exchange Rates; Currency Equivalents.**

(a) Times of Day. Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable). With respect to any obligation or performance of a Loan Party (other than a payment, which is addressed in Section 2.12(a)) on a certain "Business Day", if the applicable day in question is not a Business Day, such obligation or performance of such Loan Party shall be required on the next preceding Business Day.

(b) Rates. The Administrative Agent does not warrant, nor accept responsibility, nor shall the Administrative Agent have any liability with respect to, the administration, submission or any other matter related to the rates in the definition of "Eurocurrency Base Rate" or with respect to any rate that is an alternative or replacement for or successor to any of such rate (including any LIBOR Successor Rate) or the effect of any of the foregoing, or of any LIBOR Successor Rate Conforming Changes.

(c) Exchange Rate. The Administrative Agent or the L/C Issuer, as applicable, shall determine the Spot Rates as of each Revaluation Date to be used for calculating Dollar Equivalent amounts of Credit Extensions and Outstanding Amounts denominated in Canadian Dollars. Such Spot Rates shall become effective as of such Revaluation Date and shall be the Spot Rates employed in converting any amounts between the applicable currencies until the next Revaluation Date to occur. Except for purposes of financial statements delivered by Loan Parties hereunder or calculating financial covenants hereunder or except as otherwise provided herein, the applicable amount of any currency (other than Dollars) for purposes of the Loan Documents shall be such Dollar Equivalent amount as so determined by the Administrative Agent or the L/C Issuer, as applicable.

(d) Currency Equivalents. Wherever in this Agreement in connection with a Borrowing, conversion, continuation or prepayment of a Eurocurrency Rate Loan or the issuance, amendment or extension of a Letter of Credit, an amount, such as a required minimum or multiple amount, is expressed in Dollars, but such Borrowing, Eurocurrency Rate Loan or Letter of Credit is denominated in Canadian Dollars, such amount shall be the Canadian Dollar Equivalent of such Dollar amount (rounded to the nearest unit of Canadian Dollars, with 0.5 of a unit being rounded upward), as determined by the Administrative Agent or the L/C Issuer, as the case may be.

1.06 **Letter of Credit Amounts.**

Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the Dollar Equivalent of the stated amount of such Letter of Credit in effect at such time; provided, however, that with respect to any Letter of Credit that, by its terms or the terms of any Issuer Document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the Dollar Equivalent of the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

ARTICLE II.

THE COMMITMENTS AND CREDIT EXTENSIONS

2.01 **Commitments.**

(a) Revolving Loans. Subject to the terms and conditions set forth herein, each Lender severally agrees to make loans (each such loan, a "Revolving Loan") to the Parent Borrower in Dollars or to any Borrower in Canadian Dollars, in each case, from time to time on any Business Day during the Availability Period with respect to the Revolving Commitments in an aggregate

amount not to exceed at any time outstanding the amount of such Lender's Revolving Commitment (it being understood that some or all of Revolving Loans (as defined in the Existing Credit Agreement) outstanding under the Existing Credit Agreement immediately prior to the effectiveness of this Agreement may remain outstanding upon the effectiveness of this Agreement and be deemed Revolving Loans hereunder on the Closing Date, as contemplated by Section 11.20 hereof); provided, however, that after giving effect to any Borrowing of Revolving Loans, (i) the Total Revolving Outstandings shall not exceed the Aggregate Revolving Commitments, (ii) the Revolving Credit Exposure of any Lender shall not exceed such Lender's Revolving Commitment, and (iii) the aggregate Outstanding Amount of all Loans denominated in Canadian Dollars shall not exceed the Canadian Dollar Sublimit. Within the limits of each Lender's Revolving Commitment, and subject to the other terms and conditions hereof, any Borrower may borrow under this Section 2.01(a), prepay under Section 2.05, and reborrow under this Section 2.01(a). Revolving Loans denominated in Dollars may be Base Rate Loans or Eurocurrency Rate Loans, or a combination thereof, as further provided herein. Revolving Loans denominated in Canadian Dollars are only available as Eurocurrency Rate Loans.

(b) Term Loan. Subject to the terms and conditions set forth herein, each Lender severally agrees to make its portion of a term loan (the "Term Loan") to the Parent Borrower in Dollars on the Closing Date in an amount not to exceed such Lender's Term Loan Commitment (it being understood that some or all of the Term Loan (as defined in the Existing Credit Agreement) outstanding under the Existing Credit Agreement immediately prior to the effectiveness of this Agreement may remain outstanding upon the effectiveness of this Agreement and be deemed a portion of the Term Loan hereunder on the Closing Date, as contemplated by Section 11.20 hereof). Amounts repaid on the Term Loan may not be reborrowed. The Term Loan may consist of Base Rate Loans or Eurocurrency Rate Loans, or a combination thereof, as further provided herein.

(c) Incremental Term Loan. Subject to Section 2.02(f), on the effective date of any Incremental Term Loan Lender Joinder Agreement, each applicable Incremental Term Loan Lender severally agrees to make its portion of a term loan (each, an "Incremental Term Loan") in a single advance to the Parent Borrower in Dollars in the amount of its respective Incremental Term Loan Commitment as set forth in the applicable Incremental Term Loan Lender Joinder Agreement; provided, however, that after giving effect to such advances, the Outstanding Amount of each Incremental Term Loan shall not exceed the aggregate amount of the Incremental Term Loan Commitments of the applicable Incremental Term Loan Lenders. Amounts repaid on the Incremental Term Loan may not be reborrowed. The Incremental Term Loan may consist of Base Rate Loans, Eurocurrency Rate Loans, or a combination thereof, as the Parent Borrower may request.

2.02 **Borrowings, Conversions and Continuations of Loans.**

(a) Each Borrowing, each conversion of Loans from one Type to the other, and each continuation of Eurocurrency Rate Loans shall be made upon the applicable Borrower's irrevocable notice to the Administrative Agent, which may be given by (A) telephone or (B) a Loan Notice; provided, that, each telephonic notice by any Borrower pursuant to this Section 2.02(a) must be confirmed promptly by delivery to the Administrative Agent of a written Loan Notice, appropriately completed and signed by a Responsible Officer of such Borrower. Each such Loan Notice must be received by the Administrative Agent not later than 11:00 a.m. (i) three (3) Business Days prior to the requested date of any Borrowing of, conversion to or continuation of, Eurocurrency Rate Loans or of any conversion of Eurocurrency Rate Loans to Base Rate Loans and (ii) on the requested date of any Borrowing of Base Rate Loans; provided, however, that if any Borrower wishes to request Eurocurrency Rate Loans having an Interest Period other than one (1),

two (2), three (3) or six (6) months in duration as provided in the definition of "Interest Period", (x) the applicable notice must be received by the Administrative Agent not later than 11:00 a.m. four (4) Business Days prior to the requested date of such Borrowing, conversion or continuation, whereupon the Administrative Agent shall give prompt notice to the Lenders of such request and determine whether the requested Interest Period is acceptable to all of them and (y) not later than 11:00 a.m., three (3) Business Days before the requested date of such Borrowing, conversion or continuation, the Administrative Agent shall notify the applicable Borrower (which notice may be by telephone) whether or not the requested Interest Period has been consented to by all the Lenders. Each Borrowing of, conversion to or continuation of Eurocurrency Rate Loans denominated in Dollars shall be in a principal amount of $500,000 or a whole multiple of $500,000 in excess thereof. Each Borrowing of, conversion to or continuation of Eurocurrency Rate Loans denominated in Canadian Dollars shall be in a principal amount of CAD$500,000 or a whole multiple of CAD$500,000 in excess thereof. Except as provided in Sections 2.03(c) and 2.04(c), each Borrowing of or conversion to Base Rate Loans shall be in a principal amount of the Dollar Equivalent of $500,000 or a whole multiple of the Dollar Equivalent of $100,000 in excess thereof. Each Loan Notice (whether telephonic or written) shall specify (i) whether the applicable Borrower is requesting a Borrowing, a conversion of Loans from one Type to the other, or a continuation of Eurocurrency Rate Loans, (ii) the requested date of the Borrowing, conversion or continuation, as the case may be (which shall be a Business Day), (iii) the principal amount of Loans to be borrowed, converted or continued, (iv) the Type of Loans to be borrowed or to which existing Loans are to be converted, (v) if applicable, the duration of the Interest Period with respect thereto, (vi) the currency of the Loans to be borrowed, and (vii) the applicable Borrower. If the applicable Borrower fails to specify a currency in a Loan Notice requesting a Borrowing, then the Loans so requested shall be made in Dollars. If the applicable Borrower fails to specify a Type of a Loan in a Loan Notice or if such Borrower fails to give a timely notice requesting a conversion or continuation, then the applicable Loans shall be made as, or converted to, Base Rate Loans; provided, however, that in the case of a failure to timely request a continuation of Loans denominated in Canadian Dollars, such Loans shall be continued as Eurocurrency Rate Loans in Canadian Dollars with an Interest Period of one (1) month. Any such automatic conversion to Base Rate Loans shall be effective as of the last day of the Interest Period then in effect with respect to the applicable Eurocurrency Rate Loans. If the applicable Borrower requests a Borrowing of, conversion to, or continuation of Eurocurrency Rate Loans in any Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one (1) month. Notwithstanding anything to the contrary herein, a Swing Line Loan may not be converted to a Eurocurrency Rate Loan. Except as provided pursuant to Section 2.02(c), no Loan may be converted into or continued as a Loan denominated in a different currency, but instead must be repaid in the original currency of such Loan and reborrowed in the other currency.

(b) Following receipt of a Loan Notice, the Administrative Agent shall promptly notify each Lender of the amount (and currency) of its Applicable Percentage of the applicable Loans, and if no timely notice of a conversion or continuation is provided by the applicable Borrower, the Administrative Agent shall notify each Lender of the details of any automatic conversion to Base Rate Loans or continuation of Loans denominated in a Canadian Dollars, in each case as, as described in the preceding Section 2.02(a). In the case of a Borrowing, each Lender shall make the amount of its Loan available to the Administrative Agent in Same Day Funds at the Administrative Agent's Office for the applicable currency not later than 1:00 p.m., in the case of any Loan denominated in Dollars, and not later than the Applicable Time specified by the Administrative Agent in the case of any Loan in Canadian Dollars, in each case, on the Business Day specified in the applicable Loan Notice. Upon satisfaction of the applicable conditions set forth in Article V, the Administrative Agent shall make all funds so received available to the applicable Borrower in like funds as received by the Administrative Agent either by (i) crediting

the account of such Borrower on the books of Bank of America with the amount of such funds or (ii) wire transfer of such funds, in each case, in accordance with instructions provided to (and acceptable to) the Administrative Agent by such Borrower; provided, however, that if, on the date the Loan Notice with respect to a Borrowing of Revolving Loans denominated in Dollars is given by the Parent Borrower, there are L/C Borrowings outstanding, then the proceeds of such Borrowing, first, shall be applied to the payment in full of any such L/C Borrowings and second, shall be made available to the Parent Borrower as provided above.

(c) Except as otherwise provided herein, a Eurocurrency Rate Loan may be continued or converted only on the last day of the Interest Period for such Eurocurrency Rate Loan. During the existence of an Event of Default, upon the written election of the Required Lenders, no Loans may be requested as, converted to or continued as Eurocurrency Rate Loans and the Required Lenders may demand that and any or all of the then outstanding Eurocurrency Rate Loans denominated in an Canadian Dollars be prepaid, or redenominated into Dollars in the amount of the Dollar Equivalent thereof, on the last day of the then current Interest Period with respect thereto.

(d) The Administrative Agent shall promptly notify the applicable Borrower and the Lenders of the interest rate applicable to any Interest Period for Eurocurrency Rate Loans upon determination of such interest rate. At any time that Base Rate Loans are outstanding, the Administrative Agent shall notify the Parent Borrower and the Lenders of any change in Bank of America's prime rate used in determining the Base Rate promptly following the public announcement of such change.

(e) After giving effect to all Borrowings, all conversions of Loans from one Type to the other, and all continuations of Loans as the same Type, there shall not be more than 10 Interest Periods in effect with respect to all Loans.

(f) The Parent Borrower may at any time and from time to time, upon prior written notice by the Parent Borrower to the Administrative Agent, increase the Revolving Commitments (but not the Letter of Credit Sublimit or the Swing Line Sublimit, except as permitted by the L/C Issuer or the Swing Line Lender, respectively, or the Canadian Dollar Sublimit), increase the Term Loan Commitments (during the Availability Period with respect to the Term Loan Commitments) and/or borrow one or more Incremental Term Loans, ratably, as follows; provided that the sum of (A) the aggregate principal amount of all increases to the Revolving Commitments plus (B) the aggregate principal amount of all increases to the Term Loan Commitments plus (C) the aggregate principal amount of all Incremental Term Loans, shall not exceed $20,000,000 (the "Incremental Cap):

(i) Increase in Aggregate Revolving Commitments and Term Loan Commitments. The Parent Borrower may, at any time and from time to time, upon prior written notice by the Parent Borrower to the Administrative Agent (A) increase the Aggregate Revolving Commitments (but not the Letter of Credit Sublimit or the Swing Line Sublimit, except as permitted by the L/C Issuer or the Swing Line Lender, respectively, or the Canadian Dollar Sublimit) with additional Revolving Commitments from any existing Lender with a Revolving Commitment or new Revolving Commitments from any other Person selected by the Parent Borrower and reasonably acceptable to the Administrative Agent and the L/C Issuer, and (B) during the Availability Period with respect to the Term Loan Commitments, increase the aggregate Term Loan Commitments with additional Term Loan Commitments from any existing Lender with a Term Loan Commitment or new Term Loan Commitments from any other Person selected by the Parent Borrower and reasonably acceptable to the Administrative Agent; provided that:

(A) any such increase shall be in a minimum principal amount of $5,000,000 (or, if less, the remaining amount of the Incremental Cap) and in integral multiples of $1,000,000 (or, if less, the remaining amount of the Incremental Cap) in excess thereof;

(B) no Default or Event of Default shall exist and be continuing at the time of any such increase;

(C) (1) any such increase in the Aggregate Revolving Commitments shall be made on the same terms and provisions (other than upfront fees) as apply to the existing Revolving Commitments, including with respect to maturity date, interest rate and prepayment provisions, and shall not constitute a credit facility separate and apart from the existing revolving credit facility set forth in Section 2.01(a), and (2) any such increase in the Term Loan Commitments shall be made on the same terms and provisions (other than upfront fees) as apply to the existing Term Loan Commitments and the Term Loan, including with respect to maturity date, interest rate and prepayment provisions, and shall not constitute a credit facility separate and apart from the existing delayed draw term loan facility set forth in Section 2.01(b);

(D) (1) at the time of sending the notice referred to in clause (f)(i) above, the Parent Borrower (in consultation with the Administrative Agent) shall specify the time period within which each Lender is requested to respond (which shall in no event be less than ten (10) Business Days from the date of delivery of such notice to the Administrative Agent) and (2) no existing Lender shall be under any obligation to increase its applicable Commitment and any such decision whether to increase its applicable Commitment shall be in such Lender's sole and absolute discretion;

(E) (1) any new Lender shall join this Agreement by executing an Incremental Revolving Lender Joinder Agreement in the form of Exhibit M (in the event of an increase in the Aggregate Revolving Commitments) or an incremental term loan commitment joinder agreement in form and substance acceptable to the Administrative Agent (in the event of an increase in the Term Loan Commitments) and/or (2) any existing Lender electing to increase its Commitment shall have executed a commitment agreement reasonably satisfactory to the Administrative Agent; provided, however, that any Lender not responding within the time period specified by the Parent Borrower and the Administrative Agent pursuant to clause (f)(i)(D)(1) above shall be deemed to have declined to increase its Commitment;

(F) as a condition precedent to such increase, the Parent Borrower shall deliver to the Administrative Agent a certificate of each Loan Party dated as of the date of such increase (in sufficient copies for each Lender) signed by a Responsible Officer of such Loan Party (1) certifying and attaching the resolutions adopted by such Loan Party approving or consenting to such increase, and (2) in the case of the Parent Borrower, certifying that, before and after giving effect to such increase, (x) the representations and warranties contained in Article VI and the other Loan Documents are true and correct in all material respects (and in all respects if any such representation or warranty is already qualified by materiality or reference to Material Adverse Effect) on and as of the date of such increase, except to the extent that such representations and warranties specifically refer to

an earlier date, in which case they are true and correct in all material respects (and in all respects if any such representation or warranty is already qualified by materiality or reference to Material Adverse Effect) as of such earlier date, and except that for purposes of this Section 2.02(f), the representations and warranties contained in subsections (a) and (b) of Section 6.05 shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 7.01, (y) no Default or Event of Default exists and (z) upon giving effect on a Pro Forma Basis to such increase under this Section 2.02(f)(i) and any refinancing of existing indebtedness in connection therewith, the Parent Borrower is in compliance with the financial covenants in Sections 8.11(a) and (b) (calculated, for purposes of this clause (z) as if such increase was fully funded); and

(G) Schedule 2.01 shall be deemed revised to include any increase in the Aggregate Revolving Commitments or Term Loan Commitments pursuant to this Section 2.02(f)(i) and to include thereon any Person that becomes a Lender pursuant to this Section 2.02(f)(i).

In the event of an increase in the Aggregate Revolving Commitments, the Parent Borrower shall prepay any Loans owing by it and outstanding on the date of any such increase (and pay any additional amounts required pursuant to Section 3.05) to the extent necessary to keep the outstanding Loans ratable with any revised Revolving Commitments arising from any nonratable increase in the Commitments under this Section. In the event of an increase in the Term Loan Commitments, the Parent Borrower shall incur borrowings of the Term Loan to the extent necessary to keep the outstanding Term Loan and Term Loan Commitments ratable among the Lenders holding portions of the Term Loan and Term Loan Commitments in accordance with the Applicable Percentages of the Lenders arising from any nonratable increase in the Term Loan Commitments under this Section.

(ii) Institution of Incremental Term Loan. The Parent Borrower may, at any time, upon prior written notice to the Administrative Agent, institute one or more Incremental Term Loans; provided that:

(A) the Parent Borrower (in consultation and coordination with the Administrative Agent) shall obtain commitments for the amount of the applicable Incremental Term Loan from existing Lenders or other Persons reasonably acceptable to the Administrative Agent, which Lenders shall join in this Agreement as Incremental Term Loan Lenders by executing an Incremental Term Loan Lender Joinder Agreement or other agreement reasonably acceptable to the Administrative Agent; provided, that (1) at the time of sending the notice referred to in clause (f) above, the Parent Borrower (in consultation with the Administrative Agent) shall specify the time period within which each Lender is requested to respond (which shall in no event be less than ten (10) Business Days from the date of delivery of such notice to the Administrative Agent) and (2) any Lender not responding within the time period specified by the Parent Borrower and the Administrative Agent pursuant to such notice shall be deemed to have declined to provide such Incremental Term Loan Commitment;

(B) any such institution of an Incremental Term Loan shall be in a minimum aggregate principal amount of $5,000,000 (or, if less, the remaining amount of the Incremental Cap) and integral multiples of $1,000,000 (or, if less, the remaining amount of the Incremental Cap) in excess thereof;

(C) no Default or Event of Default shall exist and be continuing at the time of such institution;

(D) the Applicable Rate of each Incremental Term Loan shall be as set forth in the Incremental Term Loan Lender Joinder Agreement;

(E) the Incremental Term Loan Maturity Date for any Incremental Term Loan shall be as set forth in the applicable Incremental Term Loan Lender Joinder Agreement, provided that such date shall not be earlier than the Maturity Date;

(F) the scheduled principal amortization payments under any Incremental Term Loan shall be as set forth in the applicable Incremental Term Loan Lender Joinder Agreement; provided that the weighted average life to maturity of any Incremental Term Loan shall not be less than the remaining weighted average life to maturity of the Term Loan;

(G) if the All-In Yield payable with respect to any Incremental Term Loan exceeds the All-In Yield payable pursuant to the terms of this Agreement (as amended through the date of such calculation) with respect to the Term Loan plus 50 basis points per annum, then the Applicable Rate percentages then in effect for the Term Loan shall automatically be increased by an amount so as to cause the then applicable All-In Yield under this Agreement on the Term Loan to equal the All-In Yield then applicable to such Incremental Term Loan minus 50 basis points per annum;

(H) Schedule 2.01 shall be deemed revised to reflect the commitments and commitment percentages of the applicable Incremental Term Loan Lenders as set forth in the applicable Incremental Term Loan Lender Joinder Agreement;

(I) as a condition precedent to such institution of an Incremental Term Loan and the effectiveness of an Incremental Term Loan Lender Joinder Agreement, the Parent Borrower shall deliver to the Administrative Agent a certificate of each Loan Party dated as of the date of such institution and effectiveness (in sufficient copies for each Lender) signed by a Responsible Officer of such Loan Party (I) certifying and attaching the resolutions adopted by such Loan Party approving or consenting to such Incremental Term Loan, and (II) in the case of the Parent Borrower, certifying that, before and after giving effect to such Incremental Term Loan, (x) the representations and warranties contained in Article VI and the other Loan Documents are true and correct in all material respects (and in all respects if any such representation or warranty is already qualified by materiality or reference to Material Adverse Effect) on and as of the date of borrowing of such Incremental Term Loan, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects (and in all respects if any such representation or warranty is already qualified by materiality or reference to Material Adverse Effect) as of such earlier date, and except that for purposes of this Section 2.02(f), the representations and warranties contained in subsections (a)

and (b) of Section 6.05 shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 7.01, (y) no Default or Event of Default exists and (z) after giving effect on a Pro Forma Basis to such Incremental Term Loan borrowed under this Section 2.02(f) and any refinancing of existing Indebtedness in connection therewith, the Parent Borrower is in compliance with the financial covenant in Section 8.11(a) and (b); and

(J) no existing Lender shall be under any obligation to become an Incremental Term Loan Lender, and any such decision to become an Incremental Term Loan Lender shall be in such Lender's sole and absolute discretion.

2.03 **Letters of Credit.**

(a) The Letter of Credit Commitment.

(i) Subject to the terms and conditions set forth herein, (A) the L/C Issuer agrees, in reliance upon the agreements of the Lenders set forth in this Section 2.03, (1) from time to time on any Business Day during the period from the Closing Date until the Letter of Credit Expiration Date, to issue Letters of Credit denominated in Dollars or Canadian Dollars for the account of the Parent Borrower or any of its Subsidiaries, and to amend or extend Letters of Credit previously issued by it, in accordance with subsection (b) below, and (2) to honor drawings under the Letters of Credit; and (B) the Lenders severally agree to participate in Letters of Credit issued for the account of the Parent Borrower or its Subsidiaries and any drawings thereunder; provided that after giving effect to any L/C Credit Extension with respect to any Letter of Credit, (x) the Total Revolving Outstandings shall not exceed the Aggregate Revolving Commitments, (y) the Revolving Credit Exposure of any Lender shall not exceed such Lender's Revolving Commitment and (z) the Outstanding Amount of the L/C Obligations shall not exceed the Letter of Credit Sublimit. Each request by the Parent Borrower for the issuance or amendment of a Letter of Credit shall be deemed to be a representation by the Parent Borrower that the L/C Credit Extension so requested complies with the conditions set forth in the proviso to the preceding sentence. Within the foregoing limits, and subject to the terms and conditions hereof, the Parent Borrower's ability to obtain Letters of Credit shall be fully revolving, and accordingly the Parent Borrower may, during the foregoing period, obtain Letters of Credit to replace Letters of Credit that have expired or that have been drawn upon and reimbursed.

(ii) The L/C Issuer shall not issue any Letter of Credit if:

(A) subject to Section 2.03(b)(iii), the expiry date of such requested Letter of Credit would occur more than twelve (12) months after the date of issuance or last extension, unless the Required Lenders have approved such expiry date; or

(B) the expiry date of such requested Letter of Credit would occur after the Letter of Credit Expiration Date, unless the Lenders holding a Revolving Commitment (other than Defaulting Lenders) have approved such expiry date.

(iii) The L/C Issuer shall not be under any obligation to issue any Letter of Credit if:

(A) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the L/C Issuer from issuing such Letter of Credit, or any Law applicable to the L/C Issuer or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the L/C Issuer shall prohibit, or request that the L/C Issuer refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the L/C Issuer with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the L/C Issuer is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon the L/C Issuer any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which the L/C Issuer in good faith deems material to it;

(B) the issuance of such Letter of Credit would violate one or more policies of the L/C Issuer applicable to letters of credit generally;

(C) except as otherwise agreed by the Administrative Agent and the L/C Issuer, such Letter of Credit (x) denominated in Dollars is in an initial stated amount less than $10,000 and (y) denominated in Canadian Dollars is in an initial stated amount less than CAD $10,000;

(D) except as otherwise agreed by the Administrative Agent and L/C Issuer, such Letter of Credit is to be denominated in a currency other than Dollars or Canadian Dollars;

(E) any Lender is at that time a Defaulting Lender, unless the L/C Issuer has entered into arrangements, including the delivery of Cash Collateral, satisfactory to the L/C Issuer (in its sole discretion) with the Parent Borrower or such Defaulting Lender to eliminate the L/C Issuer's actual or potential Fronting Exposure (after giving effect to Section 2.15(a)(iv)) with respect to the Defaulting Lender arising from either the Letter of Credit then proposed to be issued or that Letter of Credit and all other L/C Obligations as to which the L/C Issuer has actual or potential Fronting Exposure, as it may elect in its sole discretion; or

(F) the L/C Issuer does not as of the issuance date of the requested Letter of Credit issue Letters of Credit in the requested currency (except with respect to Dollars or Canadian Dollars).

(iv) The L/C Issuer shall not amend any Letter of Credit if the L/C Issuer would not be permitted at such time to issue the Letter of Credit in its amended form under the terms hereof.

(v) The L/C Issuer shall be under no obligation to amend any Letter of Credit if (A) the L/C Issuer would have no obligation at such time to issue such Letter of Credit in its amended form under the terms hereof, or (B) the beneficiary of such Letter of Credit does not accept the proposed amendment to such Letter of Credit.

(vi) The L/C Issuer shall act on behalf of the Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and the L/C Issuer shall have all of the benefits and immunities (A) provided to the Administrative Agent in Article X with respect to any acts taken or omissions suffered by the L/C Issuer in connection with Letters of Credit issued by it or proposed to be issued by it and Issuer Documents pertaining to such Letters of Credit as fully as if the term "Administrative Agent" as used in Article X included the L/C Issuer with respect to such acts or omissions, and (B) as additionally provided herein with respect to the L/C Issuer.

(b) Procedures for Issuance and Amendment of Letters of Credit; Auto-Extension Letters of Credit.

(i) Each Letter of Credit shall be issued or amended, as the case may be, upon the request of the Parent Borrower delivered to the L/C Issuer (with a copy to the Administrative Agent) in the form of a Letter of Credit Application, appropriately completed and signed by a Responsible Officer of the Parent Borrower. Such Letter of Credit Application may be sent by facsimile, by United States mail, by overnight courier, by electronic transmission using the system provided by the L/C Issuer, by personal delivery or by any other means acceptable to the L/C Issuer. Such Letter of Credit Application must be received by the L/C Issuer and the Administrative Agent not later than 11:00 a.m. at least five (5) Business Days (or such later date and time as the Administrative Agent and the L/C Issuer may agree in a particular instance in their sole discretion) prior to the proposed issuance date or date of amendment, as the case may be. In the case of a request for an initial issuance of a Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the L/C Issuer: (A) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day); (B) the amount and currency thereof and in the absence of specification of currency shall be deemed a request for a Letter of Credit denominated in Dollars; (C) the expiry date thereof; (D) the name and address of the beneficiary thereof; (E) the documents to be presented by such beneficiary in case of any drawing thereunder; (F) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; (G) the purpose and nature of the requested Letter of Credit; and (H) such other matters as the L/C Issuer may require. In the case of a request for an amendment of any outstanding Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the L/C Issuer (A) the Letter of Credit to be amended; (B) the proposed date of amendment thereof (which shall be a Business Day); (C) the nature of the proposed amendment; and (D) such other matters as the L/C Issuer may require. Additionally, the Parent Borrower shall furnish to the L/C Issuer and the Administrative Agent such other documents and information pertaining to such requested Letter of Credit issuance or amendment, including any Issuer Documents, as the L/C Issuer or the Administrative Agent may require.

(ii) Promptly after receipt of any Letter of Credit Application, the L/C Issuer will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has received a copy of such Letter of Credit Application from the Parent Borrower and, if not, the L/C Issuer will provide the Administrative Agent with a copy thereof. Unless the L/C Issuer has received written notice from any Lender, the Administrative Agent or any Loan Party, at least one (1) Business Day prior to the requested date of issuance or amendment of the applicable Letter of Credit, that one or more applicable conditions contained in Article V shall not be satisfied, then, subject to the terms and conditions hereof, the L/C Issuer shall, on the requested date, issue a Letter of Credit for the account of the Parent Borrower or the applicable Subsidiary or enter into the applicable amendment, as the case may be, in each case in accordance with the L/C Issuer's usual and customary business practices. Immediately upon the issuance of each Letter of Credit, each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the L/C Issuer a risk participation in such Letter of Credit in an amount equal to the product of such Lender's Applicable Percentage times the amount of such Letter of Credit.

(iii) If the Parent Borrower so requests in any applicable Letter of Credit Application, the L/C Issuer may, in its sole discretion, agree to issue a Letter of Credit that has automatic extension provisions (each, an "Auto-Extension Letter of Credit"); provided that any such Auto-Extension Letter of Credit must permit the L/C Issuer to prevent any such extension at least once in each twelve (12)-month period (commencing with the date of issuance of such Letter of Credit) by giving prior notice to the beneficiary thereof not later than a day (the "Non-Extension Notice Date") in each such twelve (12)-month period to be agreed upon at the time such Letter of Credit is issued. Unless otherwise directed by the L/C Issuer, the Parent Borrower shall not be required to make a specific request to the L/C Issuer for any such extension. Once the Auto-Extension Letter of Credit has been issued, the Lenders shall be deemed to have authorized (but may not require) the L/C Issuer to permit the extension of such Letter of Credit at any time to an expiry date not later than the Letter of Credit Expiration Date; provided, however, that the L/C Issuer shall not permit any such extension if (A) the L/C Issuer has determined that it would not be permitted, or would have no obligation, at such time to issue such Letter of Credit in its revised form (as extended) under the terms hereof (by reason of the provisions of clause (ii) or (iii) of Section 2.03(a) or otherwise), or (B) it has received notice (which may be by telephone or in writing) on or before the day that is seven (7) Business Days before the Non-Extension Notice Date (1) from the Administrative Agent that the Required Lenders have elected not to permit such extension or (2) from the Administrative Agent, any Lender or the Parent Borrower that one or more of the applicable conditions specified in Section 5.02 is not then satisfied, and in each case directing the L/C Issuer not to permit such extension.

(iv) Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to an advising bank with respect thereto or to the beneficiary thereof, the L/C Issuer will also deliver to the Parent Borrower and the Administrative Agent a true and complete copy of such Letter of Credit or amendment.

(c) Drawings and Reimbursements; Funding of Participations.

(i) Upon receipt from the beneficiary of any Letter of Credit of any notice of drawing under such Letter of Credit, the L/C Issuer shall notify the Parent Borrower and the Administrative Agent thereof. In the case of a Letter of Credit denominated in Canadian Dollars, the Parent Borrower shall reimburse the L/C Issuer in Canadian Dollars, unless (A) the L/C Issuer (at its option) shall have specified in such notice that it will require reimbursement in Dollars, or (B) in the absence of any such requirement for reimbursement in Dollars, the Parent Borrower shall have notified the L/C Issuer promptly following receipt of the notice of drawing that the Parent Borrower will reimburse the L/C Issuer in Dollars. In the case of any such reimbursement in Dollars of a drawing under a Letter of Credit denominated in Canadian Dollars, the L/C Issuer shall notify the Parent Borrower of the Dollar Equivalent of the amount of the drawing promptly following the determination thereof. Not later than 11:00 a.m. on the date of any payment by the L/C Issuer under a Letter of Credit to be reimbursed in Dollars, or the Applicable Time specified by the L/C Issuer on the date of any payment by the L/C Issuer under a Letter of Credit to be reimbursed in Canadian Dollars (each such date, an "Honor Date"), the Parent Borrower shall reimburse the L/C Issuer through the Administrative Agent in an amount equal to the amount of such drawing and in the applicable currency. In the event that (1) a drawing denominated in Canadian Dollars is to be reimbursed in Dollars pursuant to the second

sentence in this Section 2.03(c)(i) and (2) the Dollar amount paid by the Parent Borrower, whether on or after the Honor Date, shall not be adequate on the date of that payment to purchase in accordance with normal banking procedures a sum denominated in Canadian Dollars equal to the drawing, the Parent Borrower agrees, as a separate and independent obligation, to indemnify the L/C Issuer for the loss resulting from its inability on that date to purchase Canadian Dollars in the full amount of the drawing. If the Parent Borrower fails to so reimburse the L/C Issuer by such time, the Administrative Agent shall promptly notify each Lender of the Honor Date, the amount of the unreimbursed drawing (expressed in Dollars in the amount of the Dollar Equivalent thereof in the case of a Letter of Credit denominated in Canadian Dollars) (the "Unreimbursed Amount"), and the amount of such Lender's Applicable Percentage thereof. In such event, the Parent Borrower shall be deemed to have requested a Borrowing of Revolving Loans that are Base Rate Loans to be disbursed on the Honor Date in an amount equal to the Unreimbursed Amount, without regard to the minimum and multiples specified in Section 2.02 for the principal amount of Base Rate Loans, but subject to the unutilized portion of the Aggregate Revolving Commitments and the conditions set forth in Section 5.02 (other than the delivery of a Loan Notice). Any notice given by the L/C Issuer or the Administrative Agent pursuant to this Section 2.03(c)(i) may be given by telephone if immediately confirmed in writing; provided that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

(ii) Each Lender shall upon any notice pursuant to Section 2.03(c)(i) make funds available (and the Administrative Agent may apply Cash Collateral provided for this purpose) to the Administrative Agent for the account of the L/C Issuer at the Administrative Agent's Office for Dollar-denominated payments in an amount equal to its Applicable Percentage of the Unreimbursed Amount not later than (x) 1:00 p.m. on the Business Day specified in such notice by the Administrative Agent if such notice is delivered by 11:00 a.m. on such day, and (y) 1:00 p.m. on the next succeeding Business Day if such notice is delivered after 11:00 a.m. on such day, whereupon, in each case, subject to the provisions of Section 2.03(c)(iii), each Lender that so makes funds available shall be deemed to have made a Revolving Loan that is a Base Rate Loan to the Parent Borrower in such amount. The Administrative Agent shall remit the funds so received to the L/C Issuer in Dollars.

(iii) With respect to any Unreimbursed Amount that is not fully refinanced by a Borrowing of Revolving Loans that are Base Rate Loans because the conditions set forth in Section 5.02 cannot be satisfied or for any other reason, the Parent Borrower shall be deemed to have incurred from the L/C Issuer an L/C Borrowing in the amount of the Unreimbursed Amount that is not so refinanced, which L/C Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the Default Rate. In such event, each Lender's payment to the Administrative Agent for the account of the L/C Issuer pursuant to Section 2.03(c)(ii) shall be deemed payment in respect of its participation in such L/C Borrowing and shall constitute an L/C Advance from such Lender in satisfaction of its participation obligation under this Section 2.03.

(iv) Until each Lender funds its Revolving Loan or L/C Advance pursuant to this Section 2.03(c) to reimburse the L/C Issuer for any amount drawn under any Letter of Credit, interest in respect of such Lender's Applicable Percentage of such amount shall be solely for the account of the L/C Issuer.

(v) Each Lender's obligation to make Revolving Loans or L/C Advances to reimburse the L/C Issuer for amounts drawn under Letters of Credit, as contemplated by this Section 2.03(c), shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the L/C Issuer, the Parent Borrower or any other Person for any reason whatsoever; (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Lender's obligation to make Revolving Loans pursuant to this Section 2.03(c) is subject to the conditions set forth in Section 5.02 (other than delivery by the Parent Borrower of a Loan Notice). No such making of an L/C Advance shall relieve or otherwise impair the obligation of the Parent Borrower to reimburse the L/C Issuer for the amount of any payment made by the L/C Issuer under any Letter of Credit, together with interest as provided herein.

(vi) If any Lender fails to make available to the Administrative Agent for the account of the L/C Issuer any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.03(c) by the time specified in Section 2.03(c)(ii), then, without limiting the other provisions of this Agreement, the L/C Issuer shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the L/C Issuer at a rate per annum equal to applicable Overnight Rate from time to time in effect, plus any administrative, processing or similar fees customarily charged by the L/C Issuer in connection with the foregoing. A certificate of the L/C Issuer submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this Section 2.03(c)(vi) shall be conclusive absent manifest error.

(d) Repayment of Participations.

(i) At any time after the L/C Issuer has made a payment under any Letter of Credit and has received from any Lender such Lender's L/C Advance in respect of such payment in accordance with Section 2.03(c), if the Administrative Agent receives for the account of the L/C Issuer any payment in respect of the related Unreimbursed Amount or interest thereon (whether directly from the Parent Borrower or otherwise, including proceeds of Cash Collateral applied thereto by the Administrative Agent), the Administrative Agent will distribute to such Lender its Applicable Percentage thereof (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's L/C Advance was outstanding) in Dollars and in the same funds as those received by the Administrative Agent.

(ii) If any payment received by the Administrative Agent for the account of the L/C Issuer pursuant to Section 2.03(c)(i) is required to be returned under any of the circumstances described in Section 11.05 (including pursuant to any settlement entered into by the L/C Issuer in its discretion), each Lender shall pay to the Administrative Agent for the account of the L/C Issuer its Applicable Percentage thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned by such Lender, at a rate per annum equal to the applicable Overnight Rate from time to time in effect. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(e) Obligations Absolute. The obligation of the Parent Borrower to reimburse the L/C Issuer for each drawing under each Letter of Credit and to repay each L/C Borrowing shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following:

(i) any lack of validity or enforceability of such Letter of Credit, this Agreement or any other Loan Document;

(ii) the existence of any claim, counterclaim, setoff, defense or other right that any Loan Party or any Subsidiary may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), the L/C Issuer or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction;

(iii) any draft, demand, certificate or other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;

(iv) waiver by the L/C Issuer of any requirement that exists for the L/C Issuer's protection and not the protection of the Parent Borrower or any waiver by the L/C Issuer which does not in fact materially prejudice the Parent Borrower;

(v) honor of a demand for payment presented electronically even if such Letter of Credit requires that demand be in the form of a draft;

(vi) any payment made by the L/C Issuer in respect of an otherwise complying item presented after the date specified as the expiration date of, or the date by which documents must be received under such Letter of Credit if presentation after such date is authorized by the ISP;

(vii) any payment by the L/C Issuer under such Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit; or any payment made by the L/C Issuer under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Debtor Relief Law;

(viii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Loan Party or any Subsidiary; or

(ix) any adverse change in the relevant exchange rates or in the availability of Canadian Dollars to the Parent Borrower or any Subsidiary or in the relevant currency markets generally.

The Parent Borrower shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it and, in the event of any claim of noncompliance with the Parent Borrower's instructions or other irregularity, the Parent Borrower will immediately notify the L/C Issuer. The Parent Borrower shall be conclusively deemed to have waived any such claim against the L/C Issuer and its correspondents unless such notice is given as aforesaid.

(f) Role of L/C Issuer. Each Lender and the Parent Borrower agree that, in paying any drawing under a Letter of Credit, the L/C Issuer shall not have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by such Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. None of the L/C Issuer, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of the L/C Issuer shall be liable to any Lender for (i) any action taken or omitted in connection herewith at the request or with the approval of the Lenders or the Required Lenders, as applicable; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct; or (iii) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or Issuer Document. The Parent Borrower hereby assumes all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided, however, that this assumption is not intended to, and shall not, preclude the Parent Borrower's pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. None of the L/C Issuer, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of the L/C Issuer shall be liable or responsible for any of the matters described in clauses (i) through (vii) of Section 2.03(e); provided, however, that anything in such clauses to the contrary notwithstanding, the Parent Borrower may have a claim against the L/C Issuer, and the L/C Issuer may be liable to the Parent Borrower, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by the Parent Borrower which the Parent Borrower proves were caused by the L/C Issuer's willful misconduct or gross negligence or the L/C Issuer's willful failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) strictly complying with the terms and conditions of a Letter of Credit unless the L/C Issuer is prevented or prohibited from so paying as a result of any order or directive of any court or other Governmental Authority. In furtherance and not in limitation of the foregoing, the L/C Issuer may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and the L/C Issuer shall not be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason. The L/C Issuer may send a Letter of Credit or conduct any communication to or from the beneficiary via the Society for Worldwide Interbank Financial Telecommunication message or overnight courier, or any other commercially reasonable means of communicating with a beneficiary.

(g) Applicability of ISP. Unless otherwise expressly agreed by the L/C Issuer and the Parent Borrower when a Letter of Credit is issued the rules of the ISP shall apply to each Letter of Credit. Notwithstanding the foregoing, the L/C Issuer shall not be responsible to the Parent Borrower for, and the L/C Issuer's rights and remedies against the Parent Borrower shall not be impaired by, any action or inaction of the L/C Issuer required or permitted under any Law, order, or practice that is required or permitted to be applied to any Letter of Credit or this Agreement, including the Law or any order of a jurisdiction where the L/C Issuer or the beneficiary is located, the practice stated in the ISP, or in the decisions, opinions, practice statements, or official commentary of the ICC Banking Commission, the Bankers Association for Finance and Trade —International Financial Services Association (BAFT-IFSA), or the Institute of International Banking Law & Practice, whether or not any Letter of Credit chooses such Law or practice.

(h) Letter of Credit Fees. The Parent Borrower shall pay to the Administrative Agent for the account of each Lender in accordance, subject to Section 2.15, with its Applicable Percentage, a Letter of Credit fee (the "Letter of Credit Fee") for each Letter of Credit equal to the Applicable Rate times the Dollar Equivalent of the daily maximum amount available to be drawn under such Letter of Credit. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. Letter of Credit Fees shall be (i) computed on a quarterly basis in arrears and (ii) due and payable on the first Business Day after the end of each March, June, September and December, commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand. If there is any change in the Applicable Rate during any quarter, the daily amount available to be drawn under each Letter of Credit shall be computed and multiplied by the Applicable Rate separately for each period during such quarter that such Applicable Rate was in effect. Notwithstanding anything to the contrary contained herein, upon the request of the Required Lenders while any Event of Default exists, all Letter of Credit Fees shall accrue at the Default Rate.

(i) Fronting Fee and Documentary and Processing Charges Payable to L/C Issuer. The Parent Borrower shall pay directly to the L/C Issuer for its own account, a fronting fee with respect to each Letter of Credit, at the rate per annum specified in the Fee Letter, computed on the Dollar Equivalent of the actual daily maximum amount available to be drawn under such Letter of Credit (whether or not such maximum amount is then in effect under such Letter of Credit) and on a quarterly basis in arrears. Such fronting fee shall be due and payable on the tenth Business Day after the end of each March, June, September and December in respect of the most recently-ended quarterly period (or portion thereof, in the case of the first payment), commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. In addition, the Parent Borrower shall pay directly to the L/C Issuer for its own account, in Dollars, the customary issuance, presentation, amendment and other processing fees, and other standard costs and charges, of the L/C Issuer relating to letters of credit as from time to time in effect. Such customary fees and standard costs and charges are due and payable on demand and are nonrefundable.

(j) Conflict with Issuer Documents. In the event of any conflict between the terms hereof and the terms of any Issuer Document, the terms hereof shall control.

(k) Letters of Credit Issued for Subsidiaries. Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, a Subsidiary, the Parent Borrower shall be obligated to reimburse the L/C Issuer hereunder for any and all drawings under such Letter of Credit. The Parent Borrower hereby acknowledges that the issuance of Letters of Credit for the account of Subsidiaries inures to the benefit of the Parent Borrower, and that the Parent Borrower's business derives substantial benefits from the businesses of such Subsidiaries.

2.04 Swing Line Loans.

(a) Swing Line Facility. Subject to the terms and conditions set forth herein, the Swing Line Lender, in reliance upon the agreements of the other Lenders set forth in this Section 2.04, shall make loans (each such loan, a "Swing Line Loan") to the Parent Borrower in Dollars from time to time on any Business Day during the Availability Period with respect to the Revolving Commitments in an aggregate amount not to exceed at any time outstanding the amount of the

Swing Line Sublimit; provided, however, that (x) after giving effect to any Swing Line Loan, (i) the Total Revolving Outstandings shall not exceed the Aggregate Revolving Commitments, and (ii) the Revolving Credit Exposure of any Lender shall not exceed such Lender's Revolving Commitment, (y) the Parent Borrower shall not use the proceeds of any Swing Line Loan to refinance any outstanding Swing Line Loan, and (z) the Swing Line Lender shall not be under any obligation to make any Swing Line Loan if it shall determine (which determination shall be conclusive and binding absent manifest error) that it has, or by such Credit Extension may have, Fronting Exposure. Within the foregoing limits, and subject to the other terms and conditions hereof, the Parent Borrower may borrow under this Section 2.04, prepay under Section 2.05, and reborrow under this Section 2.04. Each Swing Line Loan shall be at the election of the Parent Borrower, (i) a Base Rate Loan or (ii) a LIBOR Daily Floating Rate Loan. Immediately upon the making of a Swing Line Loan, each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Swing Line Lender a risk participation in such Swing Line Loan in an amount equal to the product of such Lender's Applicable Percentage times the amount of such Swing Line Loan.

(b) Borrowing Procedures. Each Borrowing of Swing Line Loans shall be made upon the Parent Borrower's irrevocable notice to the Swing Line Lender and the Administrative Agent, which may be given by (A) telephone or (B) a Swing Line Loan Notice; provided, that, each such telephonic notice must be confirmed promptly by delivery to the Swing Line Lender and the Administrative Agent of a written Swing Line Loan Notice, appropriately completed and signed by a Responsible Officer of the Parent Borrower. Each such Swing Line Loan Notice must be received by the Swing Line Lender and the Administrative Agent not later than 1:00 p.m. on the requested borrowing date, and shall specify (i) the amount to be borrowed, which shall be a minimum principal amount of $100,000 and in integral multiples of $100,000 in excess thereof, (ii) the requested borrowing date, which shall be a Business Day and (iii) whether such Swing Line Loan shall be a Base Rate Loan or a LIBOR Daily Floating Rate Loan. Promptly after receipt by the Swing Line Lender of any telephonic Swing Line Loan Notice, the Swing Line Lender will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has also received such Swing Line Loan Notice and, if not, the Swing Line Lender will notify the Administrative Agent (by telephone or in writing) of the contents thereof. Unless the Swing Line Lender has received notice (by telephone or in writing) from the Administrative Agent (including at the request of any Lender) prior to 2:00 p.m. on the date of the proposed Borrowing of Swing Line Loans (A) directing the Swing Line Lender not to make such Swing Line Loan as a result of the limitations set forth in the first proviso to the first sentence of Section 2.04(a), or (B) that one or more of the applicable conditions specified in Article V is not then satisfied, then, subject to the terms and conditions hereof, the Swing Line Lender will, not later than 3:00 p.m. on the borrowing date specified in such Swing Line Loan Notice, make the amount of its Swing Line Loan available to the Parent Borrower.

(c) Refinancing of Swing Line Loans.

(i) The Swing Line Lender at any time in its sole discretion may request, on behalf of the Parent Borrower (which hereby irrevocably requests and authorizes the Swing Line Lender to so request on its behalf), that each Lender make a Base Rate Loan in an amount equal to such Lender's Applicable Percentage of the amount of Swing Line Loans then outstanding. Such request shall be made in writing (which written request shall be deemed to be a Loan Notice for purposes hereof) and in accordance with the requirements of Section 2.02, without regard to the minimum and multiples specified therein for the principal amount of Base Rate Loans, but subject to the conditions set forth in Section 5.02 (other than the delivery of a Loan Notice) and provided that, after giving effect to such

Borrowing, the Total Revolving Outstandings shall not exceed the Aggregate Revolving Commitments. The Swing Line Lender shall furnish the Parent Borrower with a copy of the applicable Loan Notice promptly after delivering such notice to the Administrative Agent. Each Lender shall make an amount equal to its Applicable Percentage of the amount specified in such Loan Notice available to the Administrative Agent in immediately available funds (and the Administrative Agent may apply Cash Collateral available with respect to the applicable Swing Line Loan) for the account of the Swing Line Lender at the Administrative Agent's Office for Dollar-denominated payments not later than (x) 1:00 p.m. on the Business Day specified in such Loan Notice by the Administrative Agent if such Loan Notice is delivered to the Lenders by 11:00 a.m. on such day, and (y) 1:00 p.m. on the next succeeding Business Day if such Loan Notice is delivered after 11:00 a.m. on such day, whereupon, in each case, subject to Section 2.04(c)(ii), each Lender that so makes funds available shall be deemed to have made a Base Rate Loan to the Parent Borrower in such amount. The Administrative Agent shall remit the funds so received to the Swing Line Lender.

(ii) If for any reason any Swing Line Loan cannot be refinanced by such a Borrowing of Revolving Loans in accordance with Section 2.04(c)(i), the request for Base Rate Loans submitted by the Swing Line Lender as set forth herein shall be deemed to be a request by the Swing Line Lender that each of the Lenders fund its risk participation in the relevant Swing Line Loan and each Lender's payment to the Administrative Agent for the account of the Swing Line Lender pursuant to Section 2.04(c)(i) shall be deemed payment in respect of such participation.

(iii) If any Lender fails to make available to the Administrative Agent for the account of the Swing Line Lender any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.04(c) by the time specified in Section 2.04(c)(i), the Swing Line Lender shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the Swing Line Lender at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by the Swing Line Lender in accordance with banking industry rules on interbank compensation. A certificate of the Swing Line Lender submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (iii) shall be conclusive absent manifest error.

(iv) Each Lender's obligation to make Revolving Loans or to purchase and fund risk participations in Swing Line Loans pursuant to this Section 2.04(c) shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right that such Lender may have against the Swing Line Lender, the Parent Borrower or any other Person for any reason whatsoever, (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Lender's obligation to make Revolving Loans pursuant to this Section 2.04(c) is subject to the conditions set forth in Section 5.02. No such purchase or funding of risk participations shall relieve or otherwise impair the obligation of the Parent Borrower to repay Swing Line Loans, together with interest as provided herein.

(d) Repayment of Participations.

(i) At any time after any Lender has purchased and funded a risk participation in a Swing Line Loan, if the Swing Line Lender receives any payment on account of such Swing Line Loan, the Swing Line Lender will distribute to such Lender its Applicable Percentage of such payment (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's risk participation was funded) in the same funds as those received by the Swing Line Lender.

(ii) If any payment received by the Swing Line Lender in respect of principal or interest on any Swing Line Loan is required to be returned by the Swing Line Lender under any of the circumstances described in Section 11.05 (including pursuant to any settlement entered into by the Swing Line Lender in its discretion), each Lender shall pay to the Swing Line Lender its Applicable Percentage thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned, at a rate per annum equal to the Federal Funds Rate. The Administrative Agent will make such demand upon the request of the Swing Line Lender. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(e) Interest for Account of Swing Line Lender. The Swing Line Lender shall be responsible for invoicing the Parent Borrower for interest on the Swing Line Loans. Until each Lender funds its Revolving Loans that are Base Rate Loans or risk participation pursuant to this Section 2.04 to refinance such Lender's Applicable Percentage of any Swing Line Loan, interest in respect of such Applicable Percentage shall be solely for the account of the Swing Line Lender.

(f) Payments Directly to Swing Line Lender. The Parent Borrower shall make all payments of principal and interest in respect of the Swing Line Loans directly to the Swing Line Lender.

(g) Auto Borrow Arrangement. In order to facilitate the borrowing of Swing Line Loans, the Parent Borrower and the Swing Line Lender may mutually agree to, and are hereby authorized to, enter into an auto borrow arrangement in form and substance satisfactory to the Swing Line Lender and the Administrative Agent (including any such agreement in place on the date of this Agreement, the "Auto Borrow Agreement") providing for the automatic advance by the Swing Line Lender of Swing Line Loans under the conditions set forth in the Auto Borrow Agreement, subject to the conditions set forth herein. At any time an Auto Borrow Agreement is in effect, advances under the Auto Borrow Agreement shall be deemed Swing Line Loans for all purposes hereof, except that Borrowings and prepayments of Swing Line Loans under the Auto Borrow Agreement shall be made in accordance with the Auto Borrow Agreement (and for the avoidance of doubt, the provisions of Sections 2.04(b) and 2.05(a)(ii) with respect to minimum and incremental Borrowing and prepayment amounts shall not apply). For purposes of determining the Total Revolving Outstandings at any time during which an Auto Borrow Agreement is in effect, the Outstanding Amount of all Swing Line Loans shall be deemed to be the sum of the Outstanding Amount of Swing Line Loans at such time plus the maximum amount available to be borrowed under such Auto Borrow Agreement at such time.

2.05 **Prepayments.**

(a) Voluntary Prepayments.

(i) Revolving Loans and Term Loan. Each Borrower may, upon notice from such Borrower to the Administrative Agent pursuant to delivery to the Administrative Agent of a Notice of Loan Prepayment, at any time or from time to time voluntarily prepay Revolving Loans, the Term Loan and/or the Incremental Term Loan in whole or in part without premium or penalty; provided that (A) such notice must be received by the Administrative Agent not later than 11:00 a.m. (1) three (3) Business Days (or such shorter period as may be agreed by the Administrative Agent in its reasonable discretion) prior to any date of prepayment of Eurocurrency Rate Loans and (2) on the date of prepayment of Base Rate Loans; (B) any such prepayment of Eurocurrency Rate Loans shall be in a principal amount of $500,000 or a whole multiple of $500,000 in excess thereof (or, if less, the entire principal amount thereof then outstanding); (C) any prepayment of Base Rate Loans shall be in a principal amount of $500,000 or a whole multiple of $100,000 in excess thereof (or, if less, the entire principal amount thereof then outstanding) and (D) any prepayment of the Term Loan or the Incremental Term Loan, as directed by the Parent Borrower, pursuant to this Section 2.05(a) shall be applied ratably to the remaining principal amortization payments thereof, except for the final payment on the Maturity Date. Each such notice shall specify (x) the date, the currency, and the amount of such prepayment, (y) the Type(s) of Loans to be prepaid, and if Eurocurrency Rate Loans are to be prepaid, the Interest Period(s) of such Loans and (z) whether the Loans to be prepaid are the Revolving Loans, the Term Loan and/or the Incremental Term Loan. The Administrative Agent will promptly notify each Lender of its receipt of each such notice, and of the amount of such Lender's Applicable Percentage of such prepayment. If such notice is given by the applicable Borrower, such Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of a Eurocurrency Rate Loan shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts required pursuant to Section 3.05. Subject to Section 2.15, each such prepayment shall be applied to the Loans of the Lenders in accordance with their respective Applicable Percentages. Notwithstanding anything to the contrary contained herein but subject to Section 3.05, any notice of prepayment or repayment may be revocable (or conditional or extendable) in the event of a prepayment in connection with a transaction in the event that such transaction does not close.

(ii) Swing Line Loans. The Parent Borrower may, upon notice to the Swing Line Lender pursuant to delivery to the Swing Line Lender of a Notice of Loan Prepayment (with a copy to the Administrative Agent), at any time or from time to time, voluntarily prepay Swing Line Loans in whole or in part without premium or penalty; provided that (i) such notice must be received by the Swing Line Lender and the Administrative Agent not later than 1:00 p.m. on the date of the prepayment, and (ii) any such prepayment shall be in a minimum principal amount of $100,000 or a whole multiple of $100,000 in excess thereof (or, if less, the entire principal thereof then outstanding). Each such notice shall specify the date and amount of such prepayment. If such notice is given by the Parent Borrower, the Parent Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein.

(b) Mandatory Prepayments of Loans.

(i) Revolving Commitments. If for any reason the Total Revolving Outstandings at any time exceed the Aggregate Revolving Commitments then in effect, (A) the Parent Borrower shall immediately prepay Revolving Loans in Dollars, Swing Line Loans and/or Cash Collateralize the L/C Obligations and/or (B) the Borrowers shall immediately prepay Revolving Loans in Canadian Dollars, in each case, in an aggregate amount equal to such excess; provided, however, that the Parent Borrower shall not be required to Cash Collateralize the L/C Obligations pursuant to this Section 2.05(b)(i) unless after the prepayment in full of the Revolving Loans and the Swing Line Loans the Total Revolving Outstandings exceed the Aggregate Revolving Commitments then in effect.

(ii) Dispositions and Involuntary Dispositions. Within five Business Days of the receipt thereof, the Borrowers shall prepay the Loans and/or Cash Collateralize the L/C Obligations as hereafter provided in an aggregate amount equal to 100% of the Net Cash Proceeds of all Dispositions and Involuntary Dispositions to the extent such Net Cash Proceeds are not reinvested in Eligible Assets within 180 days of the date of such Disposition or Involuntary Disposition; provided, however, the Borrowers shall be permitted to retain Net Cash Proceeds from Dispositions to the extent such Net Cash Proceeds do not exceed $1,000,000 in the aggregate in any fiscal year. Any prepayment pursuant to this Section 2.05(b)(ii) shall be applied as set forth in Section 2.05(b)(vi)(A) below.

(iii) Debt Issuances. Within five Business Days of the receipt thereof by any Loan Party or any Subsidiary of the Net Cash Proceeds of any Debt Issuance, the Borrowers shall prepay the Loans and/or Cash Collateralize the L/C Obligations as hereafter provided in an aggregate amount equal to 100% of such Net Cash Proceeds (such prepayment to be applied as set forth in Section 2.05(b)(vi)(A) below).

(iv) Qualifying IPO. Within five Business Days of the consummation of a Qualifying IPO (but prior to (or contemporaneously with) any permitted redemption of the Series A-1 Preferred Equity in connection therewith), the Borrowers shall prepay the Loans and/or Cash Collateralize the L/C Obligations in the aggregate amount required to cause the Consolidated Total Leverage Ratio to be equal to 3.00 to 1.0 after giving effect to such prepayment on a Pro Forma Basis (without giving effect to any prepayment of Revolving Loans with the proceeds of such Qualifying IPO unless accompanied with a corresponding reduction in the Revolving Commitments). Any prepayment pursuant to this Section 2.05(b)(iv) shall be applied as set forth in Section 2.05(b)(vi)(B) below.

(v) Excess Cash Flow. In addition to the other repayments set forth in this Section 2.05(b), commencing with the fiscal year ending December 31, 2019, on or before the date that is ten days after delivery of the applicable financial statements pursuant to Section 7.01(a), the Loans shall be repaid by an amount equal to 50% of Excess Cash Flow for the preceding fiscal year, minus (b) all voluntary prepayments of the Term Loan, and solely to the extent accompanied by a permanent reduction in the Revolving Commitments, the Revolving Loans, in each case during the applicable fiscal year. Any prepayment pursuant to this clause (v) shall (x) be accompanied with a payment of all accrued interest on the portion of the Term Loan repaid, and (y) be applied as set forth in Section 2.05(b)(vi)(A) below; provided that, if the Consolidated Total Leverage Ratio at the end of such fiscal year was less than 2.00 to 1.00, no such payment shall be required for such fiscal year.

(vi) Application of Mandatory Prepayments.

(A) All amounts required to be paid pursuant to Section 2.05(b)(ii), (iii) and (v) shall be applied first, to the Term Loan, and the Incremental Term Loan (ratably to the remaining principal amortization payments of each Loan), second, to Revolving Loans, and third, (after the Term Loan, the Incremental Term Loan and all Revolving Loans have been repaid), to Cash Collateralize L/C Obligations and in the case of clauses second and third above, without a corresponding reduction of the Revolving Commitments in such applicable amount.

(B) All amounts required to be paid pursuant to Section 2.05(b)(iv) shall be applied first, to the Term Loan, and the Incremental Term Loan (ratably to the remaining principal amortization payments of each Loan), second, to Revolving Loans, and third, (after the Term Loan, the Incremental Term Loan and all Revolving Loans have been repaid), to Cash Collateralize L/C Obligations, and in the case of clauses second and third above, with a corresponding reduction of the Revolving Commitments in such applicable amount.

(vii) Alternative Currencies. If the Administrative Agent notifies the Parent Borrower in writing at any time that the Outstanding Amount of all Loans and L/C Obligations denominated in Canadian Dollars at such time exceeds an amount equal to 105% of the Canadian Dollar Sublimit then in effect for at least one (1) consecutive Business Day, then, within five (5) Business Days after receipt of such written notice, the Borrowers shall prepay Loans and/or Cash Collateralize Letters of Credit denominated in Canadian Dollars in an aggregate amount sufficient to reduce such Outstanding Amount as of such date of payment to an amount not to exceed 100% of the Canadian Dollar Sublimit then in effect.

Within the parameters of the applications set forth above, prepayments shall be applied first to Base Rate Loans and then to Eurocurrency Rate Loans in direct order of Interest Period maturities. All prepayments under this Section 2.05(b) shall be subject to Section 3.05, but otherwise without premium or penalty, and shall be accompanied by interest on the principal amount prepaid through the date of prepayment.

2.06 **Termination or Reduction of Aggregate Revolving Commitments.**

(a) Optional Reductions. The Parent Borrower may, upon notice to the Administrative Agent, terminate the Aggregate Revolving Commitments, or from time to time permanently reduce the Aggregate Revolving Commitments to an amount not less than the Outstanding Amount of Revolving Loans, Swing Line Loans and L/C Obligations; provided that (A) any such notice shall be received by the Administrative Agent not later than 12:00 noon five (5) Business Days (or such shorter period as may be agreed by the Administrative Agent in its reasonable discretion) prior to the date of termination or reduction, (B) any such partial reduction shall be in an aggregate amount of $5,000,000 or any whole multiple of $1,000,000 in excess thereof and (C) the Parent Borrower shall not terminate or reduce (1) the Aggregate Revolving Commitments if, after giving effect thereto and to any concurrent prepayments hereunder, the Total Revolving Outstandings would exceed the Aggregate Revolving Commitments or (2) the Letter of Credit Sublimit if, after giving effect thereto, the Outstanding Amount of L/C Obligations not fully Cash Collateralized hereunder would exceed the Letter of Credit Sublimit, or (3) the Swing Line Sublimit if, after giving effect thereto and to any concurrent prepayments hereunder, the Outstanding Amount of Swing Line Loans would exceed the Swing Line Sublimit. Notwithstanding anything to the contrary contained herein, any notice of termination or reduction may be revocable (or conditional or extendable) in the event of a termination or reduction in connection with a transaction in the event that such transaction does not close.

(b) Mandatory Reductions. If after giving effect to any reduction or termination of Revolving Commitments under this Section 2.06, the Canadian Dollar Sublimit, the Letter of Credit Sublimit or the Swing Line Sublimit exceeds the Aggregate Revolving Commitments at such time, the Canadian Dollar Sublimit, the Letter of Credit Sublimit or the Swing Line Sublimit, as the case may be, shall be automatically reduced by the amount of such excess.

(c) Notice. The Administrative Agent will promptly notify the Lenders of any termination or reduction of the Canadian Dollar Sublimit, the Letter of Credit Sublimit, Swing Line Sublimit, or the Aggregate Revolving Commitments under this Section 2.06. The amount of any such reduction of the Revolving Commitments shall not be applied to the Canadian Dollar Sublimit unless otherwise specified by the Parent Borrower. Upon any reduction of the Aggregate Revolving Commitments, the Revolving Commitment of each Lender shall be reduced by such Lender's Applicable Percentage of such reduction amount. All fees in respect of the Aggregate Revolving Commitments accrued until the effective date of any termination of the Aggregate Revolving Commitments shall be paid on the effective date of such termination.

2.07 **Repayment of Loans.**

(a) Revolving Loans. The Borrowers shall repay to the Lenders on the Maturity Date the aggregate principal amount of all Revolving Loans outstanding on such date.

(b) Swing Line Loans. The Parent Borrower shall repay each Swing Line Loan on the earliest to occur of (i) the date ten Business Days after such Swing Line Loan is made and (ii) the Maturity Date.

(c) Term Loan. The Parent Borrower shall repay the outstanding principal amount of the Term Loan in consecutive quarterly installments on the last day of each calendar quarter ending during the periods set forth below, in the amount set forth opposite such calendar quarter, with the remaining outstanding principal amount due on the Maturity Date (as such installments may hereafter be adjusted as a result of prepayments made pursuant to Section 2.05), unless accelerated sooner pursuant to Section 9.02:

Quarters Ended	Quarterly Repayment Amount
December 31, 2019 and each fiscal quarter thereafter	$ 1,250,000.00

(d) Incremental Term Loan. The Parent Borrower shall repay the outstanding principal amount of the Incremental Term Loan in the installments on the dates and in the amounts set forth in the Incremental Term Loan Lender Joinder Agreement (as such installments may hereafter be adjusted as a result of prepayments made pursuant to Section 2.05), unless accelerated sooner pursuant to Section 9.02.

2.08 **Interest.**

(a) Subject to the provisions of subsection (b) below, (i) each Eurocurrency Rate Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the sum of the Eurocurrency Rate for such Interest Period plus the Applicable Rate and (ii) each Base Rate Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Rate and (iii) each Swing Line Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date, at, at the election of the Parent Borrower, (A) a rate per annum equal to the Base Rate plus the Applicable Rate or (B) at the LIBOR Daily Floating Rate plus the Applicable Rate (or with respect to any Swing Line Loan advanced pursuant to an Auto Borrow Agreement, such other rate as separately agreed in writing between the Parent Borrower and the Swing Line Lender).

(b) (i) If any amount of principal of any Loan is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(ii) If any amount (other than principal of any Loan) payable by the Borrowers under any Loan Document is not paid when due (after giving effect to any applicable grace period), whether at stated maturity, by acceleration or otherwise, then upon the request of the Required Lenders, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(iii) Upon the request of the Required Lenders, while any Event of Default exists, the Borrowers shall pay interest on the principal amount of all outstanding Obligations hereunder at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(iv) Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(c) Interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

(d) For the purposes of the Interest Act (Canada), (i) whenever a rate of interest or fee rate hereunder is calculated on the basis of a year (the "deemed year") that contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest or fee rate shall be expressed as a yearly rate by multiplying such rate of interest or fee rate by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year, (ii) the principle of deemed reinvestment of interest shall not apply to any interest calculation hereunder and (iii) the rates of interest stipulated herein are intended to be nominal rates and not effective rates or yields. Each Loan Party hereby irrevocably agrees not to plead or assert, whether by way of defense or otherwise, in any proceeding relating to this Agreement and the other Loan Documents, that the interest payable under this Agreement and the calculation thereof has not been adequately disclosed to it, whether pursuant to section 4 of the Interest Act (Canada) or any other applicable law or legal principle.

2.09 **Fees.**

In addition to certain fees described in subsections (h) and (i) of Section 2.03:

(a) Commitment Fee. The Parent Borrower shall pay to the Administrative Agent, for the account of each Lender in accordance with its Applicable Percentage, a commitment fee in Dollars (the "Commitment Fee") at a rate per annum equal to the product of (x) the Applicable Rate times (y) the actual daily amount by which the Aggregate Revolving Commitments exceed the sum of (1) the Outstanding Amount of Revolving Loans and (2) the Outstanding Amount of

L/C Obligations, subject to adjustment as provided in Section 2.15. For the avoidance of doubt, the Outstanding Amount of Swing Line Loans shall not be counted towards or considered usage of the Aggregate Revolving Commitments for purposes of determining the Commitment Fee. The Commitment Fee shall accrue at all times during the Availability Period applicable to the Revolving Commitments, including at any time during which one or more of the conditions in Article V is not met, and shall be due and payable quarterly in arrears on the last Business Day of each March, June, September and December, commencing with the first such date to occur after the Closing Date, and on the Maturity Date; provided, that (A) no Commitment Fee shall accrue on the Revolving Commitment of a Defaulting Lender so long as such Lender shall be a Defaulting Lender and (B) any Commitment Fee accrued with respect to the Revolving Commitment of a Defaulting Lender during the period prior to the time such Lender became a Defaulting Lender and unpaid at such time shall not be payable by the Parent Borrower so long as such Lender shall be a Defaulting Lender. The Commitment Fee shall be calculated quarterly in arrears, and if there is any change in the Applicable Rate during any quarter, the actual daily amount shall be computed and multiplied by the Applicable Rate separately for each period during such quarter that such Applicable Rate was in effect.

(b) Fee Letter; Other Fees.

(i) The Parent Borrower shall pay BofA Securities and the Administrative Agent for their own respective accounts, in Dollars, fees in the amounts and at the times specified in the Fee Letter. Such fees shall be fully earned when paid and shall be non-refundable for any reason whatsoever.

(ii) The Borrowers shall pay to the Lenders, in Dollars, such fees as shall have been separately agreed upon in writing in the amounts and at the times so specified. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

2.10 **Computation of Interest and Fees; Retroactive Adjustments of Applicable Rate.**

(a) All computations of interest for Base Rate Loans (including Base Rate Loans determined by reference to the Eurocurrency Rate) and Eurocurrency Rate Loans denominated in Canadian Dollars shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365-day year). Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid, provided that any Loan that is repaid on the same day on which it is made shall, subject to Section 2.12(a), bear interest for one day. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

(b) If, as a result of any restatement of or other adjustment to the financial statements of the Parent Borrower or for any other reason, the Parent Borrower or the Lenders determine that (i) the Consolidated Total Leverage Ratio as calculated by the Parent Borrower as of any applicable date was inaccurate and (ii) a proper calculation of the Consolidated Total Leverage Ratio would have resulted in higher pricing for such period, the Parent Borrower shall immediately and retroactively be obligated to pay to the Administrative Agent for the account of the applicable Lenders or the L/C Issuer, as the case may be, promptly on demand by the Administrative Agent (or, after the occurrence of an actual or deemed entry of an order for relief with respect to the Parent Borrower under the Bankruptcy Code of the United States, automatically and without further action

by the Administrative Agent, any Lender or the L/C Issuer), an amount equal to the excess of the amount of interest and fees that should have been paid for such period over the amount of interest and fees actually paid for such period. This paragraph shall not limit the rights of the Administrative Agent, any Lender or the L/C Issuer, as the case may be, under Section 2.03(c)(iii), 2.03(i) or 2.08(b) or under Article IX. The Parent Borrower's obligations under this paragraph shall survive the termination of the Commitments and the repayment of all other Obligations hereunder.

2.11 **Evidence of Debt.**

(a) The Credit Extensions made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and by the Administrative Agent in the ordinary course of business. The accounts or records maintained by the Administrative Agent and each Lender shall be conclusive absent manifest error of the amount of the Credit Extensions made by the Lenders to any Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of any Borrower hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. Upon the request of any Lender made through the Administrative Agent, each Borrower shall execute and deliver to such Lender (through the Administrative Agent) a promissory note, which shall evidence such Lender's Loans in addition to such accounts or records. Each such promissory note shall (i) in the case of Revolving Loans, be in the form of Exhibit B (a "Revolving Note"), (ii) in the case of the Term Loan, be in the form of Exhibit C-1 (a "Term Loan Note"), (iii) in the case of the Incremental Term Loan, be in the form of Exhibit C-2 (an "Incremental Term Note") and (iv) in the case of Swing Line Loans, be in the form of Exhibit L (a "Swing Line Note"). Each Lender may attach schedules to its Note and endorse thereon the date, Type (if applicable), amount, currency, and maturity of its Loans and payments with respect thereto.

(b) In addition to the accounts and records referred to in subsection (a), each Lender and the Administrative Agent shall maintain in accordance with its usual practice accounts or records evidencing the purchases and sales by such Lender of participations in Letters of Credit and Swing Line Loans. In the event of any conflict between the accounts and records maintained by the Administrative Agent and the accounts and records of any Lender in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error.

2.12 **Payments Generally; Administrative Agent's Clawback.**

(a) General. All payments to be made by the Borrowers shall be made free and clear of and without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein and except with respect to principal of and interest on Loans denominated in Canadian Dollars, all payments by the Borrowers hereunder shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the applicable Administrative Agent's Office in Dollars and in Same Day Funds not later than 2:00 p.m. on the date specified herein. Except as otherwise expressly provided herein, all payments by the Borrowers hereunder with respect to principal and interest on Loans denominated in Canadian Dollars shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the applicable Administrative Agent's Office in Canadian Dollars and in Same Day Funds not later than the Applicable Time specified by the Administrative Agent on the dates specified herein. Without limiting the generality of the foregoing, the Administrative

Agent may require that any payments due under this Agreement be made in the United States. If, for any reason, any Borrower is prohibited by any Law from making any required payment hereunder in Canadian Dollars, such Borrower shall make such payment in Dollars in the Dollar Equivalent of the Canadian Dollar payment amount. The Administrative Agent will promptly distribute to each Lender its Applicable Percentage (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's Lending Office. All payments received by the Administrative Agent (i) after 2:00 p.m., in the case of payments in Dollars, or (ii) after the Applicable Time specified by the Administrative Agent, in the case of payments in Canadian Dollars, shall, in each case, be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. Subject to the definition of "Interest Period", if any payment to be made by any Borrower shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

(b) (i) Funding by Lenders; Presumption by Administrative Agent. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing of Eurocurrency Rate Loans (or, in the case of any Borrowing of Base Rate Loans, prior to 12:00 noon on the date of such Borrowing) that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with Section 2.02 (or, in the case of any Borrowing of Base Rate Loans, that such Lender has made such share available in accordance with and at the time required by Section 2.02) and may, in reliance upon such assumption, make available to the applicable Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the applicable Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount in Same Day Funds with interest thereon, for each day from and including the date such amount is made available to such Borrower to but excluding the date of payment to the Administrative Agent, at (A) in the case of a payment to be made by such Lender, the Overnight Rate, plus any administrative processing or similar fees customarily charged by the Administrative Agent in connection with the foregoing and (B) in the case of a payment to be made by such Borrower with respect to the applicable Borrowing in Dollars, the interest rate applicable to Base Rate Loans or, in the case of a payment to be made by such Borrower in Canadian Dollars, in accordance with such market practice. If such Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to such Borrower the amount of such interest paid by such Borrower for such period. If such Lender pays its share of the applicable Borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Loan included in such Borrowing. Any payment by such Borrower shall be without prejudice to any claim such Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

(ii) Payments by Borrowers; Presumptions by Administrative Agent. Unless the Administrative Agent shall have received notice from the applicable Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the L/C Issuer hereunder that such Borrower will not make such payment, the Administrative Agent may assume that such Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the L/C Issuer, as the case may be, the amount due. In such event, if the applicable Borrower has not in fact made such payment, then each of the Lenders or the L/C Issuer, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or the L/C Issuer, in Same Day Funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the Overnight Rate.

A notice of the Administrative Agent to any Lender or any Borrower with respect to any amount owing under this Section 2.12(b) shall be conclusive, absent manifest error.

(c) Failure to Satisfy Conditions Precedent. If any Lender makes available to the Administrative Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this Article II, and such funds are not made available to the applicable Borrower by the Administrative Agent because the conditions to the applicable Credit Extension set forth in Article V are not satisfied or waived in accordance with the terms hereof, the Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(d) Obligations of Lenders Several. The obligations of the Lenders hereunder to make Loans, to fund participations in Letters of Credit and Swing Line Loans and to make payments pursuant to Section 11.04(c) are several and not joint. The failure of any Lender to make any Loan, to fund any such participation or to make any payment under Section 11.04(c) on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan, to purchase its participation or to make its payment under Section 11.04(c).

(e) Funding Source. Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

2.13 **Sharing of Payments by Lenders.**

If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of the Loans made by it, or the participations in L/C Obligations or in Swing Line Loans held by it (excluding any amounts applied by the Swing Line Lender to outstanding Swing Line Loans) resulting in such Lender's receiving payment of a proportion of the aggregate amount of such Loans or participations and accrued interest thereon greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and subparticipations in L/C Obligations and Swing Line Loans of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing them, provided that:

(i) if any such participations or subparticipations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations or subparticipations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this Section 2.13 shall not be construed to apply to (x) any payment made by or on behalf of any Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender), (y) the application of Cash Collateral provided for in Section 2.14 or (z) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or subparticipations in L/C Obligations or Swing Line Loans to any assignee or participant, other than an assignment to any Loan Party or any Subsidiary (as to which the provisions of this Section shall apply).

Each Loan Party consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Loan Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Loan Party in the amount of such participation.

2.14 **Cash Collateral.**

(a) Certain Credit Support Events. If (i) the L/C Issuer has honored any full or partial drawing request under any Letter of Credit and such drawing has resulted in an L/C Borrowing, (ii) as of the Letter of Credit Expiration Date, any L/C Obligation for any reason remains outstanding, (iii) the Parent Borrower shall be required to provide Cash Collateral pursuant to Section 9.02(c) or (iv) there shall exist a Defaulting Lender, the Parent Borrower shall immediately (in the case of clause (iii) above) or within one Business Day (in all other cases) following any request by the Administrative Agent or the L/C Issuer, provide Cash Collateral in an amount not less than the applicable Minimum Collateral Amount (determined in the case of Cash Collateral provided pursuant to clause (iv) above, after giving effect to Section 2.15(a)(iv) and any Cash Collateral provided by the Defaulting Lender). Additionally, if the Administrative Agent notifies the Parent Borrower in writing at any time that the Outstanding Amount of all L/C Obligations at such time exceeds 105% of the Letter of Credit Sublimit then in effect for at least one (1) consecutive Business Day, then within five (5) Business Days after receipt of such written notice, the Parent Borrower shall provide Cash Collateral for the Outstanding Amount of the L/C Obligations in an amount not less than the amount by which the Outstanding Amount of all L/C Obligations exceeds the Letter of Credit Sublimit.

(b) Grant of Security Interest. All Cash Collateral (other than credit support not constituting funds subject to deposit) shall be maintained in blocked, non-interest bearing deposit accounts at Bank of America. The Parent Borrower, and to the extent provided by any Defaulting Lender, such Defaulting Lender, hereby grants to (and subjects to the control of) the Administrative Agent, for the benefit of the Administrative Agent, the L/C Issuer and the Lenders and agrees to maintain, a first priority security interest in all such cash, deposit accounts and all balances therein, and all other property so provided as collateral pursuant hereto, and in all proceeds of the foregoing, all as security for the obligations to which such Cash Collateral may be applied pursuant to Section 2.14(c). If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent or the L/C Issuer as herein provided, or that the total amount of such Cash Collateral is less than the Minimum Collateral Amount, the Parent Borrower will, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency. The Parent Borrower shall pay on demand therefor from time to time all customary account opening, activity and other administrative fees and charges in connection with the maintenance and disbursement of Cash Collateral.

(c) Application. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under any of this Section 2.14 or Sections 2.03, 2.05, 2.15 or 9.02 in respect of Letters of Credit shall be held and applied in satisfaction of the specific L/C Obligations, obligations to fund participations therein (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) and other obligations for which the Cash Collateral was so provided, prior to any other application of such property as may otherwise be provided for herein.

(d) Release. Cash Collateral (or the appropriate portion thereof) provided to reduce Fronting Exposure or to secure other obligations shall be released promptly following (i) the elimination of the applicable Fronting Exposure or other obligations giving rise thereto (including by the termination of Defaulting Lender status of the applicable Lender or, as appropriate, its assignee following compliance with Section 11.06(b)(vi)) or (ii) the good faith determination of the Administrative Agent and the L/C Issuer that there exists excess Cash Collateral; provided, however, (x) that Cash Collateral furnished by or on behalf of a Loan Party shall not be released during the continuance of a Default or Event of Default (and following application as provided in this Section 2.14 may be otherwise applied in accordance with Section 9.03), (y) the Person providing Cash Collateral and the L/C Issuer may agree that Cash Collateral shall not be released but instead held to support future anticipated Fronting Exposure or other obligations and (z) any such release shall be without prejudice to, and any disbursement or other transfer of Cash Collateral shall be and remain subject to, any other Lien conferred under the Loan Documents and the other applicable provisions of the Loan Documents.

2.15 **Defaulting Lenders.**

(a) Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by applicable Law:

(i) Waivers and Amendment. The Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of "Required Lenders" and Section 11.01.

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amount received by the Administrative Agent for the account of that Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article IX or otherwise, and including any amounts made available to the Administrative Agent by that Defaulting Lender pursuant to Section 11.08), shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by that Defaulting Lender to the Administrative Agent hereunder; second, to the payment on a pro rata basis of any amounts owing by that Defaulting Lender to the L/C Issuer or Swing Line Lender hereunder; third, to Cash Collateralize the L/C Issuer's Fronting Exposure with respect to such Defaulting Lender in accordance with Section 2.14; fourth, as the Parent Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which that Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; fifth, if so determined by the Administrative Agent and the Parent Borrower, to be held in a deposit account and released pro rata in order to (x) satisfy potential future funding obligations of such Defaulting Lender to fund Loans under this Agreement and (y) Cash Collateralize the L/C Issuer's future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with Section 2.14; sixth, to the payment of any amounts owing to the Lenders, the L/C Issuer or Swing Line Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, the L/C Issuer or the Swing Line Lender against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; seventh, so long as no Default or Event of Default exists, to the payment of any amounts owing to any Borrower as a result of any judgment of a court of competent jurisdiction obtained by such Borrower against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; and eighth, to that

Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided, that, if (x) such payment is a payment of the principal amount of any Loans or L/C Borrowings in respect of which that Defaulting Lender has not fully funded its appropriate share and (y) such Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 5.02 were satisfied or waived, such payment shall be applied solely to the pay the Loans of, and L/C Obligations owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or L/C Obligations owed to, that Defaulting Lender until such time as all Loans and funded and unfunded participations in L/C Obligations and Swing Line Loans are held by the Lenders pro rata in accordance with the Commitments hereunder without giving effect to Section 2.15(a)(iv). Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 2.15(a)(ii) shall be deemed paid to and redirected by that Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees.

(A) No Defaulting Lender shall be entitled to receive any Commitment Fee pursuant to Section 2.09(a) for any period during which such Lender is a Defaulting Lender (and the Borrowers shall not be required to pay any such fee that otherwise would have been required to have been paid to such Defaulting Lender).

(B) Each Defaulting Lender shall be entitled to receive Letter of Credit Fees for any period during which that Lender is a Defaulting Lender only to the extent allocable to its Applicable Percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 2.14.

(C) With respect to any Letter of Credit Fee not required to be paid to any Defaulting Lender pursuant to clause (B) above, the Parent Borrower shall (x) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in L/C Obligations that has been reallocated to such Non-Defaulting Lender pursuant to clause (iv) below, (y) pay to the L/C Issuer the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to such L/C Issuer's Fronting Exposure to such Defaulting Lender, and (z) not be required to pay the remaining amount of any such fee.

(iv) Reallocation of Applicable Percentages to Reduce Fronting Exposure. All or any part of such Defaulting Lender's participation in L/C Obligations and Swing Line Loans shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Applicable Percentages (calculated without regard to such Defaulting Lender's Revolving Commitment) but only to the extent that (x) the conditions set forth in Section 5.02 are satisfied at the time of such reallocation (and, unless the Parent Borrower shall have otherwise notified the Administrative Agent at such time, the Parent Borrower shall be deemed to have represented and warranted that such conditions are satisfied at such time), and (y) such reallocation does not cause the aggregate Revolving Credit Exposure of any Non-Defaulting Lender to exceed such Non-Defaulting Lender's Revolving Commitment. Subject to Section 11.21, no reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(v) Cash Collateral, Repayment of Swing Line Loans. If the reallocation described in clause (a)(iv) above cannot, or can only partially, be effected, the Parent Borrower shall, without prejudice to any right or remedy available to it hereunder or under applicable Law, (x) first, prepay Swing Line Loans in an amount equal to the Swing Line Lender's Fronting Exposure and (y) second, Cash Collateralize the L/C Issuer's Fronting Exposure in accordance with the procedures set forth in Section 2.14.

(b) Defaulting Lender Cure. If the Parent Borrower, the Administrative Agent, Swing Line Lender and the L/C Issuer agree in writing that a Defaulting Lender should no longer be deemed to be a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Loans and funded and unfunded participations in Letters of Credit and Swing Line Loans to be held on a pro rata basis by the Lenders in accordance with their Applicable Percentages (without giving effect to Section 2.15(a)(iv), whereupon such Lender will cease to be a Defaulting Lender; provided, that, no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Parent Borrower while that Lender was a Defaulting Lender; provided, further, that, except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender having been a Defaulting Lender.

2.16 **Designated Lenders.**

Each of the Administrative Agent, the L/C Issuer, the Swing Line Lender and each Lender at its option may make any Credit Extension or otherwise perform its obligations hereunder through any Lending Office (each, a "Designated Lender"); provided, that, any exercise of such option shall not affect the obligation of the applicable Borrower to repay any Credit Extension in accordance with the terms of this Agreement. Any Designated Lender shall be considered a Lender; provided, that, in the case of an Affiliate or branch of a Lender, all provisions applicable to a Lender shall apply to such Affiliate or branch of such Lender to the same extent as such Lender; provided, further, that, for the purposes only of voting in connection with any Loan Document, any participation by any Designated Lender in any outstanding Credit Extension shall be deemed a participation of such Lender.

ARTICLE III.

TAXES, YIELD PROTECTION AND ILLEGALITY

3.01 **Taxes.**

(a) Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes.

(i) Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable Laws. If any applicable Laws (as determined in the good faith discretion of the Administrative Agent) require the deduction or withholding of any Tax from any such payment by the Administrative Agent or a Loan Party, then the Administrative Agent or such Loan Party shall be entitled to make such deduction or withholding, upon the basis of the information and documentation to be delivered pursuant to subsection (e) below.

(ii) If any Loan Party or the Administrative Agent shall be required by applicable Laws to withhold or deduct any Taxes from any payment, then (A) such Loan Party or the Administrative Agent shall withhold or make such deductions as are determined by such Loan Party or the Administrative Agent to be required based upon the information and documentation it has received pursuant to subsection (e) below, (B) such Loan Party or the Administrative Agent shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with the applicable Laws, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the applicable Loan Party shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section 3.01) the applicable Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(b) Payment of Other Taxes by the Loan Parties. Without limiting the provisions of subsection (a) above, the Loan Parties shall timely pay to the relevant Governmental Authority in accordance with applicable Laws, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(c) Tax Indemnifications.

(i) Subject to the last sentence hereof, each of the Loan Parties shall, and does hereby, jointly and severally indemnify each Recipient, and shall make payment in respect thereof within ten days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 3.01) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Parent Borrower by a Lender or the L/C Issuer (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender or the L/C Issuer, shall be conclusive absent manifest error. Subject to the last sentence hereof, each of the Loan Parties shall, and does hereby, jointly and severally indemnify the Administrative Agent, and shall make payment in respect thereof within ten days after demand therefor, for any amount which a Lender or the L/C Issuer for any reason fails to pay indefeasibly to the Administrative Agent as required pursuant to Section 3.01(c)(ii) below. Notwithstanding any provision to the contrary contained herein or in any other of the Loan Documents, the obligations of the U.S. Loan Parties and the Canadian Loan Parties under Section 3.01(c)(i) are, in the case of any such obligations constituting Non-Canadian Obligations, joint and several among the U.S. Loan Parties, and, in the case of any such obligations constituting Canadian Obligations, joint and several among all Loan Parties.

(ii) Each Lender and the L/C Issuer shall, and does hereby, severally indemnify, and shall make payment in respect thereof within 10 days after demand therefor, (x) the Administrative Agent against any Indemnified Taxes attributable to such Lender or the L/C Issuer (but only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (y) the Administrative Agent and the Loan Parties, as applicable, against any Taxes attributable to such Lender's failure to comply with the provisions of Section 11.06(d) relating to the maintenance of a Participant Register and (z) the Administrative Agent and the Loan Parties, as applicable, against any Excluded Taxes attributable to such Lender or the L/C Issuer, in each case, that are payable or paid by the Administrative Agent or a Loan Party in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender and the L/C Issuer hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender or the L/C Issuer, as the case may be, under this Agreement or any other Loan Document against any amount due to the Administrative Agent under this clause (ii).

(d) Evidence of Payments. Upon request by any Loan Party or the Administrative Agent, as the case may be, after any payment of Taxes by such Loan Party or by the Administrative Agent to a Governmental Authority as provided in this Section 3.01, such Loan Party shall deliver to the Administrative Agent or the Administrative Agent shall deliver to such Loan Party, as the case may be, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of any return required by Laws to report such payment or other evidence of such payment reasonably satisfactory to such Loan Party or the Administrative Agent, as the case may be.

(e) Status of Lenders; Tax Documentation.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Parent Borrower and the Administrative Agent, at the time or times reasonably requested by the Parent Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Parent Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Parent Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Parent Borrower or the Administrative Agent as will enable the Parent Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 3.01(e)(ii)(A), 3.01(e)(ii)(B) and 3.01(e)(ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that any Borrower is a U.S. Person,

(A) any Lender that is a U.S. Person shall deliver to the Parent Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Parent Borrower or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Parent Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Parent Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed originals of IRS Form W-8BEN or W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" Article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" Article of such tax treaty;

(2) executed originals of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Internal Revenue Code, (x) a certificate substantially in the form of Exhibit H-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, a "10 percent shareholder" of any Borrower within the meaning of Section 881(c)(3)(B) of the Internal Revenue Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Internal Revenue Code (a "U.S. Tax Compliance Certificate") and (y) executed originals of IRS Form W-8BEN or W-8BEN-E, as applicable,; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or W-8BEN-E, as applicable, a U.S. Tax Compliance Certificate substantially in the form of Exhibit H-2 or Exhibit H-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit H-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Parent Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Parent Borrower or the

Administrative Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Parent Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Internal Revenue Code, as applicable), such Lender shall deliver to the Parent Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Parent Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Internal Revenue Code) and such additional documentation reasonably requested by the Parent Borrower or the Administrative Agent as may be necessary for the Parent Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the Closing Date.

(iii) Each Lender agrees that if any form or certification it previously delivered pursuant to this Section 3.01 expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Parent Borrower and the Administrative Agent in writing of its legal inability to do so.

(f) Treatment of Certain Refunds. Unless required by applicable Laws, at no time shall the Administrative Agent have any obligation to file for or otherwise pursue on behalf of a Lender or the L/C Issuer, or have any obligation to pay to any Lender or the L/C Issuer, any refund of Taxes withheld or deducted from funds paid for the account of such Lender or the L/C Issuer, as the case may be. If any Recipient determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified by any Loan Party or with respect to which any Loan Party has paid additional amounts pursuant to this Section 3.01, it shall pay to the Loan Party an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by a Loan Party under this Section 3.01 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) incurred by such Recipient, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that the Loan Party, upon the request of the Recipient, agrees to repay the amount paid over to the Loan Party (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Recipient in the event the Recipient is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this subsection, in no event will the applicable Recipient be required to pay any amount to the Loan Party pursuant to this subsection the payment of which would place the Recipient in a less favorable net after-Tax position than such Recipient would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This subsection shall not be construed to require any Recipient to make available its tax returns (or any other information relating to its taxes that it deems confidential) to any Loan Party or any other Person.

(g) Survival. Each party's obligations under this Section 3.01 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender or the L/C Issuer, the termination of the Commitments and the repayment, satisfaction or discharge of all other Obligations.

3.02 **Illegality.**

(a) If any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make, maintain or fund Loans whose interest is determined by reference to the Eurocurrency Rate, or to determine or charge interest rates based upon the Eurocurrency Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars or Canadian Dollars in the applicable interbank market, then, on notice thereof by such Lender to the Parent Borrower through the Administrative Agent, (i) any obligation of such Lender to make or continue Eurocurrency Rate Loans in the affected currency or currencies or, in the case of Eurocurrency Rate Loans in Dollars, to convert Base Rate Loans to Eurocurrency Rate Loans shall be suspended and (ii) if such notice asserts the illegality of such Lender making or maintaining Base Rate Loans the interest rate on which is determined by reference to the Eurocurrency Rate component of the Base Rate, the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Eurocurrency Rate component of the Base Rate, in each case until such Lender notifies the Administrative Agent and the Parent Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, (x) the applicable Borrower shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay or, if applicable and such Loans are denominated in Dollars, convert all Eurocurrency Rate Loans of such Lender to Base Rate Loans (the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Eurocurrency Rate component of the Base Rate), either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Eurocurrency Rate Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such Eurocurrency Rate Loans and (y) if such notice asserts the illegality of such Lender determining or charging interest rates based upon the Eurocurrency Rate, the Administrative Agent shall during the period of such suspension compute the Base Rate applicable to such Lender without reference to the Eurocurrency Rate component thereof until the Administrative Agent is advised in writing by such Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon the Eurocurrency Rate. Upon any such prepayment or conversion, the applicable Borrower shall also pay accrued interest on the amount so prepaid or converted.

(b) If, in any applicable jurisdiction, the Administrative Agent, the L/C Issuer or any Lender or any Designated Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for the Administrative Agent, the L/C Issuer or any Lender or its applicable Designated Lender to (i) perform any of its obligations hereunder or under any other Loan Document, (ii) to fund or maintain its participation in any Loan or Letter of Credit or (iii) issue, make, maintain, fund or charge interest or fees with respect to any Credit Extension, such Person shall promptly notify the Administrative Agent, then, upon the Administrative Agent notifying the Parent Borrower, and until such notice by such Person is revoked, any obligation of such Person to issue, make, maintain, fund or charge interest or fees

with respect to any such Credit Extension shall be suspended, and to the extent required by applicable Law, cancelled. Upon receipt of such notice, the Loan Parties shall, (A) repay that Person's participation in the Loans or other applicable Obligations on the last day of the Interest Period for each Loan or other Obligation occurring after the Administrative Agent has notified the Parent Borrower or, if earlier, the date specified by such Person in the notice delivered to the Administrative Agent (being no earlier than the last day of any applicable grace period permitted by applicable Law), (B) to the extent applicable to the L/C Issuer, Cash Collateralize that portion of applicable L/C Obligations comprised of the aggregate undrawn amount of Letters of Credit to the extent not otherwise Cash Collateralized and (C) take all reasonable actions requested by such Person to mitigate or avoid such illegality.

3.03 **Inability to Determine Rates.**

(a) If in connection with any request for a Eurocurrency Rate Loan or a conversion to or continuation thereof or otherwise, (i) the Administrative Agent determines (A) that deposits (whether in Dollars or Canadian Dollars) are not being offered to banks in the applicable interbank market for such currency for the applicable amount and Interest Period of such Eurocurrency Rate Loan, (B) adequate and reasonable means do not exist for determining the Eurocurrency Base Rate for any requested Interest Period with respect to a proposed Eurocurrency Rate Loan (whether in Dollars or Canadian Dollars) or in connection with an existing or proposed Base Rate Loan or (C) a fundamental change has occurred in the foreign exchange or interbank markets with respect to Canadian Dollars (including changes in national or international financial, political or economic conditions or currency exchange rates or exchange controls) (in each case with respect to this clause (i), "Impacted Loans"), or (ii) the Administrative Agent or any Lender determines that for any reason the Eurocurrency Base Rate for any requested Interest Period with respect to a proposed Eurocurrency Rate Loan does not adequately and fairly reflect the cost to the Lenders or such Lender of funding such Loan, the Administrative Agent will promptly notify the Parent Borrower and all Lenders. Thereafter, (x) the obligation of the Lenders to make or maintain Eurocurrency Rate Loans in the affected currency or currencies shall be suspended (to the extent of the affected Eurocurrency Rate Loans or Interest Periods) and (y) in the event of a determination described in the preceding sentence with respect to the Eurocurrency Rate component of the Base Rate, the utilization of the Eurocurrency Rate component in determining the Base Rate shall be suspended, in each case until the Administrative Agent revokes such notice. Upon receipt of such notice, the applicable Borrower may revoke any pending request for a Borrowing, conversion or continuation of Eurocurrency Rate Loans in the affected currency or currencies (to the extent of the affected Eurocurrency Rate Loans or Interest Periods), failing that, will be deemed to have converted such request into a request for a Borrowing of Base Rate Loans in Dollars in the amount specified therein.

(b) Notwithstanding the foregoing, if the Administrative Agent has made the determination described in Section 3.03(a)(i), the Administrative Agent, in consultation with the Parent Borrower and the affected Lenders, may establish an alternative interest rate for the applicable Impacted Loans, in which case, such alternative interest rate shall apply with respect to such Impacted Loans until (1) the Administrative Agent revokes the notice delivered with respect to the applicable Impacted Loans under the first sentence of this Section 3.03, (2) the Administrative Agent notifies the Parent Borrower that such alternative interest rate does not adequately and fairly reflect the cost to such Lenders of funding the applicable Impacted Loans, or (3) any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for such Lender or its applicable Lending Office to make, maintain or fund Loans whose interest is determined by reference to such alternative interest rate or to determine or charge interest rates based upon such rate or any Governmental Authority has imposed material restrictions on the ability of such Lender to do any of the foregoing and, in each case, such Lender provides the Administrative Agent and the Parent Borrower written notice thereof.

3.04 **Increased Costs.**

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender or the L/C Issuer (except any reserve requirement reflected in the Eurocurrency Rate);

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (e) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender or the L/C Issuer or the interbank market any other condition, cost or expense affecting this Agreement or Eurocurrency Rate Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making, converting to, continuing or maintaining any Loan the interest on which is determined by reference to the Eurocurrency Rate (or of maintaining its obligation to make any such Loan), or to increase the cost to such Lender or the L/C Issuer of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender or the L/C Issuer hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or the L/C Issuer, the Borrowers will pay to such Lender or the L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or the L/C Issuer, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender or the L/C Issuer determines that any Change in Law affecting such Lender or the L/C Issuer or any Lending Office of such Lender or such Lender's or the L/C Issuer's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or the L/C Issuer's capital or on the capital of such Lender's or the L/C Issuer's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit or Swing Line Loans held by, such Lender, or the Letters of Credit issued by the L/C Issuer, to a level below that which such Lender or the L/C Issuer or such Lender's or the L/C Issuer's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or the L/C Issuer's policies and the policies of such Lender's or the L/C Issuer's holding company with respect to capital adequacy or liquidity), then from time to time the Borrowers will pay to such Lender or the L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or the L/C Issuer or such Lender's or the L/C Issuer's holding company for any such reduction suffered.

(c) Mandatory Costs. If any Lender or the L/C Issuer incurs any Mandatory Costs attributable to the Obligations, then from time to time the Parent Borrower will pay (or cause the Canadian Borrower to pay) to such Lender or the L/C Issuer, as the case may be, such Mandatory Costs. Such amount shall be expressed as a percentage rate per annum and shall be payable on the full amount of the applicable Obligations.

(d) Certificates for Reimbursement. A certificate of a Lender or the L/C Issuer setting forth the amount or amounts necessary to compensate such Lender or the L/C Issuer or its holding company, as the case may be, as specified in Section 3.04(a), (b) or (c) and delivered to any Borrower shall be conclusive absent manifest error. The Borrowers shall pay such Lender or the L/C Issuer, as the case may be, the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(e) Delay in Requests. Failure or delay on the part of any Lender or the L/C Issuer to demand compensation pursuant to the foregoing provisions of this Section shall not constitute a waiver of such Lender's or the L/C Issuer's right to demand such compensation; provided that the Borrowers shall not be required to compensate a Lender or the L/C Issuer pursuant to the foregoing provisions of this Section 3.04 for any increased costs incurred or reductions suffered more than nine (9) months prior to the date that such Lender or the L/C Issuer, as the case may be, notifies the Parent Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or the L/C Issuer's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine (9) month period referred to above shall be extended to include the period of retroactive effect thereof).

3.05 **Compensation for Losses.**

Upon demand of any Lender (with a copy to the Administrative Agent) from time to time, the applicable Borrower shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of:

(a) any continuation, conversion, payment or prepayment of any Loan other than a Base Rate Loan on a day other than the last day of the Interest Period for such Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);

(b) any failure by any such Borrower (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert any Loan other than a Base Rate Loan on the date or in the amount notified by such Borrower;

(c) any assignment of a Eurocurrency Rate Loan on a day other than the last day of the Interest Period therefor as a result of a request by the Parent Borrower pursuant to Section 11.13; or

(d) any failure by any such Borrower to make payment of any Loan or drawing under any Letter of Credit (or interest due thereon) denominated in Canadian Dollars on its scheduled due date or any payment thereof in a different currency;

including any foreign exchange losses and any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained or from the performance of any foreign exchange contract. The applicable Borrower shall also pay any customary administrative fees charged by such Lender in connection with the foregoing.

For purposes of calculating amounts payable by a Borrower to the Lenders under this Section 3.05, each Lender shall be deemed to have funded each Eurocurrency Rate Loan made by it at the Eurocurrency Base Rate used in determining the Eurocurrency Rate for such Loan by a matching deposit or other borrowing in the interbank market for such currency for a comparable amount and for a comparable period, whether or not such Eurocurrency Rate Loan was in fact so funded.

3.06 **Mitigation Obligations; Replacement of Lenders.**

(a) Designation of a Different Lending Office. If any Lender requests compensation under Section 3.02(b) or Section 3.04, or any Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender, the L/C Issuer or any Governmental Authority for the account of any Lender or the L/C Issuer pursuant to Section 3.01, or if any Lender gives a notice pursuant to Section 3.02, then at the request of such Borrower, such Lender or the L/C Issuer shall, as applicable, use reasonable efforts to designate a different Lending Office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender or the L/C Issuer, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.01 or 3.04, as the case may be, in the future, or eliminate the need for the notice pursuant to Section 3.02, as applicable, and (ii) in each case, would not subject such Lender or the L/C Issuer, as the case may be, to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender or the L/C Issuer, as the case may be. Each Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender or the L/C Issuer in connection with any such designation or assignment.

(b) Replacement of Lenders. If any Lender requests compensation under Section 3.04, or if any Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, and, in each case, such Lender has declined or is unable to designate a different lending office in accordance with Section 3.06(a), the Parent Borrower may replace such Lender in accordance with Section 11.13.

3.07 **Survival.**

All of each Borrower's obligations under this Article III shall survive termination of the Commitments, repayment of all other Obligations hereunder and resignation of the Administrative Agent.

3.08 **LIBOR Successor Rate.**

Notwithstanding anything to the contrary in this Agreement, including Section 11.01, or any other Loan Documents, if the Administrative Agent determines (which determination shall be conclusive absent manifest error), or the Parent Borrower or Required Lenders notify the Administrative Agent (with, in the case of the Required Lenders, a copy to the Parent Borrower) that the Parent Borrower or Required Lenders (as applicable) have determined, that:

(a) adequate and reasonable means do not exist for ascertaining LIBOR for any requested Interest Period, including because the LIBOR Screen Rate is not available or published on a current basis and such circumstances are unlikely to be temporary;

(b) the administrator of the LIBOR Screen Rate or a Governmental Authority having jurisdiction over the Administrative Agent has made a public statement identifying a specific date after which LIBOR or the LIBOR Screen Rate shall no longer be made available, or used for determining the interest rate of loans (such specific date, the "Scheduled Unavailability Date"); or

(c) syndicated loans currently being executed, or that include language similar to that contained in this Section 3.08, are being executed or amended (as applicable) to incorporate or adopt a new benchmark interest rate to replace LIBOR;

then, reasonably promptly after such determination by the Administrative Agent or receipt by the Administrative Agent of such notice, as applicable, the Administrative Agent and the Parent Borrower may amend this Agreement to replace LIBOR with an alternate benchmark rate jointly selected by the Administrative Agent and the Parent Borrower (including any mathematical or other adjustments to the benchmark (if any) incorporated therein), giving due consideration to any evolving or then existing convention for similar Dollar denominated syndicated credit facilities for such alternative benchmarks (any such proposed rate, a "LIBOR Successor Rate"), together with any proposed LIBOR Successor Rate Conforming Changes and any such amendment shall become effective at 5:00 p.m. on the fifth Business Day after the Administrative Agent shall have posted such proposed amendment to the Lenders and the Parent Borrower unless, prior to such time, the Lenders comprising the Required Lenders have delivered to the Administrative Agent written notice that such Required Lenders do not accept such amendment and, if the Required Lenders shall not have objected to such LIBOR Successor Rate within five (5) Business Days after the posting thereof to the Lenders, then the Required Lenders shall be deemed to have agreed that such LIBOR Successor Rate is reasonable and shall have consented to the effectiveness of such LIBOR Successor Rate.

If no LIBOR Successor Rate has been determined and the circumstances under clause (a) above exist or the Scheduled Unavailability Date has occurred (as applicable), the Administrative Agent will promptly so notify the Parent Borrower and each Lender. Thereafter, (i) the obligation of the Lenders to make or maintain Eurocurrency Rate Loans shall be suspended, (to the extent of the affected Eurocurrency Rate Loans or Interest Periods), and (ii) the Eurocurrency Rate component shall no longer be utilized in determining the Base Rate. Upon receipt of such notice, the applicable Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of Eurocurrency Rate Loans (to the extent of the affected Eurocurrency Rate Loans or Interest Periods) or, failing that, will be deemed to have converted such request into a request for a Borrowing of Base Rate Loans (subject to the foregoing clause (ii)) in the amount specified therein.

Notwithstanding anything else herein, if any LIBOR Successor Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

ARTICLE IV.

GUARANTY

4.01 **The Guaranty.**

Each of the U.S. Guarantors hereby jointly and severally guarantees to each Lender, the L/C Issuer, each Swap Bank, each Treasury Management Bank, the Administrative Agent and each other holder of the Obligations as hereinafter provided, as primary obligor and not as surety, the prompt payment of all Obligations in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration, as a mandatory Cash Collateralization or otherwise) strictly in accordance with the terms thereof, and each of the Canadian Guarantors hereby jointly and severally guarantees to each Lender, the L/C Issuer, each Swap Bank, each Treasury Management Bank, the Administrative Agent and each other holder of the Obligations as hereinafter provided, as primary obligor and not as surety, the prompt payment of all Canadian Obligations in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration, as a mandatory Cash Collateralization or otherwise) strictly in accordance with the terms thereof (for each Guarantor, subject to the proviso in this sentence, its "Guaranteed Obligations"). The Guarantors hereby further agree that if any of the Guaranteed Obligations are not paid in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration, as a mandatory Cash Collateralization or otherwise), the Guarantors will, jointly and severally, promptly pay the same, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Obligations, the same will be promptly paid in full when due (whether at extended maturity, as a mandatory prepayment, by acceleration, as a mandatory Cash Collateralization or otherwise) in accordance with the terms of such extension or renewal.

Notwithstanding any provision to the contrary contained herein or in any other of the Loan Documents, Secured Swap Agreements or Secured Treasury Management Agreements, (i) the obligations of each Guarantor under this Agreement and the other Loan Documents shall be limited to an aggregate amount equal to the largest amount that would not render such obligations subject to avoidance under the Debtor Relief Laws or any comparable provisions of any applicable state law or other applicable Law**,** (ii) the Guaranteed Obligations of a Guarantor shall exclude any Excluded Swap Obligations with respect to such Guarantor, (iii) no Canadian Guarantor shall be liable in respect of any Non-Canadian Obligations, and (iv) the obligations of the U.S. Guarantors and the Canadian Guarantors under Section 4.01 are, in the case of any such obligations constituting Non-Canadian Obligations, joint and several among the U.S. Guarantors, and, in the case of any such obligations constituting Canadian Obligations, joint and several among all Guarantors.

4.02 **Obligations Unconditional.**

The obligations of the U.S. Guarantors and the Canadian Guarantors under Section 4.01 are, in the case of any such obligations constituting Non-Canadian Obligations, joint and several among the U.S. Guarantors, and, in the case of any such obligations constituting Canadian Obligations, joint and several among all Guarantors, absolute and unconditional, irrespective of the value, genuineness, validity, regularity or enforceability of any of the Loan Documents, Secured Swap Agreements or Secured Treasury Management Agreements or any other agreement or instrument referred to therein, or any substitution, release, impairment or exchange of any other guarantee of or security for any of the Obligations, and, to the fullest extent permitted by applicable law, irrespective of any law or regulation or other circumstance whatsoever which might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor, it being the intent of this Section 4.02 that the obligations of the U.S. Guarantors and the Canadian Guarantors hereunder shall be absolute and unconditional under any and all circumstances. Each Guarantor agrees that such Guarantor shall have no right of subrogation, indemnity, reimbursement or contribution against any Borrower or any other Guarantor for amounts paid under this Article IV until such time as the Obligations (other than contingent indemnification obligations that survive the termination of this Agreement) have been paid in full and the Commitments have expired or terminated. Without limiting the generality of the foregoing, it is agreed that, to the fullest extent permitted by law, the occurrence of any one or more of the following shall not alter or impair the liability of any Guarantor hereunder, which shall remain absolute and unconditional as described above:

(a) at any time or from time to time, without notice to any Guarantor, the time for any performance of or compliance with any of the Obligations shall be extended, or such performance or compliance shall be waived;

(b) any of the acts mentioned in any of the provisions of any of the Loan Documents, any Secured Swap Agreement, or any Secured Treasury Management Agreement, or any other agreement or instrument referred to in the Loan Documents, such Secured Swap Agreements or such Secured Treasury Management Agreements shall be done or omitted;

(c) the maturity of any of the Obligations shall be accelerated, or any of the Obligations shall be modified, supplemented or amended in any respect, or any right under any of the Loan Documents, any Secured Swap Agreement or any Secured Treasury Management Agreement, or any other agreement or instrument referred to in the Loan Documents, such Secured Swap Agreements or such Secured Treasury Management Agreements shall be waived or any other guarantee of any of the Obligations or any security therefor shall be released, impaired or exchanged in whole or in part or otherwise dealt with;

(d) any Lien granted to, or in favor of, the Administrative Agent or any other holder of the Obligations as security for any of the Obligations shall fail to attach or be perfected; or

(e) any of the Obligations shall be determined to be void or voidable (including, without limitation, for the benefit of any creditor of any Guarantor) or shall be subordinated to the claims of any Person (including, without limitation, any creditor of any Guarantor).

With respect to its obligations hereunder, each Guarantor hereby expressly waives diligence, presentment, demand of payment, protest and all notices whatsoever, and any requirement that the Administrative Agent or any other holder of the Obligations exhaust any right, power or remedy or proceed against any Person under any of the Loan Documents, any Secured Swap Agreement or any Secured Treasury Management Agreement or any other agreement or instrument referred to in the Loan Documents, such Secured Swap Agreements or such Secured Treasury Management Agreements, or against any other Person under any other guarantee of, or security for, any of the Obligations.

4.03 **Reinstatement.**

The obligations of the Guarantors under this Article IV shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of any Person in respect of the Obligations is rescinded or must be otherwise restored by any holder of any of the Obligations, whether as a result of any proceedings in bankruptcy, insolvency or reorganization or otherwise, and each Guarantor agrees that it will indemnify the Administrative Agent and each Lender on demand for all reasonable costs and expenses (including, without limitation, the fees, charges and disbursements of counsel) incurred by the Administrative Agent or such Lender in connection with such rescission or restoration, including any such costs and expenses incurred in defending against any claim alleging that such payment constituted a preference, fraudulent transfer or similar payment under any bankruptcy, insolvency or similar law.

4.04 **Certain Additional Waivers.**

Each Guarantor agrees that such Guarantor shall have no right of recourse to security for the Obligations, except through the exercise of rights of subrogation pursuant to Section 4.02 and through the exercise of rights of contribution pursuant to Section 4.06.

4.05 **Remedies.**

The Guarantors agree that, to the fullest extent permitted by law, as between the Guarantors, on the one hand, and the holders of the Obligations, on the other hand, the Obligations may be declared to be forthwith due and payable as provided in Section 9.02 (and shall be deemed to have become automatically due and payable in the circumstances provided in said Section 9.02) for purposes of Section 4.01 notwithstanding any stay, injunction or other prohibition preventing such declaration (or preventing the Obligations from becoming automatically due and payable) as against any other Person and that, in the event of such declaration (or the Obligations being deemed to have become automatically due and payable), the Guaranteed Obligations (whether or not due and payable by any other Person) shall forthwith become due and payable by the Guarantors for purposes of Section 4.01. The U.S. Guarantors acknowledge and agree that their obligations hereunder are secured in accordance with the terms of the Collateral Documents and that the holders of the Obligations may exercise their remedies thereunder in accordance with the terms thereof.

4.06 **Rights of Contribution.**

The Guarantors agree among themselves that, in connection with payments made hereunder, each Guarantor shall have contribution rights against the other Guarantors as permitted under applicable law. Such contribution rights shall be subordinate and subject in right of payment to the obligations of such Guarantors under the Loan Documents and no Guarantor shall exercise such rights of contribution until all Obligations (other than contingent indemnification obligations that survive the termination of this Agreement) have been paid in full and the Commitments have terminated.

4.07 **Guarantee of Payment; Continuing Guarantee.**

The guarantee in this Article IV is a guaranty of payment and not of collection, is a continuing guarantee, and shall apply to all Obligations whenever arising.

4.08 **Keepwell.**

Each Loan Party that is a Qualified ECP Guarantor at the time the Guaranty in this Article IV by any Loan Party that is not then an "eligible contract participant" under the Commodity Exchange Act (a "Specified Loan Party") or the grant of a security interest under the Loan Documents by any such Specified Loan Party, in either case, becomes effective with respect to any Swap Obligation, hereby, subject to the last sentence hereof, jointly and severally, absolutely, unconditionally and irrevocably undertakes to provide such funds or other support to each Specified Loan Party with respect to such Swap Obligation as may be needed by such Specified Loan Party from time to time to honor all of its obligations under the Loan Documents in respect of such Swap Obligation (but, in each case, only up to the maximum amount of such liability that can be hereby incurred without rendering such Qualified ECP Guarantor's obligations and undertakings under this Article IV voidable under applicable Debtor Relief Laws, and not for any greater amount). The obligations and undertakings of each applicable Loan Party under this Section shall remain in full force and effect until such time as the Obligations (other than contingent indemnification obligations that survive the termination of this Agreement) have been paid in full and the Commitments have expired or terminated. Each Loan Party intends this Section to constitute, and this Section shall be deemed to constitute, a guarantee of the obligations of, and a "keepwell, support, or other agreement" for the benefit of each Specified Loan Party for all purposes of the Commodity Exchange Act. Notwithstanding any provision to the contrary contained herein or in any other of the Loan Documents, the obligations of the U.S. Loan Parties and the Canadian Loan Parties under this Section 4.08 are, in the case of any such obligations constituting Non-Canadian Obligations, joint and several among the U.S. Loan Parties, and, in the case of any such obligations constituting Canadian Obligations, joint and several among all Loan Parties.

ARTICLE V.

CONDITIONS PRECEDENT TO CREDIT EXTENSIONS

5.01 **Closing Conditions.**

This Agreement shall become effective upon the satisfaction of all of the following conditions precedent:

(a) Loan Documents. Receipt by the Administrative Agent of executed counterparts of this Agreement, the Collateral Documents, a Note executed by each Borrower in favor of each Lender requesting a Note, and the Fee Letter, in each case, properly executed by a Responsible Officer of each signing Loan Party, the Administrative Agent and each Lender.

(b) No Material Adverse Change. There shall not have occurred since December 31, 2018 any event or condition that has had or could be reasonably expected, either individually or in the aggregate, to have a Material Adverse Effect.

(c) Litigation. There shall not exist as of the Closing Date, any action, suit, litigation proceeding or investigation pending against, or, to the knowledge of the Parent Borrower, threatened against or affecting or in any manner relating adversely to, the Loan Parties, any of their respective properties or the transactions contemplated hereby, before any court or arbitrator or any Governmental Authority that (i) would be reasonably likely to have a Material Adverse Effect, or (ii) which in any manner draws into question the legality, validity or enforceability of this Agreement or any other Loan Document, the consummation of the transactions contemplated hereby or thereby, or the ability of any Person to comply with any of the respective terms hereunder or thereunder.

(d) Opinions of Counsel. Receipt by the Administrative Agent of favorable opinions of legal counsel to the Loan Parties (including local counsel as requested by the Administrative Agent), addressed to the Administrative Agent and each Lender, dated as of the Closing Date, and in form and substance satisfactory to the Administrative Agent; provided that no opinions from local counsel in the states of Pennsylvania, New Hampshire, Virginia and New Jersey shall be required at closing.

(e) Organization Documents, Resolutions, Etc. Receipt by the Administrative Agent of the following, each of which shall be originals or facsimiles (followed promptly by originals to the extent requested by the Administrative Agent), in form and substance satisfactory to the Administrative Agent:

(i) copies of the Organization Documents of each Loan Party certified to be true and complete as of a recent date by the appropriate Governmental Authority of the state or other jurisdiction of its incorporation or organization, where applicable, and certified by a Responsible Officer of such Loan Party to be true and correct as of the Closing Date;

(ii) such certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of each Loan Party as the Administrative Agent may require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents to which such Loan Party is a party; and

(iii) such documents and certifications as the Administrative Agent may require to evidence that each Loan Party is duly organized or formed, and is validly existing, in good standing and qualified to engage in business in its state of organization or formation.

(f) Perfection and Priority of Liens. Receipt by the Administrative Agent of the following:

(i) searches of Uniform Commercial Code filings in the jurisdiction of formation of each U.S. Loan Party or where a filing would need to be made in order to perfect the Administrative Agent's security interest in the Collateral, copies of the financing statements on file in such jurisdictions and evidence that no Liens exist other than Permitted Liens;

(ii) UCC financing statements for each appropriate jurisdiction as is necessary, in the Administrative Agent's sole discretion, to perfect the Administrative Agent's security interest in the Collateral;

(iii) all certificates evidencing any certificated Equity Interests pledged to the Administrative Agent pursuant to the Security Agreement and the Canadian Pledge Agreement, together with duly executed in blank and undated stock powers attached thereto;

(iv) searches of ownership of, and Liens on, intellectual property of each U.S. Loan Party in the appropriate governmental offices;

(v) duly executed notices of grant of security interest in the form required by the Security Agreement as are necessary, in the Administrative Agent's sole discretion, to perfect the Administrative Agent's security interest in the intellectual property of the U.S. Loan Parties.

(g) Evidence of Insurance. Receipt by the Administrative Agent of copies of insurance policies or certificates of insurance of the Loan Parties evidencing liability and casualty insurance meeting the requirements set forth in the Loan Documents, including, but not limited to, naming the Administrative Agent as additional insured (in the case of liability insurance) or Lender's loss payee (in the case of hazard insurance) on behalf of the Lenders.

(h) Closing Certificate. Receipt by the Administrative Agent of a certificate signed by a Responsible Officer of the Parent Borrower certifying that (i) the conditions specified in Sections 5.01(b) and (c) and Sections 5.02(a) and (b) have been satisfied and (ii) the Parent Borrower and its Subsidiaries (after giving effect to this Agreement, the incurrence of Indebtedness hereunder and the use of the proceeds of the foregoing) are Solvent on a consolidated basis.

(i) Projected Financials. Receipt by the Administrative Agent of projected financial information for the Parent Borrower and its Subsidiaries for the fiscal years ending December 31, 2019 through December 31, 2020 in form and substance reasonably satisfactory to the Administrative Agent.

(j) Due Diligence; PATRIOT Act; Beneficial Ownership.

(i) Receipt by the Administrative Agent and the Lenders of any documentation and other information so requested in connection with applicable "know your customer" and anti-money-laundering rules and regulations, including the PATRIOT Act and the Canadian AML Acts, which the Administrative Agent and the Lenders shall be reasonably satisfied with.

(ii) If any Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, receipt by the Administrative Agent and each Lender, to the extent requested by the Administrative Agent or such Lender, of a Beneficial Ownership Certification in relation to such Borrower.

(k) Fees. Receipt by the Administrative Agent, the Arrangers and the Lenders of any fees required to be paid on or before the Closing Date.

(l) Attorney Costs. Unless waived by the Administrative Agent, the Parent Borrower shall have paid all reasonable fees, charges and disbursements of counsel to the Administrative Agent to the extent invoiced one (1) Business Day prior to the Closing Date, plus such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the closing proceedings (provided that such estimate shall not thereafter preclude a final settling of accounts between the Parent Borrower and the Administrative Agent).

(m) Other. Receipt by the Administrative Agent and the Lenders of such other documents, instruments, agreements and information as requested by the Administrative Agent or any Lender, including, but not limited to, information regarding litigation, tax, accounting, labor, insurance, pension liabilities (actual or contingent), real estate leases, material contracts, debt agreements, property ownership, contingent liabilities and management of the Parent Borrower and its Subsidiaries.

Without limiting the generality of the provisions of the last paragraph of Section 10.03, for purposes of determining compliance with the conditions specified in this Section 5.01, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

5.02 **Conditions to all Credit Extensions.**

The obligation of each Lender to honor any Request for Credit Extension (including any Request for Credit Extension on the Closing Date) is subject to the following conditions precedent:

(a) The representations and warranties of each Borrower and each other Loan Party contained in Article VI or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct in all material respects (without duplication of any materiality qualifiers) on and as of the date of such Credit Extension, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects (without duplication of any materiality qualifiers) as of such earlier date, and except that for purposes of this Section 5.02, the representations and warranties contained in subsections (a) and (b) of Section 6.05 shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 7.01.

(b) No Default shall exist, or would result from such proposed Credit Extension or from the application of the proceeds thereof.

(c) (i) Such Credit Extension shall be permitted to be incurred by the Parent Borrower and its Subsidiaries under the Series A-1 Certificate of Designation and (ii) if the incurrence of such Credit Extension is subject to compliance with a maximum Consolidated Debt Ratio (as defined in the Series A-1 Certificate of Designation) incurrence test under the Series A-1 Certificate of Designation, the Administrative Agent shall have received reasonably detailed calculations acceptable to the Administrative Agent demonstrating compliance with such incurrence test.

(d) The Administrative Agent and, if applicable, the L/C Issuer and/or the Swing Line Lender shall have received a Request for Credit Extension in accordance with the requirements hereof.

(e) With respect to any Credit Extension to be denominated in Canadian Dollars, there shall be no impediment, restriction, limitation or prohibition imposed under Law or by any Governmental Authority, as to the proposed financing under this Agreement or the repayment thereof or as to rights created under any Loan Document or as to application of the proceeds of the realization of any such rights.

Each Request for Credit Extension submitted by any Borrower shall be deemed to be a representation and warranty that the conditions specified in Sections 5.02(a), (b) and (c) have been satisfied on and as of the date of the applicable Credit Extension.

ARTICLE VI.

REPRESENTATIONS AND WARRANTIES

The Loan Parties represent and warrant to the Administrative Agent and the Lenders that:

6.01 **Existence, Qualification and Power.**

Each Loan Party (a) is duly organized or formed, validly existing and in good standing under the Laws of the jurisdiction of its incorporation or organization, (b) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (i) own or lease its assets and carry on its business and (ii) execute, deliver and perform its obligations under the Loan Documents to which it is a party, and (c) is duly qualified and is licensed and in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license; except in each case referred to in clause (b)(i) or (c), to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

6.02 **Authorization; No Contravention.**

The execution, delivery and performance by each Loan Party of each Loan Document to which such Person is party have been duly authorized by all necessary corporate or other organizational action, and do not (a) contravene the terms of any of such Person's Organization Documents; (b) conflict with or result in any breach or contravention of, or the creation of any Lien under, or require any payment to be made under (i) any material Contractual Obligation to which such Person is a party or affecting such Person or the properties of such Person or any of its Subsidiaries or (ii) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; or (c) violate any Law (including, without limitation, Regulation U or Regulation X issued by the FRB) except in each case referred to in clause (c), to the extent that such violation could not reasonably be expected to have a Material Adverse Effect.

6.03 **Governmental Authorization; Other Consents.**

No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Loan Party of this Agreement or any other Loan Document other than (a) those that have already been obtained and are in full force and effect and (b) filings to perfect the Liens created by the Collateral Documents.

6.04 **Binding Effect.**

Each Loan Document has been duly executed and delivered by each Loan Party that is party thereto. Each Loan Document constitutes a legal, valid and binding obligation of each Loan Party that is party thereto, enforceable against each such Loan Party in accordance with its terms, subject to the effect of any applicable bankruptcy, insolvency or other similar laws affecting creditors' rights generally or by principles of equity pertaining to the availability of equitable remedies.

6.05 **Financial Statements; No Material Adverse Effect.**

(a) The Audited Financial Statements (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein and (ii) fairly present in all material respects the financial condition of the Parent Borrower and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein.

(b) The Interim Financial Statements (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; and (ii) fairly present in all material respects the financial condition of the Parent Borrower and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby, subject, in the case of clauses (i) and (ii), to the absence of footnotes and to normal year-end audit adjustments.

(c) From December 31, 2016 to and including the Closing Date, there has been no Disposition by any Loan Party or any Subsidiary, or any Involuntary Disposition, of any material part of the business or property of any Loan Party or any Subsidiary, and no purchase or other acquisition by any of them of any business or property (including any Equity Interests of any other Person) material to any Loan Party or any Subsidiary, in each case, which is not reflected in the foregoing financial statements or in the notes thereto and has not otherwise been disclosed in writing to the Lenders on or prior to the Closing Date.

(d) The financial statements delivered pursuant to Section 7.01(a) and (b) have been prepared in accordance with GAAP (except as may otherwise be permitted under Section 7.01(a) and (b)) and present fairly in all material respects (on the basis disclosed in the footnotes to such financial statements) the consolidated financial condition, results of operations and cash flows of the Parent Borrower and its Subsidiaries as of the dates thereof and for the periods covered thereby.

(e) Since December 31, 2016, there has been no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect.

6.06 **Litigation.**

There are no actions, suits, proceedings, claims or disputes pending or, to the knowledge of the Loan Parties, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority, by or against any Loan Party or any of its Subsidiaries or against any of their properties or revenues that (a) purport to affect or pertain to this Agreement or any other Loan Document, or any of the transactions contemplated hereby or (b) could reasonably be expected to have a Material Adverse Effect.

6.07 **No Default.**

(a) Neither any Loan Party nor any Subsidiary is in default under or with respect to any Contractual Obligation that could reasonably be expected to have a Material Adverse Effect.

(b) No Default has occurred and is continuing.

6.08 **Ownership of Property; Liens.**

Each of Loan Party and its Subsidiaries has good record and marketable title in fee simple to, or valid leasehold interests in, all real property necessary or used in the ordinary conduct of its business, except for such defects in title as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The property of each Loan Party and its Subsidiaries is subject to no Liens, other than Permitted Liens.

6.09 **Environmental Compliance.**

Except as could not reasonably be expected to have a Material Adverse Effect:

(a) Each of the Facilities and all operations at the Facilities are in compliance with all applicable Environmental Laws, and there are no conditions relating to the Facilities or the Businesses that are in violation of any Environmental Law.

(b) None of the Facilities contains any Hazardous Materials at, on or under the Facilities in amounts or concentrations that, either, constitute a violation of Environmental Law, or as would reasonably be likely to give rise to Environmental Liability.

(c) Neither any Loan Party nor any Subsidiary has received any written or verbal notice of, or inquiry from any Governmental Authority regarding, any violation, alleged violation, non-compliance, liability or potential liability regarding, either, compliance with Environmental Laws or any release or threatened release of Hazardous Materials, with regard to any of the Facilities or the Businesses, nor does any Responsible Officer of any Loan Party have knowledge that any such notice is being threatened.

(d) Hazardous Materials have not been transported from or disposed of from, the Facilities, or generated, treated, stored or disposed of at, on or under any of the Facilities or any other location, in each case by or on behalf of any Loan Party or any Subsidiary, which in either event case would result in a violation of Environmental Laws, or would be conducted in a manner that would be reasonably likely to give rise to Environmental Liability.

(e) No judicial proceeding or governmental or administrative action is pending or, to the knowledge of the Loan Parties, threatened, under any Environmental Law to which any Loan Party or any Subsidiary is or will be named as a party, nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or other administrative or judicial requirements outstanding under any Environmental Law with respect to any Loan Party, any Subsidiary, the Facilities or the Businesses.

(f) There has been no release or threat of release of Hazardous Materials at or arising from the Facilities, in violation of or in amounts or in a manner that could give rise to liability under Environmental Laws.

6.10 **Insurance.**

(a) The properties of the Loan Parties and their Subsidiaries are insured with financially sound and reputable insurance companies not Affiliates of such Persons, in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where the applicable Loan Party or the applicable Subsidiary operates. The insurance coverage of the Loan Parties and their Subsidiaries as in effect on the Closing Date is outlined as to carrier, policy number, expiration date, type, amount and deductibles on Schedule 6.10.

(b) The Parent Borrower and its Subsidiaries maintain, if available, fully paid flood hazard insurance on all real property that is located in a special flood hazard area and that constitutes Collateral, on such terms and in such amounts as required by Flood Insurance Laws or as otherwise required by the Administrative Agent.

6.11 **Taxes.**

The Loan Parties and their Subsidiaries have filed all federal, state, provincial, territorial and other material tax returns and reports required to be filed, and have paid all federal, state, provincial, territorial and other material taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except those which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with GAAP. There is no proposed tax assessment against any Loan Party or any Subsidiary that would, if made, have a Material Adverse Effect. Neither any Loan Party nor any Subsidiary thereof is party to any tax sharing agreement.

6.12 **ERISA and Canadian Pension Plan Compliance.**

(a) Except as could not reasonably be expected to result in a Material Adverse Effect, each Plan is in compliance in all material respects with the applicable provisions of ERISA, the Internal Revenue Code and other applicable federal or state laws. Each Pension Plan that is intended to be a qualified plan under Section 401(a) of the Internal Revenue Code has received a favorable determination or opinion letter from the Internal Revenue Service to the effect that the form of such Plan is qualified under Section 401(a) of the Internal Revenue Code or an application for such a letter has been filed with the Internal Revenue Service. To the best knowledge of the Loan Parties, nothing has occurred that would reasonably be expected to cause the revocation of, such letter.

(b) There are no pending or, to the best knowledge of the Loan Parties, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that could be reasonably be expected to have a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that has resulted or could reasonably be expected to result in a Material Adverse Effect.

(c) No ERISA Event has occurred and neither any Borrower nor any ERISA Affiliate is aware of any fact, event or circumstance that could reasonably be expected to constitute or result in an ERISA Event with respect to any Pension Plan; (ii) each Borrower and each ERISA Affiliate has met all applicable requirements under the Pension Funding Rules in respect of each Pension Plan, and no waiver of the minimum funding standards under the Pension Funding Rules has been applied for or obtained for any Pension Plan; (iii) neither any Borrower nor any ERISA Affiliate has incurred any liability to the PBGC other than for the payment of premiums, and there are no premium payments which have become due that are unpaid; (iv) neither any Borrower nor any ERISA Affiliate has engaged in a transaction that could be subject to Section 4069 of ERISA; and (v) no Pension Plan has been terminated by the plan administrator thereof nor by the PBGC, and no event or circumstance has occurred or exists that could reasonably be expected to cause the PBGC to institute proceedings under Title IV of ERISA to terminate any Pension Plan.

(d) Provided that no Loan or Commitment is funded by any Lender with "plan assets" (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) of one or more Benefit Plans, each Borrower represents and warrants as of the Closing Date that such Borrower is not and will not be using such "plan assets" in connection with the Loans, the Letters of Credit or the Commitments.

(e) To the extent there are any Canadian Pension Plans: (i) except as could not reasonably be expected to result in a Material Adverse Effect, each such Canadian Pension Plan is in compliance in all material respects with the applicable Canadian pension benefits legislation; (ii) each such Canadian Pension Plan has received a confirmation of registration from the Canada Revenue Agency; (iii) to the best knowledge of the Loan Parties, nothing has occurred that would reasonably be expected to prevent or cause the revocation of, such registration referred to in clause (ii) above; and (iv) each applicable Loan Party and each Subsidiary has made all required contributions to each Canadian Pension Plan.

(f) To the extent there are any Canadian Pension Plans: (i) there are no pending or, to the best knowledge of the Loan Parties, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any such Canadian Pension Plan that could reasonably be expected to have a Material Adverse Effect; and (ii) there has been no prohibited transaction or violation of the fiduciary duty with respect to any such Canadian Pension Plan that has resulted or could reasonably be expected to result in a Material Adverse Effect.

(g) No Loan Party or Subsidiary maintains, contributes to, or has any liability or contingent liability with respect to, a Canadian Defined Benefit Pension Plan.

6.13 **Subsidiaries.**

Set forth on Schedule 6.13 is a complete and accurate list as of the Closing Date of each Subsidiary of any Loan Party, together with (a) jurisdiction of formation, (b) number of shares of each class of Equity Interests outstanding, (c) number and percentage of outstanding shares of each class owned (directly or indirectly) by any Loan Party or any Subsidiary and (d) number and effect, if exercised, of all outstanding options, warrants, rights of conversion or purchase and all other similar rights with respect thereto. The outstanding Equity Interests of each Subsidiary of any Loan Party are validly issued, fully paid and non-assessable.

6.14 **Margin Regulations; Investment Company Act.**

(a) No Loan Party is engaged nor will engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U issued by the FRB), or extending credit for the purpose of purchasing or carrying margin stock. Following the application of the proceeds of each Borrowing or drawing under each Letter of

Credit, not more than 25% of the value of the assets (either of any Borrower only or of the Parent Borrower and its Subsidiaries on a consolidated basis) subject to the provisions of Section 8.01 or Section 8.05 or subject to any restriction contained in any agreement or instrument between any Borrower and any Lender or any Affiliate of any Lender relating to Indebtedness and within the scope of Section 9.01(e) will be margin stock.

(b) None of any Loan Party, any Person Controlling any Loan Party, or any Subsidiary is or is required to be registered as an "investment company" under the Investment Company Act of 1940.

6.15 **Disclosure.**

Each Loan Party has disclosed to the Administrative Agent and the Lenders all agreements, instruments and corporate or other restrictions to which it or any of its Subsidiaries is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. No report, financial statement, certificate or other information (other than projections, pro formas, budgets and general industry and economic information) furnished (whether in writing or orally) by or on behalf of any Loan Party to the Administrative Agent or any Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder or under any other Loan Document (in each case, as modified or supplemented by other information so furnished), when taken as a whole, contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not materially misleading; provided that, with respect to projected financial information, the Loan Parties represent only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

6.16 **Compliance with Laws.**

Each Loan Party and each Subsidiary is in compliance with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to comply therewith could not reasonably be expected to have a Material Adverse Effect.

6.17 **Intellectual Property; Licenses, Etc.**

Each Loan Party and each Subsidiary owns, or possess the legal right to use, all of the trademarks, service marks, trade names, copyrights, patents, patent rights, franchises, licenses and other intellectual property rights (collectively, "IP Rights") that are reasonably necessary for the operation of their respective businesses. Set forth on Schedule 6.17 is a list of all IP Rights registered or pending registration with the United States Copyright Office or the United States Patent and Trademark Office and owned by each U.S. Loan Party as of the Closing Date. Except for such claims and infringements that could not reasonably be expected to have a Material Adverse Effect, no claim has been asserted and is pending by any Person challenging or questioning the use of any IP Rights or the validity or effectiveness of any IP Rights, nor does any Loan Party know of any such claim, and, to the knowledge of the Loan Parties, the use of any IP Rights by any Loan Party or any of its Subsidiaries or the granting of a right or a license in respect of any IP Rights from any Loan Party or any of its Subsidiaries does not infringe on the rights of any Person. As of the Closing Date, none of the IP Rights owned by any of the U.S. Loan Parties is subject to any licensing agreement or similar arrangement except as set forth on Schedule 6.17.

6.18 **Solvency.**

Each Borrower is now, and after giving effect to the Loans to be made hereunder, at all times will be, Solvent. The Loan Parties are, and after giving effect to the Loans to be made hereunder, at all times will be, Solvent on a consolidated basis.

6.19 **Perfection of Security Interests in the Collateral.**

The Collateral Documents create valid security interests in, and Liens on, the Collateral purported to be covered thereby, which security interests and Liens are currently perfected security interests and Liens, prior to all other Liens other than Permitted Liens.

6.20 **Business Locations.**

Set forth on Schedule 6.20(a) is a list that includes all material real property located in the United States that is owned or leased by the Loan Parties as of the Closing Date and an indication of which properties constitute Mortgaged Property. Set forth on Schedule 6.20(b) is the tax payer identification number and organizational identification number of each Loan Party as of the Closing Date. The exact legal name and state of organization of each Loan Party is as set forth on the signature pages hereto. Except as set forth on Schedule 6.20(c), no Loan Party has during the five (5) years preceding the Closing Date (to the best knowledge of the Loan Parties with respect to periods prior to the Parent Borrower's or any Subsidiary's ownership of any property or Person) (i) changed its legal name, (ii) changed its state of formation, or (iii) been party to a merger, amalgamation, consolidation or other change in structure.

6.21 **Labor Matters.**

There are no collective bargaining agreements or Multiemployer Plans covering the employees of any Loan Party or any Subsidiary as of the Closing Date and neither any Loan Party nor any Subsidiary is subject to any strikes, walkouts, work stoppages or other material labor difficulty as of the Closing Date.

6.22 **Government Sanctions.**

The Parent Borrower represents that neither the Parent Borrower nor any of its Subsidiaries (collectively, the "Company") or, to the knowledge of the Parent Borrower, any director, officer, employee, agent, affiliate or representative of the Parent Borrower nor any of its Subsidiaries is an individual or entity currently subject to any sanctions administered or enforced by any Governmental Authority of the United States, including without limitation, the U.S. Department of Treasury's Office of Foreign Assets Control, any Governmental Authority of Canada, the United Nations Security Council, the European Union, Her Majesty's Treasury, or other relevant sanctions authority ("Sanctions"), nor is the Parent Borrower located, organized or resident in a country or territory that is the subject of Sanctions.

6.23 **PATRIOT Act and Canadian AML Acts.**

To the extent applicable, the Parent Borrower and each Subsidiary is in compliance, in all material respects, with (a) the Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto, (b) the PATRIOT Act, and (c) the Canadian AML Acts.

6.24 **Anti-Corruption Laws.**

To the extent applicable, no part of the proceeds of any Loan or Letter of Credit will be used by any Loan Party, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended, the Corruption of Foreign Public Officials Act (Canada), or any similar laws, rules or regulations issued, administered or enforced by any Governmental Authority having jurisdiction over any of any Borrower or any other Loan Party.

6.25 **No EEA Financial Institution.**

No Loan Party is an EEA Financial Institution.

ARTICLE VII.

AFFIRMATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding (other than contingent indemnity obligations and Letters of Credit which have been Cash Collateralized), the Loan Parties shall and shall cause each Subsidiary to:

7.01 **Financial Statements.**

Deliver to the Administrative Agent (for further distribution to each Lender), in form and detail satisfactory to the Administrative Agent:

(a) within ninety (90) days after the end of each fiscal year of the Parent Borrower, beginning with the fiscal year ending December 31, 2019, a consolidated balance sheet of the Parent Borrower and its Subsidiaries as at the end of such fiscal year, and the related consolidated statements of income or operations, changes in shareholders' equity and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and prepared in accordance with GAAP, and in the case of such consolidated statements, audited and accompanied by a report and opinion of an independent certified public accountant of nationally recognized standing acceptable to Administrative Agent, which report and opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit (other than a qualification or exception for the fiscal year ending within twelve (12) months immediately preceding the scheduled maturity of the Loans solely as a result of such scheduled maturity) (the "Audited Financial Statements"); and

(b) within forty-five (45) days after the end of each of the first three fiscal quarters of each fiscal year of the Parent Borrower, beginning with the fiscal quarter ending June 30, 2019, a consolidated balance sheet of the Parent Borrower and its Subsidiaries as at the end of such fiscal quarter, and the related consolidated statements of income or operations, changes in shareholders' equity and cash flows for such fiscal quarter and for the portion of the Parent Borrower's fiscal year then ended, setting forth in each case in comparative form the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, all in reasonable detail and in the case of such consolidated statements, certified by a Responsible Officer of the Parent Borrower as fairly presenting in all material respects the financial condition, results of operations, shareholders' equity and cash flows of the Parent Borrower and its Subsidiaries in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes.

7.02 **Certificates; Other Information.**

Deliver to the Administrative Agent (for further distribution to each Lender), in form and detail satisfactory to the Administrative Agent:

(a) concurrently with the delivery of the financial statements referred to in Sections 7.01(a) and (b), (i) a duly completed Compliance Certificate signed by a Responsible Officer of the Parent Borrower (which, for the fiscal quarter of the Parent Borrower ending June 30, 2019, shall include a calculation of the Consolidated Total Leverage Ratio as of the end of such fiscal quarter giving effect on a Pro Forma Basis to any Acquisition consummated between July 1, 2019 and the date of delivery of such Compliance Certificate (the "Pro Forma Q2 Consolidated Total Leverage Ratio")) and (ii) a written business discussion by management of the results of the business of the Parent Borrower and its Subsidiaries for such period and highlighting performance drivers;

(b) within sixty (60) days after the end of each fiscal year of the Parent Borrower, beginning with the fiscal year ending December 31, 2019, an annual business plan and budget of the Parent Borrower and its Subsidiaries containing, among other things, pro forma financial statements for each month of the next fiscal year;

(c) promptly after the same are available, copies of each annual report, proxy or financial statement or other report or communication sent to all of the equityholders of any Loan Party generally in their capacity as such and not otherwise required to be delivered to the Administrative Agent pursuant hereto;

(d) promptly after any request by the Administrative Agent or any Lender, copies of any material detailed audit reports, management letters or written recommendations submitted to the board of directors (or the audit committee of the board of directors) of the Parent Borrower by independent accountants in connection with the accounts or books of the Parent Borrower or any Subsidiary, or any audit of any of them;

(e) promptly after the furnishing thereof, copies of any material statement or report furnished to any holder of debt securities of any Loan Party or any Subsidiary thereof pursuant to the terms of any indenture, loan or credit or similar agreement and not otherwise required to be furnished to the Lenders pursuant to Section 7.01 or any other clause of this Section 7.02;

(f) promptly, such additional information regarding the business, financial or corporate affairs of any Loan Party or any Subsidiary, or compliance with the terms of the Loan Documents, as the Administrative Agent or any Lender may from time to time request;

(g) promptly after the furnishing thereof, copies of any notices received by any Loan Party (other than in the ordinary course of business) with respect to, and copies of any amendment, modification or waiver with respect to the Series A-1 Preferred Equity Documents or any documentation evidencing any Subordinated Indebtedness or, as applicable, the documentation related to any Permitted Refinancing thereof, and not otherwise required to be furnished to the Lenders pursuant to any other clause of this Section 7.02;

(h) in the first Compliance Certificate required to be delivered following the date that any U.S. Loan Party acquires or otherwise obtains ownership of any new IP Rights, a certificate of a Responsible Officer of the Parent Borrower listing all such new IP Rights of such U.S. Loan Party registered with the USPTO or US Copyright Office, as applicable; and

(i) promptly after the preparation of the same, copies of all material reports or financial information filed with any governmental agency, department, bureau, division or other governmental authority or regulatory body, or evidencing facts or containing information which could have a Material Adverse Effect.

Documents required to be delivered pursuant to Section 7.01(a) or (b) or Section 7.02 (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Parent Borrower posts such documents, or provides a link thereto on the Parent Borrower's website on the Internet at the website address listed on Schedule 11.02; or (ii) on which such documents are posted on the Parent Borrower's behalf on an Internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); provided, that: (i) the Parent Borrower shall deliver paper copies of such documents to the Administrative Agent (for further distribution to any Lender requesting the same) until a written request to cease delivering paper copies is given by the Administrative Agent (upon receipt from the applicable Lender) and (ii) the Parent Borrower shall notify the Administrative Agent (by facsimile or electronic mail) of the posting of any such documents and provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents. The Administrative Agent shall have no obligation to request the delivery of or to maintain paper copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Parent Borrower with any such request for delivery by a Lender, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

The Parent Borrower hereby acknowledges that (a) the Administrative Agent and/or the Arrangers may, but shall not be obligated to, make available to the Lenders and the L/C Issuer materials and/or information provided by or on behalf of the Parent Borrower hereunder (collectively, the "Borrower Materials") by posting the Borrower Materials on Debt Domain, IntraLinks, Syndtrak or another similar electronic system (the "Platform") and (b) certain of the Lenders (each, a "Public Lender") may have personnel who do not wish to receive material non-public information with respect to the Parent Borrower or its Affiliates, or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such Person's securities. The Parent Borrower hereby agrees that (w) all Borrower Materials that are to be made available to Public Lenders shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Borrower Materials "PUBLIC," the Parent Borrower shall be deemed to have authorized the Administrative Agent, the Arrangers and the Lenders to treat such Borrower Materials as not containing any material non-public information with respect to the Parent Borrower or its securities for purposes of United States federal and state securities laws (provided, however, that to the extent such Borrower Materials constitute Information, they shall be treated as set forth in Section 11.07); (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated as "Public Side Information;" and (z) the Administrative Agent and the Arrangers shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform that is not designated as "Public Side Information."

7.03 **Notices.**

(a) Promptly (and in any event, within two (2) Business Days) notify the Administrative Agent (for further notification to each Lender) of the occurrence of any Default.

(b) Promptly (and in any event, within five (5) Business Days) notify the Administrative Agent (for further notification to each Lender) of any matter that has resulted or could reasonably be expected to result in a Material Adverse Effect, including (i) breach or non-performance of, or any default under, a Contractual Obligation of any Loan Party or any Subsidiary; (ii) any dispute, litigation, investigation, proceeding or suspension between any Loan Party or any Subsidiary and any Governmental Authority; or (iii) the commencement of, or any material development in, any litigation or proceeding affecting any Loan Party or any Subsidiary, including pursuant to any applicable Environmental Laws.

(c) Promptly (and in any event, within five (5) Business Days) notify the Administrative Agent (for further notification to each Lender) of (i) the occurrence of any ERISA Event or (ii) any failure by any Loan Party or any Subsidiary to perform its obligations under a Canadian Pension Plan which could reasonably be expected to result in a Material Adverse Effect.

(d) Promptly (and in any event, within five (5) Business Days) notify the Administrative Agent (for further notification to each Lender) of any material change in accounting policies or financial reporting practices by the Parent Borrower or any Subsidiary, including any determination by the Parent Borrower referred to in Section 2.10(b).

Each notice pursuant to this Section 7.03(a) through (d) shall be accompanied by a statement of a Responsible Officer of the Parent Borrower setting forth details of the occurrence referred to therein and stating what action the applicable Loan Party has taken and proposes to take with respect thereto. Each notice pursuant to Section 7.03(a) shall describe with particularity any and all provisions of this Agreement and any other Loan Document that have been breached.

7.04 **Payment of Obligations.**

Pay and discharge, as the same shall become due and payable all federal and material tax liabilities, assessments and governmental charges or levies upon it or its properties or assets, unless the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves in accordance with GAAP are being maintained by the Loan Party or such Subsidiary.

7.05 **Preservation of Existence, Etc.**

(a) Preserve, renew and maintain in full force and effect its legal existence under the Laws of the jurisdiction of its organization except in a transaction permitted by Section 8.04 or 8.05.

(b) Preserve, renew and maintain in full force and effect its good standing under the Laws of the jurisdiction of its organization, except to the extent the failure to do so could not reasonably be expected to have a Material Adverse Effect.

(c) Take all reasonable action to maintain all rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its business, except to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect.

(d) Preserve or renew all of its material registered patents, copyrights, trademarks, trade names and service marks, the non-preservation or non-renewal of which could reasonably be expected to have a Material Adverse Effect.

7.06 **Maintenance of Properties.**

(a) Maintain, preserve and protect all of its material properties and equipment necessary in the operation of its business in good working order and condition, ordinary wear and tear, casualty and condemnation excepted.

(b) Make all necessary repairs thereto and renewals and replacements thereof, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect.

(c) Use the standard of care typical in the industry in the operation and maintenance of its facilities.

7.07 **Maintenance of Insurance.**

(a) Maintain in full force and effect insurance (including worker's compensation insurance, liability insurance, casualty insurance and business interruption insurance) with reputable insurance companies not Affiliates of any Loan Party, in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where the applicable Loan Party or the applicable Subsidiary operates.

(b) Without limiting the foregoing, (i) maintain, if available, fully paid flood hazard insurance on all real property that is located in a special flood hazard area and that constitutes Collateral, on such terms and in such amounts as required by Flood Insurance Laws or as otherwise required by the Administrative Agent (but in no event less than the minimum amount and other conditions required by Flood Insurance Laws), (ii) furnish to the Administrative Agent evidence of the renewal (and payment of renewal premiums therefor) of all such policies prior to the expiration or lapse thereof, and (iii) furnish to the Administrative Agent prompt written notice of any redesignation of any such improved real property into or out of a special flood hazard area.

(c) Cause the Administrative Agent and its successors and/or assigns to be named as loss payee or mortgagee, as its interest may appear, and/or additional insured with respect to any such insurance providing coverage in respect of any Collateral, and each provider of any such insurance shall agree, by endorsement upon the policy or policies issued by it or by independent instruments furnished to the Administrative Agent, that it will endeavor to give the Administrative Agent thirty (30) days (or ten (10) days in the case of nonpayment of premiums) prior written notice before any such policy or policies shall be altered or canceled.

7.08 **Compliance with Laws.**

Comply with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its business or property, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted; or (b) the failure to comply therewith could not reasonably be expected to have a Material Adverse Effect.

7.09 **Books and Records.**

(a) Maintain proper books of record and account, in which full, true and correct entries in conformity with GAAP in all material respects consistently applied (except as disclosed therein and approved by the Administrative Agent in writing) shall be made of all financial transactions and matters involving the assets and business of such Loan Party or such Subsidiary, as the case may be.

(b) Maintain such books of record and account in material conformity with all applicable requirements of any Governmental Authority having regulatory jurisdiction over such Loan Party or such Subsidiary, as the case may be.

7.10 **Inspection Rights.**

Permit representatives and independent contractors of the Administrative Agent (and, to the extent accompanying the Administrative Agent, the Lenders, at their sole cost and expense) to visit and inspect any of its properties, to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its directors, officers, and, provided that the Parent Borrower is given the opportunity to be present, independent public accountants, all at the expense of the Parent Borrower and at such reasonable times during normal business hours upon reasonable advance notice to the Parent Borrower; provided, however, that (i) when an Event of Default exists the Administrative Agent (or any of their respective representatives or independent contractors) may do any of the foregoing at the expense of the Parent Borrower at any time during normal business hours and without advance notice, (ii) absent an Event of Default, the Parent Borrower shall only be required to pay for one such visit and/or inspection by the Administrative Agent per fiscal year.

7.11 **Use of Proceeds.**

Use the proceeds of the Credit Extensions (a) in the case of the Term Loan, to finance Permitted Acquisitions and to finance the fees, costs and expenses associated with the closing of this Agreement and (b) in the case of the Revolving Loans, to finance working capital and capital expenditures and for other general corporate purposes, including capital expenditures, Permitted Acquisitions, and Restricted Payments described in Section 8.06(h); provided that in no event shall the proceeds of the Credit Extensions be used in contravention of any Law or of any Loan Document.

7.12 **Additional Subsidiaries.**

(a) Within thirty (30) days (or such later date as the Administrative Agent may agree in its reasonable discretion) after the acquisition or formation of any Subsidiary notify the Administrative Agent thereof in writing, together with the (i) jurisdiction of formation, (ii) number of shares of each class of Equity Interests outstanding, (iii) number and percentage of outstanding shares of each class owned (directly or indirectly) by the Parent Borrower or any Subsidiary and (iv) number and effect, if exercised, of all outstanding options, warrants, rights of conversion or purchase and all other similar rights with respect thereto; and

(b) Within thirty (30) days (or such later date as the Administrative Agent may agree in its reasonable discretion) after the acquisition or formation of any Subsidiary (or such later date as the Administrative Agent may agree in its sole discretion), (i) (A) if such Subsidiary is a Domestic Subsidiary (unless such Domestic Subsidiary is (1) a FSHCO or (2) (x) a direct non-Wholly Owned Subsidiary of PARS ENVIRONMENTAL, Inc., a New Jersey corporation ("PARS"), or (y) with the consent of the Administrative Agent in consultation with the Parent

Borrower, any other non-Wholly Owned Subsidiary of Parent Borrower or a Guarantor which was acquired in a Permitted Acquisition; provided that, with respect to this clause (2), (I) the remaining Equity Interests of such Domestic Subsidiary are not held by the Parent Borrower or any Subsidiary of the Parent Borrower, and (II) such Domestic Subsidiary has no material assets or operations other than being party to one or more government contracts), cause such Person to become a U.S. Guarantor of the Obligations by executing and delivering to the Administrative Agent a Joinder Agreement or such other documents as the Administrative Agent shall deem appropriate for such purpose or (B) if such Subsidiary is a Canadian Subsidiary, cause such Person to become a Canadian Guarantor of the Canadian Obligations by executing and delivering to the Administrative Agent a Joinder Agreement or such other documents as the Administrative Agent shall deem appropriate for such purpose, and (ii) cause such Person required to become a U.S. Guarantor or a Canadian Guarantor to deliver to the Administrative Agent documents of the types referred to in Section 5.01(e) and, solely with respect to any such Person required to become a U.S. Guarantor, Section 5.01(f) and, if reasonably requested by the Administrative Agent, favorable opinions of counsel to such Person (which shall cover, among other things, the legality, validity, binding effect and enforceability of the documentation referred to in clause (i)(A) or (i)(B), as applicable), all in form, content and scope satisfactory to the Administrative Agent.

7.13 **ERISA Compliance and Canadian Pension Plan Compliance.**

(a) Do, and cause each of its ERISA Affiliates to do, each of the following: (i) maintain each Plan in compliance with the applicable provisions of ERISA, the Internal Revenue Code and other federal or state law, except to the extent that the failure to do so could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; (ii) cause each Plan that is qualified under Section 401(a) of the Internal Revenue Code to maintain such qualification; and (iii) make all required contributions to any Pension Plan subject to Section 412 or Section 430 of the Internal Revenue Code.

(b) Do, and cause each of its Subsidiaries to do, each of the following, upon the establishment of, or otherwise having in effect, or any liability or contingent liability with respect to, any Canadian Pension Plans: (i) maintain each such Canadian Pension Plan in compliance with the applicable Canadian pension benefits legislation, except to the extent that the failure to do so could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; (ii) cause each such Canadian Pension Plan that has received a confirmation of registration from the Canada Revenue Agency to maintain such registration so long as such registration is required or for so long as it or its Subsidiaries have any Canadian Pension Plans; and (iii) make all required contributions to each such Canadian Pension Plan.

7.14 **Pledged Assets.**

(a) Equity Interests. Cause (i) one hundred percent (100%) of the issued and outstanding Equity Interests of each Domestic Subsidiary directly owned by a U.S. Loan Party (other than any FSHCO) and (ii) sixty-five percent (65%) of the issued and outstanding Equity Interests entitled to vote (within the meaning of Treas. Reg. Section 1.956-2(c)(2)) and one hundred percent (100%) of the issued and outstanding Equity Interests not entitled to vote (within the meaning of Treas. Reg. Section 1.956-2(c)(2)) in each Foreign Subsidiary directly owned by a U.S. Loan Party and each FSHCO directly owned by a U.S. Loan Party to be subject at all times (subject, in the case of a newly acquired or formed Subsidiary, to the time periods described in Section 7.12(a) and (b), as applicable) to a first priority, perfected Lien in favor of the Administrative Agent, for the benefit of the holders of the Obligations, pursuant to the terms and conditions of the Collateral Documents (including, with respect to any Equity Interests in any Canadian Subsidiary

directly owned by any U.S. Loan Party, the Canadian Pledge Agreement or such other pledge agreement governed by the laws of Canada, in form and substance reasonably satisfactory to the Administrative Agent), together with opinions of counsel and any filings and deliveries reasonably requested by the Administrative Agent necessary in connection therewith to perfect the security interests therein, all in form and substance reasonably satisfactory to the Administrative Agent.

(b) Other Property. (i) Cause all of its owned and leased real and personal property other than Excluded Property of each U.S. Loan Party to be subject at all times (subject, in the case of a newly acquired or formed Subsidiary, to the time periods described in Section 7.12(a) and (b), as applicable) to first priority (subject to Permitted Liens), perfected and, in the case of owned real property with a purchase price or fair market value in excess of $2,000,000, title insured Liens in favor of the Administrative Agent, for the benefit of the holders of the Obligations, to secure the Obligations pursuant to the terms and conditions of the Collateral Documents or, with respect to any such property acquired subsequent to the Closing Date, such other additional security documents as the Administrative Agent shall reasonably request, subject in any case to Permitted Liens and (ii) deliver such other documentation as the Administrative Agent may reasonably request in connection with the foregoing, including, without limitation, appropriate UCC-1 financing statements, real estate title insurance policies, surveys, environmental reports, landlord's waivers, flood search determinations (and evidence of any required flood insurance), filings and deliveries necessary to perfect such Liens, Organization Documents, resolutions, and favorable opinions of counsel to such Person (which shall cover, among other things, the legality, validity, binding effect and enforceability of the documentation referred to above and the perfection of the Administrative Agent's Liens thereunder) and other items of the types required to be delivered pursuant to Section 5.01(f) and (g), all in form, content and scope satisfactory to the Administrative Agent. Notwithstanding anything contained in this Agreement to the contrary, no Mortgage shall be executed and delivered with respect to any owned real property unless and until each Lender has received, at least twenty (20) business days in advance of such execution and delivery, a life of loan flood zone determination and such other documents as it may reasonably request to complete its flood insurance due diligence and has confirmed to the Administrative Agent that flood insurance due diligence and flood insurance compliance have been completed to its satisfaction; provided that the failure of a U.S. Loan Party to cause a Mortgage to be filed in accordance with this Section 7.14(b) as a result of the failure of a Lender to provide such confirmation shall not result in a Default hereunder.

7.15 **Further Assurances.**

Promptly upon request by the Administrative Agent, or any Lender through the Administrative Agent, (a) correct any material defect or error that may be discovered in any Loan Document or in the execution, acknowledgment, filing or recordation thereof, and (b) do, execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register any and all such further acts, deeds, certificates, assurances and other instruments (including promptly completing any registration or stamping of documents as may be applicable) as the Administrative Agent, or any Lender through the Administrative Agent, may reasonably require from time to time in order to (i) carry out more effectively the purposes of the Loan Documents, (ii) to the fullest extent permitted by applicable Law, subject any U.S. Loan Party's or any of its Subsidiaries' properties, assets, rights or interests to the Liens now or hereafter intended to be covered by any of the Collateral Documents, (iii) perfect and maintain the validity, effectiveness and priority of any of the Collateral Documents and any of the Liens intended to be created thereunder and (iv) assure, convey, grant, assign, transfer, preserve, protect and confirm more effectively unto the holders of the Obligations the rights granted or now or hereafter intended to be granted to the holders of the Obligations under any Loan Document or under any other instrument executed in connection with any Loan Document to which any Loan Party or any of its Subsidiaries is or is to be a party, and cause each of its Subsidiaries to do so.

7.16 **Compliance with Environmental Laws.**

Comply, and cause all lessees and other Persons operating or occupying its properties to comply, in all material respects, with all applicable Environmental Laws; obtain and renew all environmental permits necessary for its operations and properties, except to the extent the failure to obtain or renew the applicable permit could not reasonably be expected to result in a Material Adverse Effect; and conduct any investigation, study, sampling and testing, and undertake any cleanup, removal, remedial or other action necessary to remove and clean up all Hazardous Materials from any of its properties, in accordance in all material respects with the requirements of all Environmental Laws; provided, however, that neither the Parent Borrower nor any of its Subsidiaries shall be required to undertake any such cleanup, removal, remedial or other action to the extent that its obligation to do so is being contested in good faith and by proper proceedings and appropriate reserves are being maintained with respect to such circumstances in accordance with GAAP.

7.17 **Deposit Accounts.**

Maintain each Loan Party's deposit accounts with the Administrative Agent, other than (i) deposit accounts with any other financial institution for which the applicable U.S. Loan Party has obtained an account control agreement in favor of the Administrative Agent, in form and substance reasonably satisfactory to the Administrative Agent, (ii) other deposit accounts of the U.S. Loan Parties with balances which shall not exceed $1,000,000 in the aggregate for all such accounts at any one time and (iii) other deposit accounts of the Canadian Loan Parties with balances which shall not exceed $500,000 in the aggregate for all such accounts at any one time; provided, however, that following the acquisition of any Subsidiary, such Subsidiary shall not be required to comply with this Section 7.17 until the date 90 days after such Subsidiary is added as a Guarantor in accordance with Section 7.12(b) (or such later date as the Administrative Agent may agree in its sole discretion).

7.18 **Activities of the Parent Borrower.**

Use commercially reasonable efforts to cause the Parent Borrower to not have any material operations or activities, or own any assets, related to the business of the Parent Borrower and its Subsidiaries, other than (a) operations and activities conducted by, and assets owned by, the Parent Borrower as of the Closing Date, (b) other operations and activities, and other assets, similar to those conducted or owned, as the case may be, by the Parent Borrower on the Closing Date or consistent with past practices of the Parent Borrower, and (c) other operations, activities or assets approved by the Administrative Agent.

ARTICLE VIII.

NEGATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding (other than contingent indemnity obligations and Letters of Credit which have been Cash Collateralized), no Loan Party shall, nor shall it permit any Subsidiary to, directly or indirectly:

8.01 **Liens.**

Create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, other than the following:

(a) Liens pursuant to any Loan Document;

(b) Liens existing on the Closing Date and listed on Schedule 8.01 and any renewals or extensions thereof, provided that (i) the property covered thereby is not changed, (ii) the amount secured or benefited thereby is not increased (except by accrued interest and any applicable fees), (iii) the direct or any contingent obligor with respect thereto is not changed, and (iv) any renewal or extension of the obligations secured or benefited thereby is permitted by Section 8.03(b);

(c) Liens (other than Liens imposed under ERISA or in respect of a Canadian Pension Plan) for taxes, assessments or governmental charges or levies (i) not yet due or which are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with GAAP or (ii) the non-payment of which is permitted by Section 7.04;

(d) statutory (and contractual restatements thereof) Liens of landlords and Liens of carriers, warehousemen, mechanics, materialmen and suppliers and other Liens imposed by law (and contractual restatements thereof) or pursuant to customary reservations or retentions of title arising in the ordinary course of business, provided that such Liens secure only amounts (i) not then due, (ii) if due, not yet overdue by more than thirty (30) days, (iii) that if overdue by more than thirty (30) days, no action has been taken to enforce the same or are being contested in good faith by appropriate proceedings for which adequate reserves determined in accordance with GAAP have been established;

(e) pledges or deposits in the ordinary course of business in connection with workers' compensation, unemployment insurance and other social security legislation, other than any Lien imposed by ERISA or in respect of a Canadian Pension Plan;

(f) deposits to secure the performance of bids, trade contracts and leases (other than Indebtedness), statutory obligations, surety, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(g) easements, rights-of-way, restrictions and other similar encumbrances affecting real property which, in the aggregate, do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the applicable Person;

(h) Liens securing judgments for the payment of money (or appeal or other surety bonds relating to such judgments) not constituting an Event of Default under Section 9.01(h);

(i) Liens securing Indebtedness permitted under Section 8.03(e); provided that (i) such Liens do not at any time encumber any property other than the property financed by such Indebtedness and the proceeds thereof, (ii) the Indebtedness secured thereby does not exceed the cost (negotiated on an arm's length basis) of the property being acquired on the date of acquisition and (iii) such Liens attach to such property concurrently with or within ninety (90) days after the acquisition thereof;

(j) leases or subleases granted to others not interfering in any material respect with the business of any Loan Party or any of its Subsidiaries;

(k) any interest of title of a lessor under, and Liens arising from UCC financing statements (or equivalent filings, registrations or agreements in foreign jurisdictions) relating to, leases permitted by this Agreement;

(l) Liens deemed to exist in connection with Investments in repurchase agreements permitted under Section 8.02;

(m) normal and customary rights of setoff upon deposits of cash in favor of banks or other depository institutions;

(n) Liens of a collection bank arising under Section 4-210 of the Uniform Commercial Code on items in the course of collection;

(o) Liens of sellers of goods to the Parent Borrower and any of its Subsidiaries arising under Article 2 of the Uniform Commercial Code or similar provisions of applicable law in the ordinary course of business, covering only the goods sold and securing only the unpaid purchase price for such goods and related expenses;

(p) Liens, if any, in favor of the Administrative Agent on Cash Collateral delivered pursuant to Section 2.14(a);

(q) Liens in favor of customs and revenues authorities which secure payment of customs duties in connection with the importation of goods;

(r) Liens on premium refunds and insurance proceeds granted in favor of insurance companies (or their financing affiliates) in connection with the financing of insurance premiums;

(s) [reserved];

(t) Liens solely on cash earnest money deposits made by the Parent Borrower or a Subsidiary in connection with any letter of intent or purchase agreement permitted hereunder entered into by a Loan Party;

(u) non-exclusive outbound licenses or sublicenses of IP Rights granted by any Loan Party in the ordinary course of business and not interfering in any material respect with the ordinary conduct of business of the Parent Borrower and its Subsidiaries, taken as a whole;

(v) Liens on Equity Interests or assets to be sold pursuant to an agreement entered into for the Disposition of all or substantially all the Equity Interests or assets of a Subsidiary or for any disposition of assets not constituting a Disposition, in each case to the extent permitted by the terms hereof, pending the closing of such Disposition or disposition; provided, that, in no event shall any such Liens secure (either directly or indirectly) the repayment of any Indebtedness;

(w) customary rights of first refusal and tag, drag and similar rights in joint venture agreements with respect to joint ventures;

(x) Liens on assets of Foreign Subsidiaries (other than Canadian Loan Parties) securing Indebtedness permitted under Section 8.03(q);

(y) [reserved]

(z) purported Liens on assets subject to operating leases of the Parent Borrower and its Subsidiaries evidenced by the filing of precautionary Uniform Commercial Code statements (or equivalent filings, registrations or agreements in foreign jurisdictions); provided that if a UCC financing statement (or equivalent filings, registrations or agreements in foreign jurisdictions) filed solely as a precautionary measure in connection with an operating lease of the Parent Borrower or any of its Subsidiaries includes a collateral description which is not acceptable to the Administrative Agent in its sole discretion, the Parent Borrower shall cause such UCC financing statement (or equivalent filings, registrations or agreements in foreign jurisdictions) to be amended within thirty (30) days after the Administrative Agent's request (or such later date acceptable to the Administrative Agent in its sole discretion) to include a collateral description which is acceptable to the Administrative Agent in its sole discretion; and

(aa) other Liens on assets, provided, that if such Liens secure Indebtedness, such Indebtedness shall not consist of Indebtedness for borrowed money and shall be in an aggregate amount not to exceed $1,000,000 at any time outstanding, and if such Liens do not secure Indebtedness, such Liens shall not attach to property with a fair market value in excess of $1,000,000 in the aggregate, as reduced by the amount of Indebtedness secured by Liens permitted under this clause (z).

8.02 **Investments.**

Make any Investments, except:

(a) Investments held by the Parent Borrower or such Subsidiary in the form of cash or Cash Equivalents;

(b) Investments existing as of the Closing Date and set forth in Schedule 8.02;

(c) (i) Investments in any Person that is a U.S. Loan Party prior to giving effect to such Investment, (ii) Investments by any Canadian Subsidiary of the Parent Borrower that is not a Canadian Loan Party in any Person that is a Canadian Loan Party prior to giving effect to such Investment, (iii) Investments by any Subsidiary of the Parent Borrower that is not a Loan Party in any other Subsidiary of the Parent Borrower that is not a Loan Party, (iv) Investments made by any U.S. Loan Party in any Canadian Loan Party in an aggregate amount not to exceed $5,000,000 in the aggregate outstanding at any time, (v) Investments made by any Loan Party in any Subsidiary that is not a Loan Party in an aggregate amount of all such Investments by the Loan Parties, in the aggregate with all Investments made by the Loan Parties and their Subsidiaries pursuant to Section 8.02(l), not to exceed $5,000,000 in the aggregate outstanding at any time, and (vi) Investments by any Canadian Loan Party in any other Canadian Loan Party;

(d) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business, and Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors to the extent reasonably necessary in order to prevent or limit loss;

(e) Guarantees permitted by Section 8.03;

(f) Permitted Acquisitions (including deposits of earnest money in connection therewith);

(g) non-cash consideration received in connection with Dispositions permitted by Section 8.05;

(h) repurchases of Equity Interests of the Parent Borrower permitted by Section 8.06;

(i) loans or advances to employees in the ordinary course of business in an aggregate principal amount not to exceed $1,000,000 at any one time outstanding;

(j) deposits, prepayments and advances to suppliers of amounts provided by customers for the purchase of materials and the preparation of goods and inventory in respect of customer contracts entered into in the ordinary course of business and consistent with past practices of the Parent Borrower and its Subsidiaries;

(k) Investments arising in connection with endorsement of negotiable instruments for deposit and customary trade arrangements with customers in the ordinary course of business and consistent with past practices of the Parent Borrower and its Subsidiaries;

(l) Investments made by any Loan Party or any Subsidiary of a Loan Party in joint ventures not constituting Subsidiaries in an aggregate amount of all such Investments in joint ventures, in the aggregate with all Investments made by the Loan Parties pursuant to Section 8.02(c)(v), not to exceed $5,000,000 in the aggregate outstanding at any time;

(m) Investments constituting Swap Obligations to the extent permitted hereunder;

(n) to the extent constituting an Investment, purchases and other acquisitions of inventory, materials, equipment, intangible property and other assets in the ordinary course of business;

(o) Investments consisting of loans and advances by Loan Parties to officers, directors and employees of the Parent Borrower and its Subsidiaries which are used solely by such Persons to facilitate purchase Equity Interests of the Parent Borrower so long as (i) the proceeds of such loans and advances are used in their entirety to purchase such Equity Interests of any direct or indirect parent of a Loan Party and (ii) such Investments do not exceed $6,000,000 in the aggregate at any time outstanding; and

(p) other Investments in an amount not to exceed $1,000,000 in the aggregate at any time outstanding.

8.03 **Indebtedness.**

Create, incur, assume or suffer to exist any Indebtedness, except:

(a) Indebtedness under the Loan Documents;

(b) Indebtedness of the Parent Borrower and its Subsidiaries existing on the Closing Date and set forth in Schedule 8.03 (and any Permitted Refinancing thereof);

(c) intercompany Indebtedness permitted under Section 8.02;

(d) obligations (contingent or otherwise) of the Parent Borrower or any Subsidiary existing or arising under any Swap Contract, provided that (i) such obligations are (or were) entered into by such Person in the ordinary course of business for the purpose of directly mitigating risks associated with liabilities, commitments, investments, assets, or property held or reasonably anticipated by such Person, or changes in the value of securities issued by such Person, and not for purposes of speculation or taking a "market view;" and (ii) such Swap Contract does not contain any provision exonerating the non-defaulting party from its obligation to make payments on outstanding transactions to the defaulting party;

(e) purchase money Indebtedness (including obligations in respect of Capital Leases or Synthetic Leases) hereafter incurred (or assumed pursuant to a Permitted Acquisition) by the Parent Borrower or any of its Subsidiaries to finance the purchase of fixed assets, and Permitted Refinancings thereof, provided that (i) the total of all such Indebtedness for all such Persons taken together shall not exceed an aggregate principal amount of $15,000,000 at any one time outstanding; and (ii) such Indebtedness when incurred shall not exceed the purchase price of the asset(s) financed;

(f) to the extent permitted under Section 8.06(f), Indebtedness arising under the Monitoring Fee Agreement;

(g) (i) the Existing Seller Indebtedness, (ii) the Seller Subordinated Indebtedness, and (iii) Earn Out Obligations, in the case of clauses (ii) and (iii), incurred in connection with Permitted Acquisitions;

(h) Indebtedness constituting customary indemnification obligations, purchase price adjustments or similar obligations incurred in connection with Permitted Acquisitions;

(i) Indebtedness incurred in favor of insurance companies (or their affiliates) in connection with the financing of insurance premiums in an amount not the exceed the premiums with respect to the applicable insurance policies;

(j) Indebtedness in respect of netting services, overdraft protections and otherwise in connections with deposit accounts to the extent incurred in the ordinary course of business;

(k) surety or performance bonds with respect to contracts for the performance of work entered into by the Parent Borrower or its Subsidiaries in the ordinary course of business;

(l) Guarantees with respect to Indebtedness permitted under this Section 8.03; provided such Guarantee is also permitted by Section 8.02 (other than Section 8.02(e));

(m) unsecured Indebtedness of any Loan Party consisting of promissory notes issued by any such Loan Party to employees, officers, directors, former employees, former officers, directors or former directors (or any spouses, ex-spouses, heirs, or estates of any of the foregoing) incurred in connection with the repurchase or redemption by such Loan Party of the Equity Interests of any direct or indirect parent of a Loan Party; provided, that, such Indebtedness (i) is subordinated to the Obligations on terms reasonably acceptable to the Administrative Agent and (ii) shall not exceed an aggregate principal amount of $6,000,000 at any one time outstanding;

(n) [reserved];

(o) Indebtedness in respect of workers' compensation claims, including guarantees or obligations of the Parent Borrower or any Subsidiary with respect to workers' compensation claims, (in each case other than for an obligation for money borrowed);

(p) customary obligations in respect of deferred compensation incurred in the ordinary course of business;

(q) Indebtedness of Foreign Subsidiaries (other than Canadian Loan Parties) in an aggregate amount not to exceed $2,500,000 at any time outstanding; and

(r) other Indebtedness in an aggregate principal amount not to exceed $1,000,000 at any one time outstanding.

8.04 **Fundamental Changes.**

Merge, dissolve, liquidate, amalgamate, consolidate with or into another Person, or Dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favor of any Person; provided that, notwithstanding the foregoing provisions of this Section 8.04 but subject to the terms of Sections 7.12 and 7.14, (a) the Parent Borrower may merge or consolidate with any of its Subsidiaries (other than the Canadian Borrower); provided, that, the Parent Borrower shall be the continuing or surviving corporation, (b) the Canadian Borrower may merge, amalgamate or consolidate with any of its Subsidiaries; provided, that, the Canadian Borrower shall be the continuing or surviving corporation and it shall deliver a confirmation and acknowledgement, and other ancillary documents as reasonably requested by the Administrative Agent confirming that it is subject to all of the Canadian Obligations hereunder, (c) any Loan Party (other than any Borrower) may merge, amalgamate or consolidate with any other Loan Party (other than any Borrower), (d) any Foreign Subsidiary (other than the Canadian Borrower) may be merged, amalgamated or consolidated with or into any Loan Party; provided, that, that such Loan Party shall be the continuing or surviving corporation, (e) any Foreign Subsidiary (other than a Canadian Loan Party) may be merged, amalgamated or consolidated with or into any other Foreign Subsidiary, (f) subject to clause (a) and (b) above and provided that the surviving Person is a Loan Party, the Parent Borrower or any Subsidiary of the Parent Borrower may merge or amalgamate with any other Person in connection with a Permitted Acquisition, and (g) any Subsidiary of the Parent Borrower (other than the Canadian Borrower) may dissolve, liquidate or wind up its affairs at any time provided that such dissolution, liquidation, or winding up, as applicable, could not have a Material Adverse Effect and provided that the assets of such Subsidiary are transferred to a U.S. Loan Party (if such Subsidiary is a Domestic Subsidiary) or a Loan Party (if such Subsidiary is a Foreign Subsidiary) prior to such dissolution, liquidation, or winding up.

8.05 **Dispositions.**

Make any Disposition except: Dispositions by the Parent Borrower or any Subsidiary which are made for fair market value, if the aggregate fair market value of all assets so subject to any such Dispositions by the Parent Borrower and its Subsidiaries shall not exceed $500,000, individually or in the aggregate, in any fiscal year.

8.06 **Restricted Payments.**

Declare or make, directly or indirectly, any Restricted Payment or pay or accrue any management fees or similar fees to any of its equityholders or any Affiliate thereof (including any monitoring fees payable to Compass Partners, L.L.C. pursuant to the Monitoring Fee Agreement), or incur any obligation (contingent or otherwise) to do so, except that:

(a) (i) each Subsidiary may make Restricted Payments to any U.S. Loan Party, (ii) any Subsidiary (other than a U.S. Loan Party) may make Restricted Payments to any Canadian Loan Party, and (iii) any U.S. Loan Party may make Restricted Payments to any Canadian Loan Party in an aggregate amount not to exceed $500,000 in any fiscal year;

(b) the Parent Borrower and each Subsidiary may declare and make dividend payments or other distributions payable solely in the Equity Interests (other than Disqualified Stock) of such Person;

(c) the Loan Parties may make non-cash repurchases of Equity Interests deemed to occur upon the exercise of equity options;

(d) non-Loan Party Subsidiaries may make distributions to the Parent Borrower and any other Subsidiary of the Parent Borrower;

(e) so long as no Default exists or would result therefrom, the Parent Borrower may pay cash dividends to its parent to enable it to pay, or the Parent Borrower may pay, (i) redemptions for cash of equity, rights to acquire equity or cash payments with respect to phantom stock units, in each case if owned by an officer or employee of any Loan Party upon termination of employment of such Person, and (ii) cash payments in lieu of the issuance of fractional units upon the exercise or conversion of options or other equity equivalents, provided that the aggregate amount of all such redemptions or payments under the immediately preceding clauses (i) and (ii) shall not exceed $1,000,000 in the aggregate (excluding proceeds of issuances of Equity Interests used for such purpose);

(f) the Parent Borrower may accrue monitoring fees due under the Monitoring Fee Agreement to Compass Partners, L.L.C. and may pay such accrued fees (and any accrued interest in respect thereof) through the issuance of Equity Interest of the Parent Borrower (but shall not pay in cash);

(g) the Parent Borrower may accrue dividends and pay such dividends in kind (but may not pay such dividends in cash, other than cash payments permitted under Section 8.06(h) or (l)) in respect of the Series A-1 Preferred Equity;

(h) after December 31, 2019, the Parent Borrower may make cash payments of dividends with respect to the Series A-1 Preferred Equity (or cash payments in respect of accrued but unpaid dividends with respect to the Series A-1 Preferred Equity); provided that (i) upon giving effect to such payment on a Pro Forma Basis, (x) the Loan Parties would be in compliance with the financial covenant set forth in Section 8.11(b) and (y) the Consolidated Total Leverage Ratio would not be greater than 2.50 to 1.0, and (ii) no Default exists both before and after giving effect to such payment;

(i) the Loan Parties may make Restricted Payments made in the form of the issuance of promissory notes permitted under Section 8.03(m), and payments made in respect of such promissory notes to the extent such payments are otherwise permitted hereunder and are not made in violation of the applicable subordination provisions applicable thereto;

(j) [reserved];

(k) [reserved]; and

(l) upon the occurrence of a Qualifying IPO, the Parent Borrower may redeem the Series A-1 Preferred Equity and all accrued but unpaid dividends in respect thereof; provided that (i) the Parent Borrower shall have made all prepayments required pursuant to Section 2.05(b)(iv) with respect to the Qualifying IPO, (ii) upon giving effect to such redemption on a Pro Forma Basis, the Consolidated Total Leverage Ratio would not be greater than 3.00 to 1.0, and (iii) no Default exists both before and after giving effect to such redemption.

8.07 **Change in Nature of Business.**

Engage in any material line of business substantially different from those lines of business conducted by the Parent Borrower and its Subsidiaries on the Closing Date or any business related or incidental thereto.

8.08 **Transactions with Affiliates and Insiders.**

Enter into or permit to exist any transaction or series of transactions with any officer, director or Affiliate of such Person other than (a) advances of working capital to any Loan Party, (b) transfers of cash and assets to any Loan Party, (c) transactions expressly permitted by Section 8.02, Section 8.03, Section 8.04, Section 8.05 or Section 8.06, (d) normal and reasonable compensation and reimbursement of expenses of officers and directors in the ordinary course of business, (e) except as otherwise specifically limited in this Agreement, other transactions which are entered into in the ordinary course of such Person's business on terms and conditions substantially as favorable to such Person as would be obtainable by it in a comparable arms-length transaction with a Person other than an officer, director or Affiliate, (f) the payments set forth in the Monitoring Fee Agreement to the extent permitted hereunder, (g) as set forth on Schedule 8.08, (h) the Series A-1 Preferred Equity Documents, and (i) tax sharing agreements among the Loan Parties and their Subsidiaries.

8.09 **Burdensome Agreements.**

(a) Enter into, or permit to exist, any Contractual Obligation that encumbers or restricts on the ability of any such Person to (i) pay dividends or make any other distributions to any Loan Party on its Equity Interests or with respect to any other interest or participation in, or measured by, its profits, (ii) pay any Indebtedness or other obligation owed to any Loan Party, (iii) make loans or advances to any Loan Party, (iv) sell, lease or transfer any of its property to any Loan Party, (v) pledge its property pursuant to the Loan Documents or any renewals, refinancings, exchanges, refundings or extension thereof or (vi) act as a Loan Party pursuant to the Loan Documents or any renewals, refinancings, exchanges, refundings or extension thereof, except (in respect of any of the matters referred to in clauses (i) through (iv) above) for (1) this Agreement and the other Loan Documents, (2) any document or instrument governing Indebtedness incurred pursuant to Section 8.03(e), provided that any such restriction contained therein relates only to the asset or assets constructed or acquired in connection therewith and the proceeds thereof, (3) any Permitted Lien or any document or instrument governing any Permitted Lien, provided that any such restriction contained therein relates only to the asset or assets subject to such Permitted Lien, (4) customary restrictions imposed by corporate law, (5) customary restrictions and conditions contained in any agreement relating to the sale of any property permitted under Section 8.05 pending the consummation of such sale, (6) customary provisions restricting assignments, subletting or other transfers contained in leases, licenses or similar agreements entered into in the ordinary course of business, (7) customary restrictions on transfer of interests in a joint venture contained in governing agreements, or (8) the Series A-1 Preferred Equity Documents.

(b) Enter into, or permit to exist, any Contractual Obligation that prohibits or otherwise restricts the existence of any Lien upon any of its property in favor of the Administrative Agent (for the benefit of the holders of the Obligations) for the purpose of securing the Obligations, whether now owned or hereafter acquired, or requires the grant of any security for any obligation if such property is given as security for the Obligations, except (i) any document or instrument governing Indebtedness incurred pursuant to Section 8.03(e), provided that any such restriction contained therein relates only to the asset or assets constructed or acquired in connection therewith and the proceeds thereof, (ii) in connection with any Permitted Lien or any document or instrument governing any Permitted Lien, provided that any such restriction contained therein relates only to the asset or assets subject to such Permitted Lien, (iii) pursuant to customary restrictions and conditions contained in any agreement relating to the sale of any property permitted under Section 8.05, pending the consummation of such sale, (iv) customary provisions restricting assignments, subletting or other transfers contained in leases, licenses or similar agreements entered into in the ordinary course of business, or (v) customary restrictions on the encumbering of interests in a joint venture contained in governing agreements.

8.10 **Use of Proceeds.**

Use the proceeds of any Credit Extension, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulation U of the FRB) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose.

8.11 **Financial Covenants.**

(a) Consolidated Total Leverage Ratio. Permit the Consolidated Total Leverage Ratio as of the end of any fiscal quarter to be greater than (i) 3.75:1.00, beginning with the fiscal quarter ending June 30, 2019 and (ii) 4.00 to 1.0, beginning with the first fiscal quarter during which a Pro Forma Compliance Certificate is delivered in accordance with clause (f) of the definition of "Permitted Acquisition" (and such applicable Permitted Acquisition was subsequently consummated) or for which a Compliance Certificate is delivered pursuant to Section 7.02(a), in each case certifying therein that Consolidated EBITDA is at least $35,000,000 for the applicable period covered thereby, and for each fiscal quarter thereafter (it being understood that once any such certificate is delivered (and in the case of a Pro Forma Compliance Certificate, the applicable Permitted Acquisition is consummated), the maximum Consolidated Total Leverage Ratio permitted under this Section 8.11 for purposes of any incurrence or other test hereunder to determine if a specific transaction is permitted and for any other calculation of the Consolidated Total Leverage Ratio hereunder, shall be 4.00 to 1.0).

(b) Consolidated Fixed Charge Coverage Ratio. Permit the Consolidated Fixed Charge Coverage Ratio as of the end of any fiscal quarter of the Parent Borrower to be less than 1.25 to 1.0.

8.12 **Prepayment of Other Indebtedness, Etc.**

(a) Make (or give any notice with respect thereto) any voluntary or optional payment or prepayment of principal or redemption or acquisition for value of (including without limitation, by way of depositing money or securities with the trustee with respect thereto before due for the purpose of paying when due), refund, refinance or exchange of, or make any payment (in cash, in kind or otherwise) of interest with respect to, any Subordinated Indebtedness (other than (i) in accordance with the terms of the governing subordination terms and (ii) no such payment in cash shall be made so long as any Default or Event of Default exists or would result from such payment).

(b) Amend, modify or change (or permit the amendment, modification or change of) any of the terms or provisions of any of any Subordinated Indebtedness in a manner adverse to the Lenders or in a manner not permitted by the subordination terms applicable thereto.

8.13 **Organization Documents; Series A-1 Preferred Equity Documents; Fiscal Year; Legal Name, Jurisdiction of Formation and Form of Entity, Etc.**

(a) Amend, modify or change its Organization Documents in a manner adverse in any material respect to the Lenders.

(b) Amend, modify or change (or permit the amendment, modification or change of) the Series A-1 Preferred Equity Documents or any other terms or provisions governing the Series A-1 Preferred Equity in a manner adverse to the Lenders; provided further that, without limitation of the foregoing, no amendment, modification or change shall be made to the Series A-1 Certificate of Designation without the consent of the Administrative Agent;

(c) Change its fiscal year; provided, that the Loan Parties shall be permitted to change the fiscal year of any Persons which are acquired to match that of the Parent Borrower.

(d) Without providing ten (10) days (or such shorter period as may be agreed by the Administrative Agent in its reasonable discretion) prior written notice to the Administrative Agent, change its name, jurisdiction of formation or form of organization.

8.14 **Ownership of Subsidiaries.**

Notwithstanding any other provisions of this Agreement to the contrary, (a) permit any Person (other than any Loan Party or any Subsidiary of the Parent Borrower) to own any Equity Interests of any Subsidiary of any Loan Party, except (i) to qualify directors where required by applicable law or to satisfy other requirements of applicable law with respect to the ownership of Equity Interests of Foreign Subsidiaries and (ii) as a result of a transaction permitted under Section 8.02, (b) permit any Loan Party or any Subsidiary of any Loan Party to issue or have outstanding any shares of Disqualified Stock or (c) create, incur, assume or suffer to exist any Lien on any Equity Interests of any Subsidiary of any Loan Party, except for Permitted Liens.

8.15 **Sale Leasebacks.**

Enter into any Sale and Leaseback Transaction.

8.16 **Sanctions.**

Directly or indirectly, use the proceeds of any Loan or Letter of Credit, or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other individual or entity, to fund any activities of or business with any individual or entity, or in any country or territory, that, at the time of such funding, is the subject of Sanctions, or in any other manner that will result in a violation by any individual or entity (including any individual or entity participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Sanctions.

8.17 **Anti-Corruption Laws.**

Directly or indirectly, use any Credit Extension or the proceeds of any Credit Extension for any purpose which would breach the United States Foreign Corrupt Practices Act of 1977, the Corruption of Foreign Public Officials Act (Canada), the UK Bribery Act 2010 or other similar legislation in other jurisdictions.

8.18 **Controlled Substances.**

(a) Purchase, distribute, manufacture or provide testing or other services with respect to Cannabis or any other controlled substance in the United States or any jurisdiction in violation of applicable Law (including the Controlled Substances Act); or

(b) To the extent the Parent Borrower obtains an option to purchase a business that provides testing or other services with respect to Cannabis or any other controlled substance in the United States or any jurisdiction where Cannabis is illegal, Parent Borrower shall not exercise such option until Cannabis is no longer a controlled substance under the Controlled Substances Act, 21 U.S.C. § 841 and is no longer illegal under U.S. federal law.

8.19 **Canadian Defined Benefit Pension Plans.**

Maintain, contribute to, or incur any liability or contingent liability in respect of a Canadian Defined Benefit Pension Plan.

ARTICLE IX.

EVENTS OF DEFAULT AND REMEDIES

9.01 **Events of Default.**

Any of the following shall constitute an Event of Default:

(a) Non-Payment. Any Borrower or any other Loan Party fails to pay (i) when and as required to be paid herein and in the currency required hereunder any amount of principal of any Loan or any L/C Obligation, or (ii) within three (3) Business Days after the same becomes due, any interest on any Loan or on any L/C Obligation, or any fee due hereunder, or (iii) within five (5) Business Days after the same becomes due, any other amount payable hereunder or under any other Loan Document; or

(b) Specific Covenants. Any Loan Party fails to perform or observe any term, covenant or agreement contained in any of Section 7.03(a), 7.05(a), 7.10 or 7.11 or Article VIII, provided that the applicable Loan Party or Subsidiary may cure an Event of Default resulting solely from a breach of Section 7.05(a) solely from a Loan Party not being in good standing as described in Section 7.05(a) in a particular jurisdiction upon such Person becoming in good standing in such jurisdiction prior to dissolution proceedings having been instituted against it, so long as at no time could such failure to be in good standing have caused, or be reasonably expected to cause, a Material Adverse Effect; or

(c) Other Defaults. Any Loan Party fails to perform or observe any other covenant or agreement (not specified in subsection (a) or (b) above) contained in any Loan Document on its part to be performed or observed and such failure continues for thirty (30) days or more following the earlier to occur of (a) notice thereof furnished to any Loan Party by Administrative Agent or the Required Lenders and (b) the date any executive officer of a Loan Party has knowledge of the occurrence of the acts or omissions that constitute such failure; or

(d) Representations and Warranties. Any representation, warranty, certification or statement of fact made or deemed made by or on behalf of any Borrower or any other Loan Party herein, in any other Loan Document, or in any document delivered in connection herewith or therewith shall be incorrect or misleading in any material respect when made or deemed made; or

(e) Cross-Default. (i) Any Loan Party or any Subsidiary (A) fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of (x) any Subordinated Indebtedness or (y) any other Indebtedness or Guarantee (other than Indebtedness hereunder and Indebtedness under Swap Contracts) having an aggregate principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement) of more than the Threshold Amount, or (B) fails to observe or perform any other agreement or condition relating to any such Indebtedness or Guarantee or contained in any instrument or agreement evidencing, securing or relating thereto, the effect of which default or other event is to cause, or to permit the holder or holders of such Indebtedness or the beneficiary or beneficiaries of such Guarantee (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to be demanded or to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity, or such Guarantee to become payable or cash collateral in respect thereof to be demanded; or (ii) there occurs under any Swap Contract an early termination date (as defined in such Swap Contract) resulting from (A) any event of default under such Swap Contract as to which a Loan Party or any Subsidiary is the defaulting party (as defined in such Swap Contract) or (B) any termination event (as so defined) under such Swap Contract as to which a Loan Party or any Subsidiary is a party and, in either event, the Swap Termination Value owed by such Loan Party or such Subsidiary as a result thereof is greater than the Threshold Amount; provided, that in the event the Loan Parties are prohibited from making a payment with respect to Subordinated Indebtedness hereunder or pursuant to the applicable subordination terms in favor of the Lenders, such failure shall not be the basis for an Event of Default hereunder; or

(f) Insolvency Proceedings, Etc. Any Loan Party or any of its Subsidiaries (other than an Immaterial Subsidiary) institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; makes a proposal to its creditors or files a notice of intention to do so, institutes any other proceeding under applicable Law seeking to adjudicate it a bankrupt or an insolvent, or seeking liquidation, dissolution, winding-up, reorganization, compromise, arrangement, adjustment, protection, moratorium, relief, stay of proceedings of creditors, composition of it or its debts or any other similar relief; or applies for or consents to the appointment of any receiver, receiver-manager, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; or any receiver, receiver-manager, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for sixty (60) calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted without the consent of such Person and continues undismissed or unstayed for sixty (60) calendar days, or an order for relief is entered in any such proceeding; or

(g) Inability to Pay Debts; Attachment. (i) Any Loan Party or any of its Subsidiaries (other than an Immaterial Subsidiary) becomes unable or admits in writing its inability or fails generally to pay its debts as they become due, or (ii) any writ or warrant of attachment or execution or similar process is issued or levied against all or any material part of the property of any such Person and is not released, vacated or fully bonded within thirty (30) days after its issue or levy; or

(h) Judgments. There is entered against any Loan Party or any Subsidiary (i) one or more final judgments or orders for the payment of money in an aggregate amount exceeding the Threshold Amount (to the extent not covered by independent third-party insurance as to which the insurer does not dispute coverage), or (ii) any one or more non-monetary final judgments that have, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) there is a period of thirty (30) consecutive days during which such judgment is not satisfied, settled, discharged or a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect; or

(i) ERISA and Canadian Pension Plan. (i) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or could reasonably be expected to result in liability of any Loan Party under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount in excess of the Threshold Amount, (ii) any Borrower or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan in an aggregate amount in excess of the Threshold Amount, or (iii) any failure by any Loan Party or any Subsidiary to perform its obligations under a Canadian Pension Plan which has resulted or could reasonably be expected to result in liability of any Loan Party in an aggregate amount in excess of the Threshold Amount; or

(j) Invalidity of Loan Documents. Any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all the Obligations (other than contingent indemnification obligations that survive the termination of this Agreement), ceases to be in full force and effect in any material respect; or any Loan Party contests in any manner the validity or enforceability of any Loan Document; or any Loan Party denies that it has any or further liability or obligation under any Loan Document, or purports to revoke, terminate or rescind any Loan Document, other than in accordance with the terms thereof;

(k) Change of Control. There occurs any Change of Control;

(l) Series A-1 Preferred Equity. There occurs a Mandatory Redemption Event (as defined in the Series A-1 Certificate of Designation), other than an IPO (as defined in the Series A-1 Certificate of Designation).

(m) Invalidity of Subordination Provisions. The subordination provisions in any of the documents governing any Subordinated Indebtedness shall, in whole or part, terminate, cease to be effective or cease to be legally valid, binding and enforceable in any material respect against any holder of such Subordinated Indebtedness.

9.02 **Remedies Upon Event of Default.**

If any Event of Default occurs and is continuing, the Administrative Agent shall, at the request of, or may, with the consent of, the Required Lenders, take any or all of the following actions:

(a) declare the commitment of each Lender to make Loans and any obligation of the L/C Issuer to make L/C Credit Extensions to be terminated, whereupon such commitments and obligation shall be terminated;

(b) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by each Borrower;

(c) require that the Parent Borrower Cash Collateralize the L/C Obligations (in an amount equal to the Minimum Collateral Amount with respect thereto); and

(d) exercise on behalf of itself, the Lenders and the L/C Issuer all rights and remedies available to it, the Lenders and the L/C Issuer under the Loan Documents or applicable Law or at equity;

provided, however, that upon the occurrence of an actual or deemed entry of an order for relief with respect to any Borrower under any Debtor Relief Law, the obligation of each Lender to make Loans and any obligation of the L/C Issuer to make L/C Credit Extensions shall automatically terminate, the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable, and the obligation of the Parent Borrower to Cash Collateralize the L/C Obligations as aforesaid shall automatically become effective, in each case without further act of the Administrative Agent or any Lender.

9.03 **Application of Funds.**

After the exercise of remedies provided for in Section 9.02 (or after the Loans have automatically become immediately due and payable and the L/C Obligations have automatically been required to be Cash Collateralized as set forth in the proviso to Section 9.02), any amounts received on account of the Obligations shall, subject to the provisions of Sections 2.14 and 2.15, be applied by the Administrative Agent in the following order:

First, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to the Administrative Agent and amounts payable under Article III) payable to the Administrative Agent in its capacity as such;

Second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal, interest and Letter of Credit Fees) payable to the Lenders and the L/C Issuer (including fees, charges and disbursements of counsel to the respective Lenders and the L/C Issuer) arising under the Loan Documents and amounts payable under Article III, ratably among them in proportion to the respective amounts described in this clause Second payable to them;

Third, to payment of that portion of the Obligations constituting accrued and unpaid Letter of Credit Fees and interest on the Loans and L/C Borrowings and fees, premiums and scheduled periodic payments, and any interest accrued thereon, due under any Secured Swap Agreement, ratably among the Lenders, Swap Banks and the L/C Issuer in proportion to the respective amounts described in this clause Third held by them;

Fourth, to (a) payment of that portion of the Obligations constituting accrued and unpaid principal of the Loans and L/C Borrowings, (b) payment of breakage, termination or other payments, and any interest accrued thereon, due under any Secured Swap Agreement, (c) payments of amounts due under any Secured Treasury Management Agreement and (d) Cash Collateralize that portion of L/C Obligations comprised of the aggregate undrawn amount of Letters of Credit, ratably among the Lenders, Swap Banks, Treasury Management Banks and the L/C Issuer in proportion to the respective amounts described in this clause Fourth held by them; and

Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the Parent Borrower or as otherwise required by Law.

Subject to Sections 2.03(c) and 2.14, amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause Fourth above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as Cash Collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other Obligations, if any, in the order set forth above. Excluded Swap Obligations with respect to any Guarantor shall not be paid with amounts received from such Guarantor or such Guarantor's assets, but appropriate adjustments shall be made with respect to payments from other Loan Parties to preserve the allocation to Obligations otherwise set forth above in this Section.

Notwithstanding the foregoing, Obligations arising under Secured Treasury Management Agreements and Secured Swap Agreements shall be excluded from the application described above if the Administrative Agent has not received a Secured Party Designation Notice, together with such supporting documentation as the Administrative Agent may request, from the applicable Treasury Management Bank or Swap Bank, as the case may be. Each Treasury Management Bank or Swap Bank not a party to this Agreement that has given the notice contemplated by the preceding sentence shall, by such notice, be deemed to have acknowledged and accepted the appointment of the Administrative Agent pursuant to the terms of Article X for itself and its Affiliates as if a "Lender" party hereto.

9.04 **Equity Cure.**

In the event that the Loan Parties fail to comply with any financial covenant contained in Section 8.11 (a "Financial Covenant Default"), the Parent Borrower shall have the right to cure such Event of Default on the following terms and conditions (the "Equity Cure"):

(a) In the event the Parent Borrower desires to cure a Financial Covenant Default, the Parent Borrower shall deliver to the Administrative Agent irrevocable written notice of its intent to cure (a "Cure Notice") at any time during the period commencing on the date that the financial statements and corresponding Compliance Certificate as of and for the period ending on the last day of the fiscal quarter as of which such Financial Covenant Default occurred (the "Testing Date") are required to be delivered to the Administrative Agent and the Lenders and ending on the fifth (5th) day thereafter. The Cure Notice shall set forth the calculation of the applicable Financial Covenant Cure Amount (as hereinafter defined).

(b) In the event the Parent Borrower delivers a Cure Notice in accordance with clause (a) above, a capital contribution shall be made to the Parent Borrower by a member of the Control Group, in an amount such that the Net Cash Proceeds thereof shall be equal to the Financial Covenant Cure Amount plus an amount not to exceed $500,000, at any time during the period commencing on the date of the Administrative Agent's receipt of such Cure Notice and ending on the tenth (10th) Business Day following the date on which the relevant financial statements and Compliance Certificate were required to be delivered to the Administrative Agent and the Lenders

(such tenth (10th) Business Day, the "Required Contribution Date"). All of the Net Cash Proceeds of such capital contribution (such amount, the "Contributed Amount") shall be immediately contributed to the capital of the Parent Borrower and used by the Parent Borrower to make a prepayment of the Loans and other Obligations in the amount of such Contributed Amount, to be applied to the Loans in accordance with Section 2.05(b)(vi)(A). The "Financial Covenant Cure Amount" shall be the lowest amount which if added to the amount of Consolidated EBITDA as of the applicable Testing Date, would result in the Loan Parties being in pro forma compliance with the applicable financial covenant which is the subject of such Financial Covenant Default(s) as of such Testing Date (provided, however, that if more than one such Financial Covenant Default exists as of a testing date, the Financial Covenant Cure Amount for purposes hereof shall equal the lowest amount which if added to the amount of Consolidated EBITDA as of the applicable Testing Date, would result in the Loan Parties being in pro forma compliance with all financial covenants which are the subject of such Financial Covenant Defaults as of such Testing Date).

(c) No Equity Cure may be exercised if after giving effect thereto the aggregate amount of all Contributed Amounts actually funded hereunder to effectuate one or more Equity Cures would exceed $5,000,000.

(d) The Equity Cure may not be exercised (i) more than four times prior to the Maturity Date, (ii) more than two times in any fiscal year or (iii) in consecutive fiscal quarters.

(e) Upon timely receipt by the Parent Borrower in cash of the appropriate Contributed Amount, if and to the extent after giving effect to the following clause (f) all applicable Financial Covenant Defaults would no longer exist on a pro forma basis, the applicable Financial Covenant Defaults shall be deemed cured. To the extent the exercise of the Equity Cure pursuant to this Section 9.04 also acts to cure any default or event of default under any Subordinated Indebtedness arising solely as a result of the Financial Covenant Default, any existing Event of Default pursuant to Section 9.01(e) arising solely as a result of such default or event of default under such Subordinated Indebtedness shall also be deemed cured.

(f) The Equity Cure and the effects thereof on Consolidated EBITDA will be disregarded for all other purposes under the Loan Documents, including, without limitation, for purposes of calculating the Consolidated Total Leverage Ratio as a threshold for permitted exceptions to various affirmative and negative covenants and for purposes of determining the applicable interest rate and fees to be charged hereunder from time to time; provided that for purposes of determining compliance with Section 8.11, the Contributed Amount shall be deemed added to Consolidated EBITDA for the fiscal quarter ending as of the applicable Testing Date and any subsequent measurement period that includes such fiscal quarter; it being understood that for purposes of calculating the Consolidated Total Leverage Ratio for the fiscal quarter ending as of the applicable Testing Date for which the Equity Cure was exercised, Consolidated Funded Indebtedness shall not be reduced by the amount of the prepayment of the Loans made with the Contributed Amount in connection with such exercise of the Equity Cure.

(g) So long as the applicable Financial Covenant Cure Amount does not exceed the amount permitted under clause (c) above and the Parent Borrower is otherwise entitled to exercise an Equity Cure pursuant to the foregoing terms and provisions of this Section 9.04, during the period from the effective date of delivery of a Cure Notice until the earlier to occur of the Required Contribution Date and the date on which the Administrative Agent is notified that the required contribution will not be made, neither the Administrative Agent nor any Lender shall impose default interest, accelerate the Obligations, terminate the Revolving Commitment or exercise any enforcement remedy against any Loan Party or any of its Subsidiaries or any of their respective

properties solely on the basis of the applicable Financial Covenant Default in respect of which the Cure Notice was delivered (it being understood that, for the avoidance of doubt, at all times during such period, such Financial Covenant Default shall continue to exist for all other purposes of this Agreement including with respect to the conditions precedent to any Credit Extension under Section 5.02); provided, that notwithstanding the foregoing, upon a deemed cure pursuant to this Section 9.04, the requirements of the applicable financial covenants shall be deemed to have been satisfied as of the applicable Testing Date with the same effect as though there had been no Financial Covenant Default at such date or thereafter with respect to the fiscal quarter ending as of the applicable Testing Date.

ARTICLE X.

ADMINISTRATIVE AGENT

10.01 **Appointment and Authority.**

(a) Each of the Lenders and the L/C Issuer hereby irrevocably appoints Bank of America to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are incidental thereto. The provisions of this Article X are solely for the benefit of the Administrative Agent, the Lenders and the L/C Issuer, and neither any Borrower nor any other Loan Party shall have rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties. In addition, to the extent required under the laws of any jurisdiction other than the United States of America, each of the Lenders and the other holders of the Obligations hereby grants to the Administrative Agent any required powers of attorney to execute any Loan Document governed by the laws of such jurisdiction on behalf of such Lenders or holders of the Obligations.

(b) The Administrative Agent shall also act as the "collateral agent" under the Loan Documents, and each of the Lenders (in its capacities as a Lender, Swing Line Lender (if applicable), potential Swap Banks and potential Treasury Management Banks) and the L/C Issuer hereby irrevocably appoints and authorizes the Administrative Agent to act as the agent of such Lender and the L/C Issuer for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the U.S. Loan Parties to secure any of the Obligations, together with such powers and discretion as are incidental thereto. In this connection, the Administrative Agent, as "collateral agent" and any co-agents, sub-agents and attorneys-in-fact appointed by the Administrative Agent pursuant to Section 10.05 for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under the Collateral Documents, or for exercising any rights and remedies thereunder at the direction of the Administrative Agent), shall be entitled to the benefits of all provisions of this Article X and Article XI (including Section 11.04(c), as though such co-agents, sub-agents and attorneys-in-fact were the "collateral agent" under the Loan Documents) as if set forth in full herein with respect thereto.

10.02 **Rights as a Lender.**

The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with any Loan Party or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

10.03 **Exculpatory Provisions.**

The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to any Loan Party or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 11.01 and 9.02) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given in writing to the Administrative Agent by the Parent Borrower, a Lender or the L/C Issuer.

The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, (v) the creation, perfection or priority of any Lien purported to be created by the Collateral Documents or (vi) the satisfaction of any condition set forth in Article V or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

10.04 **Reliance by Administrative Agent.**

The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance, extension, renewal or increase of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or the L/C Issuer, the Administrative Agent may presume that such condition is satisfactory to such Lender or the L/C Issuer unless the Administrative Agent shall have received notice to the contrary from such Lender or the L/C Issuer prior to the making of such Loan or the issuance, extension, renewal or increase of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for the Loan Parties), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

10.05 **Delegation of Duties.**

The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

10.06 **Resignation of Administrative Agent.**

(a) The Administrative Agent may at any time give notice of its resignation to the Lenders, the L/C Issuer and the Parent Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, with the consent of the Parent Borrower (so long as no Default or Event of Default has occurred and is continuing) to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the "Resignation Effective Date"), then the retiring Administrative Agent may (but shall not be obligated to) on behalf of the Lenders and the L/C Issuer, appoint a successor Administrative Agent meeting the qualifications set forth above. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Required Lenders may, to the extent permitted by applicable law, by notice in writing to the Parent Borrower and such Person remove such Person as Administrative Agent and, in consultation with the Parent Borrower, appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty days (or such earlier day as shall be agreed by the Required Lenders) (the "Removal Effective Date"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (i) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders or the L/C Issuer under any of the Loan Documents, the retiring or removed Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (ii) except for any indemnity payments or other amounts then owed to the retiring or removed Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender and the L/C Issuer directly, until such time as the Required Lenders appoint a successor Administrative Agent as provided for above in this Section. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or removed) Administrative Agent (other than as provided in Section 3.01(g) and other than any rights to indemnity payments or other amounts owed to the retiring or removed Administrative Agent as of the Resignation Effective Date or the Removal Effective Date, as applicable) and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Parent Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Parent Borrower and such successor. After the retiring or removed Administrative Agent's resignation or removal hereunder and under the other Loan Documents, the provisions of this Article and Section 11.04 shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Administrative Agent was acting as Administrative Agent.

(d) Any resignation by or removal of Bank of America as Administrative Agent pursuant to this Section shall also constitute its resignation or removal as L/C Issuer and Swing Line Lender. If Bank of America resigns as L/C Issuer, it shall retain all the rights, powers, privileges and duties of the L/C Issuer hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as L/C Issuer and all L/C Obligations with respect thereto, including the right to require the Lenders to make Base Rate Loans or fund risk participations in Unreimbursed Amounts pursuant to Section 2.03(c). If Bank of America resigns as Swing Line Lender, it shall retain all the rights of the Swing Line Lender provided for hereunder with respect to Swing Line Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Base Rate Loans or fund risk participations in outstanding Swing Line Loans pursuant to Section 2.04(c). Upon the appointment by the Parent Borrower of a successor L/C Issuer or Swing Line Lender hereunder (which successor shall in all cases be a Lender other than a Defaulting Lender), (i) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer or Swing Line Lender, as applicable, (ii) the retiring L/C Issuer and Swing Line Lender shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents, and

(iii) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to Bank of America to effectively assume the obligations of Bank of America with respect to such Letters of Credit.

10.07 **Non-Reliance on Administrative Agent and Other Lenders.**

Each Lender and the L/C Issuer acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and the L/C Issuer also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

10.08 **No Other Duties; Etc.**

Anything herein to the contrary notwithstanding, none of the bookrunners, arrangers, syndication agents, documentation agents or co-agents shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent, a Lender or the L/C Issuer hereunder.

10.09 **Administrative Agent May File Proofs of Claim.**

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan or L/C Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on any Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, L/C Obligations and all other Obligations (other than obligations under Secured Swap Agreements or Secured Treasury Management Agreements to which the Administrative Agent is not a party) that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the L/C Issuer and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the L/C Issuer and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders, the L/C Issuer and the Administrative Agent under Sections 2.03(h) and (i), 2.09 and 11.04) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and the L/C Issuer to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders and the L/C Issuer, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.09 and 11.04.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or the L/C Issuer any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or the L/C Issuer or to authorize the Administrative Agent to vote in respect of the claim of any Lender or the L/C Issuer in any such proceeding.

The holders of the Obligations hereby irrevocably authorize the Administrative Agent, at the direction of the Required Lenders, to credit bid all or any portion of the Obligations (including accepting some or all of the Collateral in satisfaction of some or all of the Obligations pursuant to a deed in lieu of foreclosure or otherwise) and in such manner purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral (a) at any sale thereof conducted under the provisions of the Bankruptcy Code of the United States, including under Sections 363, 1123 or 1129 of the Bankruptcy Code of the United States, or any similar Laws in any other jurisdictions to which a Loan Party is subject, (b) at any other sale or foreclosure or acceptance of collateral in lieu of debt conducted by (or with the consent or at the direction of) the Administrative Agent (whether by judicial action or otherwise) in accordance with any applicable Law. In connection with any such credit bid and purchase, the Obligations owed to the holders of the Obligations shall be entitled to be, and shall be, credit bid on a ratable basis (with Obligations with respect to contingent or unliquidated claims receiving contingent interests in the acquired assets on a ratable basis that would vest upon the liquidation of such claims in an amount proportional to the liquidated portion of the contingent claim amount used in allocating the contingent interests) in the asset or assets so purchased (or in the Equity Interests or debt instruments of the acquisition vehicle or vehicles that are used to consummate such purchase). In connection with any such bid (i) the Administrative Agent shall be authorized to form one or more acquisition vehicles to make a bid, (ii) to adopt documents providing for the governance of the acquisition vehicle or vehicles (provided that any actions by the Administrative Agent with respect to such acquisition vehicle or vehicles, including any disposition of the assets or Equity Interests thereof shall be governed, directly or indirectly, by the vote of the Required Lenders, irrespective of the termination of this Agreement and without giving effect to the limitations on actions by the Required Lenders contained in clauses (a) (i) through (iv) of Section 11.01 of this Agreement, (iii) the Administrative Agent shall be authorized to assign the relevant Obligations to any such acquisition vehicle pro rata by the Lenders, as a result of which each of the Lenders shall be deemed to have received a pro rata portion of any Equity Interests and/or debt instruments issued by such an acquisition vehicle on account of the assignment of the Obligations to be credit bid, all without the need for any holder of the Obligations or acquisition vehicle to take any further action, and (iv) to the extent that Obligations that are assigned to an acquisition vehicle are not used to acquire Collateral for any reason (as a result of another bid being higher or better, because the amount of Obligations assigned to the acquisition vehicle exceeds the amount of debt credit bid by the acquisition vehicle or otherwise), such Obligations shall automatically be reassigned to the Lenders pro rata and the Equity Interests and/or debt instruments issued by any acquisition vehicle on account of the Obligations that had been assigned to the acquisition vehicle shall automatically be cancelled, without the need for any holder of the Obligations or any acquisition vehicle to take any further action.

10.10 **Collateral and Guaranty Matters.**

Each of the Lenders (including in its capacities as a potential Treasury Management Bank and a potential Swap Bank) and the L/C Issuer irrevocably authorize the Administrative Agent, at its option and in its discretion,

(a) to release any Lien on any Collateral granted to or held by the Administrative Agent under any Loan Document (i) upon termination of the Commitments and payment in full of all Obligations under the Loan Documents (other than contingent indemnification obligations and obligations and liabilities under Secured Treasury Management Agreements and Secured Swap Agreement as to which arrangements satisfactory to the applicable provider thereof shall have been made) and the expiration or termination of all Letters of Credit, (ii) that is transferred or to be transferred as part of or in connection with any Disposition permitted hereunder or under any other Loan Document or any Involuntary Disposition, or (iii) as approved in accordance with Section 11.01;

(b) to subordinate any Lien on any property granted to or held by the Administrative Agent under any Loan Document to the holder of any Lien on such property that is permitted by Section 8.01(i);

(c) to release any Guarantor from its obligations under the Guaranty if such Person ceases to be a Subsidiary as a result of a transaction permitted hereunder; and

(d) to enter into and perform any subordination agreement related to the Subordinated Indebtedness.

Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Guarantor from its obligations under the Guaranty, pursuant to this Section 10.10.

The Administrative Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Administrative Agent's Lien thereon, or any certificate prepared by any Loan Party in connection therewith, nor shall the Administrative Agent be responsible or liable to the Lenders for any failure to monitor or maintain any portion of the Collateral.

10.11 **Treasury Management Banks and Swap Banks.**

No Treasury Management Bank or Swap Bank that obtains the benefit of Section 9.03, the Guaranty or any Collateral by virtue of the provisions hereof or any Collateral Document shall have any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Loan Document or otherwise in respect of the Collateral (including the release or impairment of any Collateral) (or to notice of or to consent to any amendment, waiver or modification of the provisions hereof or of the Guaranty or any Collateral Document) other than in its capacity as a Lender and, in such case, only to the extent expressly provided in the Loan Documents. Notwithstanding any other provision of this Article X to the contrary, the Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Obligations arising under Secured Treasury Management Agreements and Secured Swap Agreements except to the extent expressly provided herein and unless the Administrative Agent has received a Secured Party Designation Notice of such Obligations, together with such supporting documentation as the Administrative Agent may request, from the applicable Treasury Management Bank or Swap Bank, as the case may be. The Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Obligations arising under Secured Treasury Management Agreements and Secured Swap Agreements.

10.12 **ERISA Matters.**

(a) Each Lender (i) represents and warrants, as of the date such Person became a Lender party hereto, to, and (ii) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of the Parent Borrower or any other Loan Party, that at least one of the following is and will be true: (A) such Lender is not using "plan assets" (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments, or this Agreement; (B) the transaction exemption set forth in one or more PTEs, such as PTE 84–14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95–60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90–1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91–38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96–23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement; (C) (1) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84–14), (2) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (3) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84–14 and (4) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84–14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement; or (D) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless either (i) clause (A) in the immediately preceding clause (a) is true with respect to a Lender or (ii) a Lender has provided another representation, warranty and covenant in accordance with clause (D) in the immediately preceding clause (a), such Lender further (A) represents and warrants, as of the date such Person became a Lender party hereto, to, and (B) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of the Parent Borrower or any other Loan Party, that the Administrative Agent is not a fiduciary with respect to the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

ARTICLE XI.

MISCELLANEOUS

11.01 **Amendments, Etc.**

Except as provided in Section 3.08, no amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Parent Borrower or any other Loan Party therefrom, shall be effective unless in writing signed by the Required Lenders and the Parent Borrower or the applicable Loan Party, as the case may be, and acknowledged by the Administrative Agent, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, further, that no such amendment, waiver or consent shall:

(i) extend or increase the Commitment of a Lender (or reinstate any Commitment terminated pursuant to Section 9.02) without the written consent of such Lender whose Commitment is being extended or increased (it being understood and agreed that a waiver of any condition precedent set forth in Section 5.02 or of any Default or a mandatory reduction in Commitments is not considered an extension or increase in Commitments of any Lender);

(ii) postpone any date fixed by this Agreement or any other Loan Document for any payment of principal (excluding mandatory prepayments and the rescission of acceleration), interest, fees or other amounts due to the Lenders (or any of them) or any scheduled or mandatory reduction of the Commitments hereunder or under any other Loan Document without the written consent of each Lender entitled to receive such payment or whose Commitments are to be reduced;

(iii) reduce the principal of, or the rate of interest specified herein on, any Loan or L/C Borrowing, or (subject to clause (i) of the final proviso to this Section 11.01) any fees or other amounts payable hereunder or under any other Loan Document without the written consent of each Lender entitled to receive such payment of principal, interest, fees or other amounts; provided, however, that only the consent of the Required Lenders shall be necessary to amend the definition of "Default Rate" or to waive any obligation of any Borrower to pay interest or Letter of Credit Fees at the Default Rate;

(iv) (A) change any provision of this Section 11.01 or the definition of "Required Lenders" without the written consent of each Lender; or (B) change Section 2.13 or Section 9.03 in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender;

(v) release all or substantially all of the Collateral without the written consent of each Lender;

(vi) release any Borrower, the Guaranty by the Parent Borrower of the Canadian Obligations, or, except in connection with a merger, amalgamation or consolidation permitted under Section 8.04 or a Disposition permitted under Section 8.05, all or substantially all of the Guarantors without the written consent of each Lender;

(vii) change any provision, or waive any violation, of Section 8.18 without the written consent of each Lender;

(viii) without the consent of Lenders (other than Defaulting Lenders) holding in the aggregate at least a majority of the Revolving Commitments, (A) waive any Default or Event of Default for purposes of Section 5.02 for purposes of any Borrowing of Revolving Loans or L/C Credit Extension, or (B) amend or change any provision of this Section 11.01(viii);

(ix) without the consent of the Lenders (other than Defaulting Lenders) holding in the aggregate at least a majority of the outstanding Term Loan Commitments, (i) waive any Default or Event of Default for purposes of Section 5.02 for purposes of any Borrowing of the Term Loan or (ii) amend or change any provision of this Section 11.01(ix);

(x) unless also signed by the L/C Issuer, no amendment, waiver or consent shall affect the rights or duties of the L/C Issuer under this Agreement or any Issuer Document relating to any Letter of Credit issued or to be issued by it;

(xi) unless also signed by the Swing Line Lender, no amendment, waiver or consent shall affect the rights or duties of the Swing Line Lender under this Agreement;

(xii) unless also signed by the Administrative Agent, no amendment, waiver or consent shall affect the rights or duties of the Administrative Agent under this Agreement or any other Loan Document; and

(xiii) the consent of each Lender shall be required to waive a condition precedent in Section 5.01.

provided, however, that notwithstanding anything to the contrary herein, (i) the Fee Letter the Auto-Borrow Agreement and any other letter agreement constituting a Loan Document may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto, (ii) no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (x) the Commitment of any Defaulting Lender may not be increased or extended without the consent of such Defaulting Lender and (y) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender more adversely than other affected Lenders shall require the consent of such Defaulting Lender, (iii) each Lender is entitled to vote as such Lender sees fit on any bankruptcy reorganization plan that affects the Loans, and each Lender acknowledges that the provisions of Section 1126(c) of the Bankruptcy Code of the United States supersede the unanimous consent provisions set forth herein and (iv) the Required Lenders shall determine whether or not to allow a Loan Party to use cash collateral in the context of a bankruptcy or insolvency proceeding and such determination shall be binding on all of the Lenders.

Notwithstanding any provision herein to the contrary, this Agreement may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent and the Parent Borrower (i) to add one or more additional revolving credit or term loan facilities to this Agreement and to permit the extensions of credit and all related obligations and liabilities arising in connection therewith from time to time outstanding to share ratably (or in a subordinated position to the existing facilities hereunder) in the benefits of this Agreement and the other Loan Documents with the obligations and liabilities from time to time outstanding in respect of the existing facilities hereunder and (ii) in connection with the foregoing, to permit, as deemed appropriate by the Administrative Agent and approved by the Required Lenders, the Lenders providing such additional credit facilities in any required vote or action required to be approved by the Required Lenders or by any other number or percentage of the Lenders hereunder.

In addition, notwithstanding the foregoing, the Parent Borrower may, by written notice to the Administrative Agent from time to time, make one or more offers (each, a "Loan Modification Offer") to all the Lenders to make one or more amendments or modifications to (A) allow the maturity of the Revolving Commitments or Loans of the accepting Lenders to be extended and (B) increase the Applicable Rate and/or fees payable with respect to the Loans and Revolving Commitments of the accepting Lenders ("Permitted Amendments") pursuant to procedures reasonably specified by the Administrative Agent and

reasonably acceptable to the Parent Borrower. Such notice shall set forth (i) the terms and conditions of the requested Permitted Amendment and (ii) the date on which such Permitted Amendment is requested to become effective. Permitted Amendments shall become effective only with respect to the Revolving Commitments and/or Loans of the Lenders that accept the applicable Loan Modification Offer (such Lenders, the "Accepting Lenders") and, in the case of any Accepting Lender, only with respect to such Lender's Revolving Commitments and/or Loans as to which such Lender's acceptance has been made. The Parent Borrower, each other Loan Party and each Accepting Lender shall execute and deliver to the Administrative Agent an amendment and such other documentation as the Administrative Agent shall reasonably specify to evidence the acceptance of the Permitted Amendments and the terms and conditions thereof, and the Loan Parties shall also deliver such resolutions, opinions and other documents as reasonably requested by the Administrative Agent. The Administrative Agent shall promptly notify each Lender as to the effectiveness of each such amendment. Each of the parties hereto hereby agrees that (1) upon the effectiveness of any such amendment, this Agreement shall be deemed amended to the extent (but only to the extent) necessary to reflect the existence and terms of the Permitted Amendment evidenced thereby and only with respect to the Revolving Commitments and Loans of the Accepting Lenders as to which such Lenders' acceptance has been made and (2) any applicable Lender who is not an Accepting Lender may be replaced by the Parent Borrower in accordance with Section 11.13.

In addition, notwithstanding anything to the contrary herein, (a) this Agreement may be amended and restated without the consent of any Lender (but with the consent of the Parent Borrower and the Administrative Agent) if, upon giving effect to such amendment and restatement, such Lender shall no longer be a party to this Agreement (as so amended and restated), the Commitments of such Lender shall have terminated, such Lender shall have no other commitment or other obligation hereunder and shall have been paid in full all principal, interest and other amounts owing to it or accrued for its account under this Agreement, and (b) the Administrative Agent may amend or modify this Agreement and any other Loan Document without the consent of any Lender (but with the consent of the Parent Borrower) to (i) to cure any ambiguity, omission, mistake, defect or inconsistency therein or (ii) grant a new Lien for the benefit of the holders of the Obligations, extend an existing Lien over additional property for the benefit of the holders of the Obligations or join additional Persons as Loan Parties.

11.02 **Notices and Other Communications; Facsimile Copies.**

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to the Parent Borrower or any other Loan Party, the Administrative Agent, the L/C Issuer or the Swing Line Lender, to the address, facsimile number, electronic mail address or telephone number specified for such Person on Schedule 11.02; and

(ii) if to any other Lender, to the address, facsimile number, electronic mail address or telephone number specified in its Administrative Questionnaire (including, as appropriate, notices delivered solely to the Person designated by a Lender on its Administrative Questionnaire then in effect for the delivery of notices that may contain material non-public information relating to the Parent Borrower).

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by facsimile or e-mail transmission shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (b).

(b) Electronic Communications. Notices and other communications to the Lenders and the L/C Issuer hereunder may be delivered or furnished by electronic communication (including e-mail address and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender or the L/C Issuer pursuant to Article II if such Lender or the L/C Issuer, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent, the Swing Line Lender, the L/C Issuer or the Parent Borrower may each, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement) and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii), if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice, email or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(c) The Platform. THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to the Parent Borrower, any Lender, the L/C Issuer or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Parent Borrower's, any Loan Party's or the Administrative Agent's transmission of Borrower Materials or any other information through the internet or any telecommunications, electronic or other information transmissions system, except to the extent that such losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Agent Party; provided, however, that in no event shall any Agent Party have any liability to any Loan Party, any Lender, the L/C Issuer or any other Person for indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages).

(d) Change of Address, Etc. Each of the Parent Borrower, the Administrative Agent, the L/C Issuer and the Swing Line Lender may change its address, facsimile or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, facsimile, telephone number or e-mail address for notices and other communications hereunder by notice to the Parent Borrower, the Administrative Agent, the L/C Issuer and the Swing Line Lender. In addition, each Lender agrees to notify the Administrative Agent from time to time to ensure that the Administrative Agent has on record (i) an effective address, contact name, telephone number, facsimile number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender. Furthermore, each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and applicable Law, including United States Federal and state securities Laws, to make reference to Borrower Materials that are not made available through the "Public Side Information" portion of the Platform and that may contain material non-public information with respect to the Parent Borrower or its securities for purposes of United States Federal or state securities laws.

(e) Reliance by Administrative Agent, L/C Issuer and Lenders. The Administrative Agent, the L/C Issuer and the Lenders shall be entitled to rely and act upon any notices (including telephonic or electronic Loan Notices, Letter of Credit Applications and Swing Line Loan Notices) purportedly given by or on behalf of any Loan Party even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Loan Parties shall indemnify the Administrative Agent, the L/C Issuer, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of a Loan Party. All telephonic notices to and other telephonic communications with the Administrative Agent may be recorded by the Administrative Agent, and each of the parties hereto hereby consents to such recording.

11.03 **No Waiver; Cumulative Remedies; Enforcement.**

No failure by any Lender, the L/C Issuer or the Administrative Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided and provided under each other Loan Document are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Loan Parties or any of them shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Administrative Agent in accordance with Section 9.02 for the benefit of all the Lenders and the L/C Issuer; provided, however, that the foregoing shall not prohibit (a) the Administrative Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Administrative Agent) hereunder and under the other Loan Documents, (b) the L/C Issuer or the Swing Line Lender from exercising the rights and remedies that inure to its benefit (solely in its capacity as L/C Issuer or Swing Line Lender, as the case may be) hereunder and under the other Loan Documents, (c) any Lender from exercising setoff rights in

accordance with Section 11.08 (subject to the terms of Section 2.13), or (d) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Loan Party under any Debtor Relief Law; and provided, further, that if at any time there is no Person acting as Administrative Agent hereunder and under the other Loan Documents, then (i) the Required Lenders shall have the rights otherwise ascribed to the Administrative Agent pursuant to Section 9.02 and (ii) in addition to the matters set forth in clauses (b), (c) and (d) of the preceding proviso and subject to Section 2.13, any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.

11.04 **Expenses; Indemnity; and Damage Waiver.**

(a) Costs and Expenses. The Loan Parties shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates (including the reasonable fees, charges and disbursements of counsel for the Administrative Agent) (limited, in the case of legal counsel, to the reasonable fees, charges and disbursements of one primary counsel, and of a single local counsel in each relevant jurisdiction), in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out-of-pocket expenses incurred by the L/C Issuer in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all reasonable out-of-pocket expenses incurred by the Administrative Agent, any Lender or the L/C Issuer (including the fees, charges and disbursements of one primary for the Administrative Agent, any Lender or the L/C Issuer, and of a single local counsel in each relevant jurisdiction (and, in the case of an actual or perceived conflict of interest where the party affected by such conflict informs the Parent Borrower of such conflict and thereafter retains its own counsel, of one additional firm of counsel for all such affected parties taken as a whole)), and shall pay all reasonable fees and time charges for attorneys who may be employees of the Administrative Agent, any Lender or the L/C Issuer, in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) Indemnification by the Loan Parties. The Loan Parties shall indemnify the Administrative Agent (and any sub-agent thereof), each Arranger, each Lender and the L/C Issuer, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnitee, but excluding lost profits), and shall indemnify and hold harmless each Indemnitee from all fees and time charges and disbursements for attorneys who may be employees of any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by any third party or by the Parent Borrower or any other Loan Party arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, or, in the case of the Administrative Agent (and any sub-agent thereof) and its Related Parties only, the administration of this Agreement and the other Loan Documents, (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by the L/C Issuer to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of

such Letter of Credit), (iii) any actual or threatened release of Hazardous Materials on or from any property owned or operated by a Loan Party or any of its Subsidiaries in connection with the Businesses, or any Environmental Liability related in any way to a Loan Party's or any of its Subsidiaries' conducting of the Businesses, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Parent Borrower or any other Loan Party, and regardless of whether any Indemnitee is a party thereto, in all cases, whether or not caused by or arising, in whole or in part, out of the comparative, contributory or sole negligence of the Indemnitee; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined to have resulted from the gross negligence or willful misconduct of such Indemnitee or any of its Related Parties, (y) result from a claim brought by the Parent Borrower or any other Loan Party against an Indemnitee for a material breach of such Indemnitee's obligations hereunder or under any other Loan Document, if the Parent Borrower or such Loan Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction or (z) result from any dispute that is among Indemnitees (other than any dispute involving claims against the Administrative Agent or the L/C Issuer, in each case in their respective capacities as such) that a court of competent jurisdiction has determined in a final and nonappealable judgment did not involve actions or omissions of any direct or indirect parent or controlling person of the Parent Borrower or any of its Subsidiaries. Without limiting the provisions of Section 3.01(c), this Section 11.04(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) Reimbursement by Lenders. To the extent that the Loan Parties for any reason fail to indefeasibly pay any amount required under subsection (a) or (b) of this Section to be paid by them to the Administrative Agent (or any sub-agent thereof), the L/C Issuer, the Swing Line Lender or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), the L/C Issuer, Swing Line Lender or such Related Party, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's share of the Total Credit Exposure at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender), such payment to be made severally among them based on such Lenders' Applicable Percentages) (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent) or the L/C Issuer or the Swing Line Lender in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent), the L/C Issuer or the Swing Line Lender in connection with such capacity. The obligations of the Lenders under this subsection (c) are subject to the provisions of Section 2.12(d).

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable law, none of the Loan Parties, the Administrative Agent, any other agent hereunder, any Lender, the L/C Issuer, the Swing Line Lender, any other party hereto or any Indemnitee shall assert, and each such Person hereby waives and acknowledges that no other Person shall have, any claim against any other such Person, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) (whether or not the claim therefor is based on contract, tort or duty imposed by any applicable legal requirement) arising out of, in connection with, arising out of, as a result of, or in any way related to, this Agreement or any other Loan Document or any agreement or instrument contemplated hereby or referred to herein, the transactions contemplated hereby or thereby any Loan or Letter of Credit or the use of the proceeds

thereof, or any act or omission or event occurring in connection therewith; provided that the foregoing shall in no event limit the Parent Borrower's indemnification obligations under clause (b) above to the extent such special, indirect, consequential or punitive damages are included in any third-party claim in connection with which such Indemnitee is otherwise entitled to indemnification hereunder. No Indemnitee referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Indemnitee or from a material breach of such Indemnitee's obligations under the Loan Documents as determined by a final and nonappealable judgment of a court of competent jurisdiction.

(e) Payments. All amounts due under this Section shall be payable not later than ten (10) Business Days after demand therefor.

(f) Survival. The agreements in this Section and the indemnity provisions of Section 11.02(e), shall survive the resignation of the Administrative Agent, the L/C Issuer, and the Swing Line Lender, the replacement of any Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all the other Obligations

(g) Notwithstanding any provision to the contrary contained herein or in any other of the Loan Documents, the obligations of the U.S. Loan Parties and the Canadian Loan Parties under this Section 11.04 are, in the case of any such obligations constituting Non-Canadian Obligations, joint and several among the U.S. Loan Parties, and, in the case of any such obligations constituting Canadian Obligations, joint and several among all Loan Parties.

11.05 **Payments Set Aside.**

To the extent that any payment by or on behalf of any Loan Party is made to the Administrative Agent, the L/C Issuer or any Lender, or the Administrative Agent, the L/C Issuer or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent, the L/C Issuer or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender and the L/C Issuer severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the applicable Overnight Rate from time to time in effect, in the applicable currency of such recovery or payment. The obligations of the Lenders and the L/C Issuer under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

11.06 **Successors and Assigns.**

(a) Successors and Assigns Generally. The provisions of this Agreement and the other Loan Documents shall be binding upon and inure to the benefit of the parties hereto and thereto and their respective successors and assigns permitted hereby, except that the Parent Borrower may not assign or otherwise transfer any of its rights or obligations hereunder or thereunder without the

prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of subsection (b) of this Section, (ii) by way of participation in accordance with the provisions of subsection (d) of this Section or (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (f) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the L/C Issuer and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement and the other Loan Documents (including all or a portion of its Commitment and the Loans (including for purposes of this subsection (b), participations in L/C Obligations) at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and/or the Loans at the time owing to it or contemporaneous assignments to related Approved Funds that equal at least the amount specified in paragraph (b)(i)(B) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than $5,000,000 in the case of any assignment in respect of a Revolving Commitment (and the related Revolving Loans thereunder) and $1,000,000 in the case of any assignment in respect of the Term Loan or Incremental Term Loan, unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Parent Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed); provided that this Section 11.06(b)(i)(B) shall not apply to assignments permitted pursuant to Section 10.09.

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's Loans and Commitments, and rights and obligations with respect thereto, assigned, except that this clause (ii) shall not (A) apply to the Swing Line Lender's rights and obligations in respect of Swing Line Loans or (B) prohibit any Lender from assigning all or a portion of its rights and obligations in respect of its Revolving Commitment (and the related Revolving Loans thereunder) and its outstanding portion of the Term Loan on a non-pro rata basis;

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition:

(A) the consent of the Parent Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (1) an Event of Default has occurred and is continuing at the time of such assignment or (2) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided, that, the Parent Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within five (5) Business Days after having received notice thereof;

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of (1) any unfunded Incremental Term Loan Commitment or any Revolving Commitment if such assignment is to a Person that is not a Lender with a Commitment in respect of the Commitment subject to such assignment, an Affiliate of such Lender or an Approved Fund with respect to such Lender and (2) any Term Loan or Incremental Term Loan to a Person that is not a Lender, an Affiliate of a Lender or an Approved Fund; and

(C) the consent of the L/C Issuer (such consent not to be unreasonably withheld or delayed) and the Swing Line Lender shall be required for any assignment in respect of the Revolving Commitment**,**

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee in the amount of $3,500; provided, however, that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment; provided, further, that such processing and recordation fee shall not apply to any assignment permitted pursuant to Section 10.09. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) No Assignment to Certain Persons. No such assignment shall be made (A) to the Parent Borrower or any of the Parent Borrower's Affiliates or Subsidiaries, (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B) or (C) to a natural person.

(vi) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Parent Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent, the L/C Issuer or any Lender hereunder (and interest accrued thereon) and (y) acquire (and fund as appropriate) its full

pro rata share of all Loans and participations in Letters of Credit and Swing Line Loans in accordance with its Applicable Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 3.01, 3.04, 3.05 and 11.04 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided, that except to the extent otherwise expressly agreed to by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Upon request, the Parent Borrower (at its expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section.

(c) Register. The Administrative Agent, acting solely for this purpose as an agent of each Borrower (and such agency being solely for tax purposes), shall maintain at the Administrative Agent's Office a copy of each Assignment and Assumption delivered to it (or the equivalent thereof in electronic form) and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans and L/C Obligations owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and Borrowers, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the any Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Parent Borrower or the Administrative Agent, sell participations to any Person (other than a natural Person, a Defaulting Lender or the Parent Borrower or any of the Parent Borrower's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans (including such Lender's participations in L/C Obligations and/or Swing Line Loans) owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Parent Borrower, the Administrative Agent, the Lenders and the L/C Issuer shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 11.04(c) without regard to the existence of any participation.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in clauses (i) through (vi) of Section 11.01 that affects such Participant. Each Borrower agrees that each Participant shall be entitled to the benefits of Sections 3.01, 3.04 and 3.05 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section (it being understood that the documentation required under Section 3.01(e) shall be delivered to the Lender who sells the participation) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Sections 3.06 and 11.13 as if it were an assignee under paragraph (b) of this Section and (B) shall not be entitled to receive any greater payment under Sections 3.01 or 3.04, with respect to any participation, than the Lender from whom it acquired the applicable participation would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Parent Borrower's request and expense, to use reasonable efforts to cooperate with the Parent Borrower to effectuate the provisions of Section 3.06 with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 11.08 as though it were a Lender; provided that such Participant agrees to be subject to Section 2.13 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as an agent of each Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(f) Resignation as L/C Issuer or Swing Line Lender after Assignment. Notwithstanding anything to the contrary contained herein, if at any time Bank of America assigns all of its Revolving Commitment and Revolving Loans pursuant to subsection (b) above, Bank of America may, (i) upon thirty (30) days' notice to the Parent Borrower and the Lenders, resign as L/C Issuer and/or (ii) upon thirty days' notice to the Parent Borrower resign as Swing Line Lender. In the event of any such resignation as L/C Issuer or Swing Line Lender, the Parent Borrower shall be entitled to appoint from among the Lenders a successor L/C Issuer or Swing Line Lender hereunder; provided, however, that no failure by the Parent Borrower to appoint any such successor

shall affect the resignation of Bank of America as L/C Issuer or Swing Line Lender, as the case may be. If Bank of America resigns as L/C Issuer, it shall retain all the rights, powers, privileges and duties of the L/C Issuer hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as L/C Issuer and all L/C Obligations with respect thereto (including the right to require the Lenders to make Base Rate Loans or fund risk participations in Unreimbursed Amounts pursuant to Section 2.03(c)). If Bank of America resigns as Swing Line Lender, it shall retain all the rights of the Swing Line Lender provided for hereunder with respect to Swing Line Loans made by it and outstanding as of the effective date of such resignation including the right to require the Lenders to make Base Rate Loans or fund risk participations in outstanding Swing Line Loans pursuant to Section 2.04(c). Upon the appointment of a successor L/C Issuer and/or Swing Line Lender, (1) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer or Swing Line Lender, as the case may be, and (2) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to Bank of America to effectively assume the obligations of Bank of America with respect to such Letters of Credit.

11.07 **Treatment of Certain Information; Confidentiality.**

Each of the Administrative Agent, the Lenders and the L/C Issuer agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to their respective Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective party (or its Related Parties) to any swap or derivative or other transaction under which payments are to be made by reference to a Loan Party and its obligations, this Agreement or payments hereunder, (g) on a confidential basis to (i) (A) any rating agency in connection with rating the Parent Borrower or its Subsidiaries or the credit facilities provided hereunder, (B) the provider of any Platform or other electronic delivery service used by the Administrative Agent, the L/C Issuer and/or the Swing Line Lender to deliver Borrower Materials or notices to the Lenders or (C) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers or other market identifiers with respect to the credit facilities provided hereunder, (h) with the consent of the Parent Borrower or (i) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Administrative Agent, any Lender, the L/C Issuer or any of their respective Affiliates on a nonconfidential basis from a source other than the Parent Borrower.

For purposes of this Section, "Information" means all information received from a Loan Party or any Subsidiary relating to the Loan Parties or any Subsidiary or any of their respective businesses, other than any such information that is available to the Administrative Agent, any Lender or the L/C Issuer on a nonconfidential basis prior to disclosure by such Loan Party or any Subsidiary. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Each of the Administrative Agent, the Lenders and the L/C Issuer acknowledges that (a) the Information may include material non-public information concerning a Loan Party or a Subsidiary, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information in accordance with applicable Law, including United States Federal and state securities Laws.

11.08 **Set-off.**

If an Event of Default shall have occurred and be continuing, each Lender, the L/C Issuer and each of their respective Affiliates is hereby authorized at any time and from time to time, after obtaining the prior written consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed), to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency, but specifically excluding accounts used for payroll, trust and tax withholdings and other Excluded Accounts (as defined in the Security Agreement)) at any time held and other obligations (in whatever currency) at any time owing by such Lender, the L/C Issuer or any such Affiliate to or for the credit or the account of the Parent Borrower or any other Loan Party against any and all of the obligations of the Parent Borrower or such Loan Party now or hereafter existing under this Agreement or any other Loan Document then due and owing to such Lender or the L/C Issuer or their respective Affiliates, irrespective of whether or not such Lender or the L/C Issuer or Affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Parent Borrower or such Loan Party are owed to a branch or office or Affiliate of such Lender or the L/C Issuer different from the branch or office or Affiliate holding such deposit or obligated on such indebtedness; provided, that, in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.15 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent, the L/C Issuer and the Lenders and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender, the L/C Issuer and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, the L/C Issuer or their respective Affiliates may have. Each Lender and the L/C Issuer agrees to notify the Parent Borrower and the Administrative Agent promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

11.09 **Interest Rate Limitation.**

Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (including the Criminal Code (Canada)) (the "Maximum Rate"). If the Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the applicable Borrower. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

11.10 **Counterparts; Integration; Effectiveness.**

This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent or the L/C Issuer constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 5.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic imaging means (e.g., ".pdf" or ".tif") shall be effective as delivery of a manually executed counterpart of this Agreement.

11.11 **Survival of Representations and Warranties.**

All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Administrative Agent and each Lender, regardless of any investigation made by the Administrative Agent or any Lender or on their behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default at the time of any Credit Extension, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied or any Letter of Credit shall remain outstanding.

11.12 **Severability.**

If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Without limiting the foregoing provisions of this Section 11.12, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by the Administrative Agent, the L/C Issuer or the Swing Line Lender, as applicable, then such provisions shall be deemed to be in effect only to the extent not so limited.

11.13 **Replacement of Lenders.**

If the Parent Borrower is entitled to replace a Lender pursuant to the provisions of Section 3.06 or if any Lender is a Defaulting Lender or a Non-Consenting Lender, then the Parent Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 11.06), all of its interests, rights and obligations under this Agreement (other than its existing rights to payments pursuant to Sections 3.01 and 3.04) and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

(a) the Parent Borrower shall have paid to the Administrative Agent the assignment fee specified in Section 11.06(b);

(b) such Lender shall have received payment of an amount equal to one hundred percent (100%) of the outstanding principal of its Loans and L/C Advances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 3.05) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Parent Borrower (in the case of all other amounts);

(c) in the case of any such assignment resulting from a claim for compensation under Section 3.04 or payments required to be made pursuant to Section 3.01, such assignment will result in a reduction in such compensation or payments thereafter;

(d) such assignment does not conflict with applicable Laws**;** and

(e) in the case of any such assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Parent Borrower to require such assignment and delegation cease to apply.

11.14 **Governing Law; Jurisdiction; Etc.**

(a) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK (INCLUDING SECTION 5-1401 AND SECTION 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK) WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES THAT WOULD REQUIRE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

(b) SUBMISSION TO JURISDICTION. THE PARENT BORROWER AND EACH OTHER LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT, ANY LENDER OR THE L/C ISSUER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST THE PARENT BORROWER OR ANY OTHER LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) WAIVER OF VENUE. EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 11.02. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

11.15 **Waiver of Right to Trial by Jury.**

EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

11.16 **Electronic Execution of Assignments and Certain Other Documents.**

The words "delivery," "execute," "execution," "signed," "signature" and words of like import in any Loan Document or any other document executed in connection herewith, shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided, that, notwithstanding anything contained herein to the contrary, neither the Administrative Agent, the L/C Issuer nor any Lender is under any obligation to agree to accept electronic signatures in any form or in any format unless expressly agreed to by the Administrative Agent, the L/C Issuer or such Lender pursuant to procedures approved by it; provided, further, that without limiting the foregoing, upon the request of any party, any electronic signature shall be promptly followed by such manually executed counterpart.

11.17 **USA PATRIOT Act and Canadian AML Acts Notice.**

Each Lender that is subject to the PATRIOT Act (as hereinafter defined) or any Canadian AML Act and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Parent Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "PATRIOT Act") and the Canadian AML Acts, it is required to obtain, verify and record information that identifies each Loan Party, which information includes the name and address of such Loan Party, information concerning its direct and indirect holders of Equity Interests and other Persons exercising Control over it and other information that will allow such Lender or the Administrative Agent, as applicable, to identify such Loan Party in accordance with the PATRIOT Act and the Canadian AML Acts. Each Loan Party shall, promptly following a request by the Administrative Agent or any Lender, provide all documentation and other information that the Administrative Agent or such Lender requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the PATRIOT Act, the Canadian AML Acts and the Beneficial Ownership Regulation.

11.18 **No Advisory or Fiduciary Relationship.**

In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), each of the Loan Parties acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (i) (A) the arranging and other services regarding this Agreement provided by the Administrative Agent, the Arrangers and the Lenders are arm's-length commercial transactions between the Loan Parties and their respective Affiliates, on the one hand, and the Administrative Agent, the Arrangers and the Lenders, on the other hand, (B) each of the Loan Parties has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) each of the Loan Parties is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) the Administrative Agent, the Arrangers and the Lenders each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Loan Parties or any of their respective Affiliates, or any other Person and (B) neither the Administrative Agent, any Arranger nor any Lender has any obligation to the Loan Parties or any of their respective Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Administrative Agent, the Arrangers and the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Loan Parties and their respective Affiliates, and neither the Administrative Agent, any Arranger nor any Lender has any obligation to disclose any of such interests to the Loan Parties and their respective Affiliates. To the fullest extent permitted by Law, each of the Loan Parties hereby waives and releases any claims that it may have against the Administrative Agent, any Arranger or any Lender with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

11.19 **Appointment of Parent Borrower.**

Each of the Canadian Borrower and the Guarantors hereby appoints the Parent Borrower to act as its agent for all purposes of this Agreement, the other Loan Documents and all other documents and electronic platforms entered into in connection herewith and agrees that (a) the Parent Borrower may execute such documents and provide such authorizations on behalf of the Canadian Borrower and such Guarantors as the Parent Borrower deems appropriate in its sole discretion and the Canadian Borrower and each Guarantor shall be obligated by all of the terms of any such document and/or authorization executed on its behalf, (b) any notice or communication delivered by the Administrative Agent, the L/C Issuer or a Lender to the Parent Borrower shall be deemed delivered to each Loan Party and (c) the Administrative Agent, the L/C Issuer, the Swing Line Lender or the Lenders may accept, and be permitted to rely on, any document, authorization, instrument or agreement executed by the Parent Borrower on behalf of each of the Canadian Borrower and the Guarantors.

11.20 **Amendment and Restatement of Existing Credit Agreement.**

(a) The parties hereto agree that, on the Closing Date, the following transactions shall be deemed to occur automatically, without further action by any party hereto: (a) the Existing Credit Agreement shall be deemed to be amended and restated in its entirety pursuant to this Agreement, (b) the Collateral Documents and the Liens created thereunder in favor of Bank of America as Administrative Agent and securing the Obligations (as defined in the Existing Credit Agreement), shall remain in full force and effect with respect to the Obligations and are hereby reaffirmed, (c) all Obligations (as defined in the Existing Credit Agreement) under the Existing Credit Agreement shall be deemed to be Obligations outstanding hereunder and (d) all references in the other Loan Documents to the Existing Credit Agreement shall be deemed to refer without further amendment to this Agreement. The parties hereto further acknowledge and agree that this Agreement constitutes an amendment to the Existing Credit Agreement made under and in accordance with the terms of Section 11.01 of the Existing Credit Agreement.

(b) On the Closing Date upon the effectiveness of this Agreement, the Administrative Agent shall make such assignments, reallocations and transfers of funds as are necessary in order that the balance of Loans (as defined in the Existing Credit Agreement) outstanding under the Existing Credit Agreement immediately prior to effectiveness of this Agreement (which shall, upon effectiveness of this Agreement, become Loans hereunder on the Closing Date that are deemed funded hereunder on the Closing Date), together with any Loans funded hereunder on the Closing Date by the Lenders, reflect the Commitments of the Lenders hereunder as set forth on Schedule 2.01 hereto on the Closing Date (it being acknowledged that "Revolving Loans" and the "Term Loan" (each as defined in the Existing Credit Agreement) outstanding under the Existing Credit Agreement immediately prior to effectiveness of this Agreement may be deemed to be a portion of the Term Loan and/or Revolving Loans hereunder upon effectiveness of this Agreement, in each case if and to the extent that the Administrative Agent so determines). The Loan Parties and each Lender consent to such assignments, reallocations and transfers of funds by the Administrative Agent, and each Lender agrees that on the Closing Date such Lender will fund Loans, and will make full cash settlement with the other Lenders either directly or through the Administrative Agent as the Administrative Agent may direct or approve, in amounts such that, together with the assignments, reallocations and transfers of funds by the Administrative Agent described above, the Loans outstanding hereunder on the Closing Date after giving effect to this Agreement are held by the Lenders in amounts that reflect the Commitments of the Lenders hereunder as set forth on Schedule 2.01 hereto on the Closing Date. Each Lender waives any right to compensation under Section 3.05 of the Credit Agreement in connection with the transactions described above in this Section 11.20(b) with respect to Loans (as defined in the Existing Credit Agreement) outstanding under the Existing Credit Agreement immediately prior to effectiveness of this Agreement.

11.21 **Acknowledgement and Consent to Bail-In of EEA Financial Institutions.**

Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Lender that is an EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(i) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any Lender that is an EEA Financial Institution; and

(ii) the effects of any Bail-in Action on any such liability, including, if applicable:

(A) a reduction in full or in part or cancellation of any such liability;

(B) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(C) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

11.22 **Acknowledgement Regarding Any Supported QFCs.**

To the extent that the Loan Documents provide support, through a guarantee or otherwise, for any Swap Contract or any other agreement or instrument that is a QFC (such support, "QFC Credit Support", and each such QFC, a "Supported QFC"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "U.S. Special Resolution Regimes") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

In the event a Covered Entity that is party to a Supported QFC (each, a "Covered Party") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under such U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under such U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

11.23 **Judgment Currency.**

If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder or any other Loan Document in one currency into another currency, the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase the first currency with such other currency on the Business Day preceding that on which final judgment is given. The obligation of each Loan Party in respect of any such sum due from it to the Administrative Agent or any Lender hereunder or under the other Loan Documents shall, notwithstanding any judgment in a currency (the "Judgment Currency") other than that in which such sum is denominated in accordance with the applicable provisions of this Agreement (the "Agreement Currency"), be discharged only to the extent that on the Business Day following receipt by the Administrative Agent or such Lender, as the case may be, of any sum adjudged to be so due in the Judgment Currency, the Administrative Agent or such Lender, as the case may be, may in accordance with normal banking procedures purchase the Agreement Currency with the Judgment Currency. If the amount of the Agreement Currency so purchased is less than the sum originally due to the Administrative Agent or any Lender from any Loan Party in the Agreement Currency, such Loan Party agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Administrative Agent or such Lender, as the case may be, against such loss. If the amount of the Agreement Currency so purchased is greater than the sum originally due to the Administrative Agent or any Lender in such currency, the Administrative Agent or such Lender, as the case may be, agrees to return the amount of any excess to such Loan Party (or to any other Person who may be entitled thereto under applicable law).

[signature pages follow]

Each of the parties hereto has caused a counterpart of this Agreement to be duly executed and delivered as of the date first above written.

PARENT BORROWER: MONTROSE ENVIRONMENTAL GROUP, INC., a Delaware corporation

By: /s/ Allan Dicks
Name: Allan Dicks
Title: Chief Financial Officer

CANADIAN BORROWER: 1203524 B.C. LTD.,
a company incorporated under the laws of the Province of British Columbia

By: /s/ Allan Dicks
Name: Allan Dicks
Title: Treasurer

U.S. GUARANTORS:

ANALYTICAL ENVIRONMENTAL SERVICES, a California corporation
ADVANCED GEOSERVICES CORP., a Pennsylvania corporation
ENTHALPY ANALYTICAL, LLC, a Delaware limited liability company
ENVIRONMENTAL PLANNING SPECIALISTS, INC., a Georgia corporation
ENVIROSYSTEMS, INCORPORATED, a New Hampshire corporation
ES ENGINEERING SERVICES, LLC, a Delaware limited liability company
FRS ENVIRONMENTAL REMEDIATION, INC., a Florida corporation
LEYMASTER ENVIRONMENTAL CONSULTING, LLC, a California limited liability company
MONTROSE AIR QUALITY SERVICES, LLC, a Delaware limited liability company
MONTROSE WATER AND SUSTAINABILITY SERVICES, INC., a Delaware corporation
NAUTILUS ENVIRONMENTAL, INC., a California corporation
PARS ENVIRONMENTAL, INC., a New Jersey corporation
TARGET EMISSION SERVICES USA, LLC, a Texas limited liability company
MONTROSE PLANNING & PERMITTING, LLC, a Delaware limited liability company
MONTROSE WASTE-TO-RESOURCES, LLC, a Delaware limited liability company

By: /s/ Allan Dicks
Name: Allan Dicks
Title: Treasurer

MONTROSE ENVIRONMENTAL SOLUTIONS, LLC, a Delaware limited liability company
MONTROSE MEASUREMENTS AND ANALYTICS, LLC, a Delaware limited liability company
MONTROSE SERVICES, LLC, a Delaware limited liability company

By: Montrose Environmental Group, Inc.
Its: Member

By: /s/ Allan Dicks
Name: Allan Dicks
Title: Chief Financial Officer

AIR, WATER AND SOIL LABORATORIES, INC., a Virginia corporation

By: /s/ Allan Dicks

Name: Allan Dicks

Title: Treasurer

CANADIAN GUARANTORS:

TARGET EMISSION SERVICES INC.,
an Alberta corporation

By: /s/ Allan Dicks
Name: Allan Dicks
Title: Treasurer

ADMINISTRATIVE AGENT:

BANK OF AMERICA, N.A.,
as Administrative Agent

By: /s/ Kyle D Harding
Name: Kyle D Harding
Title: AVP

LENDERS:

BANK OF AMERICA, N.A.,
as a Lender, Swing Line Lender and L/C Issuer

By: /s/ Angel Sutoyo
Name: Angel Sutoyo
Title: Senior Vice President

CAPITAL ONE NATIONAL ASSOCIATION, as a Lender

By: /s/ Alfredo Wang
Name: Alfredo Wang
Title: Duly Authorized Signatory

FIFTH THIRD BANK,
as a Lender

By: /s/ Lee Bowen
Name: Lee Bowen
Title: Managing Director

BANK OF THE WEST,
as a Lender

By: /s/ Jim Halton
Name: Jim Halton
Title: Director

Exhibit 10.3

REVOLVING COMMITMENT INCREASE AGREEMENT

This REVOLVING COMMITMENT INCREASE AGREEMENT (this "Agreement") dated as of October 22, 2019 (the "Increase Effective Date") is entered into among Montrose Environmental Group, Inc., a Delaware corporation (the "Parent Borrower"), 1203524 B.C. Ltd., a company incorporated under the laws of the Province of British Columbia (the "Canadian Borrower"; and together with the Parent Borrower, each, a "Borrower" and collectively, the "Borrowers"), the Guarantors, Bank of the West (the "Increasing Lender"), and Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer. All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement (as defined below), as amended hereby.

RECITALS

WHEREAS, the Borrowers, the Guarantors, the Lenders and Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer, entered into that certain Fifth Amended and Restated Credit Agreement dated as of July 24, 2019 (as amended, restated, amended and restated, supplemented, extended or otherwise modified from time to time, the "Credit Agreement");

WHEREAS, pursuant to Section 2.02(f)(i) of the Credit Agreement, the Parent Borrower has requested to increase the Aggregate Revolving Commitments with an additional Revolving Commitment in the aggregate principal amount of $20,000,000 (the "Additional Revolving Commitment") from the Increasing Lender; and

WHEREAS, the Increasing Lender has agreed to provide the Additional Revolving Commitment on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Additional Revolving Commitment; Reallocation. Upon giving effect to this Agreement, (a) the Increasing Lender hereby agrees to provide the Additional Revolving Commitment, (b) Schedule 2.01 to the Credit Agreement shall be deemed revised to reflect that the Revolving Commitments of each Lender and the Applicable Percentages of each Lender with respect to such Lender's Revolving Commitment shall be as set forth on Schedule 2.01 hereto, (c) the amount of the Aggregate Revolving Commitments in effect on the Increase Effective Date shall be $130,000,000, and (d) the Outstanding Amount of all Revolving Loans, Swing Line Loans and L/C Obligations shall be reallocated such that each Lender shall hold its pro rata portion of the Outstanding Amount all Revolving Loans, Swing Line Loans and L/C Obligations in accordance such Lender's Applicable Percentage set forth on Schedule 2.01 hereto.

2. Conditions Precedent. This Agreement shall be effective upon satisfaction of the following conditions precedent:

(a) Receipt by the Administrative Agent of counterparts of this Agreement duly executed by (i) a Responsible Officer of each of the Borrowers and the Guarantors and (ii) the Swing Line Lender, the L/C Issuer, the Increasing Lender, and the Administrative Agent.

(b) Receipt by the Administrative Agent of a certificate of each Loan Party dated as of the Increase Effective Date signed by a Responsible Officer of such Loan Party (i) certifying and attaching resolutions adopted by such Loan Party approving or consenting to the institution of the Additional Revolving Commitment and (ii) in the case of the Parent Borrower, certifying as to the representations and warranties contained in Sections 3(d)(v) and (vi).

(c) Receipt by the Increasing Lender of any documentation and other information so requested in connection with applicable "know your customer" and anti-money-laundering rules and regulations, including the PATRIOT Act and the Canadian AML Acts, which the Increasing Lender shall be reasonably satisfied with.

(d) If any Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, receipt by the Increasing Lender, to the extent requested by the Increasing Lender, of a Beneficial Ownership Certification in relation to such Borrower.

(e) Payment by the Parent Borrower of all agreed fees and expenses (including reasonable attorney's fees of the Administrative Agent).

3. Miscellaneous.

(a) The Credit Agreement, and the obligations of the Loan Parties thereunder and under the other Loan Documents, are hereby ratified and confirmed and shall remain in full force and effect according to their terms, as affected and amended by this Agreement.

(b) Upon the effectiveness of this Agreement, each reference in the Credit Agreement to "this Agreement", "hereunder" or words of like import shall mean and be a reference to the Credit Agreement (as amended by this Agreement). This Agreement is a Loan Document.

(c) Each Loan Party (i) acknowledges and consents to all of the terms and conditions of this Agreement, (ii) affirms all of its obligations under the Loan Documents and (iii) agrees that this Agreement and all documents executed in connection herewith do not operate to reduce or discharge its obligations under the Credit Agreement or the other Loan Documents.

(d) Each Loan Party hereby represents and warrants as follows:

(i) Such Loan Party has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to execute, deliver and perform its obligations under this Agreement.

(ii) The execution, delivery and performance by such Loan Party of this Agreement has been duly authorized by all necessary corporate or other organizational action, and does not (A) contravene the terms of any of such Loan Party's Organization Documents; (B) conflict with or result in any breach or contravention of, or the creation of any Lien under, or require any payment to be made under (1) any material Contractual Obligation to which such Loan Party is a party or affecting such Loan Party or the properties of such Loan Party or any of its Subsidiaries or (2) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Loan Party or its property is subject; or (C) violate any Law (including Regulation U or Regulation X issued by the FRB) except in each case referred to in clause (C), to the extent that such violation could not reasonably be expected to have a Material Adverse Effect.

(iii) No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, such Loan Party of this Agreement other than those that have already been obtained and are in full force and effect.

(iv) This Agreement has been duly executed and delivered by such Loan Party and constitutes a legal, valid and binding obligation of such Loan Party, enforceable against such Loan Party in accordance with its terms, subject to the effect of any applicable bankruptcy, insolvency or other similar laws affecting creditors' rights generally or by principles of equity pertaining to the availability of equitable remedies.

(v) After giving effect to this Agreement, the representations and warranties contained in Article VI of the Credit Agreement and the other Loan Documents are true and correct in all material respects (and in all respects if any such representation or warranty is already qualified by materiality or reference to Material Adverse Effect) on and as of the Increase Effective Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they were true and correct in all material respects (and in all respects if any such representation or warranty is already qualified by materiality or reference to Material Adverse Effect) as of such earlier date, and except that for purposes of this Agreement, the representations and warranties contained in Sections 6.05(a) and (b) of the Credit Agreement shall be deemed to refer to the most recent statements furnished pursuant to Sections 7.01(a) and (b) of the Credit Agreement, respectively.

(vi) After giving effect to this Agreement, no Default or Event of Default exists.

(e) If any provision of this Agreement is held to be illegal, invalid or unenforceable, (i) the legality, validity and enforceability of the remaining provisions of this Agreement shall not be affected or impaired thereby and (ii) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction

(f) This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic imaging means (e.g., ".pdf" or ".tif") shall be effective as delivery of a manually executed counterpart of this Agreement.

(g) **THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK (INCLUDING SECTION 5-1401 AND SECTION 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK) WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES THAT WOULD REQUIRE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.**

(h) The terms of Sections 11.14 and 11.15 of the Existing Credit Agreement with respect to submission to jurisdiction, waiver of venue and waiver of right to trial by jury are incorporated herein by reference, *mutatis mutandis*, and the parties hereto agree to such terms.

[Signature pages follow]

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

PARENT BORROWER:

MONTROSE ENVIRONMENTAL GROUP, INC.,
a Delaware corporation

By: /s/ Allan Dicks
Name: Allan Dicks
Title: CFO

CANADIAN BORROWER:

1203524 B.C. LTD.,
a company incorporated under the laws of the Province of British Columbia

By: /s/ Allan Dicks
Name: Allan Dicks
Title: Treasurer

U.S. GUARANTORS:

AIR, WATER AND SOIL LABORATORIES, INC.,
a Virginia corporation
ANALYTICAL ENVIRONMENTAL SERVICES,
a California corporation
ADVANCED GEOSERVICES CORP.,
a Pennsylvania corporation
ENTHALPY ANALYTICAL, LLC,
a Delaware limited liability company
ENVIRONMENTAL PLANNING SPECIALISTS, INC.,
a Georgia corporation
ENVIROSYSTEMS, INCORPORATED,
a New Hampshire corporation
ES ENGINEERING SERVICES, LLC,
a Delaware limited liability company
FRS ENVIRONMENTAL REMEDIATION, INC.,
a Florida corporation
LEYMASTER ENVIRONMENTAL CONSULTING, LLC,
a California limited liability company
MONTROSE AIR QUALITY SERVICES, LLC,
a Delaware limited liability company
MONTROSE WATER AND SUSTAINABILITY SERVICES, INC.,
a Delaware corporation
NAUTILUS ENVIRONMENTAL, INC.,
a California corporation
PARS ENVIRONMENTAL, INC.,
a New Jersey corporation
TARGET EMISSION SERVICES USA, LLC,
a Texas limited liability company
MONTROSE PLANNING & PERMITTING, LLC,
a Delaware limited liability company
MONTROSE WASTE-TO-RESOURCES, LLC,
a Delaware limited liability company

By: /s/ Allan Dicks
Name: Allan Dicks
Title: Treasurer

MONTROSE ENVIRONMENTAL SOLUTIONS, LLC,
a Delaware limited liability company
MONTROSE MEASUREMENTS AND ANALYTICS, LLC,
a Delaware limited liability company
MONTROSE SERVICES, LLC,
a Delaware limited liability company

By: Montrose Environmental Group, Inc.
Its: Member

By: /s/ Allan Dicks
Name: Allan Dicks
Title: CFO

CANADIAN GUARANTORS:

TARGET EMISSION SERVICES INC.,
an Alberta corporation

By: /s/ Allan Dicks
Name: Allan Dicks
Title: Treasurer

LEHDER ENVIRONMENTAL SERVICES LIMITED,
a company subsisting under the laws of the Province of Ontario

By: /s/ Allan Dicks
Name: Allan Dicks
Title: Treasurer

ADMINISTRATIVE AGENT:

BANK OF AMERICA, N.A.,
an Administrative Agent

By: /s/ Kyle D Harding
Name: Kyle D Harding
Title: AVP

SWING LENDER AND L/C ISSUER:

BANK OF AMERICA, N.A.,
as Swing Line Lender and L/C Issuer

By: /s/ Angel Sutoyo
Name: Angel Sutoyo
Title: Senior Vice President

INCREASING LENDER:

BANK OF THE WEST,
as the Increasing Lender

By: /s/ Jim Halton
Name: Jim Halton
Title: Director

Schedule 2.01

REVOLVING COMMITMENTS AND APPLICABLE PERCENTAGES

Lender	Revolving Commitment	Applicable Percentage of Aggregate Revolving Commitments
Bank of America, N.A.	$ 41,250,000.00	31.730769231%
Capital One, National Association	$ 34,375,000.00	26.442307692%
Bank of the West	$ 33,750,000.00	25.961538462%
Fifth Third Bank	$ 20,625,000.00	15.865384615%
Total:	**$130,000,000.00**	**100.000000000%**

Exhibit 10.4

CREDIT AGREEMENT

Dated as of April 13, 2020

among

MONTROSE ENVIRONMENTAL GROUP, INC.,
as the Parent Borrower,

1203524 B.C. LTD.,
as the Canadian Borrower,

CERTAIN SUBSIDIARIES OF THE PARENT BORROWER,
as the Guarantors,

CAPITAL ONE, NATIONAL ASSOCIATION,
as Administrative Agent, Revolver Agent, Swing Line Lender and L/C Issuer,

and

THE LENDERS
from time to time party hereto

CAPITAL ONE, NATIONAL ASSOCIATION,
and
HPS INVESTMENT PARTNERS, LLC,
as Joint Lead Arrangers and Co-Bookrunners

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L	Form of Swing Line Note
M	Form of L/C Request
N	Form of Solvency Certificate

CREDIT AGREEMENT

This CREDIT AGREEMENT is entered into as of April 13, 2020 among **MONTROSE ENVIRONMENTAL GROUP, INC.**, a Delaware corporation (the "Parent Borrower"), **1203524 B.C. LTD.**, a company incorporated under the laws of the Province of British Columbia (the "Canadian Borrower"; and together with the Parent Borrower, each, a "Borrower" and collectively, the "Borrowers"), the Guarantors (defined herein), **UNITRANCHE LOAN TRANSACTION LLC** ("**ULTra**") and each other financial institution from time to time party hereto (collectively, the "**Lenders**" and individually each a "**Lender**"), **CAPITAL ONE, NATIONAL ASSOCIATION** (in its individual capacity, "**Capital One**"), as Administrative Agent, Revolver Agent, Swing Line Lender, L/C Issuer, Joint Bookrunner and Joint Arranger and **HPS INVESTMENT PARTNERS, LLC** ("**HPS**"), as Joint Bookrunner and Joint Arranger.

WHEREAS, the Borrowers have requested, and the Lenders have agreed to make available to the Borrowers, a revolving credit facility (including a letter of credit subfacility) and a term loan upon and subject to the terms and conditions set forth in this Agreement for the uses of proceeds described in Section 7.11;

WHEREAS, the Loan Parties desire to secure all of their Obligations under the Loan Documents by granting to Administrative Agent, for the benefit of the Secured Parties, a security interest in and lien upon substantially all of their property, including the Equity Interests of all Borrowers (other than Parent Borrower);

In consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

ARTICLE I.

DEFINITIONS AND ACCOUNTING TERMS

1.01 **Defined Terms.**

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

"Acceptance Notice" has the meaning set forth in Section 2.02(f)(A)(II).

"Accepting Lenders" has the meaning specified in Section 11.01.

"Acquisition", by any Person, means the acquisition by such Person, in a single transaction or in a series of related transactions, of all or any substantial portion of the property of, or a line of business, division of or other business unit of, another Person or at least a majority of the Voting Stock of another Person, in each case whether or not involving a merger, amalgamation or consolidation with such other Person and whether for cash, property, services, assumption of Indebtedness, securities or otherwise; provided that the purchase of specific equipment of a Person for an aggregate purchase price of less than $2,000,000 that (i) constitute all or any substantial portion of the property of, or a line of business, division or other business unit of, such Person, (ii) would otherwise constitute capital expenditures of the Parent Borrower and its Subsidiaries in accordance with GAAP and (iii) are not acquired in connection with the acquisition of the operations or business of such Person as a going concern, shall not be deemed to be an Acquisition hereunder.

"Additional Collateral Documents" means each fixed or floating charge, debenture, deed, mortgage, security document, filing, assignment or security instrument or other similar instrument or agreement, in form and substance reasonably satisfactory to the Administrative Agent, executed by any Loan Party or any of their Subsidiaries with or in favor of the Administrative Agent in order to grant Liens on the Equity Interests of and real, personal or mixed property of (i) any Loan Party or any of its Subsidiaries organized or incorporated in any jurisdiction other than the United States to secure the Obligations or (ii) of any Loan Party located in any jurisdiction other than the United States.

"Administrative Agent" means Capital One, National Association, in its capacity as administrative agent under any of the Loan Documents, and any successor administrative agent.

"Administrative Agent's Office" means the Administrative Agent's address or such other address as the Administrative Agent may from time to time notify the Parent Borrower, the Revolver Agent and the Lenders.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affected Financial Institution" means (a) any EEA Financial Institution or (b) any UK Financial Institution.

"Affiliate" means, with respect to any Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Aircraft" means the aircraft, engines and propellers together with the landing gear, avionics, systems, appliances, accessories, components, parts, furnishings and other equipment belonging to, installed in or attached or appurtenant to the foregoing and all loose, ground and safety equipment and spare parts relating to the foregoing.

"Agents" means each of the Administrative Agent and the Revolver Agent.

"Aggregate Revolving Commitments" means the Revolving Commitments of all the Lenders. The aggregate principal amount of the Aggregate Revolving Commitments in effect on the Closing Date is $50,000,000.

"Agreement" means this Credit Agreement, as it may be amended, restated, supplemented or otherwise modified from time to time.

"Agreement Currency" has the meaning specified in Section 11.23.

"All-In Yield" means, as to any Indebtedness, the yield thereof, whether in the form of interest rate, margin, original issue discount, upfront fees, interest rate floor or otherwise, in each case, incurred or payable by the Parent Borrower generally to all lenders of such Indebtedness, calculated in a manner reasonably determined by the Administrative Agent; provided that "All-In Yield" shall include arrangement, structuring, commitment, underwriting or other similar fees (regardless of whether paid in whole or in part to any lenders) not paid generally to all lenders of such Indebtedness to the extent such arrangement, structuring, commitment, underwriting or other similar fees are in an aggregate amount in excess of two percent (2.00%) of the principal amount of such Indebtedness.

"Applicable Agent" means with respect to Term Lenders and Term Loans and all payments and matters relating thereto, the Administrative Agent, and with respect to the Revolving Commitment, Revolving Lenders, Revolving Loans, Swing Line Loans, Letters of Credit and L/C Reimbursement Obligations and all payments and matters relating thereto, the Revolver Agent.

"Applicable Percentage" means with respect to any Lender at any time (a) with respect to such Lender's Revolving Commitment at any time, the percentage of the Aggregate Revolving Commitments represented by such Lender's Revolving Commitment at such time, subject to adjustment as provided in Section 2.15; provided that if the commitment of each Lender to make Revolving Loans and the obligation of the L/C Issuer to make L/C Credit Extensions have been terminated pursuant to Section 9.02 or if the Aggregate Revolving Commitments have expired, then the Applicable Percentage of each Lender shall be determined based on the Applicable Percentage of such Lender most recently in effect giving effect to any subsequent assignments, (b) with respect to such Lender's portion of the outstanding Term Loan, the percentage of the Term Loan represented by the outstanding principal amount of such Lender's portion of the Term Loan at such time and (c) with respect to such Lender's portion of the outstanding Incremental Term Loan at any time, the percentage of the outstanding principal amount of the Incremental Term Loan held by such Lender at such time. The initial Applicable Percentage of each Lender as of the Closing Date is set forth opposite the name of such Lender on Schedule 2.01 or in the Assignment and Assumption or other agreement pursuant to which such Lender becomes a party hereto, as applicable.

"Applicable Rate" means (a) with respect to the Incremental Term Loan, the percentage(s) per annum set forth in the Incremental Term Loan Lender Joinder Agreement, (b) with respect to Revolving Loans (1) three and one-half percent (3.50%) per annum for Eurocurrency Rate Loans and (2) two and one-half percent (2.50%) per annum for Base Rate Loans and (c) for Term Loans, (1) five percent (5.00%) per annum for Eurocurrency Rate Loans and (2) four percent (4.00%) per annum for Base Rate Loans.

"Applicable Time" means, with respect to any borrowings and payments in Canadian Dollars, the local time in the place of settlement for Canadian Dollars as may be determined by the Revolver Agent or the L/C Issuer, as the case may be, to be necessary for timely settlement on the relevant date in accordance with normal banking procedures in the place of payment.

"Approved Fund" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Arrangers" means Capital One and HPS in their capacities as joint lead arrangers and co-bookrunners.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 11.06(b)), and accepted by the Administrative Agent, in substantially the form of Exhibit F or any other form (including electronic documentation generated by MarkitClear or other electronic platform) approved by the Administrative Agent and, in the case of any Assignment and Assumption with respect to a Revolving Loan, Letter of Credit or Revolving Commitment, the Revolver Agent.

"Attributable Indebtedness" means, on any date, (a) in respect of any Capital Lease of any Person, the capitalized amount thereof that would appear as indebtedness on a balance sheet of such Person prepared as of such date in accordance with GAAP, (b) in respect of any Synthetic Lease of any Person, the capitalized amount of the remaining lease payments under the relevant lease that would appear as indebtedness on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease were accounted for as a Capital Lease and (c) in respect of any Securitization Transaction of any Person, the outstanding principal amount of such financing, after taking into account reserve accounts and making appropriate adjustments, determined by the Administrative Agent in its reasonable judgment.

"Audited Financial Statements" has the meaning provided in Section 7.01(a).

"Availability Period" means, with respect to the Revolving Commitments, the period from and including the Closing Date to the earliest of (a) the Maturity Date, (b) the date of termination of all of the Aggregate Revolving Commitments pursuant to Section 2.06, and (c) the date of termination of the commitment of each Lender to make Loans and of the obligation of the L/C Issuer to make L/C Credit Extensions pursuant to Section 9.02.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

"Bail-In Legislation" means, (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, rule, regulation or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

"Base Rate" means, for any day, a floating interest rate per annum equal to the highest of (a) the rate of interest from time to time announced by the Administrative Agent at its principal office as its prime commercial lending rate (it being understood that such prime commercial rate is a reference rate and does not necessarily represent the lowest or best rate being charged by the Administrative Agent to any customer and such rate is set by the Administrative Agent based upon various factors including the Administrative Agent's costs and desired return, general economic conditions and other factors), (b) the sum of one half of one percent (0.50%) per annum and the Federal Funds Rate and (c) the sum of (x) the Eurocurrency Rate calculated for each such day based on an Interest Period of one month determined two (2) Business Days prior to such day (giving effect to the minimum Eurocurrency Rate of 0.00% per annum for Revolving Loans and 1.00% per annum for Term Loans), plus (y) 1.00% per annum, in each instance, as of such day. Any change in the Base Rate due to a change in any of the foregoing shall be effective on the effective date of such change in the Administrative Agent's prime commercial lending rate, the Federal Funds Rate or the Eurocurrency Rate for an Interest Period of one month.

"Base Rate Loan" means a Loan that bears interest based on the Base Rate. All Base Rate Loans are only available to the Parent Borrower and in Dollars.

"Beneficial Ownership Certification" means a certification regarding beneficial ownership required by the Beneficial Ownership Regulation.

"Beneficial Ownership Regulation" means 31 C.F.R. § 1010.230.

"Benefit Plan" means any of (a) an "employee benefit plan" (as defined in ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in Section 4975 of the Internal Revenue Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Internal Revenue Code) the assets of any such "employee benefit plan" or "plan".

"BHC Act Affiliate" of a party means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

"BofA Disbursement Account" has the meaning specified in Section 7.17(a).

"Bona Fide Lending Affiliate" means any bona fide debt fund, investment vehicle, regulated banking entity or non-regulated lending entity that is primarily engaged in making, purchasing, holding or otherwise investing in commercial loans or bonds and/or similar extensions of credit in the ordinary course of business.

"Borrower" and "Borrowers" each has the meaning specified in the introductory paragraph hereto.

"Borrower Materials" has the meaning specified in Section 7.02.

"Borrowing" means each of the following: (a) a borrowing of Swing Line Loans pursuant to Section 2.04 and (b) a borrowing consisting of simultaneous Loans of the same Type, and, in the case of Eurocurrency Rate Loans, having the same Interest Period made by each of the Lenders pursuant to Section 2.01.

"Business Day" means (a) any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state where the Administrative Agent's Office or the Revolver Agent's Office is located and (b) (i) if such day relates to any interest rate settings as to a Eurocurrency Rate Loan denominated in Dollars, any fundings, disbursements, settlements and payments in Dollars in respect of any such Eurocurrency Rate Loan, or any other dealings in Dollars to be carried out pursuant to this Agreement in respect of any such Eurocurrency Rate Loan, means any such day that is also a London Banking Day, and (ii) if such day relates to any interest rate settings as to a Eurocurrency Rate Loan denominated in Canadian Dollars, means any such day other than a day on which banking institutions in Toronto, Ontario or Vancouver, British Columbia are authorized by law to close and (c) with respect to any action taken under, or in relation to, the Additional Collateral Documents, a day (other than Saturday or Sunday) on which banks are open for general business in the appropriate collateral jurisdiction, respectively.

"Businesses" means, at any time, a collective reference to the businesses operated by the Parent Borrower and its Subsidiaries at such time.

"Canadian AML Acts" means applicable Canadian law regarding anti-money laundering, anti-terrorist financing, government sanction and "know your client" matters, including the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada), Parts II.1, XII.2 and s. 354 of the Criminal Code (Canada), and the Special Economic Measures Act (Canada).

"Canadian Borrower" has the meaning specified in the introductory paragraph hereto.

"Canadian Defined Benefit Pension Plan" means a Canadian Pension Plan that contains or has ever contained a "defined benefit provision" as such term is defined in Section 147.1(1) of the ITA.

"Canadian Dollar" means the lawful currency of Canada.

"Canadian Dollar Equivalent" means, at any time, (a) with respect to any amount denominated in Canadian Dollars, such amount, and (b) with respect to any amount denominated in Dollars, the equivalent amount thereof in Canadian Dollars as determined by the Revolver Agent or the L/C Issuer, as the case may be, at such time on the basis of the Spot Rate (determined in respect of the most recent Revaluation Date) for the purchase of Canadian Dollars with Dollars.

"Canadian Dollar Sublimit" means an amount equal to the lesser of the Aggregate Revolving Commitments and $10,000,000. The Canadian Dollar Sublimit is part of, and not in addition to, the Aggregate Revolving Commitments.

"Canadian Loan Parties" means, collectively, the Canadian Borrower and each Guarantor organized under the laws of Canada or any province or territory thereof.

"Canadian Obligations" means (a) all advances to, and debts, liabilities, obligations, covenants and duties of, any Canadian Loan Party arising under any Loan Document or otherwise with respect to any Loan or Letter of Credit, and (b) all obligations of any Canadian Subsidiary owing to a Treasury Management Bank or a Swap Bank in respect of Secured Treasury Management Agreements or Secured Swap Agreements, in the case of each of clauses (a) and (b), whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Canadian Loan Party or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding; provided, however, that the "Canadian Obligations" of a Canadian Loan Party shall exclude any Excluded Swap Obligations with respect to such Canadian Loan Party.

"Canadian Pension Plan" means a pension plan or plan that is subject to applicable pension standards legislation in any jurisdiction of Canada and that is organized and administered to provide pensions, pension benefits or retirement benefits for employees and former employees of any Canadian Loan Party or any Subsidiary thereof, or in respect of which any Loan Party or any Subsidiary thereof has any obligations to contribute, or in respect which any Loan Party or any Subsidiary thereof has any liability, contingent or actual, and, for the avoidance of doubt, shall include any "multi-employer pension plan" as defined in Section 1(3) of the Pension Benefits Act (Ontario), whether or not subject to the Pension Benefits Act (Ontario).

"Canadian Security Agreement" means the Canadian Security and Pledge Agreement, dated as of the Closing Date, executed in favor of the Administrative Agent, for the benefit of the holders of the Obligations, by each of the Canadian Loan Parties and governed by the laws of the Province of Ontario.

"Canadian Subsidiary" means each Foreign Subsidiary organized under the laws of Canada or any province or territory thereof.

"Cannabis" means all parts of the plant Cannabis sativa L., whether growing or not; the seeds thereof; the resin extracted from any part of such plant; and every compound, manufacture, salt, derivative, mixture, or preparation of such plant, its seeds or resin, except that "Cannabis" does not include: (a) the mature stalks of such plant, fiber produced from such stalks, oil or cake made from the seeds of such plant, any other compound, manufacture, salt, derivative, mixture, or preparation of such mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of such plant which is incapable of germination; (b) hemp, defined as the plant Cannabis sativa L. and any part of that plant, including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a delta-9 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis or (c) any other part or variation or derivative of such plant of which the use, consumption, distribution or sale is not in violation of applicable Law.

"Capital Lease" means, as applied to any Person, any lease of any property by that Person as lessee which, in accordance with GAAP, is required to be accounted for as a capital lease on the balance sheet of that Person, subject, for the avoidance of doubt, to the last sentence of Section 1.03(a).

"Cash Collateralize" means to pledge and deposit with or deliver to the Revolver Agent, for the benefit of one or more of L/C Issuer, the Swing Line Lender or the Revolving Lenders, as collateral for L/C Obligations, Obligations in respect of Swing Line Loans, or obligations of the Revolving Lenders to fund participations in respect of L/C Obligations or Swing Line Loans (as the context may require), (a) cash or deposit account balances, (b) backstop letters of credit entered into on terms, from issuers and in amounts satisfactory to the Revolver Agent and the applicable L/C Issuer and/or, if the Revolver Agent and the L/C Issuer or the Swing Line Lender, as applicable, shall agree in their sole discretion, other credit support, in each case, in Dollars and pursuant to documentation in form and substance satisfactory to the Revolver Agent and the L/C Issuer or the Swing Line Lender, as applicable. "Cash Collateral" shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

"CARES Act": the Coronavirus Aid, Relief and Economic Security Act, as amended (including any successor thereto), and all requests, rules, guidelines, requirements and directives thereunder or issued in connection therewith or in implementation thereof, regardless of the date enacted, adopted, issued or implemented.

"Cash Equivalents" means, as at any date, (a) securities issued or directly and fully guaranteed or insured by the United States, Canada, Euros, Swiss Francs, Pounds Sterling Australian Dollars or any agency or instrumentality thereof (provided that the full faith and credit of the United States or Canada is pledged in support thereof) having maturities of not more than twelve (12) months from the date of acquisition, (b) Dollar, Canadian Dollar, Euros, Pounds Sterling, Swiss Francs, or Australian Dollars denominated time deposits and certificates of deposit of (i) any Lender, (ii) any commercial bank organized under the laws of the United states, any state thereof, the District of Columbia, Canada, any province or territory thereof, Australia, United Kingdom, or any member of the European Union, any province or territory thereof of recognized standing having capital and surplus in excess of $500,000,000 or (iii) any bank whose short-term commercial paper rating from S&P is at least A-1 or the equivalent thereof or from Moody's is at least P-1 or the equivalent thereof (any such bank being an "Approved Bank"), in each case with maturities of not more than 270 days from the date of acquisition, (c) commercial paper and variable or fixed rate notes issued by any Approved Bank (or by the parent company thereof) or any variable rate notes issued by, or guaranteed by, any domestic corporation rated A-1 (or the equivalent thereof) or better by S&P or P-1 (or the equivalent thereof) or better by Moody's and maturing within six (6) months of the date of acquisition, (d) repurchase agreements entered into by any Person with a bank or trust company (including any of the Lenders) or recognized securities dealer having capital and surplus in excess of $500,000,000 for direct obligations issued by or fully guaranteed by the United States, the United Kingdom, any member of the European Union, Australia or Canada in which such Person shall have a perfected first priority security interest (subject to no other Liens) and having, on the date of purchase thereof, a fair market value of at least one hundred percent (100%) of the amount of the repurchase obligations, (e) Investments, classified in accordance with GAAP as current assets, in money market investment programs registered under the Investment Company Act of 1940 which are administered by reputable financial institutions having capital of at least $500,000,000 and the portfolios of which are limited to Investments of the character described in the foregoing subdivisions (a) through (d), (f) in the case of any Foreign Subsidiary, investments denominated in a Local Currency, in each case which are of substantially the same type as the items specified in clauses (a) through (e) above, and (g) other short term liquid investments approved in writing by Administrative Agent. "Local Currency" means the applicable generally accepted currency or currencies of the jurisdiction where a Foreign Subsidiary is organized.

"Change in Law" means the occurrence, after the Closing Date, of any of the following: (a) the adoption or taking effect of any Law, (b) any change in any Law, or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States, Canadian or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

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

(a) prior to the Qualifying IPO, a New Investor acquires, directly or indirectly, beneficial ownership of at least 35% or more of the Equity Interests of the Parent Borrower entitled to vote for the members of the board of directors or equivalent governing body of the Parent Borrower on a fully diluted basis;

(b) after the Qualifying IPO, any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding the Permitted Holders and any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) becomes, directly or indirectly, the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have "beneficial ownership" of all securities that such person or group has the right to acquire (such right, an "option right"), whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of 35% or more of the Equity Interests of the Parent Borrower entitled to vote for members of the board of directors or equivalent governing body of the Parent Borrower on a fully diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right);

(c) [reserved];

(d) the Parent Borrower ceases to directly or indirectly own one hundred percent (100%) of the voting rights and economic interests (on a fully diluted basis) with respect to all ownership interests of the Subsidiaries existing on the Closing Date (other than (x) any such Subsidiary, all of the ownership interests of which have been sold or otherwise disposed of in accordance with this Agreement and (y) PARS-LATA JV LLC, a New Jersey limited liability company) at all times; or

(e) the occurrence of a "change in control", "liquidity event" or comparable term under the Series A-1 Preferred Equity Documents or the Series A-2 Preferred Equity Documents, in each case, resulting in a mandatory redemption (but not conversion) of the Series A-1 Preferred Equity or the Series A-2 Preferred Equity; provided, that, any mandatory redemption of the Series A-1 Preferred Equity as a result of the occurrence of the Qualifying IPO or private placement of common stock of Parent Borrower shall not constitute a Change of Control.

"Closing Date" means the date hereof.

"Collateral" means a collective reference to all real and personal property with respect to which Liens in favor of the Administrative Agent, for the benefit of the holders of the Obligations, are purported to be granted pursuant to and in accordance with the terms of the Collateral Documents.

"Collateral Documents" means a collective reference to the Security Agreement, the Canadian Security Agreement, the Mortgages, the Additional Collateral Documents, any Deeds of Hypothec, and any other security documents as may be executed and delivered by the Loan Parties pursuant to the terms of Section 7.14.

"Commitment" means, as to each Lender, the Revolving Commitment of such Lender, the Term Loan Commitment of such Lender and/or the Incremental Term Loan Commitment of such Lender.

"Commitment Fee" has the meaning specified in Section 2.09(a).

"Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. Section 1 *et seq.*) as amended or otherwise modified, and any successor statute.

"Company Material Adverse Effect" means "Material Adverse Effect" (as defined in the Specified Permitted Acquisition Agreement).

"Competitor" means any direct operating company competitor, supplier, or customer of the Borrowers or their respective subsidiaries.

"Compliance Certificate" means a certificate substantially in the form of Exhibit D.

"Connection Income Taxes" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"Consolidated Capital Expenditures" means, for any period, for the Parent Borrower and its Subsidiaries on a consolidated basis, all capital expenditures determined in accordance with GAAP, but excluding (i) expenditures made in connection with the acquisition, replacement, substitution or restoration of assets to the extent financed (x) from insurance proceeds (or other similar recoveries) paid on account of the loss of or damage to the assets being replaced or restored, (y) with cash awards of compensation arising from the taking by eminent domain or condemnation of the assets being replaced or (z) with cash proceeds of Dispositions that are reinvested in accordance with this Agreement, (ii) Permitted Acquisitions or other Investments expressly permitted under Section 8.02, and (iii) expenditures made as a tenant in leasehold improvements to the extent reimbursed by its landlord or any other unaffiliated third party.

"Consolidated Cash Taxes" means, for any period, for the Parent Borrower and its Subsidiaries on a consolidated basis, the aggregate of all taxes, as determined in accordance with GAAP, to the extent the same are paid in cash during such period.

"Consolidated EBITDA" means for any period, for the Parent Borrower and its Subsidiaries on a consolidated basis, an amount equal to:

(a) Consolidated Net Income for such period;

plus,

(b) without duplication, the following to the extent (except in the case of clauses (b)(x)(B) and (b)(xii)(C) below) deducted in calculating such Consolidated Net Income:

(i) Consolidated Interest Charges for such period;

(ii) net income tax expense (or net expense for franchise taxes in lieu of income taxes) of the Parent Borrower and its Subsidiaries for such period;

(iii) depreciation and amortization expense for such period;

(iv) fees, charges and expenses of advisors, legal counsels, lenders, agents or representatives of agents or lenders incurred on or prior to the Closing Date, in an aggregate amount not to exceed $600,000, to the extent (A) incurred under the Existing Credit Agreement (and any proposed or actual amendments thereto or restatements thereof) in connection with the Specified Permitted Acquisition, preparation for an initial public offering, or discharge of the indebtedness incurred thereunder and (B) not capitalized (it being agreed that if capitalized, the same are covered by clause (b)(iii) above);

(v) [reserved];

(vi) (A) (1) reasonable fees and expenses of professional advisors, investment bankers and legal counsel, bonuses incurred, and filing and other fees payable to, or in connection with filings made with, the SEC, in each case, in connection with a Qualifying IPO for such period, (2) one-time expenses related to audits required to be conducted in connection with a Qualifying IPO (including audits required under 17 C.F.R. 210.3-05), (B) without duplication, Qualifying IPO Costs for such period in an amount not to exceed, with respect to this clause (B), $3,000,000, in each case whether a Qualifying IPO is consummated or not consummated during such period, and (C) any "make-whole premium" paid in connection with a redemption of the Series A-1 Preferred Equity that is permitted hereunder, to the extent not capitalized (it being agreed that if capitalized, the same are covered by clause (b)(iii) above);

(vii) fees, charges and expenses (including, without limitation, of advisors, legal counsels, agents or representatives of the Agent, the Lenders, Series A-2 Preferred Equity Holders, and the Borrowers) (A) incurred in connection with this Agreement, the other Loan Documents and the other transactions contemplated hereby or thereby and consummated on the date hereof (a) incurred or paid on the date hereof in such amounts and to such parties as are identified on the funding memorandum delivered to the Administrative Agent on or prior to the date hereof or (b) incurred or paid within one hundred eighty (180) days on, before or following the date hereof, solely with respect to this clause (b), in an aggregate amount not to exceed $2,000,000 or (B) pursuant to or in connection with any amendment, consent, waiver or modification to the Loan Documents or the administration thereof;

(viii) all non-cash charges or losses for such period, including non-cash stock based compensation expense for such period (other than (A) charges relating to inventory or accounts receivable and (B) any such non-cash charges or losses to the extent representing accruals of or reserves for cash expenses in any future period or an amortization of a prepaid cash expense);

(ix) [reserved];

(x) (A) charges and expenses reimbursed to the Parent Borrower and its Subsidiaries by insurance or indemnity payments by third parties for such period and, in the case of this clause (A), such additional charges and expenses for such period that, in the good faith judgment of the Parent Borrower, are reasonably expected to be so reimbursed to the Parent Borrower and its Subsidiaries within one year after the incurrence of such charge or expense (and if not so reimbursed within one year, such unreimbursed amounts shall be deducted from Consolidated EBITDA during the next period), and (B) proceeds of business interruption insurance received in such period in an amount representing the earnings for such period that such proceeds are intended to replace (to the extent not reflected in Consolidated Net Income), in an aggregate amount of such amounts added back pursuant to clauses (A) and (B) not to exceed $500,000 in any period of four fiscal quarters;

(xi) reasonable costs and expenses incurred in connection with Permitted Acquisitions whether consummated or unconsummated during such period to the extent such costs and expenses are not capitalized (it being agreed that if capitalized, the same are covered by clause (b)(iii) above);

(xii) (A) other non-recurring or extraordinary losses, charges and expenses for such period,

(B) losses from start-up labs or de novo locations, businesses or services, so long as such loss was incurred within twelve months of the openings of such start-up labs or de novo locations, or the initial investment in such de novo business or service offering, as applicable, and

(C) the amount of "run rate" cost savings and operating expense reductions projected by the Parent Borrower in good faith to be realized after specified actions which are taken within twelve months of the consummation or implementation of the Specified Permitted Acquisition or another Permitted Acquisition or the implementation of a cost-savings or similar initiative, net of the amount of actual benefits realized during such period from such actions, and in each case, are reasonably expected to be realized within the first twelve months following the consummation or implementation thereof and are reasonably identifiable and factually supportable, as certified by a Responsible Officer of Parent Borrower in the Compliance Certificate delivered pursuant to Section 7.02 for such period; provided that no cost savings or operating expense reductions shall be added pursuant to this clause (b)(xii)(C) to the extent duplicative of any amounts otherwise added to, or included in, Consolidated EBITDA, whether through a pro forma adjustment or otherwise, for such period;

provided, that (x) the aggregate amount added back to Consolidated EBITDA pursuant to clauses (b)(xi) and (b)(xii)(A) – (b)(xii)(C) shall not exceed 15.0% of Consolidated EBITDA for any such period in the aggregate (calculated prior to giving effect to such addbacks) and (y) the aggregate amount added back to Consolidated EBITDA pursuant to clauses (b)(xii)(B) and (b)(xii)(C) shall not exceed 10.0% of Consolidated EBITDA for any such period in the aggregate (calculated prior to giving effect to such addbacks).

minus

(c) to the extent included in calculating Consolidated Net Income,

(i) the amount of cash expended in such period in respect of any amount that, under clause (b)(viii) above, was taken into account in determining Consolidated EBITDA for such or any prior period, all as determined in accordance with GAAP;

(ii) all non-cash gains for such period;

(iii) all extraordinary gains for such period;

(iv) all non-recurring gains; and

(v) without limitation of clauses (iii) and (iv) above, all other gains included in Consolidated Net Income not generated directly from the operations of the permitted lines of business of the Parent Borrower and its Subsidiaries.

provided, that, notwithstanding anything to the contrary contained herein, other than for purposes of calculating Excess Cash Flow and Consolidated Fixed Charge Coverage Ratio, (x) Consolidated EBITDA of Parent Borrower and its Subsidiaries (excluding, for the avoidance of doubt, Consolidated EBITDA for Target and its Subsidiaries, which shall be determined on a Pro Forma Basis in accordance with Section 1.03(c)) for each of the fiscal quarters set forth shall be deemed to be the amount set forth below opposite such fiscal quarter and (y) Consolidated EBITDA of Parent Borrower and its Subsidiaries (excluding, for the avoidance of doubt, Consolidated EBITDA for Target and its Subsidiaries, which shall be determined on a Pro Forma Basis in accordance with Section 1.03(c)) for any period ended prior to the Closing Date that is not set forth below shall be calculated in a manner and adjustment consistent with the methodology used to calculate the amounts for the fiscal quarter set forth below:

Fiscal Quarter	Consolidated EBITDA of Parent Borrower and its Subsidiaries (other than the Target and its Subsidiaries)
March, 31, 2019	$ 8,457,000
June 30, 2019	$12,350,000
September 30, 2019	$10,977,000
December 31, 2019	$10,643,000

"Consolidated Fixed Charge Coverage Ratio" means, as of any date of determination, the ratio of (a)(i) Consolidated EBITDA minus (ii) the sum of (A) net Consolidated Cash Taxes constituting income taxes (or expense for franchise taxes in lieu of income taxes) paid or payable, and (B) Consolidated Unfinanced Capital Expenditures made, in each case, for the period of the four (4) fiscal quarters most recently ended to (b) Consolidated Fixed Charges for the period of the four (4) fiscal quarters most recently ended.

"Consolidated Fixed Charges" means, for any period, for the Parent Borrower and its Subsidiaries on a consolidated basis, an amount equal to the sum of, without duplication, (a) the cash portion of Consolidated Interest Charges (but excluding, all dividends, interest, premium payments, fees, charges and related expenses in connection with the Series A-1 Preferred Equity and the Series A-2 Preferred Equity) for such period plus (b) Consolidated Scheduled Funded Indebtedness Payments for such period (excluding all Consolidated Scheduled Funded Indebtedness Payments on the Indebtedness repaid on the Closing Date, including any repaid by the Target or its Subsidiaries on the Closing Date) plus (c) all cash payments of dividends with respect to the Series A-1 Preferred Equity made pursuant to Section 8.06(h) for such period plus (d) all cash payments of Restricted Payments made pursuant to Section 8.06(q) plus (e) all cash coupon payments with respect to the Series A-2 Preferred Equity made pursuant to Section 8.06(j); provided that the cash portion of Consolidated Interest Charges with respect to the Loans (x) for the Fiscal Quarter ending June 30, 2020 shall be measured for such Fiscal Quarter multiplied by four, (y) for the Fiscal Quarter ending September 30, 2020, shall be measured for the two Fiscal Quarters ending on September 30, 2020, multiplied by 2 and (z) for the Fiscal Quarter ending December 31, 2021, shall be measured for the three Fiscal Quarters ending on December 31, 2021, multiplied by 4/3.

"Consolidated Funded Indebtedness" means the Funded Indebtedness (excluding amounts paid in connection with the financing of insurance premiums) of the Parent Borrower and its Subsidiaries on a consolidated basis.

"Consolidated Interest Charges" means, for any period, for the Parent Borrower and its Subsidiaries on a consolidated basis, an amount equal to the sum of (a) all interest, premium payments, debt discount, fees, charges and related expenses in connection with borrowed money (including capitalized interest) or in connection with the deferred purchase price of assets, in each case to the extent treated as interest in accordance with GAAP but excluding, to the extent otherwise included as an interest expense transaction costs related to the closing of this Agreement, including up-front fees and expenses, plus (b) the portion of rent expense with respect to such period under Capital Leases that is treated as interest in accordance with GAAP plus (c) the implied interest component of Synthetic Leases with respect to such period plus (d) all dividends, interest, premium payments, fees, charges and related expenses in connection with the Series A-1 Preferred Equity and the Series A-2 Preferred Equity to the extent treated as interest in accordance with GAAP but excluding, to the extent otherwise included as an interest expense, transaction costs related to the closing of the Series A-1 Preferred Equity Documents and the closing of the Series A-2 Preferred Equity Documents, including "up-front"-like fees and expenses.

"Consolidated Net Income" means, for any period, for the Parent Borrower and its Subsidiaries on a consolidated basis, the net income of the Parent Borrower and its Subsidiaries for that period, as determined in accordance with GAAP; provided that Consolidated Net Income shall exclude any income (or loss) for such period of any Person if such Person is not a Subsidiary, except that the Parent Borrower's equity in the net income of any such Person for such period shall be included in Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such period to the Parent Borrower or a Subsidiary as a dividend or other distribution.

"Consolidated Scheduled Funded Indebtedness Payments" means for any period for the Parent Borrower and its Subsidiaries on a consolidated basis, the sum of all scheduled payments of principal on Funded Indebtedness, as determined in accordance with GAAP. For purposes of this definition, "scheduled payments of principal" (a) shall be determined after giving effect to any reduction of such scheduled payments resulting from the application of any voluntary or mandatory prepayments made during the applicable period, (b) shall be deemed to include the Attributable Indebtedness in respect of Capital Leases, Securitization Transactions and Synthetic Leases, (c) shall not include any voluntary prepayments or mandatory prepayments required pursuant to Section 2.05, and (d) shall not include any scheduled payment of principal with respect to Earn Out Obligations.

"Consolidated Total Assets" means the consolidated total assets of the Parent Borrower and its Subsidiaries determined in accordance with GAAP as of the date of the financial statements most recently delivered pursuant to Section 7.01 hereunder.

"Consolidated Total Leverage Ratio" means, as of any date of determination, the ratio of (a) Consolidated Funded Indebtedness to (b) Consolidated EBITDA for the period of the four (4) fiscal quarters most recently ended; provided, that for the calculation of Consolidated Total Leverage Ratio as of any date of determination, the Parent Borrower may subtract Qualified Cash in (x) an aggregate amount not to exceed $10,000,000 of such Qualified Cash not held in accounts provided by the Administrative Agent and (y) an unlimited amount for all such Qualified Cash held in accounts provided by the Administrative Agent.

"Consolidated Unfinanced Capital Expenditures" means, for any period, Consolidated Capital Expenditures less all expenditures made with the proceeds of any Indebtedness or equity issuance or contribution.

"Contractual Obligation" means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto. Without limiting the generality of the foregoing, a Person shall be deemed to be Controlled by another Person if such other Person possesses, directly or indirectly, power to vote ten percent (10%) or more of the securities having ordinary voting power for the election of directors, managing general partners or the equivalent.

"Control Agreement" means, with respect to any deposit account, securities account, commodity account, securities entitlement or commodity contract, an agreement, in form and substance reasonably satisfactory to Administrative Agent, among Administrative Agent, the financial institution or other Person at which such account is maintained or with which such entitlement or contract is carried, and the Loan Party maintaining such account or owning such entitlement or contract, effective to grant "control" (within the meaning of Articles 8 and 9 under the applicable Uniform Commercial Code or the applicable STA) over such account to the Administrative Agent (and, if applicable, such holder or representative).

"Covered Entity" means any of the following: (a) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (b) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (c) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"Covered Party" has the meaning specified in Section 11.22.

"Credit Extension" means each of the following: (a) a Borrowing and (b) an L/C Credit Extension.

"Curative Preferred Equity" means "Curative Preferred Equity" (as defined in the Series A-2 Purchase Agreement as in effect on the date hereof).

"Debt Issuance" means the issuance by any Loan Party or any Subsidiary of any Indebtedness other than Indebtedness permitted under Section 8.03.

"Debtor Relief Laws" means the Bankruptcy Code of the United States, the Bankruptcy and Insolvency Act (Canada), the Companies' Creditors Arrangement Act (Canada), the Winding-Up and Restructuring Act (Canada), and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States, Canada or other applicable jurisdictions from time to time in effect.

"Declination Notice" has the meaning set forth in Section 2.02(f)(A)(II).

"Deeds of Hypothec" means all of the deeds of hypothec creating a hypothec in favor of the Administrative Agent, as hypothecary representative for the benefit of the Lenders, pursuant to the laws of the Province of Québec on the assets of any Loan Party existing under the laws of the Province of Québec, having its domicile (within the meaning of the Civil Code of Québec) in the Province of Québec or having a place of business or tangible property situated in the Province of Québec, as the same may be amended, supplemented, restated or otherwise modified from time to time.

"Default" means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

"Default Rate" means (a) when used with respect to Obligations other than Letter of Credit Fees, an interest rate equal to (i) the Base Rate plus (ii) the Applicable Rate, if any, applicable to Base Rate Loans plus (iii) 2% per annum; provided, however, that with respect to a Eurocurrency Rate Loan, the Default Rate shall be an interest rate equal to the interest rate (including any Applicable Rate) otherwise applicable to such Loan plus 2% per annum, in each case to the fullest extent permitted by applicable Laws and (b) when used with respect to Letter of Credit Fees, a rate equal to the Applicable Rate plus 2% per annum.

"Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"Defaulting Lender" means, subject to Section 2.15(b), any Lender that (a) has failed to (i) fund all or any portion of its Loans within two Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent, the Parent Borrower and with respect to the Revolving Loans, the Revolver Agent, in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent, Revolver Agent, the L/C Issuer, the Swing Line Lender or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit or Swing Line Loans) within two Business Days of the date when due, (b) has notified the Parent Borrower, the Administrative Agent, Revolver Agent, the L/C Issuer or the Swing Line Lender in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Administrative Agent, the Revolver Agent or the Parent Borrower, to confirm in writing to the Administrative Agent, the Revolver Agent and the Parent Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent, Revolver Agent and the Parent Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity or (iii) become the subject of a Bail-In Action; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent or the Revolver Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above, and of the effective date of such status, shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.15(b)) as of the date established therefor by the Administrative Agent or the Revolver Agent in a written notice of such determination, which shall be delivered by the Administrative Agent or the Revolver Agent to the Parent Borrower, the L/C Issuer, the Swing Line Lender and each other Lender promptly following such determination.

"Designated Lender" has the meaning specified in Section 2.16.

"Disposition" or "Dispose" means the sale, transfer, license, lease or other disposition (including any Sale and Leaseback Transaction and any issuance of Equity Interests by a Subsidiary of such Person) of any property by any Person (including the Equity Interests of any Subsidiary), including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith, but excluding (a) the sale, lease, license, transfer or other disposition of inventory in the ordinary course of business; (b) the sale, lease, license, transfer or other disposition in the ordinary course of business of surplus, obsolete or worn out property no longer used or useful in the conduct of business of any Loan Party or any Subsidiary; (c) any sale, lease, license, transfer or other disposition of property to any Loan Party or any Subsidiary (provided, that (i) if the transferor of such property is a Loan Party (A) the transferee thereof is an Unlimited Loan Party, (B) the transferee thereof is a Subsidiary that is not an Unlimited Loan Party (provided, that, all such sales, leases, licenses, transfers or other dispositions of property made pursuant to this clause (c)(i)(B) shall not exceed $500,000 in the aggregate in any fiscal year of the Parent Borrower) or (C) to the extent such transaction constitutes an Investment, such transaction is permitted under Section 8.02 and (ii) if the transferor of such property is a Canadian Loan Party (A) the transferee thereof must be a Canadian Loan Party or an Unlimited Loan Party, or (B) to the extent such transaction constitutes an Investment, such transaction is permitted under Section 8.02); (d) any Involuntary Disposition; (e) the sale or disposition of Cash Equivalents for fair market value; (f) transfers which constitute Permitted Liens; (g) the forgiveness of notes taken pursuant to Sections 8.02(i) and (o); (h) dispositions of overdue accounts receivable in connection with the collection or compromise thereof in the ordinary course of business; (i) the abandonment of IP Rights that are no longer used or useful to the conduct of the business of the Parent Borrower and its Subsidiaries as determined by the applicable Loan Party in its reasonable judgment and that are disposed of in the ordinary course of business; (j) non-exclusive outbound licenses or sublicenses of IP Rights granted by any Loan Party in the ordinary course of business and not interfering in any material respect with the ordinary conduct of business of the Parent Borrower and its Subsidiaries, taken as a whole; (k) leases or subleases (or licenses or sublicenses) of property (other than IP Rights) entered into in the ordinary course of business and not interfering in any material respect with the ordinary conduct of business of the Parent Borrower and its Subsidiaries, taken as a whole; (l) abandonment of leasehold interests in the ordinary course of business; (m) the granting, existence or creation of a Lien (but not the sale or other disposition of the property subject to such Lien) permitted by Section 8.01; (n) to the extent constituting Dispositions, Investments permitted under Section 8.02, fundamental changes permitted under Section 8.04 and Restricted Payments permitted under Section 8.06, in each case, except by reference to Section 8.05 or this definition; (o) any issuance by the Parent Borrower of any of its Equity Interests or the issuance of any Equity Interests of any Subsidiary to the Parent Borrower or another Subsidiary; and (p) the unwinding of any Swap Contract permitted hereunder in accordance with its terms.

"Disqualified Institution" means (i) any Person that is designated by the Borrowers, by written notice delivered to the Arrangers on or prior to the Closing Date, to the extent reasonably acceptable to the Administrative Agent as a (x) Disqualified Institution or (y) any Competitor, and mutually agreed upon by the Arrangers and the Parent Borrower or (ii) any Person that is clearly identifiable, solely on the basis of such Person's name, as an affiliate of any Person referred to in clauses (i)(x) or (i)(y) above; provided that Disqualified Institutions shall (A) exclude any person that the Borrowers have designated as no longer being a Disqualified Institution by written notice delivered to the Administrative Agent from time to time, (B) exclude any Bona Fide Lending Affiliate, unless such Bona Fide Lending Affiliate is identified under clause (i)(x) above, and (C) subject to the exclusions in clauses (A) and (B) above, include any Competitor added by written supplement to the list of Competitors that are Disqualified Institutions delivered by the Borrowers after the date hereof to the Administrative Agent. Such supplement referred to in clause (C) in the preceding sentence shall become effective two Business Days after receipt thereof by the Administrative Agent, and shall not apply retroactively to disqualify the transfer of an interest in the Loans or Commitments that was effective prior to the effective date of such supplement.

"Disqualified Stock" means any Equity Interest which, by its terms (or by the terms of any security or other Equity Interests into which it is convertible or for which it is exchangeable), or upon the happening of any event or condition (a) matures or is mandatorily redeemable (other than solely for Equity Interests that are not Disqualified Stock), pursuant to a sinking fund obligation or otherwise (except as a result of a change of control or asset sale so long as any rights of the holders thereof upon the occurrence of a change of control or asset sale event shall be subject to the prior repayment in full of the Loans and all other Obligations that are accrued and payable and the termination of the Commitments), (b) is redeemable or subject to a mandatory repurchase requirement at the option of the holder thereof, in whole or in part, (c) provides for the scheduled payments of dividends in cash or (d) is or becomes convertible into or exchangeable for Indebtedness or any other Equity Interests that would constitute Disqualified Stock, in each case, prior to the date that is 180 days after the Maturity Date in effect at the time of issuance of the respective Disqualified Stock.

"DQ List" as defined in Section 11.06(g)(ii).

"Dollar" and "$" mean lawful money of the United States.

"Dollar Equivalent" means, at any time, (a) with respect to any amount denominated in Dollars, such amount, and (b) with respect to any amount denominated in Canadian Dollars, the equivalent amount thereof in Dollars as determined by the Revolver Agent or the L/C Issuer, as the case may be, at such time on the basis of the Spot Rate (determined in respect of the most recent Revaluation Date) for the purchase of Dollars with Canadian Dollars.

"Domestic Subsidiary" means any Subsidiary that is organized under the laws of any state of the United States or the District of Columbia.

"Earn Out Obligations" means, with respect to an Acquisition, all obligations of the Parent Borrower or any Subsidiary to make earn out or other contingency payments (including purchase price adjustments, non-competition and consulting agreements, or other indemnity obligations) pursuant to the documentation relating to such Acquisition. The amount of any Earn Out Obligations at the time of determination shall be the aggregate amount, if any, of such Earn Out Obligations that are required at such time under GAAP to be recognized as liabilities on the consolidated balance sheet of the Parent Borrower.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Electronic Transmission" means each document, instruction, authorization, file, information and any other communication transmitted, posted or otherwise made or communicated by e-mail or E-Fax, or otherwise to or from an E-System.

"Eligible Assets" means property that is used or useful in the same or a similar line of business as the Parent Borrower and its Subsidiaries were engaged in on the Closing Date (or any reasonable extension or expansions thereof).

"Eligible Assignee" means any Person that meets the requirements to be an assignee under Section 11.06(b)(iii) and (v) (subject to such consents, if any, as may be required under Section 11.06(b)(iii)) or for purposes of an assignment permitted pursuant to Section 10.09, any acquisition vehicle formed pursuant to Section 10.09 in connection with any credit bid.

"Environmental Laws" means any and all federal, state, provincial, territorial, local, foreign and other applicable statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including Hazardous Materials, air emissions and discharges to waste or public systems.

"Environmental Liability" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of any Loan Party or any Subsidiary directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Equity Interests" means, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination. For the avoidance of doubt, the Series A-1 Preferred Equity and the Series A-2 Preferred Equity shall constitute Equity Interests of the Parent Borrower.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.

"ERISA Affiliate" means any trade or business (whether or not incorporated) under common control with any Borrower within the meaning of Section 414(b) or (c) of the Internal Revenue Code (and Sections 414(m) and (o) of the Internal Revenue Code for purposes of provisions relating to Section 412 of the Internal Revenue Code).

"ERISA Event" means (a) a Reportable Event with respect to a Pension Plan; (b) the withdrawal of any Borrower or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which such entity was a "substantial employer" as defined in Section 4001(a)(2) of ERISA or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by any Borrower or any ERISA Affiliate from a Multiemployer Plan; (d)

the filing of a notice of intent to terminate, the treatment of a Pension Plan amendment as a termination under Sections 4041 or 4041A of ERISA; (e) the institution by the PBGC of proceedings to terminate a Pension Plan; (f) any event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; or (g) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon any Borrower or any ERISA Affiliate.

"E-Signature" means the process of attaching to or logically associating with an Electronic Transmission an electronic symbol, encryption, digital signature or process (including the name or an abbreviation of the name of the party transmitting the Electronic Transmission) with the intent to sign, authenticate or accept such Electronic Transmission.

"E-System" means any electronic system approved by Administrative Agent, including Syndtrak®, Intralinks® and ClearPar® and any other Internet or extranet-based site, whether such electronic system is owned, operated or hosted by Administrative Agent, any of its Related Parties or any other Person, providing for access to data protected by passcodes or other security system.

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"Eurocurrency Base Rate" means:

(a) for any Interest Period, with respect to any Eurocurrency Rate Loan:

(i) denominated in Dollars, the offered rate per annum for deposits of Dollars for the applicable Interest Period that appears on Reuters Screen LIBOR01 Page (or the applicable successor page) as of 11:00 A.M. (London, England time) two (2) Business Days prior to the first day in such Interest Period ("LIBOR"), or if no such offered rate exists, the rate of interest per annum, as determined by Administrative Agent at which deposits of Dollars in immediately available funds are offered at 11:00 A.M. (London, England time) two (2) Business Days prior to the first day in such Interest Period by major financial institutions reasonably satisfactory to Administrative Agent in the London interbank market for such Interest Period for the applicable principal amount on such date of determination;

(ii) denominated in Canadian Dollars, the rate per annum equal to the Canadian Dollar Offered Rate or a comparable or successor rate, which rate is approved by the Revolver Agent, that appears on the applicable Reuters Screen (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) at approximately 10:00 a.m., Toronto, Ontario time, on the Rate Determination Date with a term equivalent to such Interest Period;

(b) for any interest rate calculation with respect to a Base Rate Loan on any date, the rate per annum equal to LIBOR, at approximately 11:00 a.m., London time, determined two Business Days prior to such date for Dollar deposits with a term of one month commencing that date;

provided, that, if the Eurocurrency Base Rate shall be less than zero, such rate shall be deemed to be zero with respect to all Revolving Loans, and if the Eurocurrency Base Rate shall be less than one percent, such rate shall be deemed to be one percent (1.00%) per annum with respect to Term Loans. Unless otherwise expressly specified herein, the Eurocurrency Base Rate shall be calculated in Dollars.

"Eurocurrency Rate" means (a) for any Interest Period with respect to any Eurocurrency Rate Loan, a rate per annum determined by the Administrative Agent to be equal to the quotient obtained by dividing (i) the Eurocurrency Base Rate for such Eurocurrency Rate Loan for such Interest Period by (ii) one minus the Eurocurrency Reserve Percentage for such Eurocurrency Rate Loan for such Interest Period and (b) for any day with respect to any Base Rate Loan bearing interest at a rate based on the Eurocurrency Rate, a rate per annum determined by the Administrative Agent to be equal to the quotient obtained by dividing (i) the Eurocurrency Base Rate for such Base Rate Loan for such day by (ii) one minus the Eurocurrency Reserve Percentage for such Base Rate Loan for such day.

"Eurocurrency Rate Loan" means a Loan that bears interest at a rate based on clause (a) of the definition of "Eurocurrency Rate". Eurocurrency Rate Loans may be denominated in Dollars or in Canadian Dollars. All Loans denominated in Canadian Dollars must be Eurocurrency Rate Loans. All Loans made to the Canadian Borrower must be Eurocurrency Rate Loans denominated in Canadian Dollars.

"Eurocurrency Reserve Percentage" means, for any day, the reserve percentage (expressed as a decimal, carried out to five (5) decimal places) in effect on such day, whether or not applicable to any Lender, under regulations issued from time to time by the FRB for determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) with respect to Eurocurrency funding (currently referred to as "Eurocurrency liabilities"). The Eurocurrency Rate for each outstanding Eurocurrency Rate Loan and for each outstanding Base Rate Loan the interest on which is determined by reference to the Eurocurrency Rate, in each case, shall be adjusted automatically as of the effective date of any change in the Eurocurrency Reserve Percentage.

"Event of Default" has the meaning specified in Section 9.01.

"Excess Cash Flow" means, for any period for the Parent Borrower and its Subsidiaries, an amount equal to the sum, without duplication, of (a) Consolidated EBITDA (without giving effect to any adjustments thereto as a result of calculating Consolidated EBITDA on a Pro Forma Basis after giving effect to certain transactions) minus (b) Consolidated Unfinanced Capital Expenditures paid in cash, minus (c) the cash portion of Consolidated Interest Charges (excluding any cash payments on (i) the Series A-1 Preferred Equity and (ii) the Series A-2 Preferred Equity) minus (d) Consolidated Cash Taxes minus (e) Consolidated Scheduled Funded Indebtedness Payments (excluding any cash payments on (i) the Series A-1 Preferred Equity and (ii) the Series A-2 Preferred Equity) minus (f) mandatory prepayments by any Loan Party for such period of any Indebtedness of such Loan Party (excluding mandatory prepayments of the Loans and any mandatory redemption of the (i) Series A-1 Preferred Equity and (ii) the Series A-2 Preferred Equity); provided that such prepayment is not prohibited by this Agreement and is funded from internally generated cash of the Loan Parties or Revolving Loans minus (g) all cash items added to Consolidated Net Income in the determination of Consolidated EBITDA for such period minus (h) all cash payments (other than any cash payments funded with the cash proceeds of any Indebtedness (other than Revolving Loans) or issuance of Equity Interests or contribution on account of Equity Interests) made during such period with respect to Investments that are permitted to be made hereunder (including, without limitation, Permitted Acquisitions) minus (i) all working capital and purchase price adjustments paid in cash (other than any such payments funded with the cash proceeds of any Indebtedness (other than Revolving Loans) or issuance of Equity Interests or contribution on account of Equity Interests) during such period, in each case, on a consolidated basis determined in accordance with GAAP minus (j) any increases in Net Working Capital during such period, minus (k) unrealized cost savings, to the extent added to Consolidated Net Income in the determination of Consolidated EBITDA for such period plus (l) any decreases in Net Working Capital during such period.

"Excluded Property" means, with respect to any Loan Party, including any Person that becomes a Loan Party after the Closing Date as contemplated by Section 7.12(b), (a) any owned real property that is not required to be mortgaged pursuant to Section 7.14(b), (b) any leased real property, (c) any property which, subject to the terms of Section 8.09, is subject to a Lien of the type described in Section 8.01(i) pursuant to documents which prohibit such Loan Party from granting any other Liens in such property, (d) the Aircraft owned by a Loan Party on the Closing Date and (e) all other property excluded from Collateral in the Collateral Documents.

"Excluded Subsidiary" means (a) any Subsidiary that is prohibited by any applicable Laws or contract with an unaffiliated third party as of the date of this Agreement or as of the date on which such Person becomes a Subsidiary (so long as such contractual restriction is not created in contemplation of, or in connection with, such Person becoming a Subsidiary) from providing a Guarantee of the Guaranteed Obligations, or which would require governmental (including regulatory) or third-party consent, approval, license or authorization to provide such guarantee, unless such consent, approval, license or authorization has been received (and in any event only for so long as such restriction exists) or for which the provision of such Guarantee would result in material adverse tax consequences to the Parent Borrower and its Subsidiaries (as reasonably determined by the Parent Borrower in good faith), (b) any Subsidiary acquired pursuant to an acquisition that is at the time of such acquisition an obligor with respect to secured Indebtedness that is being assumed in connection with (and is not incurred in contemplation of) such acquisition and that is permitted to be incurred hereunder and any Subsidiary thereof, in each case, to the extent and for so long as such secured indebtedness prohibits such subsidiary from providing a Guarantee of the Guaranteed Obligations, (c) any Subsidiary organized in (x) China or (y) any other jurisdiction other than a Specified Guarantee Jurisdiction and (d) any other Subsidiary with respect to which the Administrative Agent and the Parent Borrower reasonably determine that the cost and/or burden of such Subsidiary providing a Guarantee of the Guaranteed Obligations is excessive in view of the benefits to be obtained by the Lenders therefrom.

"Excluded Swap Obligation" means, with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the Guaranty of such Guarantor of, or the grant under a Loan Document by such Guarantor of a security interest to secure, such Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act (or the application or official interpretation thereof) by virtue of such Guarantor's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act (determined after giving effect to Section 4.08 and any and all guarantees of such Guarantor's Swap Obligations by other Loan Parties) at the time the Guaranty of such Guarantor, or grant by such Guarantor of a security interest, becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a Master Agreement governing more than one Swap Contract, such exclusion shall apply to only the portion of such Swap Obligations that is attributable to Swap Contracts for which such Guaranty or security interest becomes illegal.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to any Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, (i) U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (A) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Parent Borrower under Section 11.13) or (B) such Lender changes its Lending Office, except in each case to the extent that, pursuant to Section 3.01(a)(ii) or 3.01(c), amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its Lending Office or (ii) any Canadian federal withholding Taxes that are imposed on amounts paid or credited (or deemed to be paid or credited) to or for the account

of the applicable Recipient as a result of such Recipient (A) not dealing at arm's length (within the meaning of the ITA) with any Loan Party, or (B) being a "specified shareholder" (as defined in subsection 18(5) of the ITA) of any Loan Party or not dealing at arm's length with such a specified shareholder for purposes of the ITA, except that neither the Administrative Agent nor any Lender (as the case may be) shall be considered to be dealing at non-arm's length or be a specified shareholder or a Person not at arm's length with a specified shareholder, solely as a result of such Person having received or perfected a security interest under or enforced this Agreement or any other Loan Document, (c) Taxes attributable to such Recipient's failure to comply with Section 3.01(e), and (d) any withholding Taxes imposed pursuant to FATCA.

"Exigent Circumstances" means (i) an event or circumstance that materially and imminently threatens the ability of any Agent or any Lender to realize upon all or any material portion of the Collateral, such as, without limitation, fraud, fraudulent or intentional removal, concealment, or abscondment thereof, destruction or material waste thereof (other than to the extent covered by insurance), material breach of the covenant set forth in Sections 8.06, Section 8.08 and Section 8.12, the occurrence of a material adverse change in, or a material adverse effect upon, the operations, business, Properties, condition (financial or otherwise) or prospects of any Loan Party or the Loan Parties and the Subsidiaries taken as a whole, (ii) an exercise by another creditor of enforcement rights or remedies with respect to all or a material portion of the Collateral, or (iii) an event or circumstance that any Agent reasonably believes renders necessary or appropriate action or exercise or remedies to prevent or mitigate the destruction of, physical harm to, impairment of or decrease in value of a material portion of the Collateral or the rights and interests of the Secured Parties (including without limitation any loss of priority of the Liens securing the Obligations).

"Existing Credit Agreement" means that certain Fifth Amended and Restated Credit Agreement, dated as of July 24, 2019, among the Parent Borrower, the Canadian Borrower, the guarantors party thereto, the lenders party thereto and Bank of America, N.A., as the administrative agent, as amended from time to time prior to the date hereof.

"Existing Seller Indebtedness" means the unsecured Indebtedness of the Parent Borrower and its Subsidiaries identified on Schedule 8.03 attached hereto.

"Facilities" means, at any time, a collective reference to the facilities and real properties owned, leased or operated by any Loan Party or any Subsidiary.

"Facility Office" means the office designated by the applicable Lender through which such Lender will perform its obligations under this Agreement.

"FASB ASC" means the Accounting Standards Codification of the Financial Accounting Standards Board.

"FATCA" means Sections 1471 through 1474 of the Internal Revenue Code, as of the Closing Date (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Internal Revenue Code, and any treaties or intergovernmental agreements implementing the foregoing.

"Federal Funds Rate" means, for any day, the rate per annum calculated by the Federal Reserve Bank of New York based on such day's federal funds transactions by depository institutions (as determined in such manner as the Federal Reserve Bank of New York shall set forth on its public website from time to time) and published on the next succeeding Business Day by the Federal Reserve Bank of New York as the federal funds effective rate; provided that if the Federal Funds Rate as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

"Fee Letter" means the Amended and Restated Fee Letter, dated as of the date hereof, between the Parent Borrower and the Arrangers.

"Flood Insurance Laws" means, collectively, (a) National Flood Insurance Reform Act of 1994 (which comprehensively revised the National Flood Insurance Act of 1968 and the Flood Disaster Protection Act of 1973) as now or hereafter in effect or any successor statute thereto, (b) the Flood Insurance Reform Act of 2004 as now or hereafter in effect or any successor statute thereto and (c) the Biggert–Waters Flood Insurance Reform Act of 2012 as now or hereafter in effect or any successor statute thereto.

"Foreign Collateral Document Trigger Event" has the meaning set forth in Section 7.14(c).

"Foreign Lender" means, with respect to any Borrower, (a) if such Borrower is a U.S. Person, a Lender that is not a U.S. Person, and (b) if such Borrower is not a U.S. Person, a Lender that is resident or organized under the Laws of a jurisdiction other than that in which such Borrower is resident for tax purposes. For purposes of this definition, the United States, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"Foreign Subsidiary" means any Subsidiary that is not a Domestic Subsidiary.

"FRB" means the Board of Governors of the Federal Reserve System of the United States.

"Fronting Exposure" means, at any time there is a Defaulting Lender, (a) with respect to the L/C Issuer, such Defaulting Lender's Applicable Percentage of the outstanding L/C Obligations other than L/C Obligations as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof and (b) with respect to the Swing Line Lender, such Defaulting Lender's Applicable Percentage of Swing Line Loans other than Swing Line Loans as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders in accordance with the terms hereof.

"Fund" means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

"Funded Indebtedness" means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

(a) all obligations for borrowed money, whether current or long-term (including the Obligations) and all obligations of such Person evidenced by bonds (but excluding any undrawn surety, performance or similar bonds incurred in the ordinary course of business), debentures, notes, loan agreements or other similar instruments;

(b) all purchase money Indebtedness;

(c) the principal portion of all obligations under conditional sale or other title retention agreements relating to property purchased by such Person or any Subsidiary thereof (other than customary reservations or retentions of title under agreements with suppliers entered into in the ordinary course of business);

(d) all obligations arising under letters of credit (including standby and commercial, but excluding any letters of credit which are cash collateralized), bankers' acceptances, bank guaranties, surety bonds (but excluding any undrawn performance bonds incurred in the ordinary course of business) and similar instruments;

(e) all obligations in respect of the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business), including, without limitation, seller notes and any Earn Out Obligations recognized as a liability on the balance sheet of the Parent Borrower and its Subsidiaries in accordance with GAAP;

(f) the Attributable Indebtedness of Capital Leases, Securitization Transactions and Synthetic Leases;

(g) all obligations of such Person to purchase, redeem, retire, defease or otherwise make any payment in respect of any Equity Interests in such Person or any other Person, valued, in the case of a redeemable preferred interest, at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends, but excluding (i) any Series A-1 Preferred Equity issued on October 19, 2018 (and any accrued interest, fees, expenses or premiums in respect of such Series A-1 Preferred Equity) and (ii) any Series A-2 Preferred Equity issued on the Closing Date (and any accrued interest, fees, expenses or premiums in respect of such Series A-2 Preferred Equity);

(h) all Funded Indebtedness of others secured by (or for which the holder of such Funded Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on, or payable out of the proceeds of production from, property owned or acquired by such Person, whether or not the obligations secured thereby have been assumed;

(i) all Guarantees with respect to Funded Indebtedness of the types specified in clauses (a) through (h) above of another Person; and

(j) all Funded Indebtedness of the types referred to in clauses (a) through (i) above of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or joint venturer, except to the extent that such Funded Indebtedness is expressly made non-recourse to such Person.

For purposes hereof, the amount of any direct obligation arising under letters of credit (including standby and commercial), bankers' acceptances, bank guaranties and similar instruments shall be the maximum amount available to be drawn thereunder.

"GAAP" means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board, consistently applied and as in effect from time to time.

"Governmental Authority" means the government of the United States, Canada or any other nation, or of any political subdivision thereof, whether state, provincial, territorial or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including the Financial Conduct Authority, the Prudential Regulation Authority and any supra-national bodies such as the European Union or the European Central Bank).

"Guarantee" means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term "Guarantee" as a verb has a corresponding meaning.

"Guaranteed Obligations" has the meaning set forth in Section 4.01.

"Guarantors" means, (a) each Subsidiary of the Parent Borrower identified as a "Guarantor" on the signature pages hereto, (b) each other Person that joins as a Guarantor pursuant to Section 7.12(b), (c) with respect to (i) Obligations under any Secured Swap Agreement, (ii) Obligations under any Secured Treasury Management Agreement and (iii) any Swap Obligation of a Specified Loan Party (determined before giving effect to Sections 4.01 and 4.08) under the Guaranty, the Parent Borrower, and (d) the successors and permitted assigns of the foregoing.

"Guaranty" means the guaranty in respect of the Obligations made by the Guarantors in favor of the Administrative Agent and the other holders of the Obligations pursuant to Article IV and the Guarantee, dated as of the Closing Date, executed in favor of the Administrative Agent, for the benefit of the holders of the Obligations, by each of the Canadian Loan Parties and governed by the laws of the Province of Ontario.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants of any nature, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, or infectious or medical wastes which are listed or regulated pursuant to any Environmental Law.

"HPS" has the meaning set forth in the preamble hereto.

"IFRS" means international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements delivered under or referred to herein.

"Immaterial Subsidiary" means, as of any date of determination, any Subsidiary that as of the last day the period of the four fiscal quarters most recently ended for which the Parent Borrower has delivered financial statements pursuant to Section 7.01(a) or (b), (a) did not have, together with its Subsidiaries, total assets in excess of two and one-half percent (2.5%) of Consolidated Total Assets of the Parent Borrower and its Subsidiaries and (b) did not have (excluding any contribution to Consolidated EBITDA from intercompany transactions) Consolidated EBITDA for such period attributable to it (together with its Subsidiaries) in excess of two and one-half percent (2.5%) of Consolidated EBITDA for such period (excluding any contribution to Consolidated EBITDA from intercompany transactions); provided, that, if,

as of the date financial statements are delivered or required to be delivered pursuant to Section 7.01(a) or Section 7.01(b), (i) the total assets of any or all Immaterial Subsidiaries, together with their Subsidiaries, shall have, as of the last day of the period of the four fiscal quarters most recently ended, exceeded five percent (5.0%) of Consolidated Total Assets of the Parent Borrower and its Subsidiaries, or (ii) the Consolidated EBITDA of any or all Immaterial Subsidiaries, together with their Subsidiaries, shall have, as of the period of the four fiscal quarters most recently ended, exceeded five percent (5.0%) of Consolidated EBITDA for such period (excluding any contribution to Consolidated EBITDA from intercompany transactions), then, in each case, within ten (10) Business Days (or such later date as agreed by the Administrative Agent in its sole discretion) after the date such financial statements are delivered or required to be delivered, the Parent Borrower shall re-designate one or more Immaterial Subsidiaries, such that, as a result thereof, the total assets and Consolidated EBITDA of such Immaterial Subsidiary or all Immaterial Subsidiaries in the aggregate, as applicable, do not exceed such limits.

"Impacted Loans" has the meaning specified in Section 3.03.

"Incremental Cap" has the meaning specified in Section 2.02(f).

"Incremental Term Loan" shall have the meaning provided in Section 2.01(c).

"Incremental Term Loan Commitment" means, as to each Incremental Term Loan Lender, the commitment of such Incremental Term Loan Lender to make the Incremental Term Loan hereunder pursuant to the Incremental Term Loan Lender Joinder Agreement; provided that, at any time after the funding of the Incremental Term Loan, determination of "Required Lenders" shall include the Outstanding Amount of the Incremental Term Loan.

"Incremental Term Loan Lender" means each of the Persons identified as an "Incremental Term Loan Lender" in the Incremental Term Loan Lender Joinder Agreement, together with their respective successors and assigns.

"Incremental Term Loan Lender Joinder Agreement" means a joinder agreement, substantially in the form of Exhibit I, executed and delivered in accordance with the provisions of Section 2.02(f).

"Incremental Term Loan Maturity Date" shall be as set forth in the Incremental Term Loan Lender Joinder Agreement.

"Incremental Term Note" has the meaning specified in Section 2.11(a).

"Indebtedness" means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

(a) all Funded Indebtedness;

(b) the Swap Termination Value of any Swap Contract;

(c) all Guarantees with respect to outstanding Indebtedness of the types specified in clauses (a) and (b) above of any other Person; and

(d) all Indebtedness of the types referred to in clauses (a) through (c) above of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person or a Subsidiary thereof is a general partner or joint venturer, unless such Indebtedness is expressly made non-recourse to such Person or such Subsidiary.

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in clause (a), Other Taxes.

"Indemnitee" has the meaning specified in Section 11.04(b).

"Information" has the meaning specified in Section 11.07.

"Insolvency Proceeding" means (a) any case, action or proceeding before any court or other Governmental Authority relating to bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up or relief of debtors, or (b) any general assignment for the benefit of creditors, composition, marshaling of assets for creditors, or other, similar arrangement in respect of its creditors generally or any substantial portion of its creditors; in each case in (a) and (b) above, undertaken under U.S. federal, state or foreign law or the Debtor Relief Laws of any other jurisdiction, including the Bankruptcy Code of the United States.

"Interest Payment Date" means (a) as to any Eurocurrency Rate Loan, the last day of each Interest Period applicable to such Loan and the Maturity Date or the Incremental Term Loan Maturity Date, as applicable; provided, however, that if any Interest Period for a Eurocurrency Rate Loan exceeds three (3) months, the respective dates that fall every three (3) months after the beginning of such Interest Period shall also be Interest Payment Dates; and (b) as to any Base Rate Loan (including a Swing Line Loan), the last Business Day of each March, June, September and December and the Maturity Date or the Incremental Term Loan Maturity Date, as applicable.

"Interest Period" means, as to each Eurocurrency Rate Loan, the period commencing on the date such Eurocurrency Rate Loan is disbursed or converted to or continued as a Eurocurrency Rate Loan and ending on the date one (1), two (2), three (3) or six (6) months thereafter (in each case, subject to availability for the interest rate applicable to the relevant currency), as selected by the applicable Borrower in its Loan Notice, or such other period that is twelve (12) months or less requested by the applicable Borrower and consented to by all of the applicable Lenders; provided that:

(a) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless in the case of a Eurocurrency Rate Loan, such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

(b) any Interest Period pertaining to a Eurocurrency Rate Loan that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period;

(c) no Interest Period with respect to any Revolving Loan or Term Loan shall extend beyond the Maturity Date; and

(d) no Interest Period with respect to the Incremental Term Loan shall extend beyond the Incremental Term Loan Maturity Date.

"Interim Financial Statements" means unaudited consolidated financial statements of the Parent Borrower and its Subsidiaries for the fiscal quarter ended December 31, 2019, including balance sheets and statements of income or operations, shareholders' equity and cash flows.

"Internal Revenue Code" means the U.S. Internal Revenue Code of 1986, as amended.

"Investment" means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of Equity Interests of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of debt of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person and any arrangement pursuant to which the investor Guarantees Indebtedness of such other Person, or (c) an Acquisition. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

"Involuntary Disposition" means any loss of, damage to or destruction of, or any condemnation or other taking for public use of, any property of any Loan Party or any of its Subsidiaries.

"IP Rights" has the meaning specified in Section 6.17.

"IRS" means the United States Internal Revenue Service.

"Issue" means, with respect to any Letter of Credit, to issue, extend the expiration date of, renew (including by failure to object to any automatic renewal on the last day such objection is permitted), increase the face amount of, or reduce or eliminate any scheduled decrease in the face amount of, such Letter of Credit, or to cause any Person to do any of the foregoing. The terms "Issued" and "Issuance" have correlative meanings.

"Issuer Documents" means with respect to any Letter of Credit, the Letter of Credit Application, Master Agreement for Documentary Letters of Credit, Master Agreement for Standby Letters of Credit, and any other document, agreement and instrument entered into by the L/C Issuer and the Parent Borrower (or any Subsidiary) or in favor of the L/C Issuer and relating to any such Letter of Credit.

"ITA" means the *Income Tax Act* (Canada).

"Joinder Agreement" means a joinder agreement substantially in the form of Exhibit E executed and delivered by a Domestic Subsidiary or a Canadian Subsidiary in accordance with the provisions of Section 7.12(b).

"Judgment Currency" has the meaning specified in Section 11.23.

"Laws" means, collectively, all international, foreign, federal, state, provincial, territorial and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

"LCA Test Date" has the meaning specified in Section 1.07.

"L/C Credit Extension" means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the increase of the amount thereof.

"L/C Issuer" means Capital One, or any Lender or an Affiliate thereof or a bank or other legally authorized Person, in each case, reasonably acceptable to Revolver Agent, in such Person's capacity as an issuer of Letters of Credit hereunder.

"L/C Obligations" means all outstanding obligations incurred by Revolver Agent and Lenders at the request of the Parent Borrower or its Subsidiaries, whether direct or indirect, contingent or otherwise, due or not due, in connection with the Issuance of Letters of Credit by L/C Issuers or the purchase of a participation as set forth in Section 2.03 with respect to any Letter of Credit. The amount of such L/C Obligations shall equal the maximum amount that may be payable by Revolver Agent and Lenders thereupon or pursuant thereto.

"L/C Reimbursement Agreement" as defined in Section 2.03(a)(iii).

"L/C Reimbursement Date" as defined in Section 2.03(e).

"L/C Reimbursement Obligations" means, for any Letter of Credit, the obligation of the Parent Borrower to the L/C Issuer thereof or to Revolver Agent, as and when matured, to pay all amounts drawn under such Letter of Credit.

"L/C Request" as defined in Section 2.03(b).

"Lenders" means each of the Persons identified as a "Lender" on the signature pages hereto, each other Person that becomes a "Lender" in accordance with this Agreement and their successors and permitted assigns, each Person that executes a lender joinder agreement or commitment agreement in accordance with Section 2.02(f) and each Incremental Term Loan Lender and, as the context requires, includes the Swing Line Lender. The term "Lender" shall include any Designated Lender.

"Lending Office" means, as to any Lender, the office or offices of such Lender described as such in such Lender's Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Parent Borrower, the Administrative Agent and with respect to any Revolving Lender, the Revolver Agent.

"Letter of Credit" means any standby letters of credit Issued for the account of the Parent Borrower by L/C Issuers. Letters of Credit shall be issued in Dollars or Canadian Dollars.

"Letter of Credit Expiration Date" means the day that is thirty (30) days prior to the Maturity Date then in effect (or, if such day is not a Business Day, the next preceding Business Day).

"Letter of Credit Fee" has the meaning specified in Section 2.09(b).

"Letter of Credit Sublimit" means an amount equal to the lesser of (a) the Aggregate Revolving Commitments and (b) $10,000,000. The Letter of Credit Sublimit is part of, and not in addition to, the Aggregate Revolving Commitments.

"LIBOR" has the meaning specified in the definition of "Eurocurrency Base Rate".

"LIBOR Screen Rate" means the LIBOR quote on the applicable screen page the Administrative Agent designates to determine LIBOR (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time).

"LIBOR Successor Rate" has the meaning specified in Section 3.08.

"LIBOR Successor Rate Conforming Changes" means, with respect to any proposed LIBOR Successor Rate, any conforming changes to the definition of Base Rate, Interest Period, timing and frequency of determining rates and making payments of interest and other technical, administrative or operational matters as may be appropriate, in the discretion of the Administrative Agent, to reflect the adoption and implementation of such LIBOR Successor Rate and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent determines that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of such LIBOR Successor Rate exists, in such other manner of administration as the Administrative Agent determines in consultation with the Parent Borrower is reasonably necessary in connection with the administration of this Agreement).

"Lien" means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

"Limited Condition Acquisition" means a Permitted Acquisition that is not conditioned on the availability of, or on obtaining, third party financing that is consummated on or prior to the date that is one hundred twenty (120) days after the date the definitive agreement for such Permitted Acquisition is executed.

"Loan" means an extension of credit by a Lender to a Borrower under Article II in the form of a Revolving Loan, Swing Line Loan, Term Loan or Incremental Term Loan.

"Loan Documents" means this Agreement, each Note, each Issuer Document, each Joinder Agreement, the Fee Letter, each Incremental Term Loan Lender Joinder Agreement, any agreement creating or perfecting rights in Cash Collateral pursuant to the provisions of Section 2.14 of this Agreement, the Collateral Documents and any other agreement, instrument or document designated by its terms as a "Loan Document" (but specifically excluding Secured Swap Agreements and Secured Treasury Management Agreements).

"Loan Modification Offer" has the meaning specified in Section 11.01.

"Loan Notice" means a notice of (a) a Borrowing of Loans, (b) a conversion of Loans from one Type to the other, or (c) a continuation of Eurocurrency Rate Loans, in each case pursuant to Section 2.02(a), which, if in writing, shall be substantially in the form of Exhibit A or such other form as may be approved by the Applicable Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Applicable Agent) appropriately completed and signed by a Responsible Officer of the applicable Borrower.

"Loan Parties" means, collectively, each Borrower and each Guarantor.

"London Banking Day" means any day on which dealings in Dollar deposits are conducted by and between banks in the London interbank eurodollar market.

"Mandatory Cost" means any amount incurred periodically by any Lender during the term of this Agreement which constitutes fees, costs or charges imposed on lenders generally in the jurisdiction in which such Lender is domiciled, subject to regulation, or has its Facility Office by any Governmental Authority.

"Master Agreement" has the meaning specified in the definition of "Swap Contract".

"Master Agreement for Documentary Letters of Credit" means that certain Master Agreement for Documentary Letters of Credit, dated as of the Closing Date between the Parent Borrower on behalf of all Loan Parties and Capital One, as an L/C Issuer.

"Master Agreement for Standby Letters of Credit" means that certain Master Agreement for Standby Letters of Credit, dated as of the Closing Date between the Parent Borrower on behalf of all Loan Parties and Capital One, as an L/C Issuer.

"Material Adverse Effect" means (a) a material adverse change in, or a material adverse effect upon, the operations, business, assets, properties, liabilities (actual or contingent) or condition (financial or otherwise) of the Parent Borrower and its Subsidiaries taken as a whole; (b) a material impairment of the ability of any Loan Party to perform its material obligations under any Loan Document to which it is a party; or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against any Loan Party of any Loan Document to which it is a party.

"Maturity Date" means the earliest of (a) April 13, 2025, (b) so long as the Series A-1 Preferred Equity has not been redeemed in full or otherwise converted into common stock of the Parent Borrower pursuant to the terms of this Agreement, the date that is one hundred eighty (180) days prior to the Series A-1 Preferred Equity Mandatory Redemption Date, unless prior to such date, the Series A-1 Preferred Equity Mandatory Redemption Date has been extended, in form and substance reasonably acceptable to the Administrative Agent to a date not earlier than one hundred eighty (180) days after April 13, 2025 and (c) so long as the Series A-2 Preferred Equity has not been redeemed in full or otherwise converted into other preferred equity without any mandatory fixed cash redemption date or common stock of the Parent Borrower pursuant to the terms of this Agreement, the date that is one hundred eighty (180) days prior to the Series A-2 Preferred Equity Mandatory Redemption Date, unless prior to such date, the Series A-2 Preferred Equity Mandatory Redemption Date has been extended, in form and substance reasonably acceptable to the Administrative Agent to a date not earlier than one hundred eighty (180) days after April 13, 2025; provided, however, that if such date is not a Business Day, the Maturity Date shall be the next preceding Business Day.

"Minimum Collateral Amount" means, at any time, with respect to Cash Collateral consisting of cash or deposit account balances provided to reduce or eliminate Fronting Exposure during the existence of a Defaulting Lender, an amount equal to 105% of the Fronting Exposure of the L/C Issuer with respect to Letters of Credit issued and outstanding at such time, (b) with respect to Cash Collateral consisting of cash or deposit account balances provided in accordance with the provisions of Section 2.14(a)(i), (a)(ii) or (a)(iii), an amount equal to 105% of the Outstanding Amount of all L/C Obligations, and (c) otherwise, an amount determined by the Revolver Agent and the L/C Issuer in their sole discretion.

"Moody's" means Moody's Investors Service, Inc. and any successor thereto.

"Mortgaged Property" means any real property that is owned by a U.S. Loan Party and is subject to a Mortgage.

"Mortgages" means any mortgages, deeds of trust or deeds to secure debt that purport to grant to the Administrative Agent, for the benefit of the holders of the Obligations, a security interest in the fee interest of any Loan Party in real property (other than Excluded Property).

"Multiemployer Plan" means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which any Borrower or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five (5) plan years, has made or been obligated to make contributions.

"Multiple Employer Plan" means a Pension Plan which has two or more contributing sponsors (including any Borrower or any ERISA Affiliate) at least two of whom are not under common control, as such a plan is described in Section 4064 of ERISA.

"Net Cash Proceeds" means the aggregate cash or Cash Equivalents proceeds received by any Loan Party or any Subsidiary in respect of any Disposition, Debt Issuance or Involuntary Disposition, net of (a) direct costs incurred in connection therewith (including, without limitation, legal, accounting and investment banking fees, and sales commissions), (b) taxes paid or payable as a result thereof, (c) the amount of any reserves taken in accordance with GAAP with respect to such event (provided, that if such reserves are released, such released amounts shall constitute Net Cash Proceeds at such time) and (d) in the case of any Disposition, the amount necessary to retire any Indebtedness secured by a Permitted Lien (ranking senior to any Lien of the Administrative Agent) on the related property; it being understood that "Net Cash Proceeds" shall include, without limitation, any cash or Cash Equivalents received upon the sale or other disposition of any non-cash consideration received by any Loan Party or any Subsidiary in any Disposition, Debt Issuance or Involuntary Disposition.

"Net Working Capital" means the remainder of (a) the consolidated current assets of the Parent Borrower and its Subsidiaries minus the amount of cash and cash equivalents included in such consolidated current assets, minus (b) the consolidated current liabilities of the Parent Borrower and its Subsidiaries minus the amount of consolidated short-term Indebtedness (including current maturities of long-term Indebtedness) of the Parent Borrower and its Subsidiaries included in such consolidated current liabilities.

"New Investor" means any Person that is not a Permitted Holder.

"Non-Consenting Lender" means any Lender that does not approve any consent, waiver or amendment that (a) requires the approval of all Lenders or the affected Lenders in accordance with the terms of Section 11.01 and (b) has been approved by the Required Lenders.

"Non-Defaulting Lender" means, at any time, each Lender that is not a Defaulting Lender at such time.

"Note" or "Notes" means the Revolving Notes, the Swing Line Note, the Term Loan Notes and/or the Incremental Term Notes, individually or collectively, as appropriate.

"Notice of Loan Prepayment" means a notice of prepayment with respect to a Loan, which shall be in substantially the form of Exhibit J or such other form as may be approved by the Applicable Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Applicable Agent) appropriately completed and signed by a Responsible Officer of the applicable Borrower.

"Obligations" means (a) all advances to, and debts, liabilities, obligations, covenants and duties of, any Loan Party arising under any Loan Document or otherwise with respect to any Loan or Letter of Credit, and (b) all obligations of any Subsidiary owing to a Treasury Management Bank or a Swap Bank in respect of Secured Treasury Management Agreements or Secured Swap Agreements, in the case of each of clauses (a) and (b), whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Loan Party or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding; provided, however, that the "Obligations" of a Loan Party shall exclude any Excluded Swap Obligations with respect to such Loan Party.

"Offer" has the meaning set forth in Section 2.02(f)(A).

"Offer Notice" has the meaning set forth in Section 2.02(f)(A)(I).

"Organization Documents" means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); and (d) with respect to all entities, any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction).

"Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"Other Taxes" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 3.06).

"Outstanding Amount" means (a) with respect to any Loans on any date, the Dollar Equivalent amount of the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of any Loans occurring on such date; and (b) with respect to any L/C Obligations on any date, the Dollar Equivalent amount of the aggregate outstanding amount of such L/C Obligations on such date after giving effect to any L/C Credit Extension occurring on such date and any other changes in the aggregate amount of the L/C Obligations as of such date, including as a result of any reimbursements by the Parent Borrower of unreimbursed amounts.

"Overnight Rate" means, for any day, (a) with respect to any amount denominated in Dollars, the greater of (i) the Federal Funds Rate and (ii) an overnight rate determined by the Administrative Agent, the L/C Issuer, or the Swing Line Lender, as the case may be, in accordance with banking industry rules on interbank compensation, and (b) with respect to any amount denominated in Canadian Dollars, an overnight rate determined by the Revolver Agent or the L/C Issuer, as the case may be, in accordance with banking industry rules on interbank compensation.

"Parent Borrower" has the meaning specified in the introductory paragraph hereto.

"Pari Passu Debt" means, at any time, the Loans, all unfunded Commitments, and all other Indebtedness outstanding, and unfunded commitments to fund other Indebtedness, that is secured by all or a portion of the Collateral on a *pari passu* basis (but without regard to the control of remedies) with the Obligations.

"Participant" has the meaning specified in Section 11.06(d).

"Participant Register" has the meaning specified in Section 11.06(d).

"PATRIOT Act" has the meaning specified in Section 11.17.

"PBGC" means the Pension Benefit Guaranty Corporation or any successor thereto.

"Pension Funding Rules" means the rules of the Internal Revenue Code and ERISA regarding minimum funding standards with respect to Pension Plans and set forth in Sections 412, 430, 431, 432 and 436 of the Internal Revenue Code and Sections 302, 303, 304 and 305 of ERISA.

"Pension Plan" means any employee pension benefit plan (including a Multiple Employer Plan and excluding a Multiemployer Plan) that is maintained or is contributed to by any Borrower and any ERISA Affiliate and is either covered by Title IV of ERISA or is subject to minimum funding standards under Section 412 of the Internal Revenue Code.

"Permitted Acquisitions" means Investments consisting of an Acquisition by the Parent Borrower or any Subsidiary, provided that, (a) subject, in the case of a Limited Condition Acquisition, to Section 1.07, no Default shall have occurred and be continuing or would result from such Acquisition, (b) the property acquired (or the property of the Person acquired) in such Acquisition is used or useful in the same or a related line of business as the Parent Borrower and its Subsidiaries were engaged in on the Closing Date (or any reasonable extensions or expansions thereof), (c) the property or the Person acquired in such Acquisition shall have attained positive EBITDA (as calculated in accordance with the definition of Consolidated EBITDA contained herein) for the immediately preceding twelve month period preceding the consummation of such Acquisition, as demonstrated pursuant to financial information satisfactory to the Administrative Agent, (d) the Administrative Agent shall have received, within 30 days (or such later date as the Administrative Agent may agree in its reasonable discretion) from the date of the consummation of such Acquisition, all items in respect of the Equity Interests or property acquired in such Acquisition required to be delivered by the terms of Section 7.12 and/or Section 7.14, (e) in the case of an Acquisition of the Equity Interests of another Person, the board of directors, shareholders (or other comparable governing body) of such other Person shall have duly approved such Acquisition, (f) subject in the case of a Limited Condition Acquisition, to Section 1.07, upon giving effect to such Acquisition on a Pro Forma Basis, the Loan Parties shall be in compliance with the financial covenants set forth in Section 8.11 for the most recently completed four fiscal quarter period for which the Parent Borrower has delivered financial statements pursuant to Section 7.01(a) or (b), and, for any Acquisition for which the cash consideration exceeds $5,000,000, the Parent Borrower shall have delivered to the Administrative Agent prior to the consummation of such Acquisition, a Pro Forma Compliance Certificate demonstrating such compliance, (g) at least five (5) days (or such shorter period as the Administrative Agent may agree in its reasonable discretion) prior to the consummation of such Acquisition, the Parent Borrower shall have delivered to the Administrative Agent (i) drafts of any then-available purchase agreement or merger agreement with respect to such Acquisition and (ii) a quality of earnings report for the target of such Acquisition (to the extent such target has EBITDA greater than $2,500,000 for the most recent twelve month period for which financial statements are available), (h) any Earn Out Obligations arising out of such Acquisition are subordinated to the Obligations in a manner reasonably acceptable to the Administrative Agent, and (i) the aggregate consideration (including cash and non-cash consideration, any assumption of Indebtedness, incurrence of

Seller Subordinated Indebtedness, deferred purchase price and any Earn Out Obligations, but excluding consideration paid in the form of Equity Interests of the Parent Borrower) paid by the Parent Borrower or any such Subsidiary, as applicable, for any such Acquisition shall not exceed $15,000,000, or $25,000,000 when taking into account consideration paid in the form of Equity Interests of the Parent Borrower; provided that the aggregate consideration (including cash and non-cash consideration, any assumption of Indebtedness, incurrence of Seller Subordinated Indebtedness, deferred purchase price and any Earn Out Obligations) paid for all Acquisitions of the Equity Interests of Persons that will be Foreign Subsidiaries, or of assets that will be owned by a Foreign Subsidiaries (in each case, excluding any such Acquisition consummated prior to the Closing Date), shall not exceed $10,000,000.

"Permitted Amendments" has the meaning specified in Section 11.01.

"Permitted Holders" mean, as of the date of determination, (i) (x) any holder of common Equity Interests in the Parent Borrower on the Closing Date, and, in the case of individuals, his or her estate, spouse, lineal descendants, legatees, legal representatives (in their capacities as such) or the trustee (in its capacity as such) of a bona fide trust of which one or more of the foregoing are the principal beneficiaries or grantors thereof, or (y) the Series A-2 Preferred Equity Holders, the Series A-1 Preferred Equity Holders and any of their respective Affiliate that is controlled directly or indirectly through one or more intermediaries, or both, by such Person, and (ii) any entity controlled, directly or indirectly, by any Persons referred to in the preceding clause (i), whether through the ownership of voting securities, by contract or otherwise

"Permitted Liens" means, at any time, Liens in respect of property of any Loan Party or any of its Subsidiaries permitted to exist at such time pursuant to the terms of Section 8.01.

"Permitted Refinancing" means, with respect to any Indebtedness of any Person, any modification, refinancing, replacement, refunding, renewal or extension of such Indebtedness; provided, that, (a) the principal amount thereof does not exceed the sum of (i) the outstanding principal amount of the Indebtedness so modified, refinanced, replaced, refunded, renewed or extended plus (ii) prepayment premiums paid, accrued but unpaid interest thereon and reasonable and customary fees and expenses incurred, in connection with such modification, refinancing, replacement, refunding, renewal or extension, (b) such modification, refinancing, replacement, refunding, renewal or extension has (i) a final maturity date equal to or later than the final maturity date of the Indebtedness being modified, refinanced, replaced, refunded, renewed or extended, and (ii) a weighted average life to maturity equal to or longer than the weighted average life to maturity of the Indebtedness being modified, refinanced, replaced, refunded, renewed or extended, (c) the direct and contingent obligors of such Indebtedness shall not be changed, as a result of or in connection with such modification, refinancing, replacement, refunding, renewal or extension, (d) the terms (excluding pricing, fees, rate floors, discounts, premiums and optional prepayment or redemption terms) of such Indebtedness, taken as a whole, shall not be changed in any manner that is materially adverse, taken as a whole, to the Parent Borrower or any Subsidiary, as applicable, as a result of or in connection with such modification, refinancing, replacement, refunding, renewal or extension, (e) if the Indebtedness being modified, refinanced, replaced, refunded, renewed or extended is subordinated in right of payment to the Obligations or secured by Liens on the Collateral junior to those created under the Collateral Documents, such modification, refinancing, replacement, refunding, renewal or extension is subordinated to the Obligations on terms at least as favorable to the Lenders as those contained in the documentation governing the Indebtedness being so modified, refinanced, replaced, refunded, renewed or extended, (f) if the Indebtedness being modified, refinanced, replaced, refunded, renewed or extended is unsecured, such modification, refinancing, replacement, refunding, renewal or extension shall be unsecured (unless such Indebtedness is otherwise permitted to be secured by a Permitted Lien), and (g) at the time of such modification, refinancing, replacement, refunding, renewal or extension of such Indebtedness, no Default or Event of Default shall have occurred and be continuing or result therefrom.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any employee benefit plan within the meaning of Section 3(3) of ERISA (including a Pension Plan but excluding a Multiemployer Plan), maintained for employees of any Borrower or any ERISA Affiliate or any such Plan to which any Borrower or any ERISA Affiliate is required to contribute on behalf of any of its employees.

"Platform" has the meaning specified in Section 7.02.

"PPSA" means the *Personal Property Security Act* (British Columbia) and the regulations thereunder, as from time to time in effect, provided, however, if attachment, perfection or priority of the Administrative Agent's security interests in any Collateral are governed by the personal property security laws of any jurisdiction other than British Columbia, PPSA shall mean those personal property security laws in such other jurisdiction, or, in the case of Québec, other applicable law governing security interest in personal property (including the *Civil Code of Québec* and the regulation respecting the register of personal and movable real rights thereunder), for the purposes of the provisions hereof relating to such attachment, perfection or priority and for the definitions related to such provisions.

"Pro Forma Basis" means, for purposes of calculating the financial covenants set forth in Section 8.11(a) (including for purposes of determining the Applicable Rate), that any Disposition, Involuntary Disposition, Acquisition, Restricted Payment, management fee payments or other applicable transaction shall be deemed to have occurred as of the first day of the most recent four (4) fiscal quarter period preceding the date of such transaction for which the Parent Borrower was required to deliver financial statements pursuant to Section 7.01(a) or (b). In connection with the foregoing, (a) with respect to any Disposition or Involuntary Disposition, income statement and cash flow statement items (whether positive or negative) attributable to the property disposed of shall be excluded to the extent relating to any period occurring prior to the date of such transaction and (b) with respect to any Acquisition, (i) income statement items attributable to the Person or property acquired shall be included to the extent relating to any period applicable in such calculations to the extent (A) such items are not otherwise included in such income statement items for the Parent Borrower and its Subsidiaries in accordance with GAAP or in accordance with any defined terms set forth in Section 1.01 and (B) such items are supported by financial statements or other information reasonably satisfactory to the Administrative Agent; provided that any aggregate addition to Consolidated EBITDA pursuant to the foregoing attributable to any Person or property acquired in connection with the Specified Permitted Acquisition for any fiscal quarter ending on or prior to December 31, 2019 shall not exceed $4,576,500 per fiscal quarter, (ii) any Indebtedness incurred or assumed by the Parent Borrower or any Subsidiary (including the Person or property acquired) in connection with such transaction (A) shall be deemed to have been incurred as of the first day of the applicable period and (B) if such Indebtedness has a floating or formula rate, shall have an implied rate of interest for the applicable period for purposes of this definition determined by utilizing the rate which is or would be in effect with respect to such Indebtedness as at the relevant date of determination and (iii) adjustments may be made with respect to the EBITDA of any Person or property acquired relating to such period based on cost savings demonstrated for the applicable period in a quality of earnings report (or with respect to an Acquisition of a Person or property with EBITDA of less than $1,500,000 for the most recent twelve month period, as demonstrated by the Parent Borrower), such adjustments to be reasonably satisfactory to the Administrative Agent. It is understood and agreed that in calculating compliance on a Pro Forma Basis with any financial covenant set forth in Section 8.11 as a condition to the consummation of a certain transaction, (i) such calculation shall be made in accordance with the foregoing after giving effect to (x) such transaction and (y) any other Disposition, Involuntary Disposition, Acquisition, Restricted Payment, management fee payments or other applicable transaction occurring after the end of the most recent four (4) fiscal quarter period for which the Parent Borrower was required to deliver financial statements pursuant to Section 7.01(a) or (b) and on or prior to the date of such calculation, and (ii) Consolidated Funded Indebtedness for purposes of such calculation shall be actual Consolidated Funded Indebtedness as of the date of the consummation of such transaction, after giving effect thereto.

"Pro Forma Compliance Certificate" means a certificate of a Responsible Officer of the Parent Borrower containing reasonably detailed calculations of the financial covenants set forth in Section 8.11(a) as of the most recent fiscal quarter end for which the Parent Borrower was required to deliver financial statements pursuant to Section 7.01(a) or (b) after giving effect to the applicable transaction on a Pro Forma Basis.

"PTE" means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

"Public Lender" has the meaning specified in Section 7.02.

"Purchase Notice" has the meaning specified in Section 11.24.

"QFC" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

"QFC Credit Support" has the meaning specified in Section 11.22.

"Qualified Cash" means all cash and Cash Equivalents of the Loan Parties that do not appear (or would not be required to appear) as "restricted" on a consolidated balance sheet of the Parent Borrower and are not subject to a Lien (other than Liens of the type described in Sections 8.01(a), 8.01(m) or 8.01(s)) from the amount of Consolidated Funded Indebtedness as of such date and which, from and after the date by which the Borrowers are required to deliver Control Agreements in accordance with Section 7.17, Administrative Agent has a first priority perfected Lien (subject to Liens of the type described in Sections 8.01(a), 8.01(m) or 8.01(s)) perfected by such Control Agreements.

"Qualified ECP Guarantor" means, at any time, each Loan Party with total assets exceeding $10,000,000 or that qualifies at such time as an "eligible contract participant" under the Commodity Exchange Act and can cause another Person to qualify as an "eligible contract participant" at such time under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

"Qualifying IPO" means the underwritten primary public offering of the common stock of the Parent Borrower or a direct or indirect parent of the Parent Borrower (a) pursuant to an effective registration statement filed with the United States Securities and Exchange Commission in accordance with the Securities Act (whether alone or in conjunction with a secondary public offering), (b) resulting in gross proceeds of at least $125,000,000 and (c) resulting in the redemption of the Series A-1 Preferred Equity in full in either cash or common stock of Parent Borrower.

"Qualifying IPO Costs" means costs incurred by the Parent Borrower and its Subsidiaries associated with, or in anticipation of, or preparation for, compliance with the requirements of the Sarbanes-Oxley Act of 2002, in connection with any initial public offering of the common stock of the Parent Borrower or a direct or indirect parent of the Parent Borrower, and the rules and regulations promulgated in connection therewith or other enhanced accounting functions, whether or not a Qualifying IPO is consummated; provided that any such costs described above in respect of the ongoing operation of the Parent Borrower and its Subsidiaries (or any direct or indirect parent company of the Parent Borrower and its Subsidiaries) as a listed equity security following the four (4) fiscal quarters immediately after the initial listing of the Parent Borrower's equity securities on a national securities exchange shall not constitute Qualifying IPO Costs.

"Rate Determination Date" means two (2) Business Days prior to the commencement of such Interest Period (or such other day as is generally treated as the rate fixing day by market practice in such interbank market, as determined by the Applicable Agent; provided that to the extent such market practice is not administratively feasible for the Applicable Agent, then "Rate Determination Date" means such other day as otherwise reasonably determined by the Applicable Agent).

"Recipient" means any Agent, any Lender, the L/C Issuer or any other recipient of any payment to be made by or on account of any obligation of any Loan Party hereunder.

"Register" has the meaning specified in Section 11.06(c).

"Related Parties" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

"Relevant Governmental Body" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York for the purpose of recommending a benchmark rate to replace LIBOR in loan agreements similar to this Agreement.

"Replacement Junior Capital" means, with respect to (a) after the redemption in full of the Series A-1 Preferred Equity in cash or common Equity Interests, the Series A-2 Preferred Equity or (b) any other existing junior capital instruments (other than the Series A-1 Preferred Equity or the Series A-2 Preferred Equity prior to the redemption in full of the Series A-1 Preferred Equity in cash or common Equity Interests) (for purposes of this definition, each "existing junior capital"), any new junior capital issued on substantially identical terms as the existing junior capital that the proceeds of such new junior capital are being used to redeem or satisfy in full, subject to any subordination provisions reasonably requested by, and on terms reasonably acceptable to, the Administrative Agent; provided, that the fixed date for the required mandatory redemption thereof (to the extent applicable) shall be at least one hundred eighty (180) days after the five year anniversary of the Closing Date.

"Reportable Event" means any of the events set forth in Section 4043(c) of ERISA, other than events for which the thirty (30)-day notice period has been waived.

"Request for Credit Extension" means (a) with respect to a Borrowing, conversion or continuation of Loans, a Loan Notice, (b) with respect to an L/C Credit Extension, a Letter of Credit Application and (c) with respect to a Swing Line Loan, a Swing Line Loan Notice.

"Required Lenders" means, at any time, Lenders having Total Credit Exposures representing more than 50% of the Total Credit Exposures of all Lenders; provided, however, that the term "Required Lenders" shall include ULTra at all times that (a) ULTra remains a Lender and (b) ULTra, together with its Affiliates, retains at least 75% of the Loans and Commitments ULTra held on the Closing Date. The Total Credit Exposure of any Defaulting Lender shall be disregarded in determining Required Lenders at any time; provided that, the amount of any participation in any Swing Line Loan and unreimbursed amounts that such Defaulting Lender has failed to fund that have not been reallocated to and funded by another Lender shall be deemed to be held by the Lender that is the Swing Line Lender or L/C Issuer, as the case may be, in making such determination.

"Required Revolving Lenders" means, at any time, Lenders having unused Revolving Commitments and Revolving Credit Exposure representing more than 50% of the unused Commitments and Revolving Credit Exposure of all Lenders. The unused Revolving Commitments and Revolving Credit Exposure of any Defaulting Lender shall be disregarded in determining Required Revolving Lenders at any time; provided that, the amount of any participation in any Swing Line Loan and unreimbursed amounts that such Defaulting Lender has failed to fund that have not been reallocated to and funded by another Lender shall be deemed to be held by the Lender that is the Swing Line Lender or L/C Issuer, as the case may be, in making such determination.

"Required Term Lenders" means, at any time, Lenders having an Outstanding Amount of the Term Loan, Outstanding Amount of all Incremental Term Loans and Term Loan Commitments representing more than 50% of the Outstanding Amount of the Term Loan, Outstanding Amount of all Incremental Term Loans and Term Loan Commitments of all Lenders; provided, however, that the term "Required Term Lenders" shall include ULTra at all times that (a) ULTra remains a Lender and (b) ULTra, together with its Affiliates, retains 75% of the Term Loans and Term Loan Commitments ULTra held on the Closing Date. The Outstanding Amount of the Term Loan, Outstanding Amount of all Incremental Term Loans and Term Loan Commitments and Term Loan Commitments of any Defaulting Lender shall be disregarded in determining Required Term Lenders at any time.

"Resolution Authority" means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"Responsible Officer" means the chief executive officer, president, chief financial officer, treasurer, assistant treasurer or controller of a Loan Party and, solely for purposes of the delivery of certificates pursuant to Sections 5.01 or 7.12(b), the secretary or any assistant secretary (or another authorized person) of a Loan Party and, solely for purposes of notices given pursuant to Article II, any other officer or employee of the applicable Loan Party so designated by any of the foregoing officers in a notice to the Agents or any other officer or employee of the applicable Loan Party designated in or pursuant to an agreement between the applicable Loan Party and the Agents. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party. To the extent requested by any Agent, each Responsible Officer will provide an incumbency certificate and appropriate authorization documentation, in each case, in form and substance satisfactory to such Agent.

"Restricted Payment" means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests of any Loan Party or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interests or on account of any return of capital to such Person's stockholders, partners or members (or the equivalent Person thereof), or any setting apart of funds or property for any of the foregoing, and including, without limitation, any redemption of, or payments of dividends, in cash, in kind or otherwise, in respect of, the Series A-1 Preferred Equity and the Series A-2 Preferred Equity.

"Revaluation Date" means (a) with respect to any Loan, each of the following: (i) each date of a Borrowing of a Eurocurrency Rate Loan denominated in Canadian Dollars, (ii) each date of a continuation of a Eurocurrency Rate Loan denominated in Canadian Dollars pursuant to Section 2.02, and (iii) such additional dates as the Revolver Agent shall determine or the Required Lenders shall require; and (b) with respect to any Letter of Credit, each of the following: (i) each date of issuance, amendment and/or extension of a Letter of Credit denominated in Canadian Dollars, (ii) each date of any payment by the L/C Issuer under any Letter of Credit denominated in Canadian Dollars, and (iii) such additional dates as the Revolver Agent or the L/C Issuer shall determine or the Required Lenders shall require.

"Revolver Agent" means Capital One in its capacity as revolver agent for the Revolving Lenders hereunder, and any successor revolver agent.

"Revolver Agent's Office" means the Revolver Agent's address or such other address as the Revolver Agent may from time to time notify the Parent Borrower, the Administrative Agent and the Lenders.

"Revolver Purchase Obligations" as defined in Section 11.24.

"Revolving Commitment" means, as to each Lender, its obligation to (a) make Revolving Loans to a Borrower pursuant to Section 2.01(a), (b) purchase participations in L/C Obligations and (c) purchase participations in Swing Line Loans, in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender's name on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement.

"Revolving Credit Exposure" means, as to any Lender at any time, the aggregate principal amount at such time of its outstanding Revolving Loans and such Lender's participation in L/C Obligations and Swing Line Loans at such time.

"Revolving Creditor" means each Revolving Lender, the Swing Line Lender, each L/C Issuer, the Revolver Agent and L/C Issuers and, to the extent its claim arises in connection with the credit facility evidenced by the Revolving Commitments, each other Indemnitee and holder of an Obligation of a Loan Party.

"Revolving Lender" means each Lender with a Revolving Commitment (or if the Revolving Commitments have terminated, who hold Revolving Loans or participations in Swing Line Loans or L/C Obligations).

"Revolving Loan" has the meaning specified in Section 2.01(a).

"Revolving Loan Obligations" means all Obligations arising under or in respect of the Revolving Commitments.

"Revolving Note" has the meaning specified in Section 2.11(a).

"S&P" means Standard & Poor's Financial Services LLC, a subsidiary of The McGraw-Hill Companies, Inc. and any successor thereto.

"Sale and Leaseback Transaction" means, with respect to any Loan Party or any Subsidiary, any arrangement, directly or indirectly, with any Person whereby the Loan Party or such Subsidiary shall sell or transfer any property used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property that it intends to use for substantially the same purpose or purposes as the property being sold or transferred.

"Same Day Funds" means (a) with respect to disbursements and payments in Dollars, immediately available funds, and (b) with respect to disbursements and payments in Canadian Dollars, same day or other funds as may be determined by the Revolver Agent or the L/C Issuer, as the case may be, to be customary in the place of disbursement or payment for the settlement of international banking transactions in Canadian Dollars.

"Sanctions" has the meaning specified in Section 6.22.

"Scheduled Unavailability Date" has the meaning specified in Section 3.08.

"SEC" means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

"Secured Party" means each Agent, each Lender, each L/C Issuer, each other Indemnitee and each other holder of any Obligation of a Loan Party (including each Swap Bank and Treasury Management Bank).

"Secured Party Designation Notice" means a notice from any Lender or an Affiliate of a Lender substantially in the form of Exhibit G.

"Secured Swap Agreement" means any Swap Contract permitted under Section 8.03 between any Loan Party or any of its Subsidiaries and any Swap Bank; provided, that for any of the foregoing to be included as a "Secured Swap Agreement" on any date of determination by the Administrative Agent, the applicable Swap Bank (other than the Administrative Agent or an Affiliate of the Administrative Agent) must have delivered a Secured Party Designation Notice to the Administrative Agent prior to such date of determination.

"Secured Treasury Management Agreement" means any Treasury Management Agreement between any Loan Party or any of its Subsidiaries and any Treasury Management Bank; provided, that for any of the foregoing to be included as a "Secured Treasury Management Agreement" on any date of determination by the Administrative Agent, the applicable Treasury Management Bank (other than the Administrative Agent or an Affiliate of the Administrative Agent) must have delivered a Secured Party Designation Notice to the Administrative Agent prior to such date of determination.

"Securitization Transaction" means, with respect to any Person, any financing transaction or series of financing transactions (including factoring arrangements) pursuant to which such Person or any Subsidiary of such Person may sell, convey or otherwise transfer, or grant a security interest in, accounts, payments, receivables, rights to future lease payments or residuals or similar rights to payment to a special purpose subsidiary or affiliate of such Person.

"Security Agreement" means the Security and Pledge Agreement governed by the laws of the State of New York, dated as of the Closing Date, executed in favor of the Administrative Agent, for the benefit of the holders of the Obligations, by each of the Loan Parties other than the Canadian Loan Parties.

"Seller Subordinated Indebtedness" means any unsecured Indebtedness (including non-contingent deferred purchase price obligations) of the Parent Borrower or any Subsidiary issued subsequent to the Closing Date in favor of a seller as consideration for a Permitted Acquisition, which unsecured Indebtedness by its terms is expressly subordinated in right of payment to the prior payment of the Obligations pursuant to subordination provisions reasonably satisfactory to the Administrative Agent and which Indebtedness shall not (a) mature, and have no scheduled principal payments, prepayments, repurchases, redemptions or sinking fund or like payments required, at any time on or prior to 180 days after the Maturity Date other than scheduled principal payments not exceeding $1,000,000 in any fiscal year of the Parent Borrower or (b) include any financial maintenance covenants and the terms thereof shall otherwise not be more restrictive in any respect to the Parent Borrower and its Subsidiaries than the provisions of this Agreement.

"Series A-1 Certificate of Designation" means the Certificate of Designation of Cumulative Series A-1 Preferred Stock of the Parent Borrower, executed by the Parent Borrower as of October 19, 2018, as amended by that certain Amended and Restated Certificate of Designation of Cumulative Series A-1 Preferred Stock of the Parent Borrower, executed by the Parent Borrower as of the Closing Date.

"Series A-1 Preferred Equity" means the Cumulative Series A-1 Preferred Stock of the Parent Borrower.

"Series A-1 Preferred Equity Documents" means the Series A-1 Certificate of Designation, the Series A-1 Purchase Agreement and any other documents or agreements entered into in connection with the issuance of, or governing the terms of, the Series A-1 Preferred Equity.

"Series A-1 Preferred Equity Mandatory Redemption Date" means the fixed mandatory redemption date of the Series A-1 Preferred Equity, as specified in the Series A-1 Certificate of Designation.

"Series A-1 Purchase Agreement" means the Purchase Agreement, dated as of October 19, 2018, between the Parent Borrower and the Series A-1 Preferred Equity Holders.

"Series A-1 Preferred Equity Holders" means Oaktree Capital Management, L.P., or any of its Controlled Affiliates through which an investment was made in the Parent Borrower on October 19, 2018.

"Series A-2 Certificate of Designation" means the Certificate of Designation of Cumulative Series A-2 Preferred Stock of the Parent Borrower, executed by the Parent Borrower as of the Closing Date.

"Series A-2 Preferred Equity" means the Cumulative Series A-2 Preferred Stock of the Parent Borrower issued by the Parent Borrower on the Closing Date in an aggregate amount not to exceed $175,000,000; provided, that to the extent the Parent Borrower redeems the Series A-2 Preferred Equity with the proceeds of Replacement Junior Capital, each reference to "Series A-2 Preferred Equity" and its related terms herein shall be deemed to refer to, and shall apply to, such Replacement Junior Capital, *mutatis mutandis*, upon the effectiveness of such issuance and redemption.

"Series A-2 Preferred Equity Documents" means the Series A-2 Certificate of Designation, the Series A-2 Purchase Agreement and any other documents or agreements entered into in connection with the issuance of, or governing the terms of, the Series A-2 Preferred Equity. It is acknowledged and agreed by the Lenders and each Agent that Series A-1 Preferred Equity Documents as in effect as of the date hereof (including, for the avoidance of doubt, the Consolidated Debt Ratio included in Section 12 of the Series A-2 Certificate of Designation) are acceptable to the Lenders and each Agent.

"Series A-2 Preferred Equity Mandatory Redemption Date" means the fixed mandatory redemption date of the Series A-2 Preferred Equity, as specified in the Series A-2 Certificate of Designation.

"Series A-2 Purchase Agreement" means the Purchase Agreement, dated as of March 28, 2020, between the Parent Borrower and the Series A-2 Preferred Equity Holders.

"Series A-2 Preferred Equity Holders" means Oaktree Capital Management, L.P., or any of its Controlled Affiliates through which an investment was made in the Parent Borrower on March 28, 2020.

"SOFR" with respect to any day means the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark (or a successor administrator) on the Federal Reserve Bank of New York's website and that has been selected or recommended by the Relevant Governmental Body.

"SOFR-Based Rate" means SOFR or Term SOFR.

"Solvent" or "Solvency" means, with respect to any Person as of a particular date, that on such date (a) such Person is generally able to pay its debts and other liabilities, contingent obligations and other commitments as they mature in the ordinary course of business, (b) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to generally pay as such debts and liabilities mature in their ordinary course, (c) such Person is not engaged in a business or a transaction, and is not about to engage in a business or a transaction, for which such Person's property would constitute unreasonably small capital after giving due consideration to the prevailing practice in the industry in which such Person is engaged or is to engage, (d) the fair value of the property of such Person is greater than the total amount of liabilities, including, without limitation, contingent liabilities, of such Person and (e) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured. In computing the amount of contingent liabilities at any time, it is intended that such liabilities will be computed at the amount which, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

"Specified Event of Default" means any Event of Default pursuant to Section 9.01(a), Section 9.01(f) or Section 9.01(g).

"Specified Guarantee Jurisdiction" means each of (a) the United States and Canada, and (b) any other jurisdiction in which a Subsidiary is organized (i) that is reasonably satisfactory to the Administrative Agent in its reasonable discretion (taking into account the value to be realized by, and the enforceability of, a Guarantee by a Subsidiary organized in such jurisdiction of the Guaranteed Obligations, and the grant of a security interest in the assets of such Subsidiary to secure the Guaranteed Obligations) and (ii) with respect to which the Administrative Agent and the Parent Borrower have determined that the cost and/or burden of obtaining such guarantee and security does not outweigh the benefit to Lenders therefrom.

"Specified Loan Party" has the meaning specified in Section 4.08.

"Specified Permitted Acquisition Agreement" means that certain Membership Interest Purchase Agreement, dated as of March 28, 2020, by and among The Center for Toxicology and Environmental Health, L.L.C., an Arkansas limited liability company, as the company, Montrose Planning & Permitting, LLC, a Delaware limited liability company, as the purchaser, the Parent Borrower, as the parent, CTEH Holdings, LLC, an Arkansas limited liability company, as the seller, and the other persons party thereto.

"Specified Permitted Acquisition" means the acquisition of all or substantially all of the Equity Interests of The Center for Toxicology and Environmental Health, L.L.C., an Arkansas limited liability company (the "Target") by a Loan Party, being Montrose Planning & Permitting, LLC, a Delaware limited liability company from CTEH Holdings, LLC, an Arkansas limited liability company, pursuant to the Specified Permitted Acquisition Agreement.

"Specified Permitted Acquisition Earnout" means the Earn Out Obligations arising in connection with the Specified Permitted Acquisition as set forth the in Specified Permitted Acquisition Agreement as in effect on the date hereof.

"Spot Rate" for a currency means the rate determined by the Revolver Agent or the L/C Issuer, as applicable, to be the rate quoted by the Person acting in such capacity as the spot rate for the purchase by such Person of such currency with another currency through its principal foreign exchange trading office at approximately 11:00 a.m. on the date two (2) Business Days prior to the date as of which the foreign exchange computation is made; provided that the Revolver Agent or the L/C Issuer may obtain such spot

rate from another financial institution designated by the Revolver Agent or the L/C Issuer if the Person acting in such capacity does not have as of the date of determination a spot buying rate for any such currency; provided, further that the L/C Issuer may use such spot rate quoted on the date as of which the foreign exchange computation is made in the case of any Letter of Credit denominated in Canadian Dollars.

"STA" means the Securities Transfer Act (British Columbia), the Securities Transfer Act (Alberta), or the Securities Transfer Act, 2006 (Ontario), as applicable, and the respective regulations thereunder, as from time to time in effect.

"Subordinated Indebtedness" means, collectively, the Indebtedness evidenced by the Seller Subordinated Indebtedness and the Existing Seller Indebtedness.

"Subsidiary" of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of Voting Stock is at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of the Parent Borrower.

"Supported QFC" has the meaning specified in Section 11.22.

"Swap Bank" means any Person that (a) at the time it enters into a Swap Contract, is a Revolving Lender or the Revolver Agent or an Affiliate of a Revolving Lender or the Revolver Agent, (b) in the case of any Swap Contract in effect on or prior to the Closing Date, is, as of the Closing Date or within 30 days thereafter, a Revolving Lender or the Revolver Agent or an Affiliate of a Revolving Lender or the Revolver Agent and a party to a Swap Contract or (c) within 30 days after the time it enters into the applicable Swap Contract, becomes a Revolving Lender, the Revolver Agent or an Affiliate of a Revolving Lender or the Revolver Agent, in each case, in its capacity as a party to such Swap Contract.

"Swap Contract" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

"Swap Obligation" means with respect to any Guarantor any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of Section 1a(47) of the Commodity Exchange Act.

"Swap Termination Value" means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s) and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include a Lender or any Affiliate of a Lender).

"Swing Line Commitment" means, with respect to the Swing Line Lender, the commitment of the Swing Line Lender to make Swing Line Loans hereunder. The initial amount of the Swing Line Lender's Swing Line Commitment is set forth on Schedule 2.01.

"Swing Line Lender" means, each in its capacity as Swing Line Lender hereunder, Capital One or, upon the resignation of Capital One as Revolver Agent hereunder, any Lender (or Affiliate or Approved Fund of any Lender) that agrees, with the approval of Revolver Agent (or, if there is no such successor Revolver Agent, the Required Lenders) and the Parent Borrower, to act as the Swing Line Lender hereunder.

"Swing Line Loan" has the meaning specified in Section 2.04(a).

"Swing Line Loan Notice" means a notice of a Borrowing of Swing Line Loans pursuant to Section 2.04(b), which, if in writing, shall be substantially in the form of Exhibit K or such other form as is approved by the Revolver Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Revolver Agent), appropriately completed and signed by a Responsible Officer of the Parent Borrower.

"Swing Line Note" has the meaning specified in Section 2.11(a).

"Swing Line Sublimit" means an amount equal to the lesser of (a) the Aggregate Revolving Commitments and (b) $10,000,000. The Swing Line Sublimit is part of, and not in addition to, the Aggregate Revolving Commitments.

"Synthetic Lease" means any synthetic lease, tax retention operating lease, off-balance sheet loan or similar off-balance sheet financing arrangement whereby the arrangement is considered borrowed money indebtedness for tax purposes but is classified as an operating lease or does not otherwise appear on a balance sheet under GAAP.

"Target" has the meaning set forth in the definition of "Specified Permitted Acquisition".

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Term Creditor" means each Term Lender and, to the extent its claim arises in connection with the Term Loan, each other Indemnitee and holder of an Obligation of a Loan Party.

"Term Lender" means each Lender that holds a Term Loan Commitment or Term Loan.

"Term Loan" has the meaning specified in Section 2.01(b).

"Term Loan Commitment" means, as to each Lender, its obligation to make its portion of the Term Loan to the Parent Borrower pursuant to Section 2.01(b), in the principal amount set forth opposite such Lender's name on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement. The aggregate principal amount of the Term Loan Commitments of all of the Lenders as in effect on the Closing Date is $175,000,000.

"Term Loan Note" has the meaning provided in Section 2.11(a).

"Term Loan Obligations" means all Obligations arising under or in respect of the Term Loans.

"Term SOFR" means the forward-looking term rate for any period that is approximately (as determined by the Administrative Agent) as long as any of the Interest Period options set forth in the definition of "Interest Period" and that is based on SOFR and that has been selected or recommended by the Relevant Governmental Body, in each case, as published on an information service as selected by the Administrative Agent from time to time in its reasonable discretion.

"Threshold Amount" means $2,500,000.

"Total Credit Exposure" means, as to any Lender at any time, the unused Commitments, Revolving Credit Exposure, Outstanding Amount of the Term Loan and Outstanding Amount of all Incremental Term Loans of such Lender at such time.

"Total Revolving Outstandings" means the aggregate Outstanding Amount of all Revolving Loans, all Swing Line Loans and all L/C Obligations.

"Trade Date" as defined in Section 11.06(g)(i).

"Treasury Management Agreement" means any agreement governing the provision of treasury or cash management services, including deposit accounts, overdraft, credit or debit card, funds transfer, automated clearinghouse, zero balance accounts, returned check concentration, controlled disbursement, lockbox, account reconciliation and reporting and trade finance services and other cash management services.

"Treasury Management Bank" means any Person that (a) at the time it enters into a Treasury Management Agreement, is a Lender or the Administrative Agent or an Affiliate of a Lender or the Administrative Agent or (b) within 30 days after the time it enters into the applicable Treasury Management Agreement, becomes a Lender, the Administrative Agent or an Affiliate of a Lender or the Administrative Agent, in each case, in its capacity as a party to such Treasury Management Agreement.

"Trigger Event of Default" means an Event of Default under (i) Section 9.01(a), (ii) Section 9.01(c) arising from the failure of a Borrower or other Loan Party to observe or perform obligations under Section 7.01(a), Section 7.01(b) (and the continuation of such failure for 30 days), Section 7.02(a)(ii) (and the continuation of such failure for 45 days in the case of reports to accompany financial statements deliverable under Section 7.01(a) or 30 days in the case of reports to accompany financial statements deliverable under Section 7.01(b)), Section 7.02(a)(i) (and the continuation of such failure for 45 days in the case of a Compliance Certificate to accompany financial statements deliverable under Section 7.01(a) or 30 days in the case of a Compliance Certificate to accompany financial statements deliverable under Section 7.01(b)), Section 7.02(b) (and the continuation of such failure for 30 days), Section 8.01, Section 8.02, Section 8.03, Section 8.04, Section 8.05, Section 8.06, Section 8.08, Section 8.11, Section 8.12(a), Section 8.12(b) or Section 8.15, (iii) Section 9.01(e), (iv) Section 9.01(f), (v) Section 9.01(g), (vi) Section 9.01(h), (vii) Section 9.01(j), and (viii) Section 9.01(k).

"Type" means, with respect to any Loan, its character as a Base Rate Loan or a Eurocurrency Rate Loan.

"UK Financial Institution" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended form time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person subject to IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

"UK Resolution Authority" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"ULTra" as defined in the preamble hereto.

"Uniform Commercial Code" means the Uniform Commercial Code of any applicable jurisdiction and, if the applicable jurisdiction shall not have any Uniform Commercial Code, the Uniform Commercial Code as in effect from time to time in the State of New York.

"United States" and "U.S." mean the United States of America.

"Unitranche Lenders" means Capital One, National Association, ULTra, HPS and each of their respective Controlled Affiliates.

"Unlimited Loan Parties" means, collectively, the U.S. Loan Parties, the Canadian Loan Parties and any other Guarantor that has provided Additional Collateral Documents.

"U.S. Loan Parties" means, collectively, the Parent Borrower and each Guarantor that is organized under the laws of the United States.

"U.S. Person" means any Person that is a "United States person" as defined in Section 7701(a)(30) of the Internal Revenue Code.

"U.S. Special Resolution Regimes" has the meaning specified in Section 11.22.

"U.S. Tax Compliance Certificate" has the meaning specified in Section 3.01(e)(ii)(B)(3).

"Voting Stock" means, with respect to any Person, Equity Interests issued by such Person the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such Person, even though the right so to vote has been suspended by the happening of such a contingency.

"Wholly Owned Subsidiary" means any Person one hundred percent (100%) of whose Equity Interests are at the time owned by the Parent Borrower directly or indirectly through other Persons one hundred percent (100%) of whose Equity Interests are at the time owned, directly or indirectly, by the Parent Borrower.

"Workday Enterprise Resource Planning Project" means the implementation of an enterprise resourcing planning software system for the Parent Borrower and its Subsidiaries.

"Write-Down and Conversion Powers" means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

1.02 **Other Interpretive Provisions.**

With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document (including the Loan Documents and any Organization Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, extended, restated, replaced, supplemented or otherwise modified from time to time (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iii) the words "hereto", "herein," "hereof" and "hereunder," and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory rules, regulations, orders and provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified, extended, restated, replaced or supplemented from time to time, and (vi) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all real and personal property and tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including;" the words "to" and "until" each mean "to but excluding;" and the word "through" means "to and including."

(c) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

(d) Any reference herein to a merger, transfer, consolidation, amalgamation, assignment, sale, disposition or transfer, or similar term, shall be deemed to apply to a division of or by a limited liability company, or an allocation of assets to a series of a limited liability company (or the unwinding of such a division or allocation), as if it were a merger, transfer, consolidation, amalgamation, assignment, sale, disposition or transfer, or similar term, as applicable, to, of or with a separate Person. Any division of a limited liability company shall constitute a separate Person hereunder (and each division of any limited liability company that is a Subsidiary, joint venture or any other like term shall also constitute such a Person or entity).

(e) Any reference to a "merger" shall be deemed to include an "amalgamation" and any reference to the "continuing or surviving entity" shall be deemed to include the entity resulting from such amalgamation.

1.03 **Accounting Terms.**

(a) Generally. Except as otherwise specifically prescribed herein, all accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the Audited Financial Statements, except as otherwise specifically prescribed herein; provided, however, that calculations of Attributable Indebtedness under any Synthetic Lease or the implied interest component of any Synthetic Lease shall be made by the Parent Borrower in accordance with accepted financial practice and consistent with the terms of such Synthetic Lease. Notwithstanding the foregoing, for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, (i) Indebtedness of the Loan Parties and their Subsidiaries shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 and FASB ASC 470-20 on financial liabilities shall be disregarded and (ii) all liability amounts shall be determined excluding any liability relating to any operating lease, all asset amounts shall be determined excluding any right-of-use assets relating to any operating lease, all amortization amounts shall be determined excluding any amortization of a right-of-use asset relating to any operating lease, and all interest amounts shall be determined excluding any deemed interest comprising a portion of fixed rent payable under any operating lease, in each case to the extent that such liability, asset, amortization or interest pertains to an operating lease under which the covenantor or a member of its consolidated group is the lessee and would not have been accounted for as such under GAAP as in effect on December 31, 2019.

(b) Changes in GAAP. The Parent Borrower will provide a written summary of material changes in GAAP and in the consistent application thereof with each annual and quarterly Compliance Certificate delivered in accordance with Section 7.02(a). If at any time any change in GAAP (including the adoption of IFRS) would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Parent Borrower or the Required Lenders shall so request, the Administrative Agent, the Lenders and the Parent Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Parent Borrower shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

(c) Pro Forma Calculations. Notwithstanding the above, the parties hereto acknowledge and agree that all calculations of the financial covenant in Section 8.11(a) (including for purposes of determining the Applicable Rate) shall be made on a Pro Forma Basis.

1.04 **Rounding.**

Any financial ratios required to be maintained by the Parent Borrower pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

1.05 **Times of Day; Rates; Exchange Rates; Currency Equivalents.**

(a) Times of Day. Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable). With respect to any obligation or performance of a Loan Party (other than a payment, which is addressed in Section 2.12(a)) on a certain "Business Day", if the applicable day in question is not a Business Day, such obligation or performance of such Loan Party shall be required on the next preceding Business Day.

(b) Rates. The Applicable Agent does not warrant, nor accept responsibility, nor shall the Applicable Agent have any liability with respect to, the administration, submission or any other matter related to the rates in the definition of "Eurocurrency Base Rate" or with respect to any rate that is an alternative or replacement for or successor to any of such rate (including any LIBOR Successor Rate) or the effect of any of the foregoing, or of any LIBOR Successor Rate Conforming Changes.

(c) Exchange Rate. The Applicable Agent or the L/C Issuer, as applicable, shall determine the Spot Rates as of each Revaluation Date to be used for calculating Dollar Equivalent amounts of Credit Extensions and Outstanding Amounts denominated in Canadian Dollars. Such Spot Rates shall become effective as of such Revaluation Date and shall be the Spot Rates employed in converting any amounts between the applicable currencies until the next Revaluation Date to occur. Except for purposes of financial statements delivered by Loan Parties hereunder or calculating financial covenants hereunder or except as otherwise provided herein, the applicable amount of any currency (other than Dollars) for purposes of the Loan Documents shall be such Dollar Equivalent amount as so determined by the Applicable Agent or the L/C Issuer, as applicable.

(d) Currency Equivalents. Wherever in this Agreement in connection with a Borrowing, conversion, continuation or prepayment of a Eurocurrency Rate Loan or the issuance, amendment or extension of a Letter of Credit, an amount, such as a required minimum or multiple amount, is expressed in Dollars, but such Borrowing, Eurocurrency Rate Loan or Letter of Credit is denominated in Canadian Dollars, such amount shall be the Canadian Dollar Equivalent of such Dollar amount (rounded to the nearest unit of Canadian Dollars, with 0.5 of a unit being rounded upward), as determined by the Applicable Agent or the L/C Issuer, as the case may be.

1.06 **Letter of Credit Amounts.**

Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the Dollar Equivalent of the stated amount of such Letter of Credit in effect at such time; provided, however, that with respect to any Letter of Credit that, by its terms or the terms of any Issuer Document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the Dollar Equivalent of the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

1.07 **Limited Condition Acquisitions.**

Notwithstanding anything to the contrary herein, to the extent that the terms of this Agreement require (a) compliance with any basket, financial ratio or test (including any Consolidated Total Leverage Ratio test or any Consolidated Fixed Charge Coverage Ratio test), (b) the absence of a Default or an Event of Default, or (c) a determination as to whether the representations and warranties contained in this Agreement or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct in all material respects (without duplication of any materiality qualifiers), in each case in connection with the consummation of a Limited Condition Acquisition, the determination of whether the relevant condition is satisfied may be made, at the election of the Parent Borrower, (A) on the date of the execution of the definitive agreement with respect to such Limited Condition Acquisition (such date, the "LCA Test Date"), or (B) on the date on which such Limited Condition Acquisition is consummated, in either case, after giving effect to the relevant Limited Condition Acquisition and any related incurrence of Indebtedness, on a Pro Forma Basis; provided, that, notwithstanding the foregoing, in connection with any Limited Condition Acquisition: (1) the condition set forth in clause (a) of the definition of "Permitted Acquisition" shall be satisfied if (x) no Default or Event of Default shall have occurred and be continuing as of the applicable LCA Test Date, and (y) no Specified Event of Default shall have occurred and be continuing at the time of consummation of such Limited Condition Acquisition; (2) if the proceeds of an Incremental Term Loan are being used to finance such Limited Condition Acquisition, then (x) the conditions set forth in Section 2.02(f)(J)(II)(x) and 2.02(f)(J)(II)(z) shall be required to be satisfied at the time of closing of the Limited Condition Acquisition and funding of such Incremental Term Loan but, if the lenders providing such Incremental Term Loan so agree, the representations and warranties which must be accurate at the time of closing of the Limited Condition Acquisition and funding of such Incremental Term Loan may be limited to customary "specified representations" and such other representations and warranties as may be required by the lenders providing such Incremental Term Loan, and (y) the conditions set forth in Section 2.02(f)(J)(II)(y) and Section 5.02(b) shall, if and to the extent the lenders providing such Incremental Term Loan so agree, be satisfied if (I) no Default or Event of Default shall have occurred and be continuing as of the applicable LCA Test Date, and (II) no Specified Event of Default shall have occurred and be continuing at the time of the funding of such Incremental Term Loan in connection with the consummation of such Limited Condition Acquisition; and (3) such Limited Condition Acquisition and the related Indebtedness to be incurred in connection therewith and the use of proceeds thereof shall be deemed incurred and/or applied at the LCA Test Date (until such time as the Indebtedness is actually incurred or the applicable definitive agreement is terminated without actually consummating the applicable Limited Condition Acquisition) and outstanding thereafter for purposes of determining compliance on a Pro Forma Basis (other than for purposes of determining compliance on a Pro Forma Basis in connection with the making of any Restricted Payment or the prepayment of any Indebtedness) with any financial ratio or test (including any Consolidated Total Leverage Ratio test or any Consolidated Fixed Charge Coverage Ratio test, or any calculation of the financial covenants set forth in Section 8.11) (it being understood and agreed that for purposes of determining compliance on a Pro Forma Basis in connection with the making of any Restricted Payment or prepayment of any Indebtedness, the Parent Borrower shall demonstrate compliance with the applicable test both after giving effect to the applicable Limited Condition Acquisition and assuming that such transaction had not occurred). For the avoidance of doubt, if any of such ratios or amounts for which compliance was determined or tested as of the LCA Test Date are thereafter exceeded or otherwise failed to have been complied with as a result of fluctuations in such ratio or amount (including due to fluctuations in Consolidated EBITDA), at or prior to the consummation of the relevant Limited Condition Acquisition, such ratios or amounts will not be deemed to have been exceeded or failed to be complied with as a result of such fluctuations solely for purposes of determining whether the relevant Limited Condition Acquisition is permitted to be consummated or taken. Except as set forth in clause (2) in the proviso to the first sentence in this Section 1.07 in connection with the use of the proceeds of an Incremental Term Loan to finance a Limited Condition Acquisition (and, in the case of such clause (2), only if and to the extent the lenders providing such Incremental Term Loan so agree as provided in such clause (2)), it is understood and agreed that this Section 1.07 shall not limit the conditions set forth in Section 5.02 with respect to any proposed Credit Extension, in connection with a Limited Condition Acquisition or otherwise.

1.08 **Québec Interpretation.**

For purposes of any assets, liabilities or entities located in the Province of Québec and for all other purposes pursuant to which the interpretation or construction of this Agreement may be subject to the laws of the Province of Québec or a court or tribunal exercising jurisdiction in the Province of Québec, (a) "personal property" shall include "movable property", (b) "real property" or "real estate" shall include "immovable property", (c) "tangible property" shall include "corporeal property", (d) "intangible property" shall include "incorporeal property", (e) "security interest", "mortgage" and "lien" shall include a "hypothec", "right of retention", "prior claim", "reservation of ownership" and a resolutory clause, (f) all references to filing, perfection, priority, remedies, registering or recording under the Uniform Commercial Code or the PPSA shall include publication under the Civil Code of Québec, (g) all references to "perfection" of or "perfected" liens or security interest shall include a reference to an "opposable" or "set up" hypothec as against third parties, (h) any "right of offset", "right of setoff" or similar expression shall include a "right of compensation", (i) "goods" shall include "corporeal movable property" other than chattel paper, documents of title, instruments, money and securities, (j) an "agent" shall include a "mandatary", (k) "construction liens" or "mechanics, materialmen, repairmen, construction contractors or other like Liens" shall include "legal hypothecs" and "legal hypothecs in favor of persons having taken part in the construction or renovation of an immovable", (l) "joint and several" shall include "solidary", (m) "gross negligence or wilful misconduct" shall be deemed to be "intentional or gross fault", (n) "beneficial ownership" shall include "ownership on behalf of another as mandatary", (o) "easement" shall include "servitude", (p) "priority" shall include "rank" or "prior claim", as applicable (q) "survey" shall include "certificate of location and plan", (r) "state" shall include "province", (s) "fee simple title" shall include "absolute ownership" and "ownership" (including ownership under a right of superficies), (t) "accounts" shall include "claims", (u) "legal title" shall be including "holding title on behalf of an owner as mandatory or prete-nom", (v) "ground lease" shall include "emphyteusis" or a "lease with a right of superficies, as applicable, (w) "leasehold interest" shall include a "valid lease", (x) "lease" shall include a "leasing contract" and (y) "guarantee" and "guarantor" shall include "suretyship" and "surety", respectively. The parties hereto confirm that it is their wish that this Agreement and any other document executed in connection with the transactions contemplated herein be drawn up in the English language only (except if another language is required under any applicable Law) and that all other documents contemplated thereunder or relating thereto, including notices, may also be drawn up in the English language only. Les parties aux présentes confirment que c'est leur volonté que cette convention et les autres documents de crédit soient rédigés en langue anglaise seulement et que tous les documents, y compris tous avis, envisagés par cette convention et les autres documents peuvent être rédigés en langue anglaise seulement (sauf si une autre langue est requise en vertu d'une loi applicable).

ARTICLE II.

THE COMMITMENTS AND CREDIT EXTENSIONS

2.01 **Commitments.**

(a) Revolving Loans. Subject to the terms and conditions set forth herein, each Revolving Lender severally agrees to make loans (each such loan, a "Revolving Loan") to the Parent Borrower in Dollars or to any Borrower in Canadian Dollars, in each case, from time to time on any Business Day during the Availability Period with respect to the Revolving Commitments in an aggregate amount not to exceed at any time outstanding the amount of such Revolving Lender's Revolving Commitment; provided, however, that after giving effect to any Borrowing of Revolving Loans, (i) the Total Revolving Outstandings shall not exceed the Aggregate Revolving Commitments, (ii) the Revolving Credit Exposure of any Revolving Lender shall not exceed such Revolving Lender's Revolving Commitment, and (iii) the aggregate Outstanding Amount of all Revolving Loans denominated in Canadian Dollars shall not exceed the Canadian Dollar Sublimit. Within the limits of each Revolving Lender's Revolving Commitment, and subject to the other terms and conditions hereof, any Borrower may borrow under this Section 2.01(a), prepay under Section 2.05, and reborrow under this Section 2.01(a). Revolving Loans denominated in Dollars may be Base Rate Loans or Eurocurrency Rate Loans, or a combination thereof, as further provided herein. Revolving Loans denominated in Canadian Dollars are only available as Eurocurrency Rate Loans.

(b) Term Loan. Subject to the terms and conditions set forth herein, each Term Lender severally agrees to make its portion of a term loan (the "Term Loan") to the Parent Borrower in Dollars on the Closing Date in an amount not to exceed such Term Lender's Term Loan Commitment. Amounts repaid on the Term Loan may not be reborrowed. The Term Loan may consist of Base Rate Loans or Eurocurrency Rate Loans, or a combination thereof, as further provided herein.

(c) Incremental Term Loan. Subject to Section 2.02(f), on the effective date of any Incremental Term Loan Lender Joinder Agreement, each applicable Incremental Term Loan Lender severally agrees to make its portion of a term loan (each, an "Incremental Term Loan") in a single advance to the Parent Borrower in Dollars in the amount of its respective Incremental Term Loan Commitment as set forth in the applicable Incremental Term Loan Lender Joinder Agreement; provided, however, that after giving effect to such advances, the Outstanding Amount of each Incremental Term Loan shall not exceed the aggregate amount of the Incremental Term Loan Commitments of the applicable Incremental Term Loan Lenders. Amounts repaid on the Incremental Term Loan may not be reborrowed. The Incremental Term Loan may consist of Base Rate Loans, Eurocurrency Rate Loans, or a combination thereof, as the Parent Borrower may request.

2.02 **Borrowings, Conversions and Continuations of Loans.**

(a) Each Borrowing, each conversion of Loans from one Type to the other, and each continuation of Eurocurrency Rate Loans shall be made upon the applicable Borrower's irrevocable notice to the Applicable Agent, which may be given by (A) telephone or (B) a Loan Notice; provided, that, each telephonic notice by any Borrower pursuant to this Section 2.02(a) must be confirmed promptly by delivery to the Applicable Agent of a written Loan Notice, appropriately completed and signed by a Responsible Officer of such Borrower. Each such Loan Notice must be received by the Applicable Agent not later than 11:00 a.m. (i) three (3) Business Days prior to the requested date of any Borrowing of, conversion to or continuation of, Eurocurrency Rate Loans or of any conversion of Eurocurrency Rate Loans to Base Rate Loans and (ii) on the requested date of any Borrowing of Base Rate Loans (except for any Borrowing of Base Rate Loans in Canadian Dollars, which must be received by the Revolver Agent not later than 11:00 a.m. three (3) Business Days prior to the requested date of such Borrowing); provided, however, that if any Borrower wishes to request Eurocurrency Rate Loans having an Interest Period other than one (1), two (2), three (3) or six (6) months in duration as provided in the definition of "Interest Period", (x) the applicable notice must be received by the Applicable Agent not later than 11:00 a.m. four (4) Business Days prior to the requested date of such Borrowing, conversion or continuation,

whereupon the Applicable Agent shall give prompt notice to the Lenders of such request and determine whether the requested Interest Period is acceptable to all of them and (y) not later than 11:00 a.m., three (3) Business Days before the requested date of such Borrowing, conversion or continuation, the Applicable Agent shall notify the applicable Borrower (which notice may be by telephone) whether or not the requested Interest Period has been consented to by all the Lenders. Each Borrowing of, conversion to or continuation of Eurocurrency Rate Loans denominated in Dollars shall be in a principal amount of $500,000 or a whole multiple of $500,000 in excess thereof. Each Borrowing of, conversion to or continuation of Eurocurrency Rate Loans denominated in Canadian Dollars shall be in a principal amount of CAD$500,000 or a whole multiple of CAD$500,000 in excess thereof. Except as provided in Sections 2.03(c) and 2.04(c), each Borrowing of or conversion to Base Rate Loans shall be in a principal amount of the Dollar Equivalent of $500,000 or a whole multiple of the Dollar Equivalent of $100,000 in excess thereof. Each Loan Notice (whether telephonic or written) shall specify (i) whether the applicable Borrower is requesting a Borrowing, a conversion of Loans from one Type to the other, or a continuation of Eurocurrency Rate Loans, (ii) the requested date of the Borrowing, conversion or continuation, as the case may be (which shall be a Business Day), (iii) the principal amount of Loans to be borrowed, converted or continued, (iv) the Type of Loans to be borrowed or to which existing Loans are to be converted, (v) if applicable, the duration of the Interest Period with respect thereto, (vi) the currency of the Loans to be borrowed, and (vii) the applicable Borrower. If the applicable Borrower fails to specify a currency in a Loan Notice requesting a Borrowing, then the Loans so requested shall be made in Dollars. If the applicable Borrower fails to specify a Type of a Loan in a Loan Notice or if such Borrower fails to give a timely notice requesting a conversion or continuation, then the applicable Loans shall be made as, or converted to, Base Rate Loans; provided, however, that in the case of a failure to timely request a continuation of Loans denominated in Canadian Dollars, such Loans shall be continued as Eurocurrency Rate Loans in Canadian Dollars with an Interest Period of one (1) month. Any such automatic conversion to Base Rate Loans shall be effective as of the last day of the Interest Period then in effect with respect to the applicable Eurocurrency Rate Loans. If the applicable Borrower requests a Borrowing of, conversion to, or continuation of Eurocurrency Rate Loans in any Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one (1) month. Notwithstanding anything to the contrary herein, a Swing Line Loan may not be converted to a Eurocurrency Rate Loan. Except as provided pursuant to Section 2.02(c), no Loan may be converted into or continued as a Loan denominated in a different currency, but instead must be repaid in the original currency of such Loan and reborrowed in the other currency.

(b) Following receipt of a Loan Notice, the Applicable Agent shall promptly notify each Lender of the amount (and currency) of its Applicable Percentage of the applicable Loans, and if no timely notice of a conversion or continuation is provided by the applicable Borrower, the Applicable Agent shall notify each Lender of the details of any automatic conversion to Base Rate Loans or continuation of Loans denominated in a Canadian Dollars, in each case as, as described in the preceding Section 2.02(a). In the case of a Borrowing, each Lender shall make the amount of its Loan available to the Applicable Agent in Same Day Funds at the Administrative Agent's Office for the applicable currency not later than 1:00 p.m., in the case of any Loan denominated in Dollars, and not later than the Applicable Time specified by the Applicable Agent in the case of any Loan in Canadian Dollars, in each case, on the Business Day specified in the applicable Loan Notice. Upon satisfaction of the applicable conditions set forth in Article V, the Applicable Agent shall make all funds so received available to the applicable Borrower in like funds as received by the Applicable Agent either by (i) crediting the account of such Borrower on the books of the Applicable Agent with the amount of such funds or (ii) wire transfer of such funds, in each case, in accordance with instructions provided to (and acceptable to) the Applicable Agent by such Borrower; provided, however, that if, on the date the Loan Notice with respect to a Borrowing of

Revolving Loans denominated in Dollars is given by the Parent Borrower, there are L/C Reimbursement Obligations outstanding, then the proceeds of such Borrowing, first, shall be applied to the payment in full of any such L/C Reimbursement Obligations and second, shall be made available to the Parent Borrower as provided above.

(c) Except as otherwise provided herein, a Eurocurrency Rate Loan may be continued or converted only on the last day of the Interest Period for such Eurocurrency Rate Loan. During the existence of an Event of Default, upon the written election of the Required Lenders, no Loans may be requested as, converted to or continued as Eurocurrency Rate Loans and the Required Lenders may demand that and any or all of the then outstanding Eurocurrency Rate Loans denominated in an Canadian Dollars be prepaid, or redenominated into Dollars in the amount of the Dollar Equivalent thereof, on the last day of the then current Interest Period with respect thereto.

(d) The Applicable Agent shall promptly notify the applicable Borrower and the Lenders of the interest rate applicable to any Interest Period for Eurocurrency Rate Loans upon determination of such interest rate. At any time that Base Rate Loans are outstanding, the Administrative Agent shall notify the Parent Borrower and the Lenders of any change in Capital One's prime rate used in determining the Base Rate promptly following the public announcement of such change.

(e) After giving effect to all Borrowings, all conversions of Loans from one Type to the other, and all continuations of Loans as the same Type, there shall not be more than 10 Interest Periods in effect with respect to all Loans.

(f) The Parent Borrower may at any time and from time to time, upon prior written notice by the Parent Borrower to the Administrative Agent, borrow one or more Incremental Term Loans (each Incremental Term Loan Commitment is sometimes referred to herein individually as an "Incremental Facility" and collectively as the "Incremental Facilities"), ratably, as follows; provided that the sum of (x) the aggregate principal amount of all unfunded increases to the Term Loan Commitments plus (y) the aggregate principal amount of all Incremental Term Loans, shall not exceed $100,000,000 (the "Incremental Cap); provided further that:

(A) the Parent Borrower shall offer to each Unitranche Lender (it being agreed delivery to Capital One and HPS shall constitute an offer to such Person's controlled Affiliates) a right to provide all of an Incremental Facility (the "**Offer**");

(I) in connection with any such Offer, the Borrower shall provide a written notice (the "Offer Notice") to the Administrative Agent of such Incremental Facility, which notice shall reasonably indicate the terms of such Incremental Facility, including the rate and any fees or original issue discount being offered with respect to such Incremental Facility, and upon the Administrative Agent's receipt of such Offer Notice, (A) the Administrative Agent shall promptly (and in any event, within two (2) Business Days) provide a copy of the Offer Notice to the Unitranche Lenders;

(II) following the receipt by the Administrative Agent of such Offer Notice, each Unitranche Lender shall either (A) deliver a written notice (a "Declination Notice") to the Administrative Agent indicating that such Unitranche Lender declines the offer provide any portion of such Incremental

Facility or (B) deliver an offer (an "Acceptance Notice") to the Administrative Agent containing an acceptance to provide such Incremental Facility and the amount such Unitranche Lender is willing to provide. If any Unitranche Lender fails to send the Administrative Agent a Declination Notice or an Acceptance Notice on or prior to the date that is seven (7) Business Days after the delivery of the Offer Notice to the Administrative Agent, such Unitranche Lender automatically shall be deemed to have delivered a Declination Notice with respect to such Incremental Facility;

(III) to the extent multiple Unitranche Lenders deliver Acceptance Notices, the Administrative Agent shall allocate the commitments and loans with respect to such Incremental Facility pro rata in accordance with each Unitranche Lender's loans and commitments on the Closing Date; and

(IV) if any Unitranche Lender delivers (or is deemed to deliver) to the Administrative Agent a Declination Notice, then the Parent Borrower may offer such Incremental Facility to other Eligible Assignees, subject to the consent of the Administrative Agent, on the same terms offered to the Unitranche Lenders; provided that if any terms are amended in a manner that is more favorable to the Lender or Eligible Assignee than the terms offered to the Unitranche Lenders, then the Parent Borrower shall reoffer the entire amount of such Incremental Facility to the Unitranche Lenders with such new terms and repeat the steps in (I) thru (IV) above;

(B) any such institution of an Incremental Term Loan shall be in a minimum aggregate principal amount of $5,000,000 (or, if less, the remaining amount of the Incremental Cap) and integral multiples of $1,000,000 (or, if less, the remaining amount of the Incremental Cap) in excess thereof;

(C) subject, in the case of an Incremental Term Loan being used to finance a Limited Condition Acquisition, to Section 1.07, no Default or Event of Default shall exist and be continuing at the time of such institution;

(D) the Applicable Rate of each Incremental Term Loan shall be as set forth in the Incremental Term Loan Lender Joinder Agreement;

(E) the Incremental Term Loan Maturity Date for any Incremental Term Loan shall be as set forth in the applicable Incremental Term Loan Lender Joinder Agreement, provided that such date shall not be earlier than the Maturity Date or the maturity date of any existing Incremental Term Loan;

(F) the scheduled principal amortization payments under any Incremental Term Loan shall be as set forth in the applicable Incremental Term Loan Lender Joinder Agreement; provided that the weighted average life to maturity of any Incremental Term Loan shall not be less than the remaining weighted average life to maturity of the Term Loan or any existing Incremental Term Loan;

(G) if the All-In Yield payable with respect to any Incremental Term Loan exceeds the All-In Yield payable pursuant to the terms of this Agreement (as amended through the date of such calculation) with respect to the Term Loan or any existing Incremental Term Loan plus 50 basis points per annum, then the Applicable Rate percentages then in effect for the Term Loan and any existing Incremental Term Loan shall automatically be increased by an amount so as to cause the then applicable All-In Yield under this Agreement on the Term Loan and any existing Incremental Term Loan to equal the All-In Yield then applicable to such Incremental Term Loan minus 50 basis points per annum;

(H) if any portion of the Incremental Term Loans is provided by any Person other than one or more of the Unitranche Lenders, after giving effect to the incurrence of such Incremental Term Loans, the aggregate amount of all Loans and Commitments, including such Incremental Term Loans held by the Unitranche Lenders, collectively, shall in no event be less than 70% of all Pari Passu Debt, including such Incremental Term Loans, of all Lenders at such time;

(I) Schedule 2.01 shall be deemed revised to reflect the commitments and commitment percentages of the applicable Incremental Term Loan Lenders as set forth in the applicable Incremental Term Loan Lender Joinder Agreement;

(J) subject, in the case of an Incremental Term Loan being used to finance a Limited Condition Acquisition, to Section 1.07, as a condition precedent to such institution of an Incremental Term Loan and the effectiveness of an Incremental Term Loan Lender Joinder Agreement, the Parent Borrower shall deliver to the Administrative Agent a certificate of each Loan Party dated as of the date of such institution and effectiveness (in sufficient copies for each Lender) signed by a Responsible Officer of such Loan Party (I) certifying and attaching the resolutions adopted by such Loan Party approving or consenting to such Incremental Term Loan, and (II) in the case of the Parent Borrower, certifying that, before and after giving effect to such Incremental Term Loan, (x) the representations and warranties contained in Article VI and the other Loan Documents are true and correct in all material respects (and in all respects if any such representation or warranty is already qualified by materiality or reference to Material Adverse Effect) on and as of the date of borrowing of such Incremental Term Loan, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects (and in all respects if any such representation or warranty is already qualified by materiality or reference to Material Adverse Effect) as of such earlier date, and except that for purposes of this Section 2.02(f), the representations and warranties contained in subsections (a) and (b) of Section 6.05 shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 7.01, (y) no Default or Event of Default exists and (z) after giving effect on a Pro Forma Basis to such Incremental Term Loan borrowed under this Section 2.02(f) and any refinancing of existing Indebtedness in connection therewith, the Parent Borrower is in compliance with the financial covenants in Sections 8.11(a) and (b); and

(K) no existing Lender shall be under any obligation to become an Incremental Term Loan Lender, and any such decision to become an Incremental Term Loan Lender shall be in such Lender's sole and absolute discretion.

2.03 **Letters of Credit.**

(a) Conditions. On the terms and subject to the conditions contained herein, the Parent Borrower may request that one or more L/C Issuers Issue, in accordance with such L/C Issuers' usual and customary business practices, and for the account of any Loan Party, Letters of Credit (denominated in Dollars) from time to time on any Business Day during the period from the Closing Date through the earlier of (x) the Letter of Credit Expiration Date and (y) the date on which the Aggregate Revolving Commitment shall terminate in accordance with the provisions of this Agreement; provided, however, that no L/C Issuer shall Issue any Letter of Credit upon the occurrence of any of the following or, if after giving effect to such Issuance:

(i) Revolving Credit Exposure would be less than zero, or (ii) the L/C Obligations for all Letters of Credit would exceed the Letter of Credit Sublimit.

(ii) the expiration date of such Letter of Credit (i) is not a Business Day, (ii) is more than one year after the date of Issuance thereof or (iii) is later than the Letter of Credit Expiration Date; provided, however, that any Letter of Credit with a term not exceeding one year may provide for its renewal for additional periods not exceeding one year as long as (x) the Parent Borrower and such L/C Issuer have the option to prevent such renewal before the expiration of such term or any such period and (y) neither such L/C Issuer nor the Parent Borrower shall permit any such renewal to extend such expiration date beyond the date set forth in clause (iii) above; provided further that notwithstanding the foregoing, Revolver Agent and the L/C Issuer, in their respective sole discretion, may agree to extend such Letter of Credit beyond the date set forth in clause (iii) above upon the Borrowers either (A) delivering to Revolver Agent for the benefit of the L/C Issuer cash equal to 105% (or such greater percentage as the L/C Issuer may require in the case of any Letter of Credit with an expiration date later than one year after the date of providing such cash collateral) of the sum of (1) the aggregate undrawn amount of all outstanding Letters of Credit at such time plus (2) the aggregate principal amount of all L/C Reimbursement Obligations outstanding at such time with respect to such Letter of Credit that have matured, in each instance, on and as of the date of such extension for deposit in a cash collateral account which cash collateral account will be held as a pledged cash collateral account and applied to reimbursement of all drafts submitted under such outstanding Letter of Credit or (B) delivering to the L/C Issuer on the date of such extension one or more letters of credit for the benefit of the L/C Issuer, issued by a bank reasonably acceptable to the L/C Issuer in its sole discretion, each in form and substance reasonably acceptable to the L/C Issuer in its sole discretion) and in an amount equal to the sum of (1) and (2) above.

(iii) (i) any fee due in connection with, and on or prior to, such Issuance has not been paid, (ii) such Letter of Credit is requested to be Issued in a form that is not acceptable to such L/C Issuer or (iii) such L/C Issuer shall not have received, each in form and substance reasonably acceptable to it and duly executed by the Parent Borrower on behalf of the Loan Parties, the documents that such L/C Issuer generally uses in the ordinary course of business for the Issuance of letters of credit of the type of such Letter of Credit (collectively, the "L/C Reimbursement Agreement").

For each Issuance, the applicable L/C Issuer may, but shall not be required to, determine that, or take notice whether, the conditions precedent set forth in Section 5.02 have been satisfied or waived in connection with the Issuance of any Letter of Credit; provided, however, that no Letters of Credit shall be Issued during the period starting on the first Business Day after the receipt by such L/C Issuer of notice from Revolver Agent or the Required Revolving Lenders that any condition precedent contained in Section 5.02 is not satisfied and ending on the date all such conditions are satisfied or duly waived.

Notwithstanding anything else to the contrary herein, if any Lender is a Defaulting Lender, no L/C Issuer shall be obligated to Issue any Letter of Credit unless (w) the Defaulting Lender has been replaced in accordance with Section 11.06 or 11.13, (x) the L/C Obligations of such Defaulting Lender have been cash collateralized, (y) the Revolving Commitments of the other Lenders have been increased by an amount sufficient to satisfy Revolver Agent that all future L/C Obligations will be covered by all Revolving Lenders that are not Defaulting Lenders, or (z) the L/C Obligations of such Defaulting Lender have been reallocated to other Revolving Lenders in a manner consistent with Section 2.15(a)(iv).

(b) Notice of Issuance. The Parent Borrower shall give the relevant L/C Issuer and Revolver Agent a notice of any requested Issuance of any Letter of Credit, which shall be effective only if received by such L/C Issuer and Revolver Agent not later than 2:00 p.m. on the third Business Day prior to the date of such requested Issuance. Such notice shall be made in a writing or Electronic Transmission substantially in the form of Exhibit M duly completed or in any other written form acceptable to such L/C Issuer (an "L/C Request").

(c) Reporting Obligations of L/C Issuers. Each L/C Issuer agrees to provide Revolver Agent, in form and substance satisfactory to Revolver Agent, each of the following on the following dates: (A) (i) on or prior to any Issuance of any Letter of Credit by such L/C Issuer, (ii) immediately after any drawing under any such Letter of Credit or (iii) immediately after any payment (or failure to pay when due) by any Borrower of any related L/C Reimbursement Obligation, notice thereof, which shall contain a reasonably detailed description of such Issuance, drawing or payment and Revolver Agent shall provide copies of such notices to each Revolving Lender reasonably promptly after receipt thereof; (B) upon the request of Revolver Agent (or any Revolving Lender through Revolver Agent), copies of any Letter of Credit Issued by such L/C Issuer and any related L/C Reimbursement Agreement and such other documents and information as may reasonably be requested by Revolver Agent; and (C) on the first Business Day of each calendar week, a schedule of the Letters of Credit Issued by such L/C Issuer, in form and substance reasonably satisfactory to Revolver Agent, setting forth the L/C Obligations for such Letters of Credit outstanding on the last Business Day of the previous calendar week.

(d) Acquisition of Participations. Upon any Issuance of a Letter of Credit in accordance with the terms of this Agreement resulting in any increase in the L/C Obligations, each Revolving Lender shall be deemed to have acquired, without recourse or warranty, an undivided interest and participation in such Letter of Credit and the related L/C Obligations in an amount equal to its Applicable Percentage of such L/C Obligations.

(e) Reimbursement Obligations of the Borrowers. The Borrowers agree to pay to the L/C Issuer of any Letter of Credit, or to Revolver Agent for the benefit of such L/C Issuer, each L/C Reimbursement Obligation owing with respect to such Letter of Credit no later than the first Business Day after the Borrowers or the Parent Borrower receive notice from such L/C Issuer or from Revolver Agent that payment has been made under such Letter of Credit or that such L/C Reimbursement Obligation is otherwise due (the "L/C Reimbursement Date") with interest thereon computed as set forth in clause (A) below. In the event that any L/C Reimbursement Obligation is not repaid by the Borrowers as provided in this clause (v) (or any such payment by the Borrowers is rescinded or set aside for any reason), such L/C Issuer shall promptly notify Revolver Agent of such failure (and, upon receipt of such notice, Revolver Agent shall notify each Revolving Lender) and, irrespective of whether such notice is given, such L/C Reimbursement Obligation shall be payable by the Borrowers on demand with interest thereon computed (A) from the date on which

such L/C Reimbursement Obligation arose to the L/C Reimbursement Date, at the interest rate applicable during such period to Revolving Loans that are Base Rate Loans and (B) thereafter until payment in full, at the interest rate specified in Section 2.08(b) to past due Revolving Loans that are Base Rate Loans (regardless of whether or not an election is made under such Section).

(f) Reimbursement Obligations of the Revolving Lenders.

(i) Upon receipt of the notice described in clause (v) above from Revolver Agent, each Revolving Lender shall pay to Revolver Agent for the account of such L/C Issuer its Commitment Percentage of such L/C Obligations (as such amount may be increased pursuant to Section 2.15(b)(iv));

(ii) By making any payment described in clause (i) above (other than during the continuation of an Event of Default under Section 9.01(f) or 9.01(g)), such Lender shall be deemed to have made a Revolving Loan to the applicable Borrower, which, upon receipt thereof by Revolver Agent for the benefit of such L/C Issuer, the Borrowers shall be deemed to have used in whole to repay such L/C Reimbursement Obligation. Any such payment that is not deemed a Revolving Loan shall be deemed a funding by such Lender of its participation in the applicable Letter of Credit and the L/C Obligation in respect of the related L/C Reimbursement Obligations. Such participation shall not otherwise be required to be funded. Following receipt by any L/C Issuer of any payment from any Lender pursuant to this clause (vi) with respect to any portion of any L/C Reimbursement Obligation, such L/C Issuer shall promptly pay to Revolver Agent, for the benefit of such Lender, all amounts received by such L/C Issuer (or to the extent such amounts shall have been received by Revolver Agent for the benefit of such L/C Issuer, Revolver Agent shall promptly pay to such Lender all amounts received by Revolver Agent for the benefit of such L/C Issuer) with respect to such portion.

(g) Obligations Absolute. The obligations of the Borrowers and the Revolving Lenders pursuant to clauses (d), (e) and (f) above shall be absolute, unconditional and irrevocable and performed strictly in accordance with the terms of this Agreement irrespective of (A) (i) the invalidity or unenforceability of any term or provision in any Letter of Credit, any document transferring or purporting to transfer a Letter of Credit, any Loan Document (including the sufficiency of any such instrument), or any modification to any provision of any of the foregoing, (ii) any document presented under a Letter of Credit being forged, fraudulent, invalid, insufficient or inaccurate in any respect or failing to comply with the terms of such Letter of Credit or (iii) any loss or delay, including in the transmission of any document, (B) the existence of any setoff, claim, abatement, recoupment, defense or other right that any Person (including any Loan Party) may have against the beneficiary of any Letter of Credit or any other Person, whether in connection with any Loan Document or any other Contractual Obligation or transaction, or the existence of any other withholding, abatement or reduction, (C) in the case of the obligations of any Revolving Lender, (i) the failure of any condition precedent set forth in Section 5.02 to be satisfied (each of which conditions precedent the Revolving Lenders hereby irrevocably waive) or (ii) any adverse change in the condition (financial or otherwise) of any Loan Party and (D) any other act or omission to act or delay of any kind of L/C Issuer, Revolver Agent, any Lender or any other Person or any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this clause (vii), constitute a legal or equitable discharge of any obligation of the Borrowers or any Revolving Lender hereunder. No provision hereof shall be deemed to waive or limit the Borrowers' right to seek repayment of any payment of any L/C Reimbursement Obligations from the L/C Issuer under the terms of the applicable L/C Reimbursement Agreement or applicable Law.

2.04 Swing Line Loans.

(a) Swing Line Facility. Subject to the terms and conditions set forth herein, the Swing Line Lender, in reliance upon the agreements of the other Lenders set forth in this Section 2.04, shall make loans (each such loan, a "Swing Line Loan") to the Parent Borrower in Dollars from time to time on any Business Day during the Availability Period with respect to the Revolving Commitments in an aggregate amount not to exceed at any time outstanding the amount of the Swing Line Sublimit; provided, however, that (x) after giving effect to any Swing Line Loan, (i) the Total Revolving Outstandings shall not exceed the Aggregate Revolving Commitments, (ii) the Revolving Credit Exposure of any Lender shall not exceed such Lender's Revolving Commitment, and (iii) the aggregate amount of all Swing Line Loans outstanding shall not exceed the Swing Line Commitment of the Swing Line Lender, (y) the Parent Borrower shall not use the proceeds of any Swing Line Loan to refinance any outstanding Swing Line Loan, and (z) the Swing Line Lender shall not be under any obligation to make any Swing Line Loan if it shall determine (which determination shall be conclusive and binding absent manifest error) that it has, or by such Credit Extension may have, Fronting Exposure. Within the foregoing limits, and subject to the other terms and conditions hereof, the Parent Borrower may borrow under this Section 2.04, prepay under Section 2.05, and reborrow under this Section 2.04. Each Swing Line Loan shall be a Base Rate Loan. Immediately upon the making of a Swing Line Loan, each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Swing Line Lender a risk participation in such Swing Line Loan in an amount equal to the product of such Lender's Applicable Percentage times the amount of such Swing Line Loan.

(b) Borrowing Procedures. Each Borrowing of Swing Line Loans shall be made upon the Parent Borrower's irrevocable notice to the Swing Line Lender and the Revolver Agent, which may be given by (A) telephone or (B) a Swing Line Loan Notice; provided, that, each such telephonic notice must be confirmed promptly by delivery to the Swing Line Lender and the Revolver Agent of a written Swing Line Loan Notice, appropriately completed and signed by a Responsible Officer of the Parent Borrower. Each such Swing Line Loan Notice must be received by the Swing Line Lender and the Revolver Agent not later than 1:00 p.m. on the requested borrowing date, and shall specify (i) the amount to be borrowed, which shall be a minimum principal amount of $100,000 and in integral multiples of $100,000 in excess thereof and (ii) the requested borrowing date, which shall be a Business Day. Promptly after receipt by the Swing Line Lender of any telephonic Swing Line Loan Notice, the Swing Line Lender will confirm with the Revolver Agent (by telephone or in writing) that the Revolver Agent has also received such Swing Line Loan Notice and, if not, the Swing Line Lender will notify the Revolver Agent (by telephone or in writing) of the contents thereof. Unless the Swing Line Lender has received notice (by telephone or in writing) from the Revolver Agent (including at the request of any Lender) prior to 2:00 p.m. on the date of the proposed Borrowing of Swing Line Loans (A) directing the Swing Line Lender not to make such Swing Line Loan as a result of the limitations set forth in the first proviso to the first sentence of Section 2.04(a), or (B) that one or more of the applicable conditions specified in Article V is not then satisfied, then, subject to the terms and conditions hereof, the Swing Line Lender will, not later than 3:00 p.m. on the borrowing date specified in such Swing Line Loan Notice, make the amount of its Swing Line Loan available to the Parent Borrower.

(c) Refinancing of Swing Line Loans.

(i) The Swing Line Lender at any time in its sole discretion may request, on behalf of the Parent Borrower (which hereby irrevocably requests and authorizes the Swing Line Lender to so request on its behalf), that each Lender make a Base Rate Loan in an amount equal to such Lender's Applicable Percentage of the amount of Swing Line Loans

then outstanding. Such request shall be made in writing (which written request shall be deemed to be a Loan Notice for purposes hereof) and in accordance with the requirements of Section 2.02, without regard to the minimum and multiples specified therein for the principal amount of Base Rate Loans, but subject to the conditions set forth in Section 5.02 (other than the delivery of a Loan Notice) and provided that, after giving effect to such Borrowing, the Total Revolving Outstandings shall not exceed the Aggregate Revolving Commitments. The Swing Line Lender shall furnish the Parent Borrower with a copy of the applicable Loan Notice promptly after delivering such notice to the Revolver Agent. Each Lender shall make an amount equal to its Applicable Percentage of the amount specified in such Loan Notice available to the Revolver Agent in immediately available funds (and the Revolver Agent may apply Cash Collateral available with respect to the applicable Swing Line Loan) for the account of the Swing Line Lender at the Revolver Agent's Office for Dollar-denominated payments not later than (x) 1:00 p.m. on the Business Day specified in such Loan Notice by the Revolver Agent if such Loan Notice is delivered to the Lenders by 11:00 a.m. on such day, and (y) 1:00 p.m. on the next succeeding Business Day if such Loan Notice is delivered after 11:00 a.m. on such day, whereupon, in each case, subject to Section 2.04(c)(ii), each Lender that so makes funds available shall be deemed to have made a Base Rate Loan to the Parent Borrower in such amount. The Revolver Agent shall remit the funds so received to the Swing Line Lender.

(ii) If for any reason any Swing Line Loan cannot be refinanced by such a Borrowing of Revolving Loans in accordance with Section 2.04(c)(i), the request for Base Rate Loans submitted by the Swing Line Lender as set forth herein shall be deemed to be a request by the Swing Line Lender that each of the Lenders fund its risk participation in the relevant Swing Line Loan and each Lender's payment to the Revolver Agent for the account of the Swing Line Lender pursuant to Section 2.04(c)(i) shall be deemed payment in respect of such participation.

(iii) If any Lender fails to make available to the Revolver Agent for the account of the Swing Line Lender any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.04(c) by the time specified in Section 2.04(c)(i), the Swing Line Lender shall be entitled to recover from such Lender (acting through the Revolver Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the Swing Line Lender at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by the Swing Line Lender in accordance with banking industry rules on interbank compensation. A certificate of the Swing Line Lender submitted to any Lender (through the Revolver Agent) with respect to any amounts owing under this clause (iii) shall be conclusive absent manifest error.

(iv) Each Lender's obligation to make Revolving Loans or to purchase and fund risk participations in Swing Line Loans pursuant to this Section 2.04(c) shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right that such Lender may have against the Swing Line Lender, the Parent Borrower or any other Person for any reason whatsoever, (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Lender's obligation to make Revolving Loans pursuant to this Section 2.04(c) is subject to the conditions set forth in Section 5.02. No such purchase or funding of risk participations shall relieve or otherwise impair the obligation of the Parent Borrower to repay Swing Line Loans, together with interest as provided herein.

(d) Repayment of Participations.

(i) At any time after any Lender has purchased and funded a risk participation in a Swing Line Loan, if the Swing Line Lender receives any payment on account of such Swing Line Loan, the Swing Line Lender will distribute to such Lender its Applicable Percentage of such payment (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's risk participation was funded) in the same funds as those received by the Swing Line Lender.

(ii) If any payment received by the Swing Line Lender in respect of principal or interest on any Swing Line Loan is required to be returned by the Swing Line Lender under any of the circumstances described in Section 11.05 (including pursuant to any settlement entered into by the Swing Line Lender in its discretion), each Lender shall pay to the Swing Line Lender its Applicable Percentage thereof on demand of the Revolver Agent, plus interest thereon from the date of such demand to the date such amount is returned, at a rate per annum equal to the Federal Funds Rate. The Revolver Agent will make such demand upon the request of the Swing Line Lender. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(e) Interest for Account of Swing Line Lender. The Swing Line Lender shall be responsible for invoicing the Parent Borrower for interest on the Swing Line Loans. Until each Lender funds its Revolving Loans that are Base Rate Loans or risk participation pursuant to this Section 2.04 to refinance such Lender's Applicable Percentage of any Swing Line Loan, interest in respect of such Applicable Percentage shall be solely for the account of the Swing Line Lender.

(f) Payments Directly to Swing Line Lender. The Parent Borrower shall make all payments of principal and interest in respect of the Swing Line Loans directly to the Swing Line Lender.

2.05 **Prepayments.**

(a) Voluntary Prepayments.

(i) Revolving Loans and Term Loan. Each Borrower may, upon notice from such Borrower to the Applicable Agent pursuant to delivery to the Applicable Agent of a Notice of Loan Prepayment, at any time or from time to time voluntarily prepay Revolving Loans, the Term Loan and/or the Incremental Term Loan in whole or in part without premium or penalty except as otherwise specified in the Fee Letter; provided that (A) such notice must be received by the Applicable Agent not later than 11:00 a.m. (1) three (3) Business Days (or such shorter period as may be agreed by the Applicable Agent in its reasonable discretion) prior to any date of prepayment of Eurocurrency Rate Loans and (2) on the date of prepayment of Base Rate Loans; (B) any such prepayment of Eurocurrency Rate Loans shall be in a principal amount of $500,000 or a whole multiple of $500,000 in excess thereof (or, if less, the entire principal amount thereof then outstanding); (C) any prepayment of Base Rate Loans shall be in a principal amount of $500,000 or a whole multiple of $100,000 in excess thereof (or, if less, the entire principal amount thereof then outstanding) and (D) any prepayment of the Term Loan or the Incremental Term Loan, as directed by the Parent Borrower, pursuant to this Section 2.05(a) shall be applied ratably to the remaining principal amortization payments thereof, except for the final payment on the Maturity Date. Each such notice shall specify (x) the date, the currency, and the amount

of such prepayment, (y) the Type(s) of Loans to be prepaid, and if Eurocurrency Rate Loans are to be prepaid, the Interest Period(s) of such Loans and (z) whether the Loans to be prepaid are the Revolving Loans, the Term Loan and/or the Incremental Term Loan. The Applicable Agent will promptly notify each Lender of its receipt of each such notice, and of the amount of such Lender's Applicable Percentage of such prepayment. If such notice is given by the applicable Borrower, such Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of a Eurocurrency Rate Loan shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts required pursuant to Section 3.05. Subject to Section 2.15, each such prepayment shall be applied to the Loans of the Lenders in accordance with their respective Applicable Percentages. Notwithstanding anything to the contrary contained herein but subject to Section 3.05, any notice of prepayment or repayment may be revocable (or conditional or extendable) in the event of a prepayment in connection with a transaction in the event that such transaction does not close.

(ii) Swing Line Loans. The Parent Borrower may, upon notice to the Swing Line Lender pursuant to delivery to the Swing Line Lender of a Notice of Loan Prepayment (with a copy to the Revolver Agent), at any time or from time to time, voluntarily prepay Swing Line Loans in whole or in part without premium or penalty; provided that (i) such notice must be received by the Swing Line Lender and the Revolver Agent not later than 1:00 p.m. on the date of the prepayment, and (ii) any such prepayment shall be in a minimum principal amount of $100,000 or a whole multiple of $100,000 in excess thereof (or, if less, the entire principal thereof then outstanding). Each such notice shall specify the date and amount of such prepayment. If such notice is given by the Parent Borrower, the Parent Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein.

(b) Mandatory Prepayments of Loans.

(i) Revolving Commitments. If for any reason the Total Revolving Outstandings at any time exceed the Aggregate Revolving Commitments then in effect, (A) the Parent Borrower shall immediately prepay Revolving Loans in Dollars, Swing Line Loans and/or Cash Collateralize the L/C Obligations and/or (B) the Borrowers shall immediately prepay Revolving Loans in Canadian Dollars, in each case, in an aggregate amount equal to such excess; provided, however, that the Parent Borrower shall not be required to Cash Collateralize the L/C Obligations pursuant to this Section 2.05(b)(i) unless after the prepayment in full of the Revolving Loans and the Swing Line Loans the Total Revolving Outstandings exceed the Aggregate Revolving Commitments then in effect.

(ii) Dispositions and Involuntary Dispositions. Within five Business Days of the receipt thereof, the Borrowers shall prepay the Loans and/or Cash Collateralize the L/C Obligations as hereafter provided in an aggregate amount equal to 100% of the Net Cash Proceeds of all Dispositions and Involuntary Dispositions to the extent such Net Cash Proceeds are not reinvested in Eligible Assets within 180 days of the date of such Disposition or Involuntary Disposition; provided, however, the Borrowers shall be permitted to retain Net Cash Proceeds from Dispositions to the extent such Net Cash Proceeds do not exceed $1,000,000 in the aggregate in any fiscal year. Any prepayment pursuant to this Section 2.05(b)(ii) shall be applied as set forth in Section 2.05(b)(vi) below.

(iii) Debt Issuances. Within five Business Days of the receipt thereof by any Loan Party or any Subsidiary of the Net Cash Proceeds of any Debt Issuance, the Borrowers shall prepay the Loans and/or Cash Collateralize the L/C Obligations as hereafter provided in an aggregate amount equal to 100% of such Net Cash Proceeds (such prepayment to be applied as set forth in Section 2.05(b)(vi) below).

(iv) Reserved.

(v) Excess Cash Flow. In addition to the other repayments set forth in this Section 2.05(b), commencing with the fiscal year ending December 31, 2020 (calculated, in the case of the first partial fiscal year, for the portion of the fiscal year commencing on the Closing Date and ending on December 31, 2020), on or before the date that is ten days after delivery of the applicable financial statements pursuant to Section 7.01(a), the Loans shall be repaid by an amount equal to 50% of Excess Cash Flow for the preceding fiscal year, minus (b) all voluntary prepayments of the Term Loan and any Incremental Term Loan, and solely to the extent accompanied by a permanent reduction in the Revolving Commitments, the Revolving Loans, in each case during the applicable fiscal year. Any prepayment pursuant to this clause (v) shall (x) be accompanied with a payment of all accrued interest on the portion of the Term Loan or Incremental Term Loan repaid, and (y) be applied as set forth in Section 2.05(b)(vi) below; provided that, if (x) the Consolidated Total Leverage Ratio for the fiscal year ending December 31, 2020, is less than 3.25:1.00, then no payment shall be required for such fiscal year and (y) for any fiscal year thereafter, the Consolidated Total Leverage Ratio is less than 3.00 to 1.00, the amount of such prepayment shall reduce to 25% of Excess Cash Flow for such fiscal year.

(vi) Application of Mandatory Prepayments. All amounts required to be paid pursuant to Section 2.05(b)(ii), (iii) and (v) shall be applied first, to the Term Loan, and the Incremental Term Loan (ratably to the remaining principal amortization payments of each Loan), second, to Revolving Loans, and third, (after the Term Loan, the Incremental Term Loan and all Revolving Loans have been repaid), to Cash Collateralize L/C Obligations and in the case of clauses second and third above, without a corresponding reduction of the Revolving Commitments in such applicable amount required to be paid pursuant to Section 2.05(b).

(vii) Alternative Currencies. If the Revolver Agent notifies the Parent Borrower in writing at any time that the Outstanding Amount of all Loans and L/C Obligations denominated in Canadian Dollars at such time exceeds an amount equal to 105% of the Canadian Dollar Sublimit then in effect for at least one (1) consecutive Business Day, then, within five (5) Business Days after receipt of such written notice, the Borrowers shall prepay Loans and/or Cash Collateralize Letters of Credit denominated in Canadian Dollars in an aggregate amount sufficient to reduce such Outstanding Amount as of such date of payment to an amount not to exceed 100% of the Canadian Dollar Sublimit then in effect.

Within the parameters of the applications set forth above, prepayments shall be applied first to Base Rate Loans and then to Eurocurrency Rate Loans in direct order of Interest Period maturities. All prepayments under this Section 2.05(b) shall be subject to Section 3.05 and any payments due and owing pursuant to the Fee Letter, but otherwise without premium or penalty, and shall be accompanied by interest on the principal amount prepaid through the date of prepayment.

2.06 **Termination or Reduction of Aggregate Revolving Commitments.**

(a) Optional Reductions. The Parent Borrower may, upon notice to the Revolver Agent, terminate the Aggregate Revolving Commitments, or from time to time permanently reduce the Aggregate Revolving Commitments to an amount not less than the Outstanding Amount of Revolving Loans, Swing Line Loans and L/C Obligations; provided that (A) any such notice shall be received by the Revolver Agent not later than 12:00 noon five (5) Business Days (or such shorter period as may be agreed by the Revolver Agent in its reasonable discretion) prior to the date of termination or reduction, (B) any such partial reduction shall be in an aggregate amount of $5,000,000 or any whole multiple of $1,000,000 in excess thereof, and (C) the Parent Borrower shall not terminate or reduce (1) the Aggregate Revolving Commitments if, after giving effect thereto and to any concurrent prepayments hereunder, the Total Revolving Outstandings would exceed the Aggregate Revolving Commitments or (2) the Letter of Credit Sublimit if, after giving effect thereto, the Outstanding Amount of L/C Obligations not fully Cash Collateralized hereunder would exceed the Letter of Credit Sublimit, or (3) the Swing Line Sublimit if, after giving effect thereto and to any concurrent prepayments hereunder, the Outstanding Amount of Swing Line Loans would exceed the Swing Line Sublimit. Notwithstanding anything to the contrary contained herein, any notice of termination or reduction may be revocable (or conditional or extendable) in the event of a termination or reduction in connection with a transaction in the event that such transaction does not close.

(b) Mandatory Reductions. If after giving effect to any reduction or termination of Revolving Commitments under this Section 2.06, the Canadian Dollar Sublimit, the Letter of Credit Sublimit or the Swing Line Sublimit exceeds the Aggregate Revolving Commitments at such time, the Canadian Dollar Sublimit, the Letter of Credit Sublimit or the Swing Line Sublimit, as the case may be, shall be automatically reduced by the amount of such excess.

(c) Notice. The Revolver Agent will promptly notify the Lenders of any termination or reduction of the Canadian Dollar Sublimit, the Letter of Credit Sublimit, Swing Line Sublimit, or the Aggregate Revolving Commitments under this Section 2.06. The amount of any such reduction of the Revolving Commitments shall not be applied to the Canadian Dollar Sublimit unless otherwise specified by the Parent Borrower. Upon any reduction of the Aggregate Revolving Commitments, the Revolving Commitment of each Lender shall be reduced by such Lender's Applicable Percentage of such reduction amount. All fees in respect of the Aggregate Revolving Commitments accrued until the effective date of any termination of the Aggregate Revolving Commitments shall be paid on the effective date of such termination.

2.07 **Repayment of Loans.**

(a) Revolving Loans. The Borrowers shall repay to the Lenders on the Maturity Date the aggregate principal amount of all Revolving Loans outstanding on such date.

(b) Swing Line Loans. The Parent Borrower shall repay each Swing Line Loan on the earliest to occur of (i) the date ten Business Days after such Swing Line Loan is made and (ii) the Maturity Date.

(c) Term Loan. The Parent Borrower shall repay the outstanding principal amount of the Term Loan in consecutive quarterly installments on the last day of each calendar quarter ending during the periods set forth below, in the amount set forth opposite such calendar quarter, with the remaining outstanding principal amount due on the Maturity Date (as such installments may hereafter be adjusted as a result of prepayments made pursuant to Section 2.05), unless accelerated sooner pursuant to Section 9.02:

Quarters Ended	Quarterly Repayment Amount
September 30, 2020 through and including June 30, 2021	$ 546,875
September 30, 2021 through and including June 30, 2022	$ 1,093,750
September 30, 2022 and each fiscal quarter thereafter	$ 1,640,625

(d) Incremental Term Loan. The Parent Borrower shall repay the outstanding principal amount of the Incremental Term Loan in the installments on the dates and in the amounts set forth in the Incremental Term Loan Lender Joinder Agreement (as such installments may hereafter be adjusted as a result of prepayments made pursuant to Section 2.05), unless accelerated sooner pursuant to Section 9.02.

2.08 **Interest.**

(a) Subject to the provisions of subsection (b) below, (i) each Eurocurrency Rate Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the sum of the Eurocurrency Rate for such Interest Period plus the Applicable Rate and (ii) each Base Rate Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Rate and (iii) each Swing Line Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date, at a rate per annum equal to the Base Rate plus the Applicable Rate.

(b) (1) If any amount of principal of any Loan is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(i) If any amount (other than principal of any Loan) payable by the Borrowers under any Loan Document is not paid when due (after giving effect to any applicable grace period), whether at stated maturity, by acceleration or otherwise, then upon the request of the Required Lenders, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(ii) Upon the request of the Required Lenders, while any Event of Default exists, the Borrowers shall pay interest on the principal amount of all outstanding Obligations hereunder at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(iii) Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(c) Interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

(d) For the purposes of the Interest Act (Canada), (i) whenever a rate of interest or fee rate hereunder is calculated on the basis of a year (the "deemed year") that contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest or fee rate shall be expressed as a yearly rate by multiplying such rate of interest or fee rate by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year, (ii) the principle of deemed reinvestment of interest shall not apply to any interest calculation hereunder and (iii) the rates of interest stipulated herein are intended to be nominal rates and not effective rates or yields. Each Loan Party hereby irrevocably agrees not to plead or assert, whether by way of defense or otherwise, in any proceeding relating to this Agreement and the other Loan Documents, that the interest payable under this Agreement and the calculation thereof has not been adequately disclosed to it, whether pursuant to section 4 of the Interest Act (Canada) or any other applicable law or legal principle.

2.09 **Fees.**

In addition to certain fees described in subsections (h) and (i) of Section 2.03:

(a) Commitment Fee. The Parent Borrower shall pay to the Revolver Agent, for the account of each Revolving Lender in accordance with its Applicable Percentage, a commitment fee in Dollars (the "Commitment Fee") at a rate per annum equal to the product of (x) thirty-five one-hundredths percent (0.35%) times (y) the actual daily amount by which the Aggregate Revolving Commitments exceed the sum of (1) the Outstanding Amount of Revolving Loans and (2) the Outstanding Amount of L/C Obligations, subject to adjustment as provided in Section 2.15. For the avoidance of doubt, the Outstanding Amount of Swing Line Loans shall not be counted towards or considered usage of the Aggregate Revolving Commitments for purposes of determining the Commitment Fee. The Commitment Fee shall accrue at all times during the Availability Period applicable to the Revolving Commitments, including at any time during which one or more of the conditions in Article V is not met, and shall be due and payable quarterly in arrears on the last Business Day of each March, June, September and December, commencing with the first such date to occur after the Closing Date, and on the Maturity Date; provided, that (A) no Commitment Fee shall accrue on the Revolving Commitment of a Defaulting Lender so long as such Lender shall be a Defaulting Lender and (B) any Commitment Fee accrued with respect to the Revolving Commitment of a Defaulting Lender during the period prior to the time such Lender became a Defaulting Lender and unpaid at such time shall not be payable by the Parent Borrower so long as such Lender shall be a Defaulting Lender.

(b) Letter of Credit Fee. The Borrowers agree to pay to Revolver Agent for the ratable benefit of the Revolving Lenders, as compensation to such Lenders for L/C Obligations incurred hereunder, (i) without duplication of costs and expenses otherwise payable to Revolver Agent or Lenders hereunder or fees otherwise paid by the Borrowers, all reasonable costs and expenses incurred by Revolver Agent or any Lender on account of such L/C Obligations, and (ii) for each calendar quarter during which any L/C Obligation shall remain outstanding, a fee (the "Letter of Credit Fee") in an amount equal to the product of the daily undrawn face amount of all Letters of Credit Issued, guarantied or supported by risk participation agreements multiplied by a per annum rate equal to the Applicable Rate with respect to Revolving Loans which are Eurocurrency Rate Loans. Such fee shall be paid to Revolver Agent for the benefit of the Revolving Lenders in arrears, on the last Business Day of each calendar quarter and on the date on which all L/C Reimbursement Obligations have been discharged. In addition, the Borrowers shall pay to Revolver Agent, any

L/C Issuer or any prospective L/C Issuer, as appropriate, on demand, such L/C Issuer's or prospective L/C Issuer's issuance fee of 0.125% of the value of such Issued Letter of Credit, without duplication of fees otherwise payable hereunder (including all per annum fees), charges and expenses of such L/C Issuer or prospective L/C Issuer in respect of the application for, and the Issuance, negotiation, acceptance, amendment, transfer and payment of, each Letter of Credit or otherwise payable pursuant to the application and related documentation under which such Letter of Credit is Issued.

(c) Fee Letter; Other Fees.

(i) The Parent Borrower shall pay to the Administrative Agent for its own account, in Dollars, fees in the amounts and at the times specified in the Fee Letter. Such fees shall be fully earned when paid and shall be non-refundable for any reason whatsoever, except as provided in the Fee Letter.

(ii) The Borrowers shall pay to the Lenders, in Dollars, such fees as shall have been separately agreed upon in writing in the amounts and at the times so specified. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever, except as provided in the Fee Letter.

2.10 **Computation of Interest and Fees; Retroactive Adjustments of Applicable Rate.**

(a) All computations of interest for Base Rate Loans (including Base Rate Loans determined by reference to the Eurocurrency Rate) and Eurocurrency Rate Loans denominated in Canadian Dollars shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365-day year). Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid, provided that any Loan that is repaid on the same day on which it is made shall, subject to Section 2.12(a), bear interest for one day. Each determination by any Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

(b) If, as a result of any restatement of or other adjustment to the financial statements of the Parent Borrower or for any other reason, the Parent Borrower or the Lenders determine that (i) the Consolidated Total Leverage Ratio as calculated by the Parent Borrower as of any applicable date was inaccurate and (ii) a proper calculation of the Consolidated Total Leverage Ratio would have resulted in higher pricing for such period, the Parent Borrower shall immediately and retroactively be obligated to pay to the Administrative Agent for the account of the applicable Lenders or the L/C Issuer, as the case may be, promptly on demand by the Administrative Agent (or, after the occurrence of an actual or deemed entry of an order for relief with respect to the Parent Borrower under the Bankruptcy Code of the United States, automatically and without further action by the Administrative Agent, any Lender or the L/C Issuer), an amount equal to the excess of the amount of interest and fees that should have been paid for such period over the amount of interest and fees actually paid for such period. This paragraph shall not limit the rights of the Administrative Agent, any Lender or the L/C Issuer, as the case may be, under Section 2.03(c)(iii), 2.03(i) or 2.08(b) or under Article IX. The Parent Borrower's obligations under this paragraph shall survive the termination of the Commitments and the repayment of all other Obligations hereunder.

2.11 **Evidence of Debt.**

(a) The Credit Extensions made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and by (1) the Administrative Agent, with respect to Term Loans and (2) the Revolver Agent, with respect to Revolving Loans and Revolving Commitments, in the ordinary course of business. The accounts or records maintained by the Agents and each Lender shall be conclusive absent manifest error of the amount of the Credit Extensions made by the Lenders to any Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of any Borrower hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Applicable Agent in respect of such matters, the accounts and records of the Applicable Agent shall control in the absence of manifest error. Upon the request of any Lender made through the Applicable Agent, each Borrower shall execute and deliver to such Lender (through the Applicable Agent) a promissory note, which shall evidence such Lender's Loans in addition to such accounts or records. Each such promissory note shall (i) in the case of Revolving Loans, be in the form of Exhibit B (a "Revolving Note"), (ii) in the case of the Term Loan, be in the form of Exhibit C-1 (a "Term Loan Note"), (iii) in the case of the Incremental Term Loan, be in the form of Exhibit C-2 (an "Incremental Term Note") and (iv) in the case of Swing Line Loans, be in the form of Exhibit L (a "Swing Line Note"). Each Lender may attach schedules to its Note and endorse thereon the date, Type (if applicable), amount, currency, and maturity of its Loans and payments with respect thereto.

(b) In addition to the accounts and records referred to in subsection (a), each Revolving Lender and the Revolver Agent shall maintain in accordance with its usual practice accounts or records evidencing the purchases and sales by such Revolving Lender of participations in Letters of Credit and Swing Line Loans. In the event of any conflict between the accounts and records maintained by the Revolver Agent and the accounts and records of any Lender in respect of such matters, the accounts and records of the Revolver Agent shall control in the absence of manifest error.

2.12 **Payments Generally; Agents' Clawback.**

(a) General. All payments to be made by the Borrowers shall be made free and clear of and without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein and except with respect to principal of and interest on Loans denominated in Canadian Dollars, all payments by the Borrowers hereunder shall be made to the Applicable Agent, for the account of the respective Lenders to which such payment is owed, at the Applicable Agent's Office in Dollars and in Same Day Funds not later than 2:00 p.m. on the date specified herein. Except as otherwise expressly provided herein, all payments by the Borrowers hereunder with respect to principal and interest on Loans denominated in Canadian Dollars shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the applicable Administrative Agent's Office in Canadian Dollars and in Same Day Funds not later than the Applicable Time specified by the Administrative Agent on the dates specified herein. Without limiting the generality of the foregoing, the Applicable Agent may require that any payments due under this Agreement be made in the United States. If, for any reason, any Borrower is prohibited by any Law from making any required payment hereunder in Canadian Dollars, such Borrower shall make such payment in Dollars in the Dollar Equivalent of the Canadian Dollar payment amount. The Applicable Agent will promptly distribute to each Lender its Applicable Percentage (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's Lending Office. All payments received by

the Applicable Agent (i) after 2:00 p.m., in the case of payments in Dollars, or (ii) after the Applicable Time specified by the Applicable Agent, in the case of payments in Canadian Dollars, shall, in each case, be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. Subject to the definition of "Interest Period", if any payment to be made by any Borrower shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

(b) (2) Funding by Lenders; Presumption by Administrative Agent. Unless the Applicable Agent shall have received notice from a Lender prior to the proposed date of any Borrowing of Eurocurrency Rate Loans (or, in the case of any Borrowing of Base Rate Loans, prior to 12:00 noon on the date of such Borrowing) that such Lender will not make available to the Applicable Agent such Lender's share of such Borrowing, the Applicable Agent may assume that such Lender has made such share available on such date in accordance with Section 2.02 (or, in the case of any Borrowing of Base Rate Loans, that such Lender has made such share available in accordance with and at the time required by Section 2.02) and may, in reliance upon such assumption, make available to the applicable Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Applicable Agent, then the applicable Lender and the applicable Borrower severally agree to pay to the Applicable Agent forthwith on demand such corresponding amount in Same Day Funds with interest thereon, for each day from and including the date such amount is made available to such Borrower to but excluding the date of payment to the Applicable Agent, at (A) in the case of a payment to be made by such Lender, the Overnight Rate, plus any administrative processing or similar fees customarily charged by the Applicable Agent in connection with the foregoing and (B) in the case of a payment to be made by such Borrower with respect to the applicable Borrowing in Dollars, the interest rate applicable to Base Rate Loans or, in the case of a payment to be made by such Borrower in Canadian Dollars, in accordance with such market practice. If such Borrower and such Lender shall pay such interest to the Applicable Agent for the same or an overlapping period, the Applicable Agent shall promptly remit to such Borrower the amount of such interest paid by such Borrower for such period. If such Lender pays its share of the applicable Borrowing to the Applicable Agent, then the amount so paid shall constitute such Lender's Loan included in such Borrowing. Any payment by such Borrower shall be without prejudice to any claim such Borrower may have against a Lender that shall have failed to make such payment to any Agent.

(i) Payments by Borrowers; Presumptions by Agents. Unless the Applicable Agent shall have received notice from the applicable Borrower prior to the date on which any payment is due to such Agent for the account of the Lenders or the L/C Issuer hereunder that such Borrower will not make such payment, the Applicable Agent may assume that such Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the L/C Issuer, as the case may be, the amount due. In such event, if the applicable Borrower has not in fact made such payment, then each of the Lenders or the L/C Issuer, as the case may be, severally agrees to repay to the Applicable Agent forthwith on demand the amount so distributed to such Lender or the L/C Issuer, in Same Day Funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Applicable Agent, at the Overnight Rate.

A notice of the Applicable Agent to any Lender or any Borrower with respect to any amount owing under this Section 2.12(b) shall be conclusive, absent manifest error.

(c) Failure to Satisfy Conditions Precedent. If any Lender makes available to the Applicable Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this Article II, and such funds are not made available to the applicable Borrower by the Applicable Agent because the conditions to the applicable Credit Extension set forth in Article V are not satisfied or waived in accordance with the terms hereof, the Applicable Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(d) Obligations of Lenders Several. The obligations of the Lenders hereunder to make Loans, to fund participations in Letters of Credit and Swing Line Loans and to make payments pursuant to Section 11.04(c) are several and not joint. The failure of any Lender to make any Loan, to fund any such participation or to make any payment under Section 11.04(c) on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan, to purchase its participation or to make its payment under Section 11.04(c).

(e) Funding Source. Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

2.13 **Sharing of Payments by Lenders.**

If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of the Loans made by it, or the participations in L/C Obligations or in Swing Line Loans held by it (excluding any amounts applied by the Swing Line Lender to outstanding Swing Line Loans) resulting in such Lender's receiving payment of a proportion of the aggregate amount of such Loans or participations and accrued interest thereon greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Applicable Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and subparticipations in L/C Obligations and Swing Line Loans of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing them, provided that:

(i) if any such participations or subparticipations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations or subparticipations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this Section 2.13 shall not be construed to apply to (x) any payment made by or on behalf of any Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender), (y) the application of Cash Collateral provided for in Section 2.14 or (z) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or subparticipations in L/C Obligations or Swing Line Loans to any assignee or participant, other than an assignment to any Loan Party or any Subsidiary (as to which the provisions of this Section shall apply).

Each Loan Party consents to the foregoing and agrees, to the extent it may effectively do so under applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Loan Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Loan Party in the amount of such participation.

2.14 **Cash Collateral.**

(a) Certain Credit Support Events. If (i) the L/C Issuer has honored any full or partial drawing request under any Letter of Credit and such drawing has resulted in an Issuance, (ii) as of the Letter of Credit Expiration Date, any L/C Obligation for any reason remains outstanding, (iii) the Parent Borrower shall be required to provide Cash Collateral pursuant to Section 9.02(c) or (iv) there shall exist a Defaulting Lender, the Parent Borrower shall immediately (in the case of clause (iii) above) or within one Business Day (in all other cases) following any request by the Administrative Agent or the L/C Issuer, provide Cash Collateral in an amount not less than the applicable Minimum Collateral Amount (determined in the case of Cash Collateral provided pursuant to clause (iv) above, after giving effect to Section 2.15(a)(iv) and any Cash Collateral provided by the Defaulting Lender). Additionally, if the Administrative Agent notifies the Parent Borrower in writing at any time that the Outstanding Amount of all L/C Obligations at such time exceeds 105% of the Letter of Credit Sublimit then in effect for at least one (1) consecutive Business Day, then within five (5) Business Days after receipt of such written notice, the Parent Borrower shall provide Cash Collateral for the Outstanding Amount of the L/C Obligations in an amount not less than the amount by which the Outstanding Amount of all L/C Obligations exceeds the Letter of Credit Sublimit.

(b) Grant of Security Interest. All Cash Collateral (other than credit support not constituting funds subject to deposit) shall be maintained in blocked, non-interest bearing deposit accounts at Capital One. The Parent Borrower, and to the extent provided by any Defaulting Lender, such Defaulting Lender, hereby grants to (and subjects to the control of) the Administrative Agent, for the benefit of the Administrative Agent, the L/C Issuer and the Lenders and agrees to maintain, a first priority security interest in all such cash, deposit accounts and all balances therein, and all other property so provided as collateral pursuant hereto, and in all proceeds of the foregoing, all as security for the obligations to which such Cash Collateral may be applied pursuant to Section 2.14(c). If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent or the L/C Issuer as herein provided, or that the total amount of such Cash Collateral is less than the Minimum Collateral Amount, the Parent Borrower will, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency. The Parent Borrower shall pay on demand therefor from time to time all customary account opening, activity and other administrative fees and charges in connection with the maintenance and disbursement of Cash Collateral.

(c) Application. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under any of this Section 2.14 or Sections 2.03, 2.05, 2.15 or 9.02 in respect of Letters of Credit shall be held and applied in satisfaction of the specific L/C Obligations, obligations to fund participations therein (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) and other obligations for which the Cash Collateral was so provided, prior to any other application of such property as may otherwise be provided for herein.

(d) Release. Cash Collateral (or the appropriate portion thereof) provided to reduce Fronting Exposure or to secure other obligations shall be released promptly following (i) the elimination of the applicable Fronting Exposure or other obligations giving rise thereto (including by the termination of Defaulting Lender status of the applicable Lender or, as appropriate, its assignee following compliance with Section 11.06(b)(vi)) or (ii) the good faith determination of the Administrative Agent and the L/C Issuer that there exists excess Cash Collateral; provided, however, (x) that Cash Collateral furnished by or on behalf of a Loan Party shall not be released

during the continuance of a Default or Event of Default (and following application as provided in this Section 2.14 may be otherwise applied in accordance with Section 9.03), (y) the Person providing Cash Collateral and the L/C Issuer may agree that Cash Collateral shall not be released but instead held to support future anticipated Fronting Exposure or other obligations and (z) any such release shall be without prejudice to, and any disbursement or other transfer of Cash Collateral shall be and remain subject to, any other Lien conferred under the Loan Documents and the other applicable provisions of the Loan Documents.

2.15 **Defaulting Lenders.**

(a) Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by applicable Law:

(i) Waivers and Amendment. The Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of "Required Lenders" and Section 11.01.

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amount received by any Agent for the account of that Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article IX or otherwise, and including any amounts made available to any Agent by that Defaulting Lender pursuant to Section 11.08), shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by that Defaulting Lender to the Agents hereunder; second, to the payment on a pro rata basis of any amounts owing by that Defaulting Lender to the L/C Issuer or Swing Line Lender hereunder; third, to Cash Collateralize the L/C Issuer's Fronting Exposure with respect to such Defaulting Lender in accordance with Section 2.14; fourth, as the Parent Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which that Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Applicable Agent; fifth, if so determined by the Revolver Agent and the Parent Borrower, to be held in a deposit account and released pro rata in order to (x) satisfy potential future funding obligations of such Defaulting Lender to fund Loans under this Agreement and (y) Cash Collateralize the L/C Issuer's future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with Section 2.14; sixth, to the payment of any amounts owing to the Lenders, the L/C Issuer or Swing Line Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, the L/C Issuer or the Swing Line Lender against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; seventh, so long as no Default or Event of Default exists, to the payment of any amounts owing to any Borrower as a result of any judgment of a court of competent jurisdiction obtained by such Borrower against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; and eighth, to that Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided, that, if (x) such payment is a payment of the principal amount of any Loans or L/C Borrowings in respect of which that Defaulting Lender has not fully funded its appropriate share and (y) such Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 5.02 were satisfied or waived, such payment shall be applied solely to the pay the Loans of, and L/C Obligations owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of

any Loans of, or L/C Obligations owed to, that Defaulting Lender until such time as all Loans and funded and unfunded participations in L/C Obligations and Swing Line Loans are held by the Lenders pro rata in accordance with the Commitments hereunder without giving effect to Section 2.15(a)(iv). Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 2.15(a)(ii) shall be deemed paid to and redirected by that Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees.

(A) No Defaulting Lender shall be entitled to receive any Commitment Fee pursuant to Section 2.09(a) for any period during which such Lender is a Defaulting Lender (and the Borrowers shall not be required to pay any such fee that otherwise would have been required to have been paid to such Defaulting Lender).

(B) Each Defaulting Lender shall be entitled to receive Letter of Credit Fees for any period during which that Lender is a Defaulting Lender only to the extent allocable to its Applicable Percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 2.14.

(C) With respect to any Letter of Credit Fee not required to be paid to any Defaulting Lender pursuant to clause (B) above, the Parent Borrower shall (x) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in L/C Obligations that has been reallocated to such Non-Defaulting Lender pursuant to clause (iv) below, (y) pay to the L/C Issuer the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to such L/C Issuer's Fronting Exposure to such Defaulting Lender, and (z) not be required to pay the remaining amount of any such fee.

(iv) Reallocation of Applicable Percentages to Reduce Fronting Exposure. All or any part of such Defaulting Lender's participation in L/C Obligations and Swing Line Loans shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Applicable Percentages (calculated without regard to such Defaulting Lender's Revolving Commitment) but only to the extent that (x) the conditions set forth in Section 5.02 are satisfied at the time of such reallocation (and, unless the Parent Borrower shall have otherwise notified the Revolver Agent at such time, the Parent Borrower shall be deemed to have represented and warranted that such conditions are satisfied at such time), and (y) such reallocation does not cause the aggregate Revolving Credit Exposure of any Non-Defaulting Lender to exceed such Non-Defaulting Lender's Revolving Commitment. Subject to Section 11.21, no reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(v) Cash Collateral, Repayment of Swing Line Loans. If the reallocation described in clause (a)(iv) above cannot, or can only partially, be effected, the Parent Borrower shall, without prejudice to any right or remedy available to it hereunder or under applicable Law, (x) first, prepay Swing Line Loans in an amount equal to the Swing Line Lender's Fronting Exposure and (y) second, Cash Collateralize the L/C Issuer's Fronting Exposure in accordance with the procedures set forth in Section 2.14.

(b) Defaulting Lender Cure. If the Parent Borrower, the Administrative Agent, the Revolver Agent, Swing Line Lender and the L/C Issuer agree in writing that a Defaulting Lender should no longer be deemed to be a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Agents may determine to be necessary to cause the Loans and funded and unfunded participations in Letters of Credit and Swing Line Loans to be held on a pro rata basis by the Lenders in accordance with their Applicable Percentages (without giving effect to Section 2.15(a)(iv)), whereupon such Lender will cease to be a Defaulting Lender; provided, that, no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Parent Borrower while that Lender was a Defaulting Lender; provided, further, that, except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender having been a Defaulting Lender.

2.16 **Designated Lenders.**

Each of the Administrative Agent, Revolver Agent, the L/C Issuer, the Swing Line Lender and each Lender at its option may make any Credit Extension or otherwise perform its obligations hereunder through any Lending Office (each, a "Designated Lender"); provided, that, any exercise of such option shall not affect the obligation of the applicable Borrower to repay any Credit Extension in accordance with the terms of this Agreement. Any Designated Lender shall be considered a Lender; provided, that, in the case of an Affiliate or branch of a Lender, all provisions applicable to a Lender shall apply to such Affiliate or branch of such Lender to the same extent as such Lender; provided, further, that, for the purposes only of voting in connection with any Loan Document, any participation by any Designated Lender in any outstanding Credit Extension shall be deemed a participation of such Lender.

ARTICLE III.

TAXES, YIELD PROTECTION AND ILLEGALITY

3.01 **Taxes.**

(a) Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes.

(i) Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable Laws. If any applicable Laws (as determined in the good faith discretion of the Administrative Agent) require the deduction or withholding of any Tax from any such payment by any Agent or a Loan Party, then such Agent or such Loan Party shall be entitled to make such deduction or withholding, upon the basis of the information and documentation to be delivered pursuant to subsection (e) below.

(ii) If any Loan Party or any Agent shall be required by applicable Laws to withhold or deduct any Taxes from any payment, then (A) such Loan Party or such Agent shall withhold or make such deductions as are determined by such Loan Party or such Agent to be required based upon the information and documentation it has received

pursuant to subsection (e) below, (B) such Loan Party or such Agent shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with the applicable Laws, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the applicable Loan Party shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section 3.01) the applicable Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(b) Payment of Other Taxes by the Loan Parties. Without limiting the provisions of subsection (a) above, the Loan Parties shall timely pay to the relevant Governmental Authority in accordance with applicable Laws, or at the option of the Applicable Agent timely reimburse it for the payment of, any Other Taxes.

(c) Tax Indemnifications.

(i) Each of the Loan Parties shall, and does hereby, jointly and severally indemnify each Recipient, and shall make payment in respect thereof within ten days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 3.01) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Parent Borrower by a Lender or the L/C Issuer (with a copy to the Applicable Agent), or by the Applicable Agent on its own behalf or on behalf of a Lender or the L/C Issuer, shall be conclusive absent manifest error. Each of the Loan Parties shall, and does hereby, jointly and severally indemnify the Applicable Agent, and shall make payment in respect thereof within ten days after demand therefor, for any amount which a Lender or the L/C Issuer for any reason fails to pay indefeasibly to the Applicable Agent as required pursuant to Section 3.01(c)(ii) below.

(ii) Each Lender and the L/C Issuer shall, and does hereby, severally indemnify, and shall make payment in respect thereof within 10 days after demand therefor, (x) the Applicable Agent against any Indemnified Taxes attributable to such Lender or the L/C Issuer (but only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (y) the Applicable Agent and the Loan Parties, as applicable, against any Taxes attributable to such Lender's failure to comply with the provisions of Section 11.06(d) relating to the maintenance of a Participant Register and (z) the Applicable Agent and the Loan Parties, as applicable, against any Excluded Taxes attributable to such Lender or the L/C Issuer, in each case, that are payable or paid by the Applicable Agent or a Loan Party in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Applicable Agent shall be conclusive absent manifest error. Each Lender and the L/C Issuer hereby authorizes the Applicable Agent to set off and apply any and all amounts at any time owing to such Lender or the L/C Issuer, as the case may be, under this Agreement or any other Loan Document against any amount due to the Applicable Agent under this clause (ii).

(d) Evidence of Payments. Upon request by any Loan Party or any Agent, as the case may be, after any payment of Taxes by such Loan Party or by such Agent to a Governmental Authority as provided in this Section 3.01, such Loan Party shall deliver to such Agent or such Agent shall deliver to such Loan Party, as the case may be, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of any return required by Laws to report such payment or other evidence of such payment reasonably satisfactory to such Loan Party or such Agent, as the case may be.

(e) Status of Lenders; Tax Documentation.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Parent Borrower and the Agents, at the time or times reasonably requested by the Parent Borrower or the Agents, such properly completed and executed documentation reasonably requested by the Parent Borrower or the Agents as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Parent Borrower or any Agent, shall deliver such other documentation prescribed by applicable Law or reasonably requested by the Parent Borrower or any Agent as will enable the Parent Borrower or such Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 3.01(e)(ii)(A), 3.01(e)(ii)(B) and 3.01(e)(ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that any Borrower is a U.S. Person,

(A) any Lender that is a U.S. Person shall deliver to the Parent Borrower and the Applicable Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Parent Borrower or the Applicable Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Parent Borrower and the Applicable Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Parent Borrower or the Applicable Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed originals of IRS Form W-8BEN or W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" Article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" Article of such tax treaty;

(2) executed originals of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Internal Revenue Code, (x) a certificate substantially in the form of Exhibit H-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, a "10 percent shareholder" of any Borrower within the meaning of Section 881(c)(3)(B) of the Internal Revenue Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Internal Revenue Code (a "U.S. Tax Compliance Certificate") and (y) executed originals of IRS Form W-8BEN or W-8BEN-E, as applicable,; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or W-8BEN-E, as applicable, a U.S. Tax Compliance Certificate substantially in the form of Exhibit H-2 or Exhibit H-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit H-4 on behalf of each such direct and indirect partner;

(C) any Lender shall, to the extent it is legally entitled to do so, deliver to the Parent Borrower and the Applicable Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Parent Borrower or the Applicable Agent), executed originals of any other form prescribed by applicable Law as a basis for claiming exemption from or a reduction in any withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable Law to permit the Parent Borrower or the Applicable Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Internal Revenue Code, as applicable), such Lender shall deliver to the Parent Borrower and the Applicable Agent at the time or times prescribed by law and at such time or times reasonably requested by the Parent Borrower or the Applicable Agent such documentation prescribed by applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Internal Revenue Code) and such additional documentation reasonably requested by the Parent Borrower or the Applicable Agent as may be necessary for the Parent Borrower and the Applicable Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the Closing Date.

(iii) Each Lender agrees that if any form or certification it previously delivered pursuant to this Section 3.01 expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Parent Borrower and the Agents in writing of its legal inability to do so.

(f) Treatment of Certain Refunds. Unless required by applicable Laws, at no time shall any Agent have any obligation to file for or otherwise pursue on behalf of a Lender or the L/C Issuer, or have any obligation to pay to any Lender or the L/C Issuer, any refund of Taxes withheld or deducted from funds paid for the account of such Lender or the L/C Issuer, as the case may be. If any Recipient determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified by any Loan Party or with respect to which any Loan Party has paid additional amounts pursuant to this Section 3.01, it shall pay to the Loan Party an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by a Loan Party under this Section 3.01 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) incurred by such Recipient, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that the Loan Party, upon the request of the Recipient, agrees to repay the amount paid over to the Loan Party (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Recipient in the event the Recipient is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this subsection, in no event will the applicable Recipient be required to pay any amount to the Loan Party pursuant to this subsection the payment of which would place the Recipient in a less favorable net after-Tax position than such Recipient would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This subsection shall not be construed to require any Recipient to make available its tax returns (or any other information relating to its taxes that it deems confidential) to any Loan Party or any other Person.

(g) Survival. Each party's obligations under this Section 3.01 shall survive the resignation or replacement of any Agent or any assignment of rights by, or the replacement of, a Lender or the L/C Issuer, the termination of the Commitments and the repayment, satisfaction or discharge of all other Obligations.

3.02 **Illegality.**

(a) If any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make, maintain or fund Loans whose interest is determined by reference to the Eurocurrency Rate, or to determine or charge interest rates based upon the Eurocurrency Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars or Canadian Dollars in the applicable interbank market, then, on notice thereof by such Lender to the Parent Borrower through the Applicable Agent, (i) any obligation of such Lender to make or continue Eurocurrency Rate Loans in the affected currency or currencies or, in the case of Eurocurrency Rate Loans in Dollars, to convert Base Rate Loans to Eurocurrency Rate Loans shall be suspended and (ii) if such notice asserts the

illegality of such Lender making or maintaining Base Rate Loans the interest rate on which is determined by reference to the Eurocurrency Rate component of the Base Rate, the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Applicable Agent without reference to the Eurocurrency Rate component of the Base Rate, in each case until such Lender notifies the Applicable Agent and the Parent Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, (x) the applicable Borrower shall, upon demand from such Lender (with a copy to the Applicable Agent), prepay or, if applicable and such Loans are denominated in Dollars, convert all Eurocurrency Rate Loans of such Lender to Base Rate Loans (the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Applicable Agent without reference to the Eurocurrency Rate component of the Base Rate), either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Eurocurrency Rate Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such Eurocurrency Rate Loans and (y) if such notice asserts the illegality of such Lender determining or charging interest rates based upon the Eurocurrency Rate, the Applicable Agent shall during the period of such suspension compute the Base Rate applicable to such Lender without reference to the Eurocurrency Rate component thereof until the Applicable Agent is advised in writing by such Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon the Eurocurrency Rate. Upon any such prepayment or conversion, the applicable Borrower shall also pay accrued interest on the amount so prepaid or converted.

(b) If, in any applicable jurisdiction, the Administrative Agent, the Revolver Agent, the L/C Issuer or any Lender or any Designated Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for the Administrative Agent, the Revolver Agent, the L/C Issuer or any Lender or its applicable Designated Lender to (i) perform any of its obligations hereunder or under any other Loan Document, (ii) to fund or maintain its participation in any Loan or Letter of Credit or (iii) issue, make, maintain, fund or charge interest or fees with respect to any Credit Extension, such Person shall promptly notify the Applicable Agent, then, upon the Applicable Agent notifying the Parent Borrower, and until such notice by such Person is revoked, any obligation of such Person to issue, make, maintain, fund or charge interest or fees with respect to any such Credit Extension shall be suspended, and to the extent required by applicable Law, cancelled. Upon receipt of such notice, the Loan Parties shall, (A) repay that Person's participation in the Loans or other applicable Obligations on the last day of the Interest Period for each Loan or other Obligation occurring after the Applicable Agent has notified the Parent Borrower or, if earlier, the date specified by such Person in the notice delivered to the Applicable Agent (being no earlier than the last day of any applicable grace period permitted by applicable Law), (B) to the extent applicable to the L/C Issuer, Cash Collateralize that portion of applicable L/C Obligations comprised of the aggregate undrawn amount of Letters of Credit to the extent not otherwise Cash Collateralized and (C) take all reasonable actions requested by such Person to mitigate or avoid such illegality.

3.03 **Inability to Determine Rates.**

(a) If in connection with any request for a Eurocurrency Rate Loan or a conversion to or continuation thereof or otherwise, (i) the Administrative Agent determines (A) that deposits (whether in Dollars or Canadian Dollars) are not being offered to banks in the applicable interbank market for such currency for the applicable amount and Interest Period of such Eurocurrency Rate Loan, (B) (1) adequate and reasonable means do not exist for determining the Eurocurrency Base Rate for any requested Interest Period with respect to a proposed Eurocurrency Rate Loan (whether in Dollars or Canadian Dollars) or in connection with an existing or proposed Base Rate Loan and (2) the circumstances described in Section 3.08(a) do not apply, or (C) a fundamental change has occurred in the foreign exchange or interbank markets

with respect to Canadian Dollars (including changes in national or international financial, political or economic conditions or currency exchange rates or exchange controls) (in each case with respect to this clause (i), "Impacted Loans"), or (ii) the Administrative Agent or any Lender determines that for any reason the Eurocurrency Base Rate for any requested Interest Period with respect to a proposed Eurocurrency Rate Loan does not adequately and fairly reflect the cost to the Lenders or such Lender of funding such Loan, the Administrative Agent will promptly notify the Parent Borrower and all Lenders. Thereafter, (x) the obligation of the Lenders to make or maintain Eurocurrency Rate Loans in the affected currency or currencies shall be suspended (to the extent of the affected Eurocurrency Rate Loans or Interest Periods) and (y) in the event of a determination described in the preceding sentence with respect to the Eurocurrency Rate component of the Base Rate, the utilization of the Eurocurrency Rate component in determining the Base Rate shall be suspended, in each case until the Administrative Agent revokes such notice. Upon receipt of such notice, the applicable Borrower may revoke any pending request for a Borrowing, conversion or continuation of Eurocurrency Rate Loans in the affected currency or currencies (to the extent of the affected Eurocurrency Rate Loans or Interest Periods), failing that, will be deemed to have converted such request into a request for a Borrowing of Base Rate Loans in Dollars in the amount specified therein.

(b) Notwithstanding the foregoing, if the Administrative Agent has made the determination described in Section 3.03(a)(i), the Administrative Agent, in consultation with the Parent Borrower and the affected Lenders, may establish an alternative interest rate for the applicable Impacted Loans, in which case, such alternative interest rate shall apply with respect to such Impacted Loans until (1) the Administrative Agent revokes the notice delivered with respect to the applicable Impacted Loans under the first sentence of this Section 3.03, (2) the Administrative Agent notifies the Parent Borrower that such alternative interest rate does not adequately and fairly reflect the cost to such Lenders of funding the applicable Impacted Loans, or (3) any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for such Lender or its applicable Lending Office to make, maintain or fund Loans whose interest is determined by reference to such alternative interest rate or to determine or charge interest rates based upon such rate or any Governmental Authority has imposed material restrictions on the ability of such Lender to do any of the foregoing and, in each case, such Lender provides the Administrative Agent and the Parent Borrower written notice thereof.

3.04 **Increased Costs.**

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender or the L/C Issuer (except any reserve requirement reflected in the Eurocurrency Rate);

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (e) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender or the L/C Issuer or the interbank market any other condition, cost or expense affecting this Agreement or Eurocurrency Rate Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making, converting to, continuing or maintaining any Loan the interest on which is determined by reference to the Eurocurrency Rate (or of maintaining its obligation to make any such Loan), or to increase the cost to such Lender or the L/C Issuer of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender or the L/C Issuer hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or the L/C Issuer, the Borrowers will pay to such Lender or the L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or the L/C Issuer, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender or the L/C Issuer determines that any Change in Law affecting such Lender or the L/C Issuer or any Lending Office of such Lender or such Lender's or the L/C Issuer's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or the L/C Issuer's capital or on the capital of such Lender's or the L/C Issuer's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit or Swing Line Loans held by, such Lender, or the Letters of Credit issued by the L/C Issuer, to a level below that which such Lender or the L/C Issuer or such Lender's or the L/C Issuer's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or the L/C Issuer's policies and the policies of such Lender's or the L/C Issuer's holding company with respect to capital adequacy or liquidity), then from time to time the Borrowers will pay to such Lender or the L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or the L/C Issuer or such Lender's or the L/C Issuer's holding company for any such reduction suffered.

(c) Mandatory Costs. If any Lender or the L/C Issuer incurs any Mandatory Costs attributable to the Obligations, then from time to time the Parent Borrower will pay (or cause the Canadian Borrower to pay) to such Lender or the L/C Issuer, as the case may be, such Mandatory Costs. Such amount shall be expressed as a percentage rate per annum and shall be payable on the full amount of the applicable Obligations.

(d) Certificates for Reimbursement. A certificate of a Lender or the L/C Issuer setting forth the amount or amounts necessary to compensate such Lender or the L/C Issuer or its holding company, as the case may be, as specified in Section 3.04(a), (b) or (c) and delivered to any Borrower shall be conclusive absent manifest error. The Borrowers shall pay such Lender or the L/C Issuer, as the case may be, the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(e) Delay in Requests. Failure or delay on the part of any Lender or the L/C Issuer to demand compensation pursuant to the foregoing provisions of this Section shall not constitute a waiver of such Lender's or the L/C Issuer's right to demand such compensation; provided that the Borrowers shall not be required to compensate a Lender or the L/C Issuer pursuant to the foregoing provisions of this Section 3.04 for any increased costs incurred or reductions suffered more than nine (9) months prior to the date that such Lender or the L/C Issuer, as the case may be, notifies the Parent Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or the L/C Issuer's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine (9) month period referred to above shall be extended to include the period of retroactive effect thereof).

3.05 **Compensation for Losses.**

Upon demand of any Lender (with a copy to the Applicable Agent) from time to time, the applicable Borrower shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of:

(a) any continuation, conversion, payment or prepayment of any Loan other than a Base Rate Loan on a day other than the last day of the Interest Period for such Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);

(b) any failure by any such Borrower (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert any Loan other than a Base Rate Loan on the date or in the amount notified by such Borrower;

(c) any assignment of a Eurocurrency Rate Loan on a day other than the last day of the Interest Period therefor as a result of a request by the Parent Borrower pursuant to Section 11.13; or

(d) any failure by any such Borrower to make payment of any Loan or drawing under any Letter of Credit (or interest due thereon) denominated in Canadian Dollars on its scheduled due date or any payment thereof in a different currency;

including any foreign exchange losses and any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained or from the performance of any foreign exchange contract. The applicable Borrower shall also pay any customary administrative fees charged by such Lender in connection with the foregoing.

For purposes of calculating amounts payable by a Borrower to the Lenders under this Section 3.05, each Lender shall be deemed to have funded each Eurocurrency Rate Loan made by it at the Eurocurrency Base Rate used in determining the Eurocurrency Rate for such Loan by a matching deposit or other borrowing in the interbank market for such currency for a comparable amount and for a comparable period, whether or not such Eurocurrency Rate Loan was in fact so funded.

3.06 **Mitigation Obligations; Replacement of Lenders.**

(a) Designation of a Different Lending Office. If any Lender requests compensation under Section 3.02(b) or Section 3.04, or any Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender, the L/C Issuer or any Governmental Authority for the account of any Lender or the L/C Issuer pursuant to Section 3.01, or if any Lender gives a notice pursuant to Section 3.02, then at the request of such Borrower, such Lender or the L/C Issuer shall, as applicable, use reasonable efforts to designate a different Lending Office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender or the L/C Issuer, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.01 or 3.04, as the case may be, in the future, or eliminate the need for the notice pursuant to Section 3.02, as applicable, and (ii) in each case, would not subject such Lender or the L/C Issuer, as the case may be, to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender or the L/C Issuer, as the case may be. Each Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender or the L/C Issuer in connection with any such designation or assignment.

(b) Replacement of Lenders. If any Lender requests compensation under Section 3.04, or if any Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, and, in each case, such Lender has declined or is unable to designate a different lending office in accordance with Section 3.06(a), the Parent Borrower may replace such Lender in accordance with Section 11.13.

3.07 **Survival.**

All of each Borrower's obligations under this Article III shall survive termination of the Commitments, repayment of all other Obligations hereunder and resignation of the Administrative Agent and Revolver Agent.

3.08 **LIBOR Successor Rate.**

Notwithstanding anything to the contrary in this Agreement, including Section 11.01, or any other Loan Documents, but without limiting Sections 3.03(a) and (b), if the Administrative Agent determines (which determination shall be conclusive and binding upon all parties hereto absent manifest error), or the Parent Borrower or Required Lenders notify the Administrative Agent (with, in the case of the Required Lenders, a copy to the Parent Borrower) that the Parent Borrower or Required Lenders (as applicable) have determined (which determination likewise shall be conclusive and binding upon all parties hereto absent manifest error), that:

(a) adequate and reasonable means do not exist for ascertaining LIBOR for any requested Interest Period, including because the LIBOR Screen Rate is not available or published on a current basis and such circumstances are unlikely to be temporary;

(b) the administrator of the LIBOR Screen Rate or a Governmental Authority having or purporting to have jurisdiction over the Administrative Agent has made a public statement identifying a specific date after which LIBOR or the LIBOR Screen Rate shall no longer be made available, or used for determining the interest rate of loans in Dollars; provided, that, at the time of such statement, there is no successor administrator that is satisfactory to the Administrative Agent, that will continue to provide LIBOR after such specific date (such specific date, the "Scheduled Unavailability Date"); or

(c) syndicated loans currently being executed, or that include language similar to that contained in this Section 3.08, are being executed or amended (as applicable) to incorporate or adopt a new benchmark interest rate to replace LIBOR;

then, reasonably promptly after such determination by the Administrative Agent or receipt by the Administrative Agent of such notice, as applicable, the Administrative Agent and the Parent Borrower may amend this Agreement solely for purpose of replacing LIBOR in accordance with this Section 3.08 with (x) one or more SOFR-Based Rates or (y) another alternate benchmark rate jointly selected by the Administrative Agent and the Parent Borrower, giving due consideration to any evolving or then existing convention for similar Dollar denominated syndicated credit facilities for such alternative benchmarks and, in each case, including any mathematical or other adjustments to such benchmark giving due consideration to any evolving or then existing convention for similar Dollar denominated syndicated credit facilities for such benchmarks which adjustment or method for calculating such adjustment shall be published on an information service as selected by the Administrative Agent from time to time in its reasonable discretion and may be periodically updated (the "Adjustment"; and any such proposed rate, a "LIBOR Successor Rate"), and any such amendment shall become effective at 5:00 p.m. on the fifth Business Day after the

Administrative Agent shall have posted such proposed amendment to the Lenders and the Parent Borrower unless, prior to such time, the Lenders comprising the Required Lenders have delivered to the Administrative Agent written notice that such Required Lenders (A) in the case of an amendment to replace LIBOR with a rate described in clause (x), object to the Adjustment; or (B) in the case of an amendment to replace LIBOR with a rate described in clause (y), object to such amendment; provided, that for the avoidance of doubt, in the case of clause (A), the Required Lenders shall not be entitled to object to any SOFR-Based Rate contained in any such amendment. Such LIBOR Successor Rate shall be applied in a manner consistent with market practice; provided that, to the extent such market practice is not administratively feasible for the Administrative Agent, such LIBOR Successor Rate shall be applied in a manner as otherwise reasonably determined by the Administrative Agent.

If no LIBOR Successor Rate has been determined and the circumstances under clause (a) above exist or the Scheduled Unavailability Date has occurred (as applicable), the Administrative Agent will promptly so notify the Parent Borrower and each Lender. Thereafter, (i) the obligation of the Lenders to make or maintain Eurocurrency Rate Loans shall be suspended, (to the extent of the affected Eurocurrency Rate Loans or Interest Periods), and (ii) the Eurocurrency Rate component shall no longer be utilized in determining the Base Rate. Upon receipt of such notice, the applicable Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of Eurocurrency Rate Loans (to the extent of the affected Eurocurrency Rate Loans or Interest Periods) or, failing that, will be deemed to have converted such request into a request for a Borrowing of Base Rate Loans (subject to the foregoing clause (ii)) in the amount specified therein.

Notwithstanding anything else herein, any definition of LIBOR Successor Rate shall provide that in no event shall such LIBOR Successor Rate be less than zero for purposes of this Agreement.

In connection with the implementation of a LIBOR Successor Rate, the Administrative Agent will have the right to make LIBOR Successor Rate Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such LIBOR Successor Rate Conforming Changes will become effective without any further action or consent of any other party to this Agreement; provided, that, with respect to any such amendment effected, the Administrative Agent shall post each such amendment implementing such LIBOR Successor Rate Conforming Changes to the Lenders and the Parent Borrower reasonably promptly after such amendment becomes effective.

ARTICLE IV.

GUARANTY

4.01 **The Guaranty.**

Each of the Guarantors hereby jointly and severally guarantees to each Lender, the L/C Issuer, each Swap Bank, each Treasury Management Bank, the Administrative Agent, the Revolver Agent and each other holder of the Obligations as hereinafter provided, as primary obligor and not as surety, the prompt payment of all Obligations in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration, as a mandatory Cash Collateralization or otherwise) strictly in accordance with the terms thereof (for each Guarantor, subject to the proviso in this sentence, its "Guaranteed Obligations"); provided, however, that with respect to any Foreign Subsidiary that has been a direct or indirect Subsidiary for less than one year, such Foreign Subsidiary's guaranty shall be limited to the Canadian Obligations until the date such Foreign Subsidiary has been a Subsidiary for one year. The Guarantors hereby further agree that if any of the Guaranteed Obligations are not paid in full when due (whether at stated maturity, as a

mandatory prepayment, by acceleration, as a mandatory Cash Collateralization or otherwise), the Guarantors will, jointly and severally, promptly pay the same, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Obligations, the same will be promptly paid in full when due (whether at extended maturity, as a mandatory prepayment, by acceleration, as a mandatory Cash Collateralization or otherwise) in accordance with the terms of such extension or renewal.

Notwithstanding any provision to the contrary contained herein or in any other of the Loan Documents, Secured Swap Agreements or Secured Treasury Management Agreements, (i) the obligations of each Guarantor under this Agreement and the other Loan Documents shall be limited to an aggregate amount equal to the largest amount that would not render such obligations subject to avoidance under the Debtor Relief Laws or any comparable provisions of any applicable state law or other applicable Law and (ii) the Guaranteed Obligations of a Guarantor shall exclude any Excluded Swap Obligations with respect to such Guarantor.

4.02 **Obligations Unconditional.**

The obligations of the Guarantors under Section 4.01 are joint and several among all Guarantors, and absolute and unconditional, irrespective of the value, genuineness, validity, regularity or enforceability of any of the Loan Documents, Secured Swap Agreements or Secured Treasury Management Agreements or any other agreement or instrument referred to therein, or any substitution, release, impairment or exchange of any other guarantee of or security for any of the Obligations, and, to the fullest extent permitted by applicable Law, irrespective of any law or regulation or other circumstance whatsoever which might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor, it being the intent of this Section 4.02 that the obligations of the Guarantors hereunder shall be absolute and unconditional under any and all circumstances. Each Guarantor agrees that such Guarantor shall have no right of subrogation, indemnity, reimbursement or contribution against any Borrower or any other Guarantor for amounts paid under this Article IV until such time as the Obligations (other than contingent indemnification obligations that survive the termination of this Agreement) have been paid in full and the Commitments have expired or terminated. Without limiting the generality of the foregoing, it is agreed that, to the fullest extent permitted by law, the occurrence of any one or more of the following shall not alter or impair the liability of any Guarantor hereunder, which shall remain absolute and unconditional as described above:

(a) at any time or from time to time, without notice to any Guarantor, the time for any performance of or compliance with any of the Obligations shall be extended, or such performance or compliance shall be waived;

(b) any of the acts mentioned in any of the provisions of any of the Loan Documents, any Secured Swap Agreement, or any Secured Treasury Management Agreement, or any other agreement or instrument referred to in the Loan Documents, such Secured Swap Agreements or such Secured Treasury Management Agreements shall be done or omitted;

(c) the maturity of any of the Obligations shall be accelerated, or any of the Obligations shall be modified, supplemented or amended in any respect, or any right under any of the Loan Documents, any Secured Swap Agreement or any Secured Treasury Management Agreement, or any other agreement or instrument referred to in the Loan Documents, such Secured Swap Agreements or such Secured Treasury Management Agreements shall be waived or any other guarantee of any of the Obligations or any security therefor shall be released, impaired or exchanged in whole or in part or otherwise dealt with;

(d) any Lien granted to, or in favor of, the Administrative Agent or any other holder of the Obligations as security for any of the Obligations shall fail to attach or be perfected; or

(e) any of the Obligations shall be determined to be void or voidable (including, without limitation, for the benefit of any creditor of any Guarantor) or shall be subordinated to the claims of any Person (including, without limitation, any creditor of any Guarantor).

With respect to its obligations hereunder, each Guarantor hereby expressly waives diligence, presentment, demand of payment, protest and all notices whatsoever, and any requirement that any Agent or any other holder of the Obligations exhaust any right, power or remedy or proceed against any Person under any of the Loan Documents, any Secured Swap Agreement or any Secured Treasury Management Agreement or any other agreement or instrument referred to in the Loan Documents, such Secured Swap Agreements or such Secured Treasury Management Agreements, or against any other Person under any other guarantee of, or security for, any of the Obligations.

4.03 **Reinstatement.**

The obligations of the Guarantors under this Article IV shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of any Person in respect of the Obligations is rescinded or must be otherwise restored by any holder of any of the Obligations, whether as a result of any proceedings in bankruptcy, insolvency or reorganization or otherwise, and each Guarantor agrees that it will indemnify the Administrative Agent, Revolver Agent and each Lender on demand for all reasonable costs and expenses (including, without limitation, the fees, charges and disbursements of counsel) incurred by the Administrative Agent, Revolver Agent or such Lender in connection with such rescission or restoration, including any such costs and expenses incurred in defending against any claim alleging that such payment constituted a preference, fraudulent transfer or similar payment under any bankruptcy, insolvency or similar law.

4.04 **Certain Additional Waivers.**

Each Guarantor agrees that such Guarantor shall have no right of recourse to security for the Obligations, except through the exercise of rights of subrogation pursuant to Section 4.02 and through the exercise of rights of contribution pursuant to Section 4.06.

4.05 **Remedies.**

The Guarantors agree that, to the fullest extent permitted by law, as between the Guarantors, on the one hand, and the holders of the Obligations, on the other hand, the Obligations may be declared to be forthwith due and payable as provided in Section 9.02 (and shall be deemed to have become automatically due and payable in the circumstances provided in said Section 9.02) for purposes of Section 4.01 notwithstanding any stay, injunction or other prohibition preventing such declaration (or preventing the Obligations from becoming automatically due and payable) as against any other Person and that, in the event of such declaration (or the Obligations being deemed to have become automatically due and payable), the Guaranteed Obligations (whether or not due and payable by any other Person) shall forthwith become due and payable by the Guarantors for purposes of Section 4.01. The Guarantors acknowledge and agree that their obligations hereunder are secured in accordance with the terms of the Collateral Documents and that the holders of the Obligations may exercise their remedies thereunder in accordance with the terms thereof.

4.06 **Rights of Contribution.**

The Guarantors agree among themselves that, in connection with payments made hereunder, each Guarantor shall have contribution rights against the other Guarantors as permitted under applicable Law. Such contribution rights shall be subordinate and subject in right of payment to the obligations of such Guarantors under the Loan Documents and no Guarantor shall exercise such rights of contribution until all Obligations (other than contingent indemnification obligations that survive the termination of this Agreement) have been paid in full and the Commitments have terminated.

4.07 **Guarantee of Payment; Continuing Guarantee.**

The guarantee in this Article IV is a guaranty of payment and not of collection, is a continuing guarantee, and shall apply to all Obligations whenever arising.

4.08 **Keepwell.**

Each Loan Party that is a Qualified ECP Guarantor at the time the Guaranty in this Article IV by any Loan Party that is not then an "eligible contract participant" under the Commodity Exchange Act (a "Specified Loan Party") or the grant of a security interest under the Loan Documents by any such Specified Loan Party, in either case, becomes effective with respect to any Swap Obligation, hereby, subject to the last sentence hereof, jointly and severally, absolutely, unconditionally and irrevocably undertakes to provide such funds or other support to each Specified Loan Party with respect to such Swap Obligation as may be needed by such Specified Loan Party from time to time to honor all of its obligations under the Loan Documents in respect of such Swap Obligation (but, in each case, only up to the maximum amount of such liability that can be hereby incurred without rendering such Qualified ECP Guarantor's obligations and undertakings under this Article IV voidable under applicable Debtor Relief Laws, and not for any greater amount). The obligations and undertakings of each applicable Loan Party under this Section shall remain in full force and effect until such time as the Obligations (other than contingent indemnification obligations that survive the termination of this Agreement) have been paid in full and the Commitments have expired or terminated. Each Loan Party intends this Section to constitute, and this Section shall be deemed to constitute, a guarantee of the obligations of, and a "keepwell, support, or other agreement" for the benefit of each Specified Loan Party for all purposes of the Commodity Exchange Act.

ARTICLE V.

CONDITIONS PRECEDENT TO CREDIT EXTENSIONS

5.01 **Closing Conditions.**

This Agreement shall become effective upon the satisfaction of (or waiver by each of the initial Lenders) all of the following conditions precedent, subject to the Funds Certain Provision:

(a) Loan Documents. Receipt by the Administrative Agent of executed counterparts of this Agreement, the Security Agreement, and the Canadian Security Agreement, in each case, properly executed by a Responsible Officer of each signing Loan Party, the Administrative Agent, the Revolver Agent and each Lender.

(b) No Material Adverse Change. Since December 31, 2019, there shall not have occurred a Company Material Adverse Effect.

(c) Opinions of Counsel. Receipt by the Administrative Agent of favorable customary opinions of legal counsel to the Loan Parties (including local counsel as requested by the Administrative Agent), addressed to the Administrative Agent, the Revolver Agent and each Lender, dated as of the Closing Date, and in form and substance reasonably satisfactory to the Administrative Agent; provided that no opinions from local counsel in the states of Pennsylvania, New Hampshire, Virginia and New Jersey shall be required at closing.

(d) Organization Documents, Resolutions, Etc. Receipt by the Administrative Agent of the following, each of which shall be facsimiles (followed promptly by originals to the extent requested by the Administrative Agent), in form and substance reasonably satisfactory to the Administrative Agent:

(i) copies of the Organization Documents of each Loan Party certified to be true and complete as of a recent date by the appropriate Governmental Authority of the state, province, territory or other jurisdiction of its incorporation or organization, where applicable, and certified by a Responsible Officer of such Loan Party to be true and correct as of the Closing Date;

(ii) such certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of each Loan Party as the Administrative Agent may require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents to which such Loan Party is a party; and

(iii) a good standing certificate (to the extent such concept exists in the jurisdiction of incorporation, organization or formation of such Loan Party) from the applicable Governmental Authority of each Loan Party's jurisdiction of incorporation, organization or formation.

(e) Perfection and Priority of Liens. Subject to the Funds Certain Provision, receipt by the Administrative Agent of the following:

(i) Uniform Commercial Code and PPSA financing statements for each appropriate jurisdiction as is necessary, in the Administrative Agent's sole discretion, to perfect the Administrative Agent's security interest in the Collateral;

(ii) all certificates evidencing any certificated Equity Interests of material Domestic Subsidiaries pledged to the Administrative Agent pursuant to the Security Agreement, and the Canadian Security Agreement together with duly executed in blank and undated stock powers attached thereto;

(iii) duly executed notices of grant of security interest in the form required by the Security Agreement and the Canadian Security Agreement as are necessary, in the Administrative Agent's sole discretion, to perfect the Administrative Agent's security interest in the intellectual property of the Loan Parties registered for or which applications are pending in the name of such Loan Party with the United States Patent and Trademark Office or the United States Copyright Office or the equivalent thereof in Canada.

(f) Reserved.

(g) Refinancing of Existing Indebtedness. The Loan Parties and their Subsidiaries shall have (i) repaid in full all Indebtedness and obligations (other than customary obligations continued to survive the termination thereof) incurred under the Existing Credit Agreement, (ii) terminated any commitments to lend or make other extensions of credit thereunder, (iii) delivered to Administrative Agent a customary payoff letter and all other documents or instruments necessary to release all Liens securing the Existing Credit Agreement or other obligations of the Loan Parties and their Subsidiaries thereunder being repaid on the Closing Date, and (iv) made arrangements satisfactory to Administrative Agent with respect to the cancellation of any letters of credit outstanding thereunder or the issuance of Letters of Credit to support the obligations of the Loan Parties and their Subsidiaries with respect thereto.

(h) Closing Certificate; Solvency Certificate. Receipt by the Administrative Agent of certificates signed by a (i) Responsible Officer of the Parent Borrower certifying that the conditions specified in Sections 5.01(b) and Sections 5.01(m) have been satisfied and (ii) the chief financial officer (or other officer with reasonably equivalent duties) of the Parent Borrower in the form attached hereto as Exhibit N.

(i) Financial Statements. Receipt by the Administrative Agent of (a) consolidated audited financial statements consisting of the balance sheet of the Target and the Parent Borrower as of December 31 in each of the years 2019, 2018 and 2017 and the related statements of income and retained earnings, members' equity and cash flow for the years then ended, (b) internally prepared financial statements consisting of the balance sheet of the Target as at February 29, 2020 and the related statements of income for the period then ended, and (c) a pro forma consolidated balance sheet of Parent Borrower as of the last day of the most recent fiscal month ended at least thirty (30) days prior to the Closing Date to the extent the balance sheet of the Target is received by Parent Borrower, prepared after giving effect to the Specified Permitted Acquisition as if the Specified Permitted Acquisition has occurred as of such date; provided, that (i) such pro forma financial statement of Parent Borrower shall be prepared in good faith by Parent Borrower and (ii) no such pro forma financial statement shall include adjustments for purchase accounting (including adjustments of the type contemplated by Financial Accounting Standards Board Accounting Standards Codification 805, Business Combinations (formerly SFAS 141R)).

(j) PATRIOT Act; Beneficial Ownership.

(i) At least five days prior to the Closing Date (to the extent requested at least ten days prior to the Closing Date by the Administrative Agent), receipt by the Administrative Agent and the Lenders of any documentation and other information so requested in connection with applicable "know your customer" and anti-money-laundering rules and regulations, including the PATRIOT Act and the Canadian AML Acts, which the Administrative Agent and the Lenders shall be reasonably satisfied with.

(ii) If any Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, receipt by the Administrative Agent and each Lender, to the extent requested by the Administrative Agent or such Lender, of a Beneficial Ownership Certification in relation to such Borrower.

(k) Fees and Expenses. Receipt by the Administrative Agent, the Arrangers and the Lenders of any fees and expenses earned, due and required to be paid on the Closing Date from the proceeds of the initial Credit Extensions under this Agreement for which invoices have been received at least one (1) Business Day in advance (which amounts may be offset against the proceeds of the applicable Credit Extension).

(l) Equity Contribution. Substantially concurrently with the funding of the initial Credit Extensions under this Agreement, the Parent Borrower shall have received $175,000,000 in gross proceeds from an equity contribution in the form Series A-2 Preferred Equity pursuant to the Series A-2 Purchase Agreement, without giving effect to any amendments, consents or waivers by the Parent Borrower that are materially adverse to the interests of the Lenders without the prior consent of the Lenders (such consent not to be unreasonably withheld, delayed or conditioned).

(m) Representations and Warranties. The representations and warranties (i) of the Borrowers and the other Loan Parties contained in Sections 6.01(a) and (b)(ii), 6.02 (as it relates to the execution and delivery of the Loan Documents), 6.03 (solely as it relates to the Loan Documents), 6.04, 6.14, 6.19 (subject in all respects to the Funds Certain Provision and solely with respect to U.S. Loan Parties), 6.22, 6.23 and 6.24 of this Agreement shall be true and correct in all material respects (without duplication of any materiality qualifier contained therein), except to the extent such representations and warranties specifically relate to an earlier date, in which case, such representations and warranties shall have been true and correct in all materials respects on and as of such earlier date and (ii) in the Specified Permitted Acquisition Agreement as are material to the interests of the Agents and the Lenders shall be true and correct but only to the extent that Parent Borrower (or any permitted assignee of the Parent Borrower) has the right to terminate its obligations under the Specified Permitted Acquisition Agreement or to not consummate the Specified Permitted Acquisition as a result of the failure of such representations and warranties to be true and correct as set forth above.

(n) Specified Permitted Acquisition. The Specified Permitted Acquisition shall be consummated pursuant to the Specified Permitted Acquisition Agreement substantially concurrently with the initial funding hereunder, the issuance of the Series A-2 Preferred Equity and related warrants pursuant to the Series A-2 Purchase Agreement and receipt of the purchase price in connection therewith, without giving effect to any amendments thereto or modifications to the provisions thereof that, in any such case, are materially adverse to the interests of the Lenders without the consent of the Lenders, such consent not to be unreasonably withheld, conditioned or delayed (it being understood and agreed that any substantive amendment or other modification to the definition of Company Material Adverse Effect without the prior written consent of the Lenders (such consent not to be unreasonably withheld, delayed or conditioned) shall be deemed to be materially adverse to the interests of the Lenders). It is agreed and understood that no purchase price or similar adjustment provisions set forth in the Specified Permitted Acquisition Agreement shall constitute any decrease or increase in the merger consideration.

Without limiting the generality of the provisions of the last paragraph of Section 10.03, for purposes of determining compliance with the conditions specified in this Section 5.01, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

For the purposes of this Section 5.01, the term "Funds Certain Provision" means to the extent a perfected security interest in any Collateral the security interest in respect of which cannot be perfected by means of the filing of a Uniform Commercial Code or a PPSA financing statement, the making of a federal intellectual property filing or delivery of possession of capital stock or other certificated security in respect of equity interests of material Domestic Subsidiaries that constitute Collateral is not able to be provided on the Closing Date after the Borrowers' use of commercially reasonable efforts to do so without undue burden or expense the perfection of such security interest in such Collateral will not constitute a condition precedent to the availability and initial funding hereunder on the Closing Date, but a security interest in such Collateral will be required to be perfected within 90 days after the Closing Date (or such later date as Administrative Agent may agree in writing) pursuant to arrangements to be mutually agreed between the Parent Borrower and the Lenders.

5.02 **Conditions to all Credit Extensions made after the Closing Date.**

The obligation of each Lender to honor any Request for Credit Extension after the Closing Date is subject to the following conditions precedent and, in the case of an Incremental Term Loan being used to finance a Limited Condition Acquisition, to Section 1.07:

(a) The representations and warranties of each Borrower and each other Loan Party contained in Article VI or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct in all material respects (without duplication of any materiality qualifiers) on and as of the date of such Credit Extension, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects (without duplication of any materiality qualifiers) as of such earlier date, and except that for purposes of this Section 5.02, the representations and warranties contained in subsections (a) and (b) of Section 6.05 shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 7.01.

(b) No Default shall exist, or would result from such proposed Credit Extension or from the application of the proceeds thereof.

(c) (i) Such Credit Extension shall be permitted to be incurred by the Parent Borrower and its Subsidiaries under the Series A-1 Certificate of Designation (prior to the redemption thereof) and the Series A-2 Certificate of Designation and (ii) if the incurrence of such Credit Extension is subject to compliance with a maximum Consolidated Debt Ratio (as defined in the Series A-1 Certificate of Designation or Series A-2 Certificate of Designation, as applicable) incurrence test under the Series A-1 Certificate of Designation or the Series A-2 Certificate of Designation, as applicable, the Applicable Agent shall have received reasonably detailed calculations acceptable to the Applicable Agent demonstrating compliance with such incurrence test.

(d) The Applicable Agent and, if applicable, the L/C Issuer and/or the Swing Line Lender shall have received a Request for Credit Extension in accordance with the requirements hereof.

(e) With respect to any Credit Extension to be denominated in Canadian Dollars, there shall be no impediment, restriction, limitation or prohibition imposed under Law or by any Governmental Authority, as to the proposed financing under this Agreement or the repayment thereof or as to rights created under any Loan Document or as to application of the proceeds of the realization of any such rights.

Each Request for Credit Extension submitted by any Borrower shall be deemed to be a representation and warranty that the conditions specified in Sections 5.02(a), (b) and (c) have been satisfied on and as of the date of the applicable Credit Extension.

ARTICLE VI.

REPRESENTATIONS AND WARRANTIES

The Loan Parties represent and warrant to each Agent and the Lenders on the Closing Date and each other date required hereunder that:

6.01 **Existence, Qualification and Power.**

Each Loan Party (a) is duly organized or formed, validly existing and in good standing under the Laws of the jurisdiction of its incorporation or organization, (b) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (i) own or lease its assets and carry on its business and (ii) execute, deliver and perform its obligations under the Loan Documents to which it is a party, and (c) is duly qualified and is licensed and in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license; except in each case referred to in clause (b)(i) or (c), to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

6.02 **Authorization; No Contravention.**

The execution, delivery and performance by each Loan Party of each Loan Document to which such Person is party have been duly authorized by all necessary corporate or other organizational action, and do not (a) contravene the terms of any of such Person's Organization Documents; (b) conflict with or result in any breach or contravention of, or the creation of any Lien under, or require any payment to be made under (i) any material Contractual Obligation to which such Person is a party or affecting such Person or the properties of such Person or any of its Subsidiaries or (ii) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; or (c) violate any Law (including, without limitation, Regulation U or Regulation X issued by the FRB) except in each case referred to in clause (c), to the extent that such violation could not reasonably be expected to have a Material Adverse Effect.

6.03 **Governmental Authorization; Other Consents.**

No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Loan Party of this Agreement or any other Loan Document other than (a) those that have already been obtained and are in full force and effect and (b) filings to perfect the Liens created by the Collateral Documents.

6.04 **Binding Effect.**

Each Loan Document has been duly executed and delivered by each Loan Party that is party thereto. Each Loan Document constitutes a legal, valid and binding obligation of each Loan Party that is party thereto, enforceable against each such Loan Party in accordance with its terms, subject to the effect of any applicable bankruptcy, insolvency or other similar laws affecting creditors' rights generally or by principles of equity pertaining to the availability of equitable remedies.

6.05 **Financial Statements; No Material Adverse Effect.**

(a) The audited consolidated statements of financial condition of the Parent Borrower and its Subsidiaries for the fiscal year ended 2019 and, thereafter, the most recent Audited Financial Statements (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein and (ii) fairly present in all material respects the financial condition of the Parent Borrower and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein.

(b) The Interim Financial Statements (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; and (ii) fairly present in all material respects the financial condition of the Parent Borrower and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby, subject, in the case of clauses (i) and (ii), to the absence of footnotes and to normal year-end audit adjustments.

(c) From December 31, 2019 to and including the Closing Date, there has been no Disposition by any Loan Party or any Subsidiary, or any Involuntary Disposition, of any material part of the business or property of any Loan Party or any Subsidiary, and no purchase or other acquisition by any of them of any business or property (including any Equity Interests of any other Person) material to any Loan Party or any Subsidiary, in each case, which is not reflected in the foregoing financial statements or in the notes thereto and has not otherwise been disclosed in writing to the Lenders on or prior to the Closing Date.

(d) The financial statements delivered pursuant to Section 7.01(a) and (b) have been prepared in accordance with GAAP (except as may otherwise be permitted under Section 7.01(a) and (b)) and present fairly in all material respects (on the basis disclosed in the footnotes to such financial statements) the consolidated financial condition, results of operations and cash flows of the Parent Borrower and its Subsidiaries as of the dates thereof and for the periods covered thereby.

(e) Since December 31, 2019, there has been no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect.

6.06 **Litigation.**

There are no actions, suits, proceedings, claims or disputes pending or, to the knowledge of the Loan Parties, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority, by or against any Loan Party or any of its Subsidiaries or against any of their properties or revenues that (a) purport to affect or pertain to this Agreement or any other Loan Document, or any of the transactions contemplated hereby or (b) could reasonably be expected to have a Material Adverse Effect.

6.07 **No Default.**

(a) Neither any Loan Party nor any Subsidiary is in default under or with respect to any Contractual Obligation that could reasonably be expected to have a Material Adverse Effect.

(b) No Default has occurred and is continuing.

6.08 **Ownership of Property; Liens.**

Each of Loan Party and its Subsidiaries has good record and marketable title in fee simple to, or valid leasehold interests in, all real property necessary or used in the ordinary conduct of its business, except for such defects in title as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The property of each Loan Party and its Subsidiaries is subject to no Liens, other than Permitted Liens.

6.09 **Environmental Compliance.**

Except as could not reasonably be expected to have a Material Adverse Effect:

(a) Each of the Facilities and all operations at the Facilities are in compliance with all applicable Environmental Laws, and there are no conditions relating to the Facilities or the Businesses that are in violation of any Environmental Law.

(b) None of the Facilities contains any Hazardous Materials at, on or under the Facilities in amounts or concentrations that, either, constitute a violation of Environmental Law, or as would reasonably be likely to give rise to Environmental Liability.

(c) Neither any Loan Party nor any Subsidiary has received any written or verbal notice of, or inquiry from any Governmental Authority regarding, any violation, alleged violation, non-compliance, liability or potential liability regarding, either, compliance with Environmental Laws or any release or threatened release of Hazardous Materials, with regard to any of the Facilities or the Businesses, nor does any Responsible Officer of any Loan Party have knowledge that any such notice is being threatened.

(d) Hazardous Materials have not been transported from or disposed of from, the Facilities, or generated, treated, stored or disposed of at, on or under any of the Facilities or any other location, in each case by or on behalf of any Loan Party or any Subsidiary, which in either event case would result in a violation of Environmental Laws, or would be conducted in a manner that would be reasonably likely to give rise to Environmental Liability.

(e) No judicial proceeding or governmental or administrative action is pending or, to the knowledge of the Loan Parties, threatened, under any Environmental Law to which any Loan Party or any Subsidiary is or will be named as a party, nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or other administrative or judicial requirements outstanding under any Environmental Law with respect to any Loan Party, any Subsidiary, the Facilities or the Businesses.

(f) There has been no release or threat of release of Hazardous Materials at or arising from the Facilities, in violation of or in amounts or in a manner that could give rise to liability under Environmental Laws.

6.10 **Insurance.**

(a) The properties of the Loan Parties and their Subsidiaries are insured with financially sound and reputable insurance companies not Affiliates of such Persons, in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where the applicable Loan Party or the applicable Subsidiary operates. The insurance coverage of the Loan Parties and their Subsidiaries as in effect on the Closing Date is outlined as to carrier, policy number, expiration date, type, amount and deductibles on Schedule 6.10.

(b) The Parent Borrower and its Subsidiaries maintain, if available, fully paid flood hazard insurance on all real property that is located in a special flood hazard area and that constitutes Collateral, on such terms and in such amounts as required by Flood Insurance Laws or as otherwise required by the Administrative Agent.

6.11 **Taxes.**

Other than those specifically disclosed in Schedule 6.11, the Loan Parties and their Subsidiaries have filed all federal, state, provincial, territorial and other material tax returns and reports required to be filed, and have paid all federal, state, provincial, territorial and other material taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except those which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with GAAP. There is no proposed tax assessment against any Loan Party or any Subsidiary that would, if made, have a Material Adverse Effect. Neither any Loan Party nor any Subsidiary thereof is party to any tax sharing agreement.

6.12 **ERISA and Canadian Pension Plan Compliance.**

(a) Except as could not reasonably be expected to result in a Material Adverse Effect, each Plan is in compliance in all material respects with the applicable provisions of ERISA, the Internal Revenue Code and other applicable federal or state laws. Each Pension Plan that is intended to be a qualified plan under Section 401(a) of the Internal Revenue Code has received a favorable determination or opinion letter from the Internal Revenue Service to the effect that the form of such Plan is qualified under Section 401(a) of the Internal Revenue Code or an application for such a letter has been filed with the Internal Revenue Service. To the best knowledge of the Loan Parties, nothing has occurred that would reasonably be expected to cause the revocation of, such letter.

(b) There are no pending or, to the best knowledge of the Loan Parties, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that could be reasonably be expected to have a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that has resulted or could reasonably be expected to result in a Material Adverse Effect.

(c) No ERISA Event has occurred and neither any Borrower nor any ERISA Affiliate is aware of any fact, event or circumstance that could reasonably be expected to constitute or result in an ERISA Event with respect to any Pension Plan; (ii) each Borrower and each ERISA Affiliate has met all applicable requirements under the Pension Funding Rules in respect of each Pension Plan, and no waiver of the minimum funding standards under the Pension Funding Rules has been applied for or obtained for any Pension Plan; (iii) neither any Borrower nor any ERISA Affiliate has incurred any liability to the PBGC other than for the payment of premiums, and there are no premium payments which have become due that are unpaid; (iv) neither any Borrower nor any ERISA Affiliate has engaged in a transaction that could be subject to Section 4069 of ERISA; and (v) no Pension Plan has been terminated by the plan administrator thereof nor by the PBGC, and no event or circumstance has occurred or exists that could reasonably be expected to cause the PBGC to institute proceedings under Title IV of ERISA to terminate any Pension Plan.

(d) Provided that no Loan or Commitment is funded by any Lender with "plan assets" (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) of one or more Benefit Plans, each Borrower represents and warrants as of the Closing Date that such Borrower is not and will not be using such "plan assets" in connection with the Loans, the Letters of Credit or the Commitments.

(e) To the extent there are any Canadian Pension Plans: (i) except as could not reasonably be expected to result in a Material Adverse Effect, each such Canadian Pension Plan is, and has at all times, been administered in compliance in all material respects with applicable Canadian pension standards legislation and the ITA; (ii) each such Canadian Pension Plan has received a confirmation of registration from the appropriate Governmental Authorities, including the Canada Revenue Agency and the applicable pension regulator; (iii) to the best knowledge of the Loan Parties, nothing has occurred that would reasonably be expected to prevent or cause the revocation of such registration referred to in clause (ii) above; and (iv) each applicable Loan Party and each Subsidiary has withheld and remitted all required contributions to each Canadian Pension Plan in a timely fashion in accordance with applicable legislative requirements.

(f) To the extent there are any Canadian Pension Plans: (i) there are no pending or, to the best knowledge of the Loan Parties, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any such Canadian Pension Plan that could reasonably be expected to have a Material Adverse Effect; and (ii) there has been no prohibited transaction or violation of the fiduciary duty with respect to any such Canadian Pension Plan that has resulted or could reasonably be expected to result in a Material Adverse Effect.

(g) No Loan Party or Subsidiary maintains, contributes to, or has any liability or contingent liability with respect to, a Canadian Defined Benefit Pension Plan.

6.13 **Subsidiaries.**

Set forth on Schedule 6.13 is a complete and accurate list as of the Closing Date of each Subsidiary of any Loan Party, together with (a) jurisdiction of formation, (b) number of shares of each class of Equity Interests outstanding, (c) number and percentage of outstanding shares of each class owned (directly or indirectly) by any Loan Party or any Subsidiary and (d) number and effect, if exercised, of all outstanding options, warrants, rights of conversion or purchase and all other similar rights with respect thereto. The outstanding Equity Interests of each Subsidiary of any Loan Party are validly issued, fully paid and non-assessable.

6.14 **Margin Regulations; Investment Company Act.**

(a) No Loan Party is engaged nor will engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U issued by the FRB), or extending credit for the purpose of purchasing or carrying margin stock. Following the application of the proceeds of each Borrowing or drawing under each Letter of Credit, not more than 25% of the value of the assets (either of any Borrower only or of the Parent Borrower and its Subsidiaries on a consolidated basis) subject to the provisions of Section 8.01 or Section 8.05 or subject to any restriction contained in any agreement or instrument between any Borrower and any Lender or any Affiliate of any Lender relating to Indebtedness and within the scope of Section 9.01(e) will be margin stock.

(b) None of any Loan Party, any Person Controlling any Loan Party, or any Subsidiary is or is required to be registered as an "investment company" under the Investment Company Act of 1940.

6.15 **Disclosure.**

Each Loan Party has disclosed to the Administrative Agent and the Lenders all agreements, instruments and corporate or other restrictions to which it or any of its Subsidiaries is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. No report, financial statement, certificate or other information (other than projections, pro formas, budgets and general industry and economic information) furnished (whether in writing or orally) by or on behalf of any Loan Party to the Administrative Agent or any Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder or under any other Loan Document (in each case, as modified or supplemented by other information so furnished), when taken as a whole, contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not materially misleading; provided that, with respect to projected financial information, the Loan Parties represent only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

6.16 **Compliance with Laws.**

Each Loan Party and each Subsidiary is in compliance with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to comply therewith could not reasonably be expected to have a Material Adverse Effect.

6.17 **Intellectual Property; Licenses, Etc.**

Each Loan Party and each Subsidiary owns, or possess the legal right to use, all of the trademarks, service marks, trade names, copyrights, patents, patent rights, franchises, licenses, designs and other intellectual property rights (collectively, "IP Rights") that are reasonably necessary for the operation of their respective businesses. Set forth on Schedule 6.17 is a list of all IP Rights registered or pending registration with the United States Copyright Office, the United States Patent and Trademark Office and the Canadian Intellectual Property Office and owned by each Loan Party as of the Closing Date. Except for such claims and infringements that could not reasonably be expected to have a Material Adverse Effect, no claim has been asserted and is pending by any Person challenging or questioning the use of any IP Rights or the validity or effectiveness of any IP Rights, nor does any Loan Party know of any such claim, and, to the knowledge of the Loan Parties, the use of any IP Rights by any Loan Party or any of its Subsidiaries or the granting of a right or a license in respect of any IP Rights from any Loan Party or any of its Subsidiaries does not infringe on the rights of any Person. As of the Closing Date, none of the IP Rights owned by any of the U.S. Loan Parties is subject to any licensing agreement or similar arrangement except as set forth on Schedule 6.17.

6.18 **Solvency.**

Each Borrower is now, and after giving effect to the Loans to be made hereunder, at all times will be, Solvent. The Loan Parties are, and after giving effect to the Loans to be made hereunder, at all times will be, Solvent on a consolidated basis.

6.19 **Perfection of Security Interests in the Collateral.**

The Collateral Documents create valid security interests in, and Liens on, the Collateral purported to be covered thereby, which security interests and Liens are currently perfected security interests and Liens, prior to all other Liens other than Permitted Liens.

6.20 **Business Locations.**

Set forth on Schedule 6.20(a) is a list that includes all material real property located in the United States or Canada that is owned or leased by the Loan Parties as of the Closing Date and an indication of which properties constitute Mortgaged Property. Set forth on Schedule 6.20(b) is the tax-payer identification number and organizational identification number of each Loan Party as of the Closing Date. The exact legal name and state, province, territory or other jurisdiction of formation of organization of each Loan Party is as set forth on the signature pages hereto. Except as set forth on Schedule 6.20(c), no Loan Party has during the five (5) years preceding the Closing Date (to the best knowledge of the Loan Parties with respect to periods prior to the Parent Borrower's or any Subsidiary's ownership of any property or Person) (i) changed its legal name, (ii) changed its state, province, territory or other jurisdiction of formation, (iii) been party to a merger, amalgamation, consolidation or other change in structure, or (iv) with respect to the Canadian Loan Parties, changed its chief executive office or registered office.

6.21 **Labor Matters.**

There are no collective bargaining agreements or Multiemployer Plans covering the employees of any Loan Party or any Subsidiary as of the Closing Date and neither any Loan Party nor any Subsidiary is subject to any strikes, walkouts, work stoppages or other material labor difficulty as of the Closing Date.

6.22 **Government Sanctions.**

The Parent Borrower represents that neither the Parent Borrower nor any of its Subsidiaries (collectively, the "Company") or, to the knowledge of the Parent Borrower, any director, officer, employee, agent, affiliate or representative of the Parent Borrower nor any of its Subsidiaries is an individual or entity currently subject to any sanctions administered or enforced by any Governmental Authority of the United States, including without limitation, the U.S. Department of Treasury's Office of Foreign Assets Control, any Governmental Authority of Canada, the United Nations Security Council, the European Union, Her Majesty's Treasury, or other relevant sanctions authority ("Sanctions"), nor is the Parent Borrower located, organized or resident in a country or territory that is the subject of Sanctions.

6.23 **PATRIOT Act and Canadian AML Acts.**

To the extent applicable, the Parent Borrower and each Subsidiary is in compliance, in all material respects, with (a) the Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto, (b) the PATRIOT Act, and (c) the Canadian AML Acts.

6.24 **Anti-Corruption Laws.**

To the extent applicable, no part of the proceeds of any Loan or Letter of Credit will be used by any Loan Party, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended, the Corruption of Foreign Public Officials Act (Canada), or any similar laws, rules or regulations issued, administered or enforced by any Governmental Authority having jurisdiction over any of any Borrower or any other Loan Party.

6.25 **No Affected Financial Institution.**

No Loan Party is an Affected Financial Institution.

6.26 **Covered Entities.**

No Loan Party is a Covered Entity.

ARTICLE VII.

AFFIRMATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding (other than contingent indemnity obligations and Letters of Credit which have been Cash Collateralized), the Loan Parties shall and shall cause each Subsidiary to:

7.01 **Financial Statements.**

Deliver to the Administrative Agent (for further distribution to each Lender), in form and detail satisfactory to the Administrative Agent:

(a) within ninety (90) days after the end of each fiscal year of the Parent Borrower, beginning with the fiscal year ending December 31, 2020, a consolidated balance sheet of the Parent Borrower and its Subsidiaries as at the end of such fiscal year, and the related consolidated statements of income or operations, changes in shareholders' equity and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and prepared in accordance with GAAP, and in the case of such consolidated statements, audited and accompanied by a report and opinion of an independent certified public accountant of nationally recognized standing acceptable to Administrative Agent, which report and opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit (other than a qualification or exception for the fiscal year ending within twelve (12) months immediately preceding the scheduled maturity of the Loans solely as a result of such scheduled maturity) (the "Audited Financial Statements");

(b) within forty-five (45) days after the end of each of the fiscal quarters of each fiscal year of the Parent Borrower, beginning with the fiscal quarter ending March 31, 2020, a consolidated balance sheet of the Parent Borrower and its Subsidiaries as at the end of such fiscal quarter, and the related consolidated statements of income or operations, changes in shareholders' equity and cash flows for such fiscal quarter and for the portion of the Parent Borrower's fiscal year then ended, setting forth in each case in comparative form the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, all in reasonable detail and in the case of such consolidated statements, certified by a Responsible Officer of the Parent Borrower as fairly presenting in all material respects the financial condition, results of operations, shareholders' equity and cash flows of the Parent Borrower and its Subsidiaries in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes; and

(c) within thirty (30) days after the end of each of the first two (2) fiscal months of each fiscal quarter and forty-five (45) days after the end of each fiscal month that is the last month of each fiscal quarter, beginning with the fiscal month ending March 31, 2020, (x) prior to the completion of the Workday Enterprise Resource Planning Project, (1) a copy of the management prepared consolidated balance sheet of the Parent Borrower and its Subsidiaries as of the end of such fiscal month and for the portion of the fiscal year then ended and (2) management prepared consolidated non-GAAP statements of revenue, gross profit, SG&A expense, and unadjusted earnings before interest, taxes, depreciation and amortization for the most recently ended month and (y) following the completion of the Workday Enterprise Resource Planning Project, (1) a consolidated balance sheet of the Parent Borrower and its Subsidiaries as at the end of such fiscal month, (2) the related consolidated statements of income or operations, and (3) a report on depreciation, amortization, capital expenditure expenses and dividend payments, in each case, for such fiscal month and for the portion of the Parent Borrower's fiscal year then ended, setting forth in each case in comparative form the figures for the corresponding fiscal month of the previous fiscal year and the corresponding portion of the previous fiscal year, all in reasonable detail and in the case of such consolidated statements and prepared in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes.

7.02 **Certificates; Other Information.**

Deliver to the Administrative Agent (for further distribution to each Lender), in form and detail satisfactory to the Administrative Agent:

(a) concurrently with the delivery of the financial statements referred to in Sections 7.01(a) and (b), (i) a duly completed Compliance Certificate signed by a Responsible Officer of the Parent Borrower (which Compliance Certificate shall describe the occurrence of any Foreign Collateral Document Trigger Event) and (ii) a written business discussion by management of the results of the business of the Parent Borrower and its Subsidiaries for such period and highlighting performance drivers;

(b) within sixty (60) days after the end of each fiscal year of the Parent Borrower, beginning with the fiscal year ending December 31, 2020, an annual business plan and budget of the Parent Borrower and its Subsidiaries containing, among other things, pro forma financial statements for each month of the next fiscal year;

(c) promptly after the same are available, copies of each annual report, proxy or financial statement or other report or communication sent to all of the equityholders of any Loan Party generally in their capacity as such and not otherwise required to be delivered to the Administrative Agent pursuant hereto;

(d) promptly after any request by the Administrative Agent or any Lender, copies of any material detailed audit reports, management letters or written recommendations submitted to the board of directors (or the audit committee of the board of directors) of the Parent Borrower by independent accountants in connection with the accounts or books of the Parent Borrower or any Subsidiary, or any audit of any of them;

(e) promptly after the furnishing thereof, copies of any material statement or report furnished to any holder of debt securities of any Loan Party or any Subsidiary thereof pursuant to the terms of any indenture, loan or credit or similar agreement and not otherwise required to be furnished to the Lenders pursuant to Section 7.01 or any other clause of this Section 7.02;

(f) promptly, such additional information regarding the business, financial or corporate affairs of any Loan Party or any Subsidiary, or compliance with the terms of the Loan Documents, as any Agent or any Lender may from time to time request;

(g) promptly after the furnishing thereof, copies of any notices received by any Loan Party (other than in the ordinary course of business) with respect to, and copies of any amendment, modification or waiver with respect to the Series A-1 Preferred Equity Documents, the Series A-2 Preferred Equity Documents, or any documentation evidencing any Subordinated Indebtedness or, as applicable, the documentation related to any Permitted Refinancing thereof, and not otherwise required to be furnished to the Lenders pursuant to any other clause of this Section 7.02;

(h) in the first Compliance Certificate required to be delivered following the date that any Loan Party acquires or otherwise obtains ownership of any new IP Rights registered with the USPTO or US Copyright Office, as applicable, a certificate of a Responsible Officer of the Parent Borrower listing all such new IP Rights;

(i) promptly, and in any event within five (5) Business Days after receipt thereof by any Loan Party or any Subsidiary thereof, copies of each notice or other correspondence received from the SEC (or comparable agency in any applicable non-U.S. jurisdiction) concerning any investigation or possible investigation or other inquiry by such agency regarding financial or other operational results of any Loan Party or any Subsidiary thereof; and

(j) promptly after the preparation of the same, copies of all material reports or financial information filed with any governmental agency, department, bureau, division or other governmental authority or regulatory body, or evidencing facts or containing information which could have a Material Adverse Effect.

Documents required to be delivered pursuant to Section 7.01(a) or (b) or Section 7.02 (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Parent Borrower posts such documents, or provides a link thereto on the Parent Borrower's website on the Internet at the website address listed on Schedule 11.02; or (ii) on which such documents are posted on the Parent Borrower's behalf on an Internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); provided, that: the Parent Borrower shall notify the Administrative Agent (by facsimile or electronic mail) of the posting of any such documents and provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents. The Administrative Agent shall have no obligation to request the delivery of or to maintain paper copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Parent Borrower with any such request for delivery by a Lender, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

The Parent Borrower hereby acknowledges that (a) the Administrative Agent and/or the Arrangers may, but shall not be obligated to, make available to the Lenders and the L/C Issuer materials and/or information provided by or on behalf of the Parent Borrower hereunder (collectively, the "Borrower Materials") by posting the Borrower Materials on Debt Domain, IntraLinks, Syndtrak or another similar electronic system (the "Platform") and (b) certain of the Lenders (each, a "Public Lender") may have personnel who do not wish to receive material non-public information with respect to the Parent Borrower or its Affiliates, or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such Person's securities. The Parent Borrower hereby agrees that (w) all Borrower Materials that are to be made available to Public Lenders shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Borrower Materials "PUBLIC," the Parent Borrower shall be deemed to have authorized the Administrative Agent, the Arrangers and the Lenders to treat such Borrower Materials as not containing any material non-public information with respect to the Parent Borrower or its securities for purposes of United States federal and state securities laws (provided, however, that to the extent such Borrower Materials constitute Information, they shall be treated as set forth in Section 11.07); (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated as "Public Side Information;" and (z) the Administrative Agent and the Arrangers shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform that is not designated as "Public Side Information."

7.03 **Notices.**

(a) Promptly (and in any event, within two (2) Business Days) notify the Administrative Agent (for further notification to the Revolver Agent and each Lender) of the occurrence of any Default.

(b) Promptly (and in any event, within five (5) Business Days) notify the Administrative Agent (for further notification to the Revolver Agent and each Lender) of any matter that has resulted or could reasonably be expected to result in a Material Adverse Effect, including (i) breach or non-performance of, or any default under, a Contractual Obligation of any Loan Party or any Subsidiary; (ii) any dispute, litigation, investigation, proceeding or suspension between any Loan Party or any Subsidiary and any Governmental Authority; or (iii) the commencement of, or any material development in, any litigation or proceeding affecting any Loan Party or any Subsidiary, including pursuant to any applicable Environmental Laws.

(c) Promptly (and in any event, within five (5) Business Days) notify the Administrative Agent (for further notification to the Revolver Agent and each Lender) of (i) the occurrence of any ERISA Event or (ii) any failure by any Loan Party or any Subsidiary to perform its obligations under a Canadian Pension Plan which could reasonably be expected to result in a Material Adverse Effect.

(d) Promptly (and in any event, within five (5) Business Days) notify the Administrative Agent (for further notification to the Revolver Agent and each Lender) of any material change in accounting policies or financial reporting practices by the Parent Borrower or any Subsidiary, including any determination by the Parent Borrower referred to in Section 2.10(b).

Each notice pursuant to this Section 7.03(a) through (d) shall be accompanied by a statement of a Responsible Officer of the Parent Borrower setting forth details of the occurrence referred to therein and stating what action the applicable Loan Party has taken and proposes to take with respect thereto. Each notice pursuant to Section 7.03(a) shall describe with particularity any and all provisions of this Agreement and any other Loan Document that have been breached.

7.04 **Payment of Obligations.**

Pay and discharge, as the same shall become due and payable all federal and material tax liabilities, assessments and governmental charges or levies upon it or its properties or assets, unless the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves in accordance with GAAP are being maintained by the Loan Party or such Subsidiary.

7.05 **Preservation of Existence, Etc.**

(a) Preserve, renew and maintain in full force and effect its legal existence under the Laws of the jurisdiction of its organization except in a transaction permitted by Section 8.04 or 8.05.

(b) Preserve, renew and maintain in full force and effect its good standing under the Laws of the jurisdiction of its organization, except to the extent the failure to do so could not reasonably be expected to have a Material Adverse Effect.

(c) Take all reasonable action to maintain all rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its business, except to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect.

(d) Preserve or renew all of its material registered patents, copyrights, trademarks, trade names and service marks, the non-preservation or non-renewal of which could reasonably be expected to have a Material Adverse Effect.

7.06 **Maintenance of Properties.**

(a) Maintain, preserve and protect all of its material properties and equipment necessary in the operation of its business in good working order and condition, ordinary wear and tear, casualty and condemnation excepted.

(b) Make all necessary repairs thereto and renewals and replacements thereof, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect.

(c) Use the standard of care typical in the industry in the operation and maintenance of its facilities.

7.07 **Maintenance of Insurance.**

(a) Maintain in full force and effect insurance (including worker's compensation insurance, liability insurance, casualty insurance and business interruption insurance) with reputable insurance companies not Affiliates of any Loan Party, in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where the applicable Loan Party or the applicable Subsidiary operates.

(b) Without limiting the foregoing, (i) maintain, if available, fully paid flood hazard insurance on all real property that is located in a special flood hazard area and that constitutes Collateral, on such terms and in such amounts as required by Flood Insurance Laws or as otherwise required by the Administrative Agent (but in no event less than the minimum amount and other conditions required by Flood Insurance Laws), (ii) furnish to the Administrative Agent evidence of the renewal (and payment of renewal premiums therefor) of all such policies prior to the expiration or lapse thereof, and (iii) furnish to the Administrative Agent prompt written notice of any redesignation of any such improved real property into or out of a special flood hazard area.

(c) Cause the Administrative Agent and its successors and/or assigns to be named as loss payee or mortgagee, as its interest may appear, and/or additional insured with respect to any such insurance providing coverage in respect of any Collateral, and each provider of any such insurance shall agree, by endorsement upon the policy or policies issued by it or by independent instruments furnished to the Administrative Agent, that it will endeavor to give the Administrative Agent thirty (30) days (or ten (10) days in the case of nonpayment of premiums) prior written notice before any such policy or policies shall be altered or canceled.

7.08 **Compliance with Laws.**

Comply with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its business or property, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted; or (b) the failure to comply therewith could not reasonably be expected to have a Material Adverse Effect.

7.09 **Books and Records.**

(a) Maintain proper books of record and account, in which full, true and correct entries in conformity with GAAP in all material respects consistently applied (except as disclosed therein and approved by the Administrative Agent in writing) shall be made of all financial transactions and matters involving the assets and business of such Loan Party or such Subsidiary, as the case may be.

(b) Maintain such books of record and account in material conformity with all applicable requirements of any Governmental Authority having regulatory jurisdiction over such Loan Party or such Subsidiary, as the case may be.

7.10 **Inspection Rights.**

Permit representatives and independent contractors of the Administrative Agent (and, to the extent accompanying the Administrative Agent, the Lenders and the Revolver Agent, at their sole cost and expense) to visit and inspect any of its properties, to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its directors, officers, and, provided that the Parent Borrower is given the opportunity to be present, independent public accountants, all at the expense of the Parent Borrower and at such reasonable times during normal business hours upon reasonable advance notice to the Parent Borrower; provided, however, that (i) when an Event of Default exists the Administrative Agent (or any of their respective representatives or independent contractors) may do any of the foregoing at the expense of the Parent Borrower at any time during normal business hours and without advance notice, and (ii) absent an Event of Default, the Parent Borrower shall only be required to pay for one such visit and/or inspection by the Administrative Agent per fiscal year.

7.11 **Use of Proceeds.**

Use the proceeds of the Credit Extensions (a) in the case of the Term Loan, to refinance existing Indebtedness under the Existing Credit Agreement, to finance the fees, costs and expenses associated with the closing of this Agreement and the Specified Permitted Acquisition Agreement, to fund cash on the balance sheet of the Loan Parties (subject to Section 7.17) and for working capital and other general corporate purposes and (b) in the case of the Revolving Loans, to refinance existing Indebtedness under the Existing Credit Agreement, to finance working capital and capital expenditures and for other general corporate purposes, including capital expenditures, Permitted Acquisitions, and Restricted Payments permitted hereunder; provided that in no event shall the proceeds of the Credit Extensions be used in contravention of any Law or of any Loan Document.

7.12 **Additional Subsidiaries.**

(a) Within thirty (30) days (or such later date as the Administrative Agent may agree in its reasonable discretion) after the acquisition or formation of any Subsidiary notify the Administrative Agent thereof in writing, together with the (i) jurisdiction of formation, (ii) number of shares of each class of Equity Interests outstanding, (iii) number and percentage of outstanding shares of each class owned (directly or indirectly) by the Parent Borrower or any Subsidiary and (iv) number and effect, if exercised, of all outstanding options, warrants, rights of conversion or purchase and all other similar rights with respect thereto; and

(b) Within thirty (30) days (or such later date as the Administrative Agent may agree in its reasonable discretion) after the acquisition or formation of any Subsidiary that is not an Excluded Subsidiary (or such later date as the Administrative Agent may agree in its sole discretion), (i) (A) if such Subsidiary is a Domestic Subsidiary (unless such Domestic Subsidiary is (x) a direct non-Wholly Owned Subsidiary of PARS ENVIRONMENTAL, Inc., a New Jersey corporation ("PARS"), or (y) with the consent of the Administrative Agent in consultation with the Parent Borrower, any other non-Wholly Owned Subsidiary of Parent Borrower or a Guarantor which was acquired in a Permitted Acquisition; provided that, (I) the remaining Equity Interests of such Domestic Subsidiary are not held by the Parent Borrower or any Subsidiary of the Parent Borrower, and (II) such Domestic Subsidiary has no material assets or operations other than being party to one or more government contracts), cause such Person to become a Guarantor of the Obligations by executing and delivering to the Administrative Agent a Joinder Agreement or such other documents as the Administrative Agent shall deem appropriate for such purpose or (B) if such Subsidiary is a Foreign Subsidiary (unless such Foreign Subsidiary is (x) with the consent of the Administrative Agent in consultation with the Parent Borrower, any other non-Wholly Owned Subsidiary of Parent Borrower or a Guarantor which was acquired in a Permitted Acquisition; provided that, (I) the remaining Equity Interests of such Foreign Subsidiary are not held by the Parent Borrower or any Subsidiary of the Parent Borrower, and (II) such Foreign Subsidiary has no material assets or operations other than being party to one or more government contracts), cause such Person to become a Guarantor of the Obligations by executing and delivering to the Administrative Agent a Joinder Agreement or such other documents governed by the laws of the State of New York or another jurisdiction as the Administrative Agent shall deem appropriate for such purpose; provided that no such Subsidiary that is a "controlled foreign corporation" within the meaning of Section 957 of the Internal Revenue Code shall be required to become a Guarantor with respect to any Obligations of a Borrower that is a U.S. Person until such time as such Subsidiary has been owned, directly or indirectly, by a U.S. Loan Party for at least one year and (ii) cause such Person required to become a Guarantor to deliver to the Administrative Agent documents of the types referred to in Section 5.01(e) and Section 5.01(f) and, if reasonably requested by the Administrative Agent (it being agreed no opinions shall be required with respect to Immaterial Subsidiaries), favorable opinions of New York counsel to such Person (which shall cover, among other things, the legality, validity, binding effect and enforceability of the documentation referred to in clause (i)(A) or (i)(B), as applicable), all in form, content and scope satisfactory to the Administrative Agent.

(c) Within ninety (90) days (or such later date as the Administrative Agent may agree in its reasonable discretion) after the date that the Administrative Agent has requested such action following delivery of a Compliance Certificate notifying the Administrative Agent that a Foreign Collateral Document Trigger Event has occurred and is continuing, if such Subsidiary is a Foreign Subsidiary, deliver all Additional Collateral Documents reasonably requested by the Administrative Agent for the applicable foreign jurisdiction, which Additional Collateral Documents shall be customary for such applicable foreign jurisdiction (including, without limitation, customary legal opinions).

In no event shall any Subsidiary be required to complete any filings or other action with respect to the perfection of security interests in any jurisdiction other than any Specified Guarantee Jurisdiction, and no actions in any jurisdiction or required by laws of any jurisdiction (in each case, other than any Specified Guarantee Jurisdiction) shall be required to be taken to create or perfect any security interests in any other jurisdiction (including any Equity Interests of Foreign Subsidiaries and any intellectual property governed by or arising or existing under the laws of any jurisdiction other than in the United States or any Specified Guarantee Jurisdiction (it being understood that there shall be no requirement to enter into security agreements or pledge agreements governed under the laws of any jurisdiction other than in the United States or any Specified Guarantee Jurisdiction). Except as otherwise required by the laws of any Specified Guarantee Jurisdiction, no Loan Party shall be required to complete any filings with respect to intellectual property beyond the filing of intellectual property security agreements with the United States Patent and Trademark Office, the United States Copyright Office or the Canadian Intellectual Property Office, as applicable (and the filing of Uniform Commercial Code and PPSA financing statements) or to enter into any deposit account control agreement with respect to any Excluded Account (as defined in the Security Agreement and the Canadian Security Agreement, as applicable). For the avoidance of doubt, in no event shall the Collateral include any Excluded Property.

7.13 **ERISA Compliance and Canadian Pension Plan Compliance.**

(a) Do, and cause each of its ERISA Affiliates to do, each of the following: (i) maintain each Plan in compliance with the applicable provisions of ERISA, the Internal Revenue Code and other federal or state law, except to the extent that the failure to do so could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; (ii) cause each Plan that is qualified under Section 401(a) of the Internal Revenue Code to maintain such qualification; and (iii) make all required contributions to any Pension Plan subject to Section 412 or Section 430 of the Internal Revenue Code.

(b) Do, and cause each of its Subsidiaries to do, each of the following, upon the establishment of, or otherwise having in effect, or any liability or contingent liability with respect to, any Canadian Pension Plans: (i) maintain each such Canadian Pension Plan in compliance with applicable Canadian pension standards legislation and the ITA, except to the extent that the failure to do so could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; (ii) cause each such Canadian Pension Plan that has received a confirmation of registration from the Canada Revenue Agency to maintain such registration so long as such registration is required or for so long as it or its Subsidiaries have any Canadian Pension Plans; and (iii) make all required contributions to each such Canadian Pension Plan in a timely fashion in accordance with applicable legislative requirements.

7.14 **Pledged Assets.**

(a) Equity Interests. Subject to Section 7.14(c) and the last paragraph of Section 7.12, cause one hundred percent (100%) of the issued and outstanding Equity Interests of each Subsidiary directly owned by a Loan Party (subject, in the case of a newly acquired or formed Subsidiary, to the time periods described in Section 7.12(a) and (b), as applicable) to a first priority, perfected Lien in favor of the Administrative Agent (subject to, in the case of Foreign Subsidiaries, local requirements in the applicable jurisdiction), for the benefit of the holders of the Obligations, pursuant to the terms and conditions of the Collateral Documents (including, with respect to any Equity Interests in any Foreign Subsidiary directly owned by any Loan Party, the Additional Collateral Documents for such jurisdiction governed by the laws of such jurisdiction to the extent required by Section 7.14(c) and requested by the Administrative Agent pursuant to Section 7.12(c) in form and substance reasonably satisfactory to the Administrative Agent), together with opinions of counsel and any filings and deliveries reasonably requested by the Administrative Agent necessary in connection therewith to perfect the security interests therein, all in form and substance reasonably satisfactory to the Administrative Agent.

(b) Other Property. Subject to Section 7.14(c) and the last paragraph of Section 7.12, (i) no later than ninety (90) days following the Closing Date (or such later date as the Administrative Agent may agree in its sole discretion) cause all of its owned and leased real and personal property other than Excluded Property of each Loan Party to be subject at all times (subject, in the case of a newly acquired or formed Subsidiary, to the time periods described in Section 7.12(a) and (b), as applicable) to first priority (subject to Permitted Liens and in the case of Foreign Subsidiaries, local requirements in the applicable jurisdiction), perfected and, in the case of owned real property with a purchase price or fair market value in excess of $2,000,000, title insured Liens in favor of the Administrative Agent, for the benefit of the holders of the Obligations, to secure the Obligations pursuant to the terms and conditions of the Collateral Documents or, with respect to any such property acquired subsequent to the Closing Date, such other additional security documents as the Administrative Agent shall reasonably request, subject in any case to Permitted Liens and (ii) deliver such other documentation as the Administrative Agent may reasonably request in connection with the foregoing, including, without limitation, appropriate UCC-1 financing statements (or equivalent filings, registrations or agreements in foreign jurisdictions), real estate title insurance policies, surveys, environmental reports, flood search determinations (and evidence of any required flood insurance), filings and deliveries necessary to perfect such Liens, Organization Documents, resolutions, and in the case of any material Subsidiary, favorable opinions of counsel to such material Subsidiary (which shall cover, among other things, the legality, validity, binding effect and enforceability of the documentation referred to above and the perfection of the Administrative Agent's Liens thereunder) and other items of the types required to be delivered pursuant to Section 5.01(e) and (f), all in form, content and scope satisfactory to the Administrative Agent. Notwithstanding anything contained in this Agreement to the contrary, no Mortgage shall be executed and delivered with respect to any owned real property unless and until each Lender has received, at least twenty (20) Business Days in advance of such execution and delivery, a life of loan flood zone determination and such other documents as it may reasonably request to complete its flood insurance due diligence and has confirmed to the Administrative Agent that flood insurance due diligence and flood insurance compliance have been completed to its satisfaction; provided that the failure of a Loan Party to cause a Mortgage to be filed in accordance with this Section 7.14(b) as a result of the failure of a Lender to provide such confirmation shall not result in a Default hereunder.

(c) Notwithstanding the foregoing, Foreign Subsidiaries shall not be required to enter into any Additional Collateral Documents unless and until (x) the aggregate amount of Consolidated EBITDA or Consolidated Total Assets attributable to all Foreign Subsidiaries exceeds ten percent (10%) of Consolidated EBITDA of Parent Borrower and its Subsidiaries or ten percent (10%) of Consolidated Total Assets of Parent Borrower and its Subsidiaries, as applicable, as of the last day of the most recently ended fiscal quarter for which the Compliance Certificate has been delivered to Administrative Agent pursuant to Section 7.02(a) and (y) the aggregate amount of Consolidated EBITDA or Consolidated Total Assets attributable to all Foreign Subsidiaries from the jurisdiction of organization of such Foreign Subsidiary exceeds five percent (5%) of Consolidated EBITDA of Parent Borrower and its Subsidiaries or five percent (5%) of Consolidated Total Assets of Parent Borrower and its Subsidiaries as of the last day of the most recently ended fiscal quarter for which the Compliance Certificate has been delivered to Administrative Agent pursuant to Section 7.02(a) (the "Foreign Collateral Document Trigger Event") occurs. Subject to the first sentence of this Section 7.14(c) and the last paragraph of Section 7.12, the Parent Borrower shall cause such Foreign Subsidiaries to deliver all Additional Collateral Documents reasonably requested by the Administrative Agent for the applicable foreign jurisdiction in accordance with timing requirements set forth Section 7.12(c).

7.15 **Further Assurances.**

Promptly upon request by the Administrative Agent, or any Lender through the Administrative Agent, (a) correct any material defect or error that may be discovered in any Loan Document or in the execution, acknowledgment, filing or recordation thereof, and (b) do, execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register any and all such further acts, deeds, certificates, assurances and other instruments (including promptly completing any registration or stamping of documents as may be applicable) as the Administrative Agent, or any Lender through the Administrative Agent, may reasonably require from time to time in order to (i) carry out more effectively the purposes of the Loan Documents, (ii) to the fullest extent permitted by applicable Law, subject any Loan Party's or any of its Subsidiaries' properties, assets, rights or interests to the Liens now or hereafter intended to be covered by any of the Collateral Documents, (iii) perfect and maintain the validity, effectiveness and priority of any of the Collateral Documents and any of the Liens intended to be created thereunder and (iv) assure, convey, grant, assign, transfer, preserve, protect and confirm more effectively unto the holders of the Obligations the rights granted or now or hereafter intended to be granted to the holders of the Obligations under any Loan Document or under any other instrument executed in connection with any Loan Document to which any Loan Party or any of its Subsidiaries is or is to be a party, and cause each of its Subsidiaries to do so.

7.16 **Compliance with Environmental Laws.**

Comply, and cause all lessees and other Persons operating or occupying its properties to comply, in all material respects, with all applicable Environmental Laws; obtain and renew all environmental permits necessary for its operations and properties, except to the extent the failure to obtain or renew the applicable permit could not reasonably be expected to result in a Material Adverse Effect; and conduct any investigation, study, sampling and testing, and undertake any cleanup, removal, remedial or other action necessary to remove and clean up all Hazardous Materials from any of its properties, in accordance in all material respects with the requirements of all Environmental Laws; provided, however, that neither the Parent Borrower nor any of its Subsidiaries shall be required to undertake any such cleanup, removal, remedial or other action to the extent that its obligation to do so is being contested in good faith and by proper proceedings and appropriate reserves are being maintained with respect to such circumstances in accordance with GAAP.

7.17 **Deposit Accounts.**

(a) No later than the end of the first full fiscal quarter following the completion of the Workday Enterprise Resource Planning Project (or such later date as the Administrative Agent may agree in its sole discretion), maintain each Loan Party's deposit accounts and disbursement accounts (other than Excluded Accounts and other deposit accounts of the U.S. Loan Parties with balances which shall not exceed $1,000,000 in the aggregate for all such accounts at any one time) located in the United States or Canada with the Administrative Agent, other than the accounts of the Parent Borrower and its Subsidiaries held at Bank of America, N.A. as of the Closing Date into which customers directly make payments to the Parent Borrower and its Subsidiaries (the "BofA Disbursement Accounts"); provided, that, with respect to Loan Parties acquired in connection with an Investment permitted under Section 8.02, such Loan Parties shall be afforded no less than one hundred and eighty (180) (or such later date as the Administrative Agent may agree in its sole discretion) following the date such Person becomes a Loan Party to maintain such Loan Party's deposit accounts and disbursements accounts located in the United States or Canada with the Administrative Agent. No later than the end of the first full fiscal quarter following the completion of the Workday Enterprise Resource Planning Project (or such later date as the Administrative Agent may agree in its sole discretion), all funds deposited in the BofA Disbursement Accounts shall be swept on a daily basis to a deposit account maintained with the Administrative Agent and subject to a Control Agreement pursuant to a standing written instruction from the Parent Borrower and its Subsidiaries to Bank of America, N.A.

(b) From and after the 90th day after the Closing Date (or such later date as the Administrative Agent may agree in its sole discretion), maintain fully executed Control Agreements on all deposit accounts and securities accounts of the Loan Parties, other than, (i) any such accounts not located in the United States or Canada, (ii) other deposit accounts of the U.S. Loan Parties with balances which shall not exceed $1,000,000 in the aggregate for all such accounts at any one time, (iii) Excluded Accounts (as defined in the Security Agreement and the Canadian Security Agreement, as applicable), and (iv) deposit accounts of the Canadian Loan Parties with balances which shall not exceed $500,000 in the aggregate for all such accounts at any one time; provided, however, that following the acquisition of any Subsidiary, such Subsidiary shall not be required to comply with this Section 7.17 until the date 90 days after such Subsidiary is added as a Guarantor in accordance with Section 7.12(b) (or such later date as the Administrative Agent may agree in its sole discretion).

(c) On the Closing Date, deposit all proceeds of the Term Loans not otherwise applied to refinance Indebtedness or pay fees and expenses to accounts maintained with the Administrative Agent.

7.18 **Activities of the Parent Borrower.**

Use commercially reasonable efforts to cause the Parent Borrower to not have any material operations or activities, or own any assets, related to the business of the Parent Borrower and its Subsidiaries, other than (a) operations and activities conducted by, and assets owned by, the Parent Borrower as of the Closing Date, (b) other operations and activities, and other assets, similar to those conducted or owned, as the case may be, by the Parent Borrower on the Closing Date or consistent with past practices of the Parent Borrower, and (c) other operations, activities or assets approved by the Administrative Agent.

7.19 **Quarterly Lenders Calls.**

At the request of the Administrative Agent or Required Lenders, at a time mutually agreed with the Administrative Agent that is promptly after the delivery of the information required pursuant to Section 7.01(a) and (b) above, Parent Borrower (and its relevant executive officers) shall participate in a telephone conference call or other teleconference for Lenders during normal business hours to discuss the financial condition and results of operations of the Parent Borrower and its Subsidiaries for the most recently-ended fiscal quarter (and portion of the fiscal year) for which financial statements have been delivered.

7.20 **Post-Closing Covenants.**

The Loan Parties will take each of the actions set forth on Schedule 7.20 within the time period prescribed therefor on such schedule (or such later date as the Administrative Agent may agree in its sole discretion (which may be delivered by Electronic Transmission)).

ARTICLE VIII.

NEGATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding (other than contingent indemnity obligations and Letters of Credit which have been Cash Collateralized), no Loan Party shall, nor shall it permit any Subsidiary to, directly or indirectly:

8.01 **Liens.**

Create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, other than the following:

(a) Liens pursuant to any Loan Document;

(b) Liens existing on the Closing Date and listed on Schedule 8.01 and any renewals or extensions thereof, provided that (i) the property covered thereby is not changed, (ii) the amount secured or benefited thereby is not increased (except by accrued interest and any applicable fees), (iii) the direct or any contingent obligor with respect thereto is not changed, and (iv) any renewal or extension of the obligations secured or benefited thereby is permitted by Section 8.03(b);

(c) Liens (other than Liens imposed under ERISA or in respect of a Canadian Pension Plan) for taxes, assessments or governmental charges or levies (i) not yet due or which are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with GAAP or (ii) the non-payment of which is permitted by Section 7.04;

(d) statutory (and contractual restatements thereof) Liens of landlords and Liens of carriers, warehousemen, mechanics, materialmen and suppliers and other Liens imposed by law (and contractual restatements thereof) or pursuant to customary reservations or retentions of title arising in the ordinary course of business, provided that such Liens secure only amounts (i) not then due, (ii) if due, not yet overdue by more than thirty (30) days, (iii) that if overdue by more than thirty (30) days, no action has been taken to enforce the same or are being contested in good faith by appropriate proceedings for which adequate reserves determined in accordance with GAAP have been established;

(e) pledges or deposits in the ordinary course of business in connection with workers' compensation, unemployment insurance and other social security legislation, other than any Lien imposed by ERISA or in respect of a Canadian Pension Plan;

(f) deposits to secure the performance of bids, trade contracts and leases (other than Indebtedness), statutory obligations, surety, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(g) easements, rights-of-way, restrictions and other similar encumbrances affecting real property which, in the aggregate, do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the applicable Person;

(h) Liens securing judgments for the payment of money (or appeal or other surety bonds relating to such judgments) not constituting an Event of Default under Section 9.01(h);

(i) Liens securing Indebtedness permitted under Section 8.03(e); provided that (i) such Liens do not at any time encumber any property other than the property financed by such Indebtedness and the proceeds thereof, (ii) the Indebtedness secured thereby does not exceed the cost (negotiated on an arm's length basis) of the property being acquired on the date of acquisition and (iii) such Liens attach to such property concurrently with or within ninety (90) days after the acquisition thereof;

(j) leases or subleases granted to others not interfering in any material respect with the business of any Loan Party or any of its Subsidiaries;

(k) any interest of title of a lessor under, and Liens arising from Uniform Commercial Code financing statements (or equivalent filings, registrations or agreements in foreign jurisdictions) relating to, leases permitted by this Agreement;

(l) Liens deemed to exist in connection with Investments in repurchase agreements permitted under Section 8.02;

(m) normal and customary rights of setoff upon deposits of cash in favor of banks or other depository institutions;

(n) Liens of a collection bank arising under Section 4-210 of the Uniform Commercial Code on items in the course of collection;

(o) Liens of sellers of goods to the Parent Borrower and any of its Subsidiaries arising under Article 2 of the Uniform Commercial Code, the PPSA or similar provisions of applicable Law in the ordinary course of business, covering only the goods sold and securing only the unpaid purchase price for such goods and related expenses;

(p) Liens, if any, in favor of the Administrative Agent on Cash Collateral delivered pursuant to Section 2.14(a);

(q) Liens in favor of customs and revenues authorities which secure payment of customs duties in connection with the importation of goods;

(r) Liens on premium refunds and insurance proceeds granted in favor of insurance companies (or their financing affiliates) in connection with the financing of insurance premiums;

(s) [reserved];

(t) Liens solely on cash earnest money deposits made by the Parent Borrower or a Subsidiary in connection with any letter of intent or purchase agreement permitted hereunder entered into by a Loan Party;

(u) non-exclusive outbound licenses or sublicenses of IP Rights granted by any Loan Party in the ordinary course of business and not interfering in any material respect with the ordinary conduct of business of the Parent Borrower and its Subsidiaries, taken as a whole;

(v) Liens on Equity Interests or assets to be sold pursuant to an agreement entered into for the Disposition of all or substantially all the Equity Interests or assets of a Subsidiary or for any disposition of assets not constituting a Disposition, in each case to the extent permitted by the terms hereof, pending the closing of such Disposition or disposition; provided, that, in no event shall any such Liens secure (either directly or indirectly) the repayment of any Indebtedness;

(w) customary rights of first refusal and tag, drag and similar rights in joint venture agreements with respect to joint ventures;

(x) Liens on assets of Foreign Subsidiaries (other than Canadian Loan Parties) securing Indebtedness permitted under Section 8.03(q);

(y) [reserved];

(z) purported Liens on assets subject to operating leases of the Parent Borrower and its Subsidiaries evidenced by the filing of precautionary Uniform Commercial Code statements (or equivalent filings, registrations or agreements in foreign jurisdictions); provided that if a Uniform Commercial Code financing statement (or equivalent filings, registrations or agreements in foreign jurisdictions) filed solely as a precautionary measure in connection with an operating lease of the Parent Borrower or any of its Subsidiaries includes a collateral description which is not acceptable to the Administrative Agent in its sole discretion, the Parent Borrower shall cause such Uniform Commercial Code financing statement (or equivalent filings, registrations or agreements in foreign jurisdictions) to be amended within thirty (30) days after the Administrative Agent's request (or such later date acceptable to the Administrative Agent in its sole discretion) to include a collateral description which is acceptable to the Administrative Agent in its sole discretion;

(aa) Liens securing Indebtedness incurred under Section 8.03(r) and 8.03(n);

(bb) other Liens on assets, provided, that if such Liens secure Indebtedness, such Indebtedness shall not consist of Indebtedness for borrowed money and shall be in an aggregate amount not to exceed $1,000,000 at any time outstanding, and if such Liens do not secure Indebtedness, such Liens shall not attach to property with a fair market value in excess of $1,000,000 in the aggregate, as reduced by the amount of Indebtedness secured by Liens permitted under this clause (bb); and

(cc) Liens on cash collateral or other credit support securing indebtedness permitted by Section 8.03(t);

Notwithstanding anything to the contrary contained herein, there shall be no Liens on the Aircraft existing on the Closing Date other than the Liens on such Aircraft existing on the Closing Date and Liens described in Section 8.01(c) and Section 8.01(h) hereof.

8.02 **Investments.**

Make any Investments, except:

(a) Investments held by the Parent Borrower or such Subsidiary in the form of cash or Cash Equivalents;

(b) Investments existing as of the Closing Date and set forth in Schedule 8.02;

(c) (i) Investments in any Person that is an Unlimited Loan Party prior to giving effect to such Investment, (ii) Investments by any Subsidiary of the Parent Borrower that is not a Loan Party in any other Subsidiary of the Parent Borrower that is not a Loan Party, (iii) [reserved], (iv) Investments made by any an Unlimited Loan Party in any a Loan Party in an aggregate amount not to exceed $5,000,000 in the aggregate outstanding at any time, (v) Investments made by any Loan Party in any Subsidiary in an aggregate amount of all such Investments by the Loan Parties, in the aggregate with all Investments made by the Loan Parties and their Subsidiaries pursuant to Section 8.02(l), not to exceed $5,000,000 in the aggregate outstanding at any time, and (vi) Investments by any Foreign Subsidiary that is not an Loan Party in any other Foreign Subsidiary;

(d) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business, and Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors to the extent reasonably necessary in order to prevent or limit loss;

(e) Guarantees permitted by Section 8.03;

(f) Permitted Acquisitions (including deposits of earnest money in connection therewith) and the Specified Permitted Acquisition;

(g) non-cash consideration received in connection with Dispositions permitted by Section 8.05;

(h) repurchases of Equity Interests of the Parent Borrower permitted by Section 8.06;

(i) loans or advances to employees in the ordinary course of business in an aggregate principal amount not to exceed $1,000,000 at any one time outstanding;

(j) deposits, prepayments and advances to suppliers of amounts provided by customers for the purchase of materials and the preparation of goods and inventory in respect of customer contracts entered into in the ordinary course of business and consistent with past practices of the Parent Borrower and its Subsidiaries;

(k) Investments arising in connection with endorsement of negotiable instruments for deposit and customary trade arrangements with customers in the ordinary course of business and consistent with past practices of the Parent Borrower and its Subsidiaries;

(l) Investments made by any Loan Party or any Subsidiary of a Loan Party in joint ventures not constituting Subsidiaries in an aggregate amount of all such Investments in joint ventures, in the aggregate with all Investments made by the Loan Parties pursuant to Section 8.02(c)(v), not to exceed $5,000,000 in the aggregate outstanding at any time;

(m) Investments constituting Swap Obligations to the extent permitted hereunder;

(n) to the extent constituting an Investment, purchases and other acquisitions of inventory, materials, equipment, intangible property and other assets in the ordinary course of business;

(o) Investments consisting of loans and advances by Loan Parties to officers, directors and employees of the Parent Borrower and its Subsidiaries which are used solely by such Persons to facilitate purchase Equity Interests of the Parent Borrower so long as (i) the proceeds of such loans and advances are used in their entirety to purchase such Equity Interests of any direct or indirect parent of a Loan Party and (ii) such Investments do not exceed $6,000,000 in the aggregate at any time outstanding; and

(p) other Investments in an amount not to exceed $1,000,000 in the aggregate at any time outstanding.

8.03 **Indebtedness.**

Create, incur, assume or suffer to exist any Indebtedness, except:

(a) Indebtedness under the Loan Documents;

(b) Indebtedness of the Parent Borrower and its Subsidiaries existing on the Closing Date and set forth in Schedule 8.03 (and any Permitted Refinancing thereof);

(c) intercompany Indebtedness permitted under Section 8.02;

(d) obligations (contingent or otherwise) of the Parent Borrower or any Subsidiary existing or arising under any Swap Contract, provided that (i) such obligations are (or were) entered into by such Person in the ordinary course of business for the purpose of directly mitigating risks associated with liabilities, commitments, investments, assets, or property held or reasonably anticipated by such Person, or changes in the value of securities issued by such Person, and not for purposes of speculation or taking a "market view;" and (ii) such Swap Contract does not contain any provision exonerating the non-defaulting party from its obligation to make payments on outstanding transactions to the defaulting party;

(e) purchase money Indebtedness (including obligations in respect of Capital Leases or Synthetic Leases) hereafter incurred (or assumed pursuant to a Permitted Acquisition) by the Parent Borrower or any of its Subsidiaries to finance the purchase of fixed assets, and Permitted Refinancings thereof, provided that (i) the total of all such Indebtedness for all such Persons taken together shall not exceed an aggregate principal amount of $20,000,000 at any one time outstanding; and (ii) such Indebtedness when incurred shall not exceed the purchase price of the asset(s) financed;

(f) [reserved];

(g) (i) the Existing Seller Indebtedness, (ii) the Seller Subordinated Indebtedness, (iii) Earn Out Obligations, in the case of clauses (ii) and (iii), incurred in connection with Permitted Acquisitions and (iv) the Specified Permitted Acquisition Earnout;

(h) Indebtedness constituting customary indemnification obligations, purchase price adjustments or similar obligations incurred in connection with Permitted Acquisitions;

(i) Indebtedness incurred in favor of insurance companies (or their affiliates) in connection with the financing of insurance premiums in an amount not the exceed the premiums with respect to the applicable insurance policies;

(j) Indebtedness in respect of netting services, overdraft protections and otherwise in connections with deposit accounts to the extent incurred in the ordinary course of business;

(k) surety or performance bonds with respect to contracts for the performance of work entered into by the Parent Borrower or its Subsidiaries in the ordinary course of business;

(l) Guarantees with respect to Indebtedness permitted under this Section 8.03; provided such Guarantee is also permitted by Section 8.02 (other than Section 8.02(e));

(m) unsecured Indebtedness of any Loan Party consisting of promissory notes issued by any such Loan Party to employees, officers, directors, former employees, former officers, directors or former directors (or any spouses, ex-spouses, heirs, or estates of any of the foregoing) incurred in connection with the repurchase or redemption by such Loan Party of the Equity Interests of any direct or indirect parent of a Loan Party; provided, that, such Indebtedness (i) is subordinated to the Obligations on terms reasonably acceptable to the Administrative Agent and (ii) shall not exceed an aggregate principal amount of $6,000,000 at any one time outstanding;

(n) Indebtedness in respect of letters of credit, bank guarantees or similar instruments denominated in currencies other than Dollars or Canadian Dollars in an aggregate amount outstanding not to exceed $5,000,000;

(o) Indebtedness in respect of workers' compensation claims, including guarantees or obligations of the Parent Borrower or any Subsidiary with respect to workers' compensation claims, (in each case other than for an obligation for money borrowed);

(p) customary obligations in respect of deferred compensation incurred in the ordinary course of business;

(q) Indebtedness of Foreign Subsidiaries (other than Canadian Loan Parties) in an aggregate amount not to exceed $5,000,000 at any time outstanding;

(r) Indebtedness advanced by (i) any Governmental Authority (including the Small Business Administration) or any other Person acting as a financial agent of a Governmental Authority or (ii) any other Person to the extent such Indebtedness under this clause (ii) is guaranteed by a Governmental Authority (including the Small Business Administration), in each case under this clause (r), pursuant to the CARES Act (or any related legislation), in each case of the preceding clauses (i) and (ii), to the extent approved by the Required Lenders such approval not to be unreasonably withheld or delayed;

(s) other Indebtedness in an aggregate principal amount not to exceed $1,000,000 at any one time outstanding; and

(t) Indebtedness in respect of credit cards, credit card processing services, debit cards, stored value cards, purchase cards (including so-called "procurement cards" or "P-cards") or other similar cash management services, in each case, incurred in the ordinary course of business in an aggregate amount not to exceed $2,000,000 at any time outstanding.

8.04 **Fundamental Changes.**

Merge, dissolve, liquidate, amalgamate, consolidate with or into another Person, or Dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favor of any Person; provided that, notwithstanding the foregoing provisions of this Section 8.04 but subject to the terms of Sections 7.12 and 7.14, (a) the Parent Borrower may merge or consolidate with any of its Subsidiaries (other than the Canadian Borrower); provided, that, the Parent Borrower shall (i) be the continuing or surviving corporation and (ii) only do so with a Domestic Subsidiary, (b) the Canadian Borrower may merge, amalgamate or consolidate with any of its Subsidiaries; provided, that, the Canadian Borrower shall (i) be the continuing or surviving corporation, (ii) only do so with a Loan Party organized under the laws of Canada or a province or territory thereof, and (iii) deliver a confirmation and acknowledgement and other ancillary documents as reasonably requested by the Administrative Agent confirming that is subject to all of the Obligations hereunder, (c) any Loan Party (other than any Borrower) may merge, amalgamate or consolidate with any other Loan Party (other than any Borrower); provided, that, a Loan Party organized under the laws of the United States shall only do so with a Loan Party organized under the laws of the United States and a Loan Party organized under the laws of Canada or a province or territory thereof shall only do so with a Loan Party organized under the laws of Canada, the United States or a province, state or territory thereof, (d) any Foreign Subsidiary (other than the Canadian Borrower) may be merged, amalgamated or consolidated with or into any Loan Party; provided, that, (i) such Loan Party shall be the continuing or surviving corporation and (ii) a Foreign Subsidiary organized under the laws of Canada or a province or territory thereof shall only do so with a Loan Party organized under the laws of Canada or a province or territory thereof, (e) any Foreign Subsidiary may be merged, amalgamated or consolidated with or into any other Foreign Subsidiary provided, that, a Foreign Subsidiary organized under the laws of Canada or a province or territory thereof shall only do so with a Foreign Subsidiary organized under the laws of Canada or a province or territory thereof, (f) subject to clause (a) and (b) above and provided that the surviving Person is a Loan Party, the Parent Borrower or any Subsidiary of the Parent Borrower may merge or amalgamate with any other Person in connection with a Permitted Acquisition, and (g) any Subsidiary of the Parent Borrower (other than the Canadian Borrower) may dissolve, liquidate or wind up its affairs at any time provided that such dissolution, liquidation, or winding up, as applicable, could not have a Material Adverse Effect and provided that the assets of such Subsidiary are transferred to a U.S. Loan Party (if such Subsidiary is a Domestic Subsidiary) or a Loan Party (if such Subsidiary is a Foreign Subsidiary) prior to such dissolution, liquidation, or winding up.

8.05 **Dispositions.**

Make any Disposition except: Dispositions by the Parent Borrower or any Subsidiary which are made for fair market value, if the aggregate fair market value of all assets so subject to any such Dispositions by the Parent Borrower and its Subsidiaries shall not exceed $500,000, individually or in the aggregate, in any fiscal year.

8.06 **Restricted Payments.**

Declare or make, directly or indirectly, any Restricted Payment or pay any management fees or similar fees to any of its equityholders or any Affiliate thereof, or incur any obligation (contingent or otherwise) to do so, except that:

(a) (i) each Subsidiary may make Restricted Payments to any Unlimited Loan Party, (ii) any Subsidiary that is not a Loan Party may make Restricted Payments to any other Subsidiary that is not a Loan Party, (iii) any Unlimited Loan Party may make Restricted Payments to (A) any Subsidiary that is not a Loan Party or (B) any Loan Party that is not an Unlimited Loan Party, in an aggregate amount not to exceed, in the case of this clause (iii), $500,000 in any fiscal year, and (iv) any Loan Party that is not an Unlimited Loan Party may make Restricted Payments to any other Loan Party that is not an Unlimited Loan Party,

(b) the Parent Borrower and each Subsidiary may declare and make dividend payments or other distributions payable solely in the Equity Interests (other than Disqualified Stock) of such Person;

(c) the Loan Parties may make non-cash repurchases of Equity Interests deemed to occur upon the exercise of equity options;

(d) non-Loan Party Subsidiaries may make distributions to the Parent Borrower and any other Subsidiary of the Parent Borrower;

(e) so long as no Default exists or would result therefrom, the Parent Borrower may pay cash dividends to its parent to enable it to pay, or the Parent Borrower may pay, (i) redemptions for cash of equity, rights to acquire equity or cash payments with respect to phantom stock units, in each case if owned by an officer or employee of any Loan Party upon termination of employment of such Person, and (ii) cash payments in lieu of the issuance of fractional units upon the exercise or conversion of options or other equity equivalents, provided that the aggregate amount of all such redemptions or payments under the immediately preceding clauses (i) and (ii) shall not exceed $1,000,000 in the aggregate (excluding proceeds of issuances of Equity Interests used for such purpose);

(f) [reserved];

(g) the Parent Borrower may accrue dividends and pay such dividends in kind (but may not pay such dividends in cash, other than cash payments permitted under Section 8.06(h), (k), (l), or (q) in respect of the Series A-1 Preferred Equity;

(h) the Parent Borrower may make cash payments of dividends with respect to the Series A-1 Preferred Equity (or cash payments in respect of accrued but unpaid dividends with respect to the Series A-1 Preferred Equity) or the Series A-2 Preferred Equity (or cash payments in respect of accrued but unpaid coupon payments with respect to the Series A-2 Preferred Equity); provided that (i) upon giving effect to such payment on a Pro Forma Basis, (x) the Loan Parties would be in compliance with the financial covenant set forth in Section 8.11(b) and (y) the Consolidated Total Leverage Ratio would not be greater than 2.50 to 1.0, and (ii) no Default has occurred and is continuing both before and after giving effect to such payment;

(i) the Loan Parties may make Restricted Payments made in the form of the issuance of promissory notes permitted under Section 8.03(m), and payments made in respect of such promissory notes to the extent such payments are otherwise permitted hereunder and are not made in violation of the applicable subordination provisions applicable thereto;

(j) after the redemption of the Series A-1 Preferred Equity in full from cash or from common Equity Interests of the Parent Borrower, the Parent Borrower may make cash coupon payments up to 9.0% per annum with respect to the Series A-2 Preferred Equity (or cash payments in respect of accrued but unpaid coupon payments with respect to the Series A-2 Preferred Equity); provided that (i) upon giving effect to any such payment on a Pro Forma Basis, as of the most recently ended fiscal quarter for which financial statements have been (or were required to have been) delivered pursuant to Section 7.01(a) or (b), the Loan Parties would be in compliance with the financial covenants set forth in Section 8.11, and (ii) no Default has occurred and is continuing both before and after giving effect to such payment (so long as any such payment is paid within sixty (60) days of the date of declaration);

(k) substantially concurrently with the occurrence of a Qualifying IPO, the Parent Borrower may redeem, in whole or in part, the Series A-1 Preferred Equity and any portion or all accrued but unpaid dividends in respect thereof; provided that (i) upon giving effect to such redemption on a Pro Forma Basis, the Loan Parties would be in compliance with the financial covenants set forth in Section 8.11 as of the most recently ended fiscal quarter for which financial statements have been (or were required to have been) delivered pursuant to Section 7.01(a) or (b), and (ii) no Default has occurred and is continuing both before and after giving effect to such redemption;

(l) upon the occurrence of a private placement of common stock of the Parent Borrower prior to the occurrence of a Qualifying IPO, the Parent Borrower may redeem, in full or in part, the Series A-1 Preferred Equity and any portion of or all accrued but unpaid dividends in respect thereof substantially concurrently with the private placement; provided, that, (i) the amount of the redemption shall not exceed the net proceeds of such private placement, (ii) upon giving effect to such redemption on a Pro Forma Basis, the Loan Parties would be in compliance with the financial covenants set forth in Section 8.11 as of the most recently ended fiscal quarter for which financial statements have been (or were required to have been) delivered pursuant to Section 7.01(a) or (b), and (iii) no Default has occurred and is continuing both before and after giving effect to such redemption;

(m) after the redemption of the Series A-1 Preferred Equity in full from cash or from common Equity Interests of the Parent Borrower, the Parent Borrower may redeem the Series A-2 Preferred Equity at its option; provided that (i) upon giving effect to such redemption on a Pro Forma Basis, as of the most recently ended fiscal quarter for which financial statements have been (or were required to have been) delivered pursuant to Section 7.01(a) or (b), (A) the Loan Parties would be in compliance with the financial covenant set forth in Section 8.11(b) and (B) the Consolidated Total Leverage Ratio would not be greater than 3.50 to 1.0, and (ii) no Default has occurred and is continuing both before and after giving effect to such Restricted Payment (it being understood that the payment in cash of any accrued but unpaid coupon payments with respect to the Series A-2 Preferred Equity in connection with any such redemption shall be subject to Section 8.06(j)), in each case, as of the declaration of such Restricted Payment (so long as such Restricted Payment is paid within sixty (60) days of the date of declaration);

(n) the Parent Borrower may accrue dividends and pay such dividends in kind (but may not pay such dividends in cash, other than cash payments permitted under Sections 8.06(h), (j), (m), (o), (q) , or (r), in respect of the Series A-2 Preferred Equity;

(o) the Parent Borrower may redeem the Series A-2 Preferred Equity, or other junior capital instruments in full with the proceeds of Replacement Junior Capital pursuant to the terms set forth herein;

(p) the Parent Borrower may accrue dividends on, and pay such dividends in kind in respect of, the Curative Preferred Equity;

(q) prior to the redemption of the Series A-1 Preferred Equity, the Parent Borrower may make any other Restricted Payments; provided that (i) after giving effect to such Restricted Payments on a Pro Forma Basis, the Parent Borrower is in compliance with the financial covenants in Section 8.11 as of the most recently ended fiscal quarter for which financial statements have been (or were required to have been) delivered pursuant to Section 7.01(a) or (b), (ii) after giving effect to such Restricted Payments on a Pro Forma Basis, the Consolidated Total Leverage Ratio would not be greater than 2.50 to 1.0 as of the most recently ended fiscal quarter for which financial statements have been (or were required to have been) delivered pursuant to Section 7.01(a) or (b), and (iii) no Default has occurred and is continuing both before and after giving effect to such Restricted Payment; and

(r) after the redemption of the Series A-1 Preferred Equity in full from cash or from common Equity Interests, the Parent Borrower may make any Restricted Payments; provided that (i) upon giving effect to such redemption on a Pro Forma Basis, the Parent Borrower is in compliance with the financial covenants in Section 8.11 as of the most recently ended fiscal quarter for which financial statements have been (or were required to have been) delivered pursuant to Section 7.01(a) or (b), (ii) upon giving effect to such redemption on a Pro Forma Basis, the Consolidated Total Leverage Ratio would not be greater than 3.50 to 1.0, as of the most recently ended fiscal quarter for which financial statements have been (or were required to have been) delivered pursuant to Section 7.01(a) or (b), and (iii) no Default has occurred and is continuing both before and after giving effect to such Restricted Payment, in each case, as of the declaration of such Restricted Payment (so long as such Restricted Payment is paid within sixty (60) days of the date of declaration).

8.07 **Change in Nature of Business.**

Engage in any material line of business substantially different from those lines of business conducted by the Parent Borrower and its Subsidiaries on the Closing Date or any business related or incidental thereto.

8.08 **Transactions with Affiliates and Insiders.**

Enter into or permit to exist any transaction or series of transactions with any officer, director or Affiliate of such Person other than (a) advances of working capital to any Loan Party, (b) transfers of cash and assets to any Loan Party, (c) transactions expressly permitted by Section 8.02, Section 8.03, Section 8.04, Section 8.05 or Section 8.06, (d) normal and reasonable compensation and reimbursement of expenses of officers and directors in the ordinary course of business, (e) except as otherwise specifically limited in this Agreement, other transactions which are entered into in the ordinary course of such Person's business on terms and conditions substantially as favorable to such Person as would be obtainable by it in a comparable arms-length transaction with a Person other than an officer, director or Affiliate, (f) transactions among the Unlimited Loan Parties, (g) as set forth on Schedule 8.08, (h) the Series A-1 Preferred Equity Documents and the Series A-2 Preferred Equity Documents, and (i) tax sharing agreements among the Loan Parties and their Subsidiaries.

8.09 **Burdensome Agreements.**

(a) Enter into, or permit to exist, any Contractual Obligation that encumbers or restricts on the ability of any such Person to (i) pay dividends or make any other distributions to any Loan Party on its Equity Interests or with respect to any other interest or participation in, or measured by, its profits, (ii) pay any Indebtedness or other obligation owed to any Loan Party, (iii) make loans or advances to any Loan Party, (iv) sell, lease or transfer any of its property to any Loan Party, (v) pledge its property pursuant to the Loan Documents or any renewals, refinancings, exchanges, refundings or extension thereof or (vi) act as a Loan Party pursuant to the Loan Documents or any renewals, refinancings, exchanges, refundings or extension thereof, except (in respect of any of the matters referred to in clauses (i) through (iv) above) for (1) this Agreement and the other Loan Documents, (2) any document or instrument governing Indebtedness incurred pursuant to Section 8.03(e), provided that any such restriction contained therein relates only to the asset or assets constructed or acquired in connection therewith and the proceeds thereof, (3) any Permitted Lien or any document or instrument governing any Permitted Lien, provided that any such restriction contained therein relates only to the asset or assets subject to such Permitted Lien, (4) customary restrictions imposed by corporate law, (5) customary restrictions and conditions contained in any agreement relating to the sale of any property permitted under Section 8.05

pending the consummation of such sale, (6) customary provisions restricting assignments, subletting or other transfers contained in leases, licenses or similar agreements entered into in the ordinary course of business, (7) customary restrictions on transfer of interests in a joint venture contained in governing agreements, or (8) the Series A-1 Preferred Equity Documents and the Series A-2 Preferred Equity Documents.

(b) Enter into, or permit to exist, any Contractual Obligation that prohibits or otherwise restricts the existence of any Lien upon any of its property in favor of the Administrative Agent (for the benefit of the holders of the Obligations) for the purpose of securing the Obligations, whether now owned or hereafter acquired, or requires the grant of any security for any obligation if such property is given as security for the Obligations, except (i) any document or instrument governing Indebtedness incurred pursuant to Section 8.03(e), provided that any such restriction contained therein relates only to the asset or assets constructed or acquired in connection therewith and the proceeds thereof, (ii) in connection with any Permitted Lien or any document or instrument governing any Permitted Lien, provided that any such restriction contained therein relates only to the asset or assets subject to such Permitted Lien, (iii) pursuant to customary restrictions and conditions contained in any agreement relating to the sale of any property permitted under Section 8.05, pending the consummation of such sale, (iv) customary provisions restricting assignments, subletting or other transfers contained in leases, licenses or similar agreements entered into in the ordinary course of business, or (v) customary restrictions on the encumbering of interests in a joint venture contained in governing agreements.

8.10 **Use of Proceeds.**

Use the proceeds of any Credit Extension, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulation U of the FRB) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose.

8.11 **Financial Covenants.**

(a) Consolidated Total Leverage Ratio. Permit the Consolidated Total Leverage Ratio as of the end of any fiscal quarter to be greater than (i) 4.25 to 1.0, beginning with the fiscal quarter ending June 30, 2020 through and including the fiscal quarter ending September 30, 2021, (ii) 4.00 to 1.0, beginning with the fiscal quarter ending December 31, 2021 through and including the fiscal quarter ending September 30, 2022 and (iii) 3.75 to 1.0, beginning with the fiscal quarter ending December 31, 2022 and each fiscal quarter thereafter.

(b) Consolidated Fixed Charge Coverage Ratio. Permit the Consolidated Fixed Charge Coverage Ratio as of the end of any fiscal quarter commencing with the fiscal quarter ending on June 30, 2020 of the Parent Borrower to be less than 1.25 to 1.0.

8.12 **Prepayment of Other Indebtedness, Etc.**

(a) Make (or give any notice with respect thereto) any voluntary or optional payment or prepayment of principal or redemption or acquisition for value of (including without limitation, by way of depositing money or securities with the trustee with respect thereto before due for the purpose of paying when due), refund, refinance or exchange of, or make any payment (in cash, in kind or otherwise) of interest with respect to, any Subordinated Indebtedness (other than (i) in accordance with the terms of the governing subordination terms and (ii) no such payment in cash shall be made so long as any Default or Event of Default exists or would result from such payment);

provided that the Loan Parties may pay (I) the Specified Permitted Acquisition Earnout at any time after the Closing Date either (A) with the issuance of Equity Interests (that do not constitute Disqualified Stock) of the Parent Borrower or (B) so long as after giving pro forma effect thereto, (x) no Default or Event of Default shall have occurred and be continuing or would result therefrom and (y) the Parent Borrower is in compliance with the financial covenants in Section 8.11 as of the most recently ended fiscal quarter for which financial statements have been (or were required to have been) delivered pursuant to Section 7.01(a) or (b) and (II) any other Earn Out Obligations or Seller Subordinated Indebtedness at any time after the Closing Date so long as after giving pro forma effect thereto, (x) no Default shall have occurred and be continuing or would result therefrom and (y) the Parent Borrower is in compliance with the financial covenants in (x) Section 8.11(a) less 0.25:1.00 and (y) Section 8.11(b), in each case, as of the most recently ended fiscal quarter for which financial statements have been (or were required to have been) delivered pursuant to Section 7.01(a) or (b).

(b) Amend, modify or change (or permit the amendment, modification or change of) any of the terms or provisions of any of any Subordinated Indebtedness in a manner adverse to the Lenders or in a manner not permitted by the subordination terms applicable thereto.

8.13 **Organization Documents; Series A-1 Preferred Equity Documents; Series A-2 Preferred Equity Documents; Fiscal Year; Legal Name, Jurisdiction of Formation and Form of Entity, Etc.**

(a) Amend, modify or change its Organization Documents in a manner adverse in any material respect to the Lenders.

(b) Amend, modify or change (or permit the amendment, modification or change of) (i) the Series A-1 Preferred Equity Documents or any other terms or provisions governing the Series A-1 Preferred Equity in a manner adverse to the Lenders or (ii) the Series A-2 Preferred Equity Documents or any other terms or provisions governing the Series A-2 Preferred Equity in a manner adverse to the Lenders; provided further that, without limitation of the foregoing, no amendment, modification or change shall be made to the Series A-1 Certificate of Designation or the Series A-2 Certificate of Designation without the consent of the Administrative Agent;

(c) Change its fiscal year; provided, that the Loan Parties shall be permitted to change the fiscal year of any Persons which are acquired to match that of the Parent Borrower.

(d) Without providing ten (10) days (or such shorter period as may be agreed by the Administrative Agent in its reasonable discretion) prior written notice to the Administrative Agent, change its name, jurisdiction of formation or form of organization.

8.14 **Ownership of Subsidiaries.**

Notwithstanding any other provisions of this Agreement to the contrary, (a) permit any Person (other than any Loan Party or any Subsidiary of the Parent Borrower) to own any Equity Interests of any Subsidiary of any Loan Party, except (i) to qualify directors where required by applicable Law or to satisfy other requirements of applicable Law with respect to the ownership of Equity Interests of Foreign Subsidiaries and (ii) as a result of a transaction permitted under Section 8.02, (b) permit any Loan Party or any Subsidiary of any Loan Party to issue or have outstanding any shares of Disqualified Stock (other than the Series A-1 Preferred Equity or the Series A-2 Preferred Equity) or (c) create, incur, assume or suffer to exist any Lien on any Equity Interests of any Subsidiary of any Loan Party, except for Permitted Liens.

8.15 **Sale Leasebacks.**

Enter into any Sale and Leaseback Transaction.

8.16 **Sanctions.**

Directly or indirectly, use the proceeds of any Loan or Letter of Credit, or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other individual or entity, to fund any activities of or business with any individual or entity, or in any country or territory, that, at the time of such funding, is the subject of Sanctions, or in any other manner that will result in a violation by any individual or entity (including any individual or entity participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Sanctions.

8.17 **Anti-Corruption Laws.**

Directly or indirectly, use any Credit Extension or the proceeds of any Credit Extension for any purpose which would breach the United States Foreign Corrupt Practices Act of 1977, the Corruption of Foreign Public Officials Act (Canada), the UK Bribery Act 2010 or other similar legislation in other jurisdictions.

8.18 **Controlled Substances.**

(a) Purchase, distribute, manufacture or provide testing or other services with respect to Cannabis or any other controlled substance in the United States or any jurisdiction in violation of applicable Law (including the Controlled Substances Act); or

(b) To the extent the Parent Borrower obtains an option to purchase a business that provides testing or other services with respect to Cannabis or any other controlled substance in the United States or any jurisdiction where Cannabis is illegal, Parent Borrower shall not exercise such option until Cannabis is no longer a controlled substance under the Controlled Substances Act, 21 U.S.C. § 841 and is no longer illegal under U.S. federal law.

8.19 **Canadian Defined Benefit Pension Plans.**

Maintain, contribute to, or incur any liability or contingent liability in respect of a Canadian Defined Benefit Pension Plan.

ARTICLE IX.

EVENTS OF DEFAULT AND REMEDIES

9.01 **Events of Default.**

Any of the following shall constitute an Event of Default:

(a) Non-Payment. Any Borrower or any other Loan Party fails to pay (i) when and as required to be paid herein and in the currency required hereunder any amount of principal of any Loan or any L/C Obligation, or (ii) within three (3) Business Days after the same becomes due, any interest on any Loan or on any L/C Obligation, or any fee due hereunder, or (iii) within five (5) Business Days after the same becomes due, any other amount payable hereunder or under any other Loan Document; or

(b) Specific Covenants. Any Loan Party fails to perform or observe any term, covenant or agreement contained in any of Section 7.03(a), 7.05(a), 7.10 7.11 or 7.20 or Article VIII, provided that the applicable Loan Party or Subsidiary may cure an Event of Default resulting solely from a breach of Section 7.05(a) solely from a Loan Party not being in good standing as described in Section 7.05(a) in a particular jurisdiction upon such Person becoming in good standing in such jurisdiction prior to dissolution proceedings having been instituted against it, so long as at no time could such failure to be in good standing have caused, or be reasonably expected to cause, a Material Adverse Effect; or

(c) Other Defaults. Any Loan Party fails to perform or observe any other covenant or agreement (not specified in subsection (a) or (b) above) contained in any Loan Document on its part to be performed or observed and such failure continues for thirty (30) days or more following the earlier to occur of (a) notice thereof furnished to any Loan Party by Administrative Agent or the Required Lenders and (b) the date any executive officer of a Loan Party has knowledge of the occurrence of the acts or omissions that constitute such failure; or

(d) Representations and Warranties. Any representation, warranty, certification or statement of fact made or deemed made by or on behalf of any Borrower or any other Loan Party herein, in any other Loan Document, or in any document delivered in connection herewith or therewith shall be incorrect or misleading in any material respect when made or deemed made; or

(e) Cross-Default. (i) Any Loan Party or any Subsidiary (A) fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of (x) any Subordinated Indebtedness or (y) any other Indebtedness or Guarantee (other than Indebtedness hereunder and Indebtedness under Swap Contracts) having an aggregate principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement) of more than $5,000,000, or (B) fails to observe or perform any other agreement or condition relating to any such Indebtedness or Guarantee or contained in any instrument or agreement evidencing, securing or relating thereto, the effect of which default or other event is to cause, or to permit the holder or holders of such Indebtedness or the beneficiary or beneficiaries of such Guarantee (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to be demanded or to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity, or such Guarantee to become payable or cash collateral in respect thereof to be demanded; or (ii) there occurs under any Swap Contract an early termination date (as defined in such Swap Contract) resulting from (A) any event of default under such Swap Contract as to which a Loan Party or any Subsidiary is the defaulting party (as defined in such Swap Contract) or (B) any termination event (as so defined) under such Swap Contract as to which a Loan Party or any Subsidiary is a party and, in either event, the Swap Termination Value owed by such Loan Party or such Subsidiary as a result thereof is greater than the Threshold Amount; provided, that in the event the Loan Parties are prohibited from making a payment with respect to Subordinated Indebtedness hereunder or pursuant to the applicable subordination terms in favor of the Lenders, such failure shall not be the basis for an Event of Default hereunder; or

(f) Insolvency Proceedings, Etc. Any Loan Party or any of its Subsidiaries (other than an Immaterial Subsidiary) institutes or consents to the institution of any proceeding under any

Debtor Relief Law, or makes an assignment for the benefit of creditors; makes a proposal to its creditors or files a notice of intention to do so, institutes any other proceeding under applicable Law seeking to adjudicate it a bankrupt or an insolvent, or seeking liquidation, dissolution, winding-up, reorganization, compromise, arrangement, adjustment, protection, moratorium, relief, stay of proceedings of creditors, composition of it or its debts or any other similar relief; or applies for or consents to the appointment of any receiver, receiver-manager, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; or any receiver, receiver-manager, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for sixty (60) calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted without the consent of such Person and continues undismissed or unstayed for sixty (60) calendar days, or an order for relief is entered in any such proceeding; or

(g) Inability to Pay Debts; Attachment. (i) Any Loan Party or any of its Subsidiaries (other than an Immaterial Subsidiary) becomes unable or admits in writing its inability or fails generally to pay its debts as they become due, or (ii) any writ or warrant of attachment or execution or similar process is issued or levied against all or any material part of the property of any such Person and is not released, vacated or fully bonded within thirty (30) days after its issue or levy; or

(h) Judgments. There is entered against any Loan Party or any Subsidiary (i) one or more final judgments or orders for the payment of money in an aggregate amount exceeding the Threshold Amount (to the extent not covered by independent third-party insurance as to which the insurer does not dispute coverage), or (ii) any one or more non-monetary final judgments that have, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) there is a period of thirty (30) consecutive days during which such judgment is not satisfied, settled, discharged or a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect; or

(i) ERISA and Canadian Pension Plan. (i) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or could reasonably be expected to result in liability of any Loan Party under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount in excess of the Threshold Amount, (ii) any Borrower or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan in an aggregate amount in excess of the Threshold Amount, or (iii) any failure by any Loan Party or any Subsidiary to perform its obligations in respect of a Canadian Pension Plan which has resulted or could reasonably be expected to result in liability of any Loan Party in an aggregate amount in excess of the Threshold Amount; or

(j) Invalidity of Loan Documents. Any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all the Obligations (other than contingent indemnification obligations that survive the termination of this Agreement), ceases to be in full force and effect in any material respect; or any Loan Party contests in any manner the validity or enforceability of any Loan Document; or any Loan Party denies that it has any or further liability or obligation under any Loan Document, or purports to revoke, terminate or rescind any Loan Document, other than in accordance with the terms thereof;

(k) Change of Control. There occurs any Change of Control;

(l) Series A-1 Preferred Equity and Series A-2 Preferred Equity. There occurs a Mandatory Redemption Event (as defined in the Series A-1 Certificate of Designation and the Series A-2 Certificate of Designation, as applicable), other than an IPO (as defined in the Series A-1 Certificate of Designation).

(m) Invalidity of Subordination Provisions. The subordination provisions in any of the documents governing any Subordinated Indebtedness shall, in whole or part, terminate, cease to be effective or cease to be legally valid, binding and enforceable in any material respect against any holder of such Subordinated Indebtedness.

9.02 **Remedies Upon Event of Default.**

Upon the occurrence and during the continuance of any Event of Default:

(a) the Revolver Agent shall at the request of the Required Revolving Lenders declare all or any portion of any one or more of the Revolving Commitments of each Revolving Lender to make Revolving Loans or of the L/C Issuer to Issue Letters of Credit to be suspended or terminated, whereupon all or such portion of such Revolving Commitments shall forthwith be suspended or terminated;

(b) the Administrative Agent shall at the request of the Required Term Lenders declare all or any portion of any one or more of the Term Loan Commitments of each Term Lender to make Term Loans to be suspended or terminated, whereupon all or such portion of such Term Loan Commitments shall forthwith be suspended or terminated;

(c) the Administrative Agent shall at the request of the Required Lenders, declare all or any portion of the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable, in which case the Revolving Commitment of each Revolving Lender shall immediately terminate; without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by each Loan Party; and/or

(d) at the request of the Required Revolving Lenders, require that the Parent Borrower Cash Collateralize the L/C Obligations (in an amount equal to the Minimum Collateral Amount with respect thereto); and

(e) the Administrative Agent shall at the request of the Required Lenders exercise on behalf of itself, the Lenders and the L/C Issuer all rights and remedies available to it, the Lenders and the L/C Issuer under the Loan Documents or applicable Law or at equity;

provided, however, that upon the occurrence of any event specified in Section 9.01(f) or 9.01(g) above (in the case of clause (ii) of Section 9.01(g) upon the expiration of the thirty (30) day period mentioned therein), the obligation of each Lender to make Loans and the obligation of the L/C Issuer to Issue Letters of Credit shall automatically terminate and the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable, and the obligation of the Parent Borrower to Cash Collateralize the L/C Obligations as aforesaid shall automatically become effective, in each case without further act of the Administrative Agent, the Revolver Agent, any Lender or the L/C Issuer.

9.03 **Application of Funds.**

Notwithstanding any contrary provision set forth herein or in any other Loan Document, (i) during the continuance of a Trigger Event of Default, Administrative Agent may, and shall upon the direction of Required Revolving Lenders, apply any and all payments received by Administrative Agent in respect of any Obligation, and all proceeds received by Administrative Agent as a result of the exercise of its remedies under the Collateral Documents after the occurrence and during the continuation of a Trigger Event of Default, in accordance with clauses first through ninth below (provided that, for the avoidance of doubt, to the extent any Borrower makes a scheduled payment of principal or interest on the Term Loans, and such payment amount is diverted by the Administrative Agent to make a payment on the Revolving Loans in accordance with this Section 9.03, the diversion of such payment shall not result in an Event of Default under Section 9.01(a)); and (ii) all payments made by Loan Parties to Administrative Agent after any or all of the Obligations under the Loan Documents have been accelerated (so long as such acceleration has not been rescinded) or have otherwise matured, including proceeds of Collateral, shall be applied as follows:

first, to payment of costs, expenses and indemnities, including attorney's fees and legal expenses, of Administrative Agent and Revolver Agent payable or reimbursable by the Loan Parties under the Loan Documents;

second, to payment of attorney's fees and legal expenses of the Revolving Lenders in respect of the Revolving Commitments payable or reimbursable by the Borrowers under this Agreement;

third, to payment of all accrued unpaid interest on the Revolving Loans and Swing Line Loans and fees owed to Revolver Agent, Swing Line Lender, Revolving Lenders and L/C Issuers (whether or not accruing after the filing of any case under the Debtor Relief Laws with respect to any Obligations and whether or not a claim for such post-filing or post-petition interest, fees, and charges is allowed or allowable in any such proceeding);

fourth, on a ratable basis, to (A) the payment of principal of all Revolving Loans and Swing Line Loans then outstanding, L/C Reimbursement Obligations then due and payable, Swap Obligations then due and payable and Obligations under Treasury Management Agreements then due and payable and (B) cash collateralization of (1) unmatured L/C Reimbursement Obligations in the amount required under Section 2.03 and (2) any indemnification amounts owing to the Revolving Lenders, Swap Contracts owing to the Lenders that are Revolving Lenders or their Affiliates, and Obligations under Treasury Management Agreements owing to the Lenders that are Revolving Lenders or their Affiliates, in an amount for purposes of this clause (B)(2) determined by Revolver Agent as reasonably necessary to secure such obligations; provided, that the aggregate amount of payments and Cash Collateralization of Swap Obligations with respect to interest rate hedges under clauses (A) and (B)(2) above shall not exceed the termination value or then current liability in respect of Swap Agreements for no more than 50% of the notional value of the floating rate Indebtedness of the Loan Parties; provided, further, that the aggregate amount of payments and Cash Collateralization of the Obligations under Treasury Management Agreements under clauses (A) and (B)(2) above shall not exceed $4,000,000;

fifth, to the payment of all other Revolving Loan Obligations owing to the Revolving Lenders then due and payable;

sixth, to payment of attorney's fees and legal expenses of the Term Lenders payable or reimbursable by the Loan Parties under this Agreement;

seventh, to payment of all accrued unpaid interest on the Term Loan and fees owed to Administrative Agent and the Term Lenders;

eighth, to payment of principal of the Term Loan then due and payable;

ninth, on a ratable basis, to (A) the payment of all other Obligations then due and payable, and (B) cash collateralization of contingent indemnification owing to the Lenders, Swap Obligations and Obligations under Treasury Management Agreements, in an amount determined by the Applicable Agent as reasonably necessary to secure such obligations; and

tenth, any remainder shall be for the account of and paid to whoever may be lawfully entitled thereto.

Subject to Sections 2.03(c) and 2.14, amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause Fourth above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as Cash Collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other Obligations, if any, in the order set forth above. Excluded Swap Obligations with respect to any Guarantor shall not be paid with amounts received from such Guarantor or such Guarantor's assets, but appropriate adjustments shall be made with respect to payments from other Loan Parties to preserve the allocation to Obligations otherwise set forth above in this Section.

In carrying out the foregoing, (i) amounts received shall be applied to each category in the numerical order provided until exhausted prior to the application to the immediately succeeding category, (ii) each of the Lenders or other Persons entitled to payment shall receive an amount equal to its pro rata share of amounts available to be applied pursuant to clauses third, fourth, fifth, seventh, eighth and ninth above and (iii) no payments by a Guarantor and no proceeds of Collateral of a Guarantor shall be applied to Obligations, the guaranty of which by such Guarantor would constitute an Excluded Swap Obligation. While any Trigger Event of Default is continuing, any payments or prepayments received by Revolver Agent shall be promptly paid over to Administrative Agent for application under this Section 9.03. Notwithstanding the foregoing, Swap Obligations and Obligations under Treasury Management Agreements with parties that are not Affiliates of Administrative Agent shall be excluded from the application described above unless at least three Business Days prior to any distribution, Administrative Agent has received written notice from the applicable Swap Bank or Treasury Management Bank of the amount of Swap Obligations or Obligations under Treasury Management Agreements then due and payable, together with such supporting documentation as Administrative Agent may request.

9.04 **Equity Cure.**

In the event that the Loan Parties fail to comply with any financial covenant contained in Section 8.11 (a "Financial Covenant Default"), the Parent Borrower shall have the right to cure such Event of Default on the following terms and conditions (the "Equity Cure"):

(a) In the event the Parent Borrower desires to cure a Financial Covenant Default, the Parent Borrower shall deliver to the Administrative Agent irrevocable written notice of its intent to cure (a "Cure Notice") at any time during the period commencing on the date that the financial statements and corresponding Compliance Certificate as of and for the period ending on the last day of the fiscal quarter as of which such Financial Covenant Default occurred (the "Testing Date") are required to be delivered to the Administrative Agent and the Lenders and ending on the tenth (10th) Business Day thereafter. The Cure Notice shall set forth the calculation of the applicable Financial Covenant Cure Amount (as hereinafter defined).

(b) In the event the Parent Borrower delivers a Cure Notice in accordance with clause (a) above, a capital contribution (in either (w) common stock of the Parent Borrower, (x) Curative Preferred Equity, (y) other preferred equity provided by Oaktree Capital Management or its Affiliates that is not Disqualified Stock or (z) other Equity Interests that are on terms reasonably satisfactory to the Administrative Agent) shall be made to the Parent Borrower by a Permitted Holder, in an amount such that the Net Cash Proceeds thereof shall be equal to the Financial Covenant Cure Amount, at any time during the period commencing on the date of the Administrative Agent's receipt of such Cure Notice and ending on the fifteenth (15th) Business Day following the date on which the relevant financial statements and Compliance Certificate were required to be delivered to the Administrative Agent and the Lenders (such fifteenth (15th) Business Day, the "Required Contribution Date"). All of the Net Cash Proceeds of such capital contribution (such amount, the "Contributed Amount") shall be immediately contributed to the capital of the Parent Borrower and used by the Parent Borrower to make a prepayment of the Loans in the amount of such Contributed Amount, to be applied to the Loans in accordance with Section 2.05(b)(vi). The "Financial Covenant Cure Amount" shall be the lowest amount which if added to the amount of Consolidated EBITDA as of the applicable Testing Date, would result in the Loan Parties being in pro forma compliance with the applicable financial covenant which is the subject of such Financial Covenant Default(s) as of such Testing Date (provided, however, that if more than one such Financial Covenant Default exists as of a testing date, the Financial Covenant Cure Amount for purposes hereof shall equal the lowest amount which if added to the amount of Consolidated EBITDA as of the applicable Testing Date, would result in the Loan Parties being in pro forma compliance with all financial covenants which are the subject of such Financial Covenant Defaults as of such Testing Date).

(c) The Equity Cure may not be exercised (i) more than five times prior to the Maturity Date or (ii) more than two times in any four-fiscal quarter period.

(d) Upon timely receipt by the Parent Borrower in cash of the appropriate Contributed Amount, if and to the extent after giving effect to the following clause (e) all applicable Financial Covenant Defaults would no longer exist on a pro forma basis, the applicable Financial Covenant Defaults shall be deemed cured. To the extent the exercise of the Equity Cure pursuant to this Section 9.04 also acts to cure any default or event of default under any Subordinated Indebtedness arising solely as a result of the Financial Covenant Default, any existing Event of Default pursuant to Section 9.01(e) arising solely as a result of such default or event of default under such Subordinated Indebtedness shall also be deemed cured.

(e) The Equity Cure and the effects thereof on Consolidated EBITDA will be disregarded for all other purposes under the Loan Documents, including, without limitation, for purposes of calculating the Consolidated Total Leverage Ratio as a threshold for permitted exceptions to various affirmative and negative covenants and for purposes of determining the applicable interest rate and fees to be charged hereunder from time to time; provided that for purposes of determining compliance with Section 8.11, the Contributed Amount shall be deemed added to Consolidated EBITDA for the fiscal quarter ending as of the applicable Testing Date and any subsequent measurement period that includes such fiscal quarter; it being understood that for purposes of calculating the Consolidated Total Leverage Ratio for the fiscal quarter ending as of the applicable Testing Date for which the Equity Cure was exercised, Consolidated Funded Indebtedness shall not be reduced by the amount of the prepayment of the Loans made with the Contributed Amount in connection with such exercise of the Equity Cure.

(f) So long as the Parent Borrower is otherwise entitled to exercise an Equity Cure pursuant to the foregoing terms and provisions of this Section 9.04, during the period from the effective date of delivery of a Cure Notice until the earlier to occur of the Required Contribution Date and the date on which the Administrative Agent is notified that the required contribution will not be made, neither the Administrative Agent nor any Lender shall impose default interest, accelerate the Obligations, terminate the Revolving Commitment or exercise any enforcement remedy against any Loan Party or any of its Subsidiaries or any of their respective properties solely on the basis of the applicable Financial Covenant Default in respect of which the Cure Notice was delivered (it being understood that, for the avoidance of doubt, at all times during such period, such Financial Covenant Default shall continue to exist for all other purposes of this Agreement including with respect to the conditions precedent to any Credit Extension under Section 5.02); provided, that notwithstanding the foregoing, upon a deemed cure pursuant to this Section 9.04, the requirements of the applicable financial covenants shall be deemed to have been satisfied as of the applicable Testing Date with the same effect as though there had been no Financial Covenant Default at such date or thereafter with respect to the fiscal quarter ending as of the applicable Testing Date.

ARTICLE X.

AGENTS

10.01 **Appointment and Duties.**

(a) Appointment of Administrative Agent and Revolver Agent. (i) Each Secured Party hereby appoints Capital One (together with any successor Administrative Agent pursuant to Section 10.09) as the Administrative Agent hereunder and authorizes the Administrative Agent to (x) execute and deliver the Loan Documents and accept delivery thereof on its behalf from any Loan Party, (y) take such other actions on its behalf and to exercise all rights, powers and remedies and perform the duties as are expressly delegated to Administrative Agent under such Loan Documents and (z) exercise such powers as are reasonably incidental thereto and (ii) each Revolving Lender and L/C Issuer hereby appoints Capital One (together with any successor Revolver Agent pursuant to Section 10.09) as the Revolver Agent hereunder and authorizes the Revolver Agent to (x) execute and deliver the Loan Documents and accept delivery thereof on its behalf from any Loan Party, (y) take such action on its behalf and to exercise all rights, powers and remedies and perform the duties as are expressly delegated to the Revolver Agent under such Loan Documents and (z) exercise such powers as are reasonably incidental thereto.

(b) Each Secured Party further consents to and authorizes each Agent's execution and delivery of any intercreditor or subordination agreements from time to time as contemplated by the terms hereof on behalf of such Secured Party and agrees to be bound by the terms and provisions thereof.

(c) Duties as Collateral and Disbursing Agent. Without limiting the generality of clause (a) above,

(i) the Administrative Agent shall have the sole and exclusive right and authority (to the exclusion of the Secured Parties, except as otherwise provided in clause (ii) below as to the rights and authority of the Revolver Agent), and is hereby authorized, to (t) act as the disbursing and collecting agent for the Lenders and the L/C Issuers with respect to all payments and collections arising in connection with the Loan Documents (including in any proceeding described in Sections 9.01(f) or 9.01(g) or any other bankruptcy, insolvency or similar proceeding), and each Person making any payment in connection with any Loan Document to any Secured Party is hereby authorized to make such payment to the Administrative Agent, (u) file and prove claims and file other documents necessary or desirable to allow the claims of the Secured Parties with respect to any Obligation in any proceeding described in Section 9.01(f) or 9.01(g) or any other bankruptcy, insolvency or similar proceeding (but not to vote, consent or otherwise act on behalf of such Person), (v) act as collateral agent for each Secured Party for purposes of the perfection of all Liens created by such agreements and all other purposes stated therein, (w) manage, supervise and otherwise deal with the Collateral, (x) take such other action as is necessary or desirable to maintain the perfection and priority of the Liens created or purported to be created by the Loan Documents, (y) except as may be otherwise specified in any Loan Document, exercise all remedies given to the Administrative Agent and the other Secured Parties with respect to the Loan Parties and/or the Collateral, whether under the Loan Documents, applicable requirements of Law or otherwise and (z) execute any amendment, consent or waiver under the Loan Documents on behalf of any Lender that has consented in writing to such amendment, consent or waiver; provided, however, that the Administrative Agent hereby appoints, authorizes and directs each Secured Party to act as collateral sub-agent for the Administrative Agent, the Secured Parties for purposes of the perfection of all Liens with respect to the Collateral, including any deposit account maintained by a Loan Party with, and cash and Cash Equivalents held by, such Secured Party (other than the Revolver Agent), and may further authorize and direct the Secured Parties (other than the Revolver Agent) to take further actions as collateral sub-agents for purposes of enforcing such Liens or otherwise to transfer the Collateral subject thereto to the Administrative Agent, and each Secured Party (other than the Revolver Agent) hereby agrees to take such further actions to the extent, and only to the extent, so authorized and directed; and

(ii) the Revolver Agent shall have the sole and exclusive right and authority (to the exclusion of the Administrative Agent, the Lenders and L/C Issuers), and is hereby authorized to (x) act as the disbursing and collecting agent for the Revolving Lenders and the L/C Issuers with respect to all payments made in respect of the Revolving Loans and L/C Obligations and fees related thereto, all as more specifically provided in Article I and (y) to perform such other duties and exercise such other powers as are specifically provided to the Revolver Agent in this Agreement.

(d) Limited Duties. Under the Loan Documents, each of the Agents (i) is acting solely on behalf of the Secured Parties (or the Revolving Lenders and the L/C Issuers with respect to the Revolver Agent except to the limited extent provided in Section 11.06(c) with respect to the Register), with duties that are entirely administrative in nature, notwithstanding the use of the defined terms "Administrative Agent" and "Revolver Agent" or the terms "agent", "Agent" and "collateral agent" and similar terms in any Loan Document to refer to the Administrative Agent or the Revolver Agent, as applicable, which terms are used for title purposes only, (ii) is not assuming and shall not have any actual or implied obligations, functions, responsibilities, duties, under any Loan Document other than as expressly set forth therein or any role as agent, fiduciary or trustee of or for any Secured Party or any other Person, and each Secured Party, by accepting the benefits of the Loan Documents, hereby waives and agrees not to assert any claim against the Administrative Agent or the Revolver Agent based on the roles, duties and legal relationships expressly disclaimed in clauses (i) and (ii) above.

10.02 **Binding Effect.**

Each Secured Party, by accepting the benefits of the Loan Documents, agrees that (i) any action taken (or omitted to be taken) by any Agent or the Required Lenders, Required Revolving Lenders or Required Term Lenders (or, if expressly required hereby, a greater proportion of the Lenders) in accordance with the provisions of the Loan Documents, (ii) any action taken (or omitted to be taken) by any Agent in reliance upon the instructions of Required Lenders, Required Revolving Lenders or Required Term Lenders (or, where so required, such greater proportion) and (iii) the exercise by any Agent or the Required Lenders, Required Revolving Lenders or Required Term Lenders (or, where so required, such greater proportion) of the powers set forth herein or therein, together with such other powers as are reasonably incidental thereto, shall be authorized and binding upon all of the Secured Parties.

10.03 **Use of Discretion.**

(a) No Action without Instructions. Neither Agent shall be required to exercise any discretion or take, or to omit to take, any action, including with respect to enforcement or collection, except any action it is required to take or omit to take (i) under any Loan Document or (ii) pursuant to instructions from the Required Lenders (or, where expressly required by the terms of this Agreement, the Required Revolving Lenders or a greater proportion of the Lenders).

(b) Right Not to Follow Certain Instructions. Notwithstanding clause (a) above, neither Agent shall be required to take, or to omit to take, any action (i) unless, upon demand, the Applicable Agent receives an indemnification satisfactory to it from the Lenders (or, to the extent applicable and acceptable to the Applicable Agent, any other Person) against all Liabilities that, by reason of such action or omission, may be imposed on, incurred by or asserted against the Applicable Agent or any Related Party thereof or (ii) that is, in the opinion of the Applicable Agent or its counsel, contrary to any Loan Document or applicable requirement of Law.

(c) Exclusive Right to Enforce Rights and Remedies. Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Loan Parties or any of them shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Applicable Agent in accordance with the Loan Documents for the benefit of all the Secured Parties; provided that the foregoing shall not prohibit (i) the Applicable Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as the Administrative Agent or the Revolver Agent, as the case may be) hereunder and under the other Loan Documents, (ii) each of the L/C Issuer and the Swing Line Lender from exercising the rights and remedies that inure to its benefit (solely in its capacity as L/C Issuer or Swing Line Lender, as the case may be) hereunder and under the other Loan Documents, (iii) any Lender from exercising setoff rights in accordance with Section 11.08 and this Section 10.03 or (iv) any Secured Party from filing proofs of claim (and thereafter appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Loan Party under any bankruptcy or other Debtor Relief Law), but in the case of this clause (iv) if, and solely if, Administrative Agent has not filed such proof of claim or other instrument of similar character in respect of the Obligations under the Loan Documents within five (5) days before the expiration of the time to file the same; and provided further that if at any time there is no Person acting as the Revolver Agent or the Administrative Agent, as the case may be, hereunder and under the other Loan Documents, then (A) the Required Revolving Lenders shall have the rights otherwise ascribed to the Revolver Agent pursuant to Section 9.02, (B) the Required Lenders shall have the rights otherwise ascribed to the Administrative Agent pursuant to Section 9.02 and (C) in addition to the matters set forth in clauses (ii), (iii) and (iv) of the preceding proviso and subject to Section 10.11, any Secured Party may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.

10.04 **Delegation of Rights and Duties.**

Each Agent may, upon any term or condition it specifies, delegate or exercise any of its rights, powers and remedies under, and delegate or perform any of its duties or any other action with respect to, any Loan Document by or through any trustee, co-agent, employee, attorney-in-fact and any other Person (including any Secured Party). Any such Person shall benefit from this Article X to the extent provided by any Agent.

10.05 **Reliance and Liability.**

Each Agent may, without incurring any liability hereunder, (i) treat the payee of any Note as its holder until such Note has been assigned in accordance with Section 11.06, (ii) rely on the Register to the extent set forth in Section 11.06(c), (iii) consult with any of its Related Parties and, whether or not selected by it, any other advisors, accountants and other experts (including advisors to, and accountants and experts engaged by, any Loan Party) and (iv) rely and act upon any document and information (including those transmitted by Electronic Transmission) and any telephone message or conversation, in each case believed by it to be genuine and transmitted, signed or otherwise authenticated by the appropriate parties.

(a) No Agent and none of the Related Parties of any Agent shall be liable for any action taken or omitted to be taken by any of them under or in connection with any Loan Document, and each Secured Party, each Borrower and each other Loan Party hereby waive and shall not assert (and each of the Borrowers shall cause each other Loan Party to waive and agree not to assert) any right, claim or cause of action based thereon, except to the extent of liabilities resulting primarily from the gross negligence or willful misconduct of such Agent or, as the case may be, such Related Parties (each as determined in a final, non-appealable judgment by a court of competent jurisdiction) in connection with the duties expressly set forth herein. Without limiting the foregoing, each Agent and its Related Parties:

(i) shall not be responsible or otherwise incur liability for any action or omission taken in reliance upon the instructions of the Required Lenders, the Required Revolving Lenders or the Required Term Lenders, as applicable, or for the actions or omissions of any of its Related Parties selected with reasonable care (other than employees, officers and directors of such Agent, when acting on behalf of such Agent);

(ii) shall not be responsible to any Secured Party or other Person for the due execution, legality, validity, enforceability, effectiveness, genuineness, sufficiency or value of, or the attachment, perfection or priority of any Lien created or purported to be created under or in connection with, any Loan Document;

(iii) makes no warranty or representation, and shall not be responsible, to any Secured Party or other Person for any statement, document, information, representation or warranty made or furnished by or on behalf of any Loan Party or any Related Parties of any Loan Party in connection with any Loan Document or any transaction contemplated therein or any other document or information with respect to any Loan Party, whether or not transmitted or (except for documents expressly required under any Loan Document to be transmitted to the Lenders) omitted to be transmitted by such Agent, including as to completeness, accuracy, scope or adequacy thereof, or for the scope, nature or results of any due diligence performed by such Agent in connection with the Loan Documents;

(iv) shall not have any duty to ascertain or to inquire as to the performance or observance of any provision of any Loan Document, whether any condition set forth in any Loan Document is satisfied or waived, as to the financial condition of any Loan Party or as to the existence or continuation or possible occurrence or continuation of any Default or Event of Default and shall not be deemed to have notice or knowledge of such occurrence or continuation unless it has received a notice from the Parent Borrower or any Secured Party describing such Default or Event of Default clearly labeled "notice of default" (in which case such Agent shall promptly give notice of such receipt to all Lenders); and

(v) shall not be responsible or have any liability for, or have any duty to ascertain, inquire into, monitor or enforce, compliance with the provisions hereof relating to Disqualified Institutions. Without limiting the generality of the foregoing, no Agent shall (x) be obligated to ascertain, monitor or inquire as to whether any Lender or Participant or prospective Lender or Participant is a Disqualified Institution or (y) have any liability with respect to or arising out of any assignment or participation of Loans, or disclosure of confidential information, to any Disqualified Institution.

and, for each of the items set forth in clauses (i) through (iv) above, each Secured Party and each Borrower hereby waives and agrees not to assert (and each Borrower shall cause each other Loan Party to waive and agree not to assert) any right, claim or cause of action it might have against any Agent based thereon.

10.06 **Administrative Agent and Revolver Agent Individually.**

Each Agent and its Affiliates may make loans and other extensions of credit to, acquire Equity Interests of, engage in any kind of business with, any Loan Party or Affiliate thereof as though it were not acting as Administrative Agent or Revolver Agent, as the case may be, and may receive separate fees and other payments therefor. To the extent any Agent or any of its Affiliates makes any Loan or otherwise becomes a Lender hereunder, it shall have and may exercise the same rights and powers hereunder and shall be subject to the same obligations and liabilities as any other Lender and the terms "**Lender**", "**Revolving Lender**", "**Required Lender**", "**Required Revolving Lender**", "**Required Term Lenders**" and any similar terms shall, except where otherwise expressly provided in any Loan Document, include the Administrative Agent, the Revolver Agent or such Affiliate, as the case may be, in its individual capacity as Lender, Revolving Lender, one of the Required Lenders or as one of the Required Lenders, Required Revolving Lenders or Required Term Lenders**,** respectively.

10.07 **Lender Credit Decision.**

Each Secured Party acknowledges that it shall, independently and without reliance upon any Agent, any other Secured Party or any of their Related Parties or upon any document (including any offering and disclosure materials in connection with the syndication of the Loans) solely or in part because such document was transmitted by an Agent or any of its Related Parties, conduct its own independent investigation of the financial condition and affairs of each Loan Party and make and continue to make its own credit decisions in connection with entering into, and taking or not taking any action under, any Loan Document or with respect to any transaction contemplated in any Loan Document, in each case based on such documents and information as it shall deem appropriate. Except for documents expressly required by any Loan Document to be transmitted by an Agent to the Lenders or L/C Issuers, such Agent shall not have any duty or responsibility to provide any Secured Party with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of any Loan Party or any Affiliate of any Loan Party that may come in to the possession of such Agent or any of its Related Parties.

10.08 **Expenses; Indemnities; Withholding.**

(a) Each Lender agrees to reimburse the Administrative Agent and each of its Related Parties (to the extent not reimbursed by any Loan Party), and each Revolving Lender agrees to reimburse the Revolver Agent and each of its Related Parties (to the extent not reimbursed by any Loan Party), in each case, promptly upon demand, severally and ratably, for any costs and expenses (including fees, charges and disbursements of financial, legal and other advisors and Other Taxes paid in the name of, or on behalf of, any Loan Party) that may be incurred by such Agent or any of its Related Parties in connection with the preparation, syndication, execution, delivery, administration, modification, consent, waiver or enforcement of, or the taking of any other action (whether through negotiations, through any work-out, bankruptcy, restructuring or other legal or other proceeding (including preparation for and/or response to any subpoena or request for document production relating thereto) or otherwise) in respect of, or legal advice with respect to, its rights or responsibilities under, any Loan Document.

(b) Each Lender further agrees to indemnify the Administrative Agent and each of its Related Parties (to the extent not reimbursed by any Loan Party), and each Revolving Lender further agrees to indemnify the Revolver Agent, each L/C Issuer and each of their respective Related Parties (to the extent not reimbursed by any Loan Party), in each case, severally and ratably, from and against liabilities (including, to the extent not indemnified pursuant to Section 10.08(c), Taxes, interests and penalties imposed for not properly withholding or backup withholding on payments made to or for the account of any Lender) that may be imposed on, incurred by or asserted against such Applicable Agent, any L/C Issuer or any of their respective Related Parties in any matter relating to or arising out of, in connection with or as a result of any Loan Document, any Related Document, any Letter of Credit or any other act, event or transaction related, contemplated in or attendant to any such document, or, in each case, any action taken or omitted to be taken by any Applicable Agent, any L/C Issuer or any of their respective Related Parties under or with respect to any of the foregoing; provided, that with respect to any indemnification owed to any L/C Issuer or any of its Related Parties in connection with any Letter of Credit, only Revolving Lenders shall be required to indemnify, such indemnification to be made severally and ratably based on such Revolving Lender's Applicable Percentage of the Aggregate Revolving Commitment (determined as of the time the applicable indemnification is sought by such L/C Issuer or Related Parties from the Revolving Lenders); provided, further, that no Lender shall be liable to any Agent or any of its Related Parties to the extent such liability has resulted primarily from the gross negligence or willful misconduct of such Agent or, as the case may be, such Related Party, as determined by a court of competent jurisdiction in a final non-appealable judgment or order.

(c) To the extent required by any requirement of Law, the Applicable Agent may withhold from any payment to any Lender under a Loan Document an amount equal to any applicable withholding Tax (including withholding Taxes imposed under Chapters 3 and 4 of Subtitle A of the Internal Revenue Code). If the IRS or any other Governmental Authority asserts a claim that the Applicable Agent did not properly withhold Tax from amounts paid to or for the account of any Lender (because the appropriate certification form was not delivered, was not properly executed, or fails to establish an exemption from, or reduction of, withholding Tax with respect to a particular type of payment, or because such Lender failed to notify the Applicable Agent or any other Person of a change in circumstances which rendered the exemption from, or reduction of, withholding Tax ineffective, failed to maintain a Participant Register or for any other reason), or the Applicable Agent reasonably determines that it was required to withhold Taxes from a prior payment but failed to do so, such Lender shall promptly indemnify the Applicable Agent fully for all amounts paid, directly or indirectly, by the Applicable Agent as Tax or otherwise, including penalties and interest, and together with all expenses incurred by the Applicable Agent, including legal expenses, allocated internal costs and out-of-pocket expenses. The Applicable Agent may offset against any payment to any Lender under a Loan Document, any applicable withholding Tax that was required to be withheld from any prior payment to such Lender but which was not so withheld, as well as any other amounts for which such Agent is entitled to indemnification from such Lender under this Section 10.08(c).

10.09 **Resignation of Agents or L/C Issuer.**

(a) The Administrative Agent may resign at any time by delivering notice of such resignation to the Revolver Agent, the Lenders and the Parent Borrower, effective on the date set forth in such notice or, if no such date is set forth therein, upon the date such notice shall be effective in accordance with the terms of this Section 10.09. If the Administrative Agent delivers any such notice, the Required Lenders shall have the right to appoint a successor Agent who shall be satisfactory to the Parent Borrower. If, after 30 days after the date of the retiring Administrative Agent's notice of resignation, no successor Administrative Agent has been appointed by the Required Lenders that has accepted such appointment, then the retiring Administrative Agent may, on behalf of the Lenders and with the Parent Borrower's consent, appoint a successor Administrative Agent from among the Lenders. Revolver Agent may resign at any time by delivering notice of such resignation to the Lenders, the Administrative Agent and the Parent Borrower, effective on the date set forth in such notice or, if no such date is set forth therein, upon the date such notice shall be effective in accordance with the terms of this Section 10.09. If Revolver Agent delivers any such notice, the Required Revolving Lenders shall have the right to appoint a successor Revolver Agent who shall be satisfactory to the Parent Borrower. If, after 30 days after the date of the retiring Revolver Agent's notice of resignation, no successor Revolver Agent has been appointed by the Required Revolving Lenders that has accepted such appointment, then the retiring Revolver Agent may, on behalf of the Lenders and with the Parent Borrower's consent, appoint a successor Revolver Agent from among the Revolving Lenders. Each appointment under this clause (a) (other than an appointment by Revolver Agent) shall be subject to the prior consent of the Parent Borrower, which may not be unreasonably withheld but shall not be required during the continuance of an Event of Default.

(b) Effective immediately upon its resignation, (i) the retiring Applicable Agent shall be discharged from its duties and obligations under the Loan Documents, (ii) the Lenders shall assume and perform all of the duties of the retiring Administrative Agent and the Revolving Lenders shall assume and perform all of the duties of the retiring Revolver Agent, in each case, until a successor Administrative Agent or Revolver Agent, as applicable, shall have accepted a valid appointment hereunder, (iii) the retiring Applicable Agent and its Related Parties shall no longer have the benefit of any provision of any Loan Document other than with respect to any actions taken or omitted to be taken while such retiring Applicable Agent was, or because such retiring Applicable Agent had been, validly acting as Administrative Agent or Revolver Agent, as the case may be, under the Loan Documents and (iv) subject to its rights under Section 10.03, the retiring Applicable Agent shall take such action as may be reasonably necessary to assign to the successor Applicable Agent its rights as Applicable Agent under the Loan Documents. Effective immediately upon its acceptance of a valid appointment as Administrative Agent or Revolver Agent, as applicable, a successor Administrative Agent or Revolver Agent, as applicable, shall succeed to, and become vested with, all the rights, powers, privileges and duties of the retiring Administrative Agent or Revolver Agent, as the case may be, under the Loan Documents.

10.10 **Release of Collateral or Guarantors.**

Each Secured Party hereby consents to the release and hereby directs the Administrative Agent to release (or, in the case of clause (b)(ii) below, release or subordinate) the following:

(a) any Subsidiary of a Borrower from its guaranty of any Obligation if all of the Equity Interests of such Subsidiary owned by any Loan Party are sold or transferred in a transaction permitted under the Loan Documents (including pursuant to a waiver or consent), to the extent that, after giving effect to such transaction, such Subsidiary would not be required to guaranty any Obligations pursuant to Section 7.12; and

(b) any Lien held by the Administrative Agent for the benefit of the Secured Parties against (i) any Collateral that is sold, transferred, conveyed or otherwise disposed of by a Loan Party in a transaction permitted by the Loan Documents (including pursuant to a valid waiver or consent), to the extent all Liens required to be granted in such Collateral pursuant to Section 7.12 after giving effect to such transaction have been granted, (ii) any property subject to a Lien permitted hereunder in reliance upon Section 8.01(i) and (iii) all of the Collateral and all Loan Parties, upon (A) the occurrence of the Maturity Date and (B) to the extent requested by the Administrative Agent, receipt by the Administrative Agent and the Secured Parties of liability releases from the Loan Parties each in form and substance reasonably acceptable to the Administrative Agent.

Each Secured Party hereby directs the Administrative Agent, and the Administrative Agent hereby agrees, upon receipt of reasonable advance notice from the Parent Borrower, to execute and deliver or file such documents and to perform other actions reasonably necessary at the Borrowers' expense to release the guaranties and Liens when and as directed in this Section 10.10.

10.11 **Additional Secured Parties.**

The benefit of the provisions of the Loan Documents directly relating to the Collateral or any Lien granted thereunder shall extend to and be available to any Secured Party that is not a Lender or L/C Issuer party hereto as long as, by accepting such benefits, such Secured Party agrees, as among the Administrative Agent, the Revolver Agent and all other Secured Parties, that such Secured Party is bound by (and, if requested by the Administrative Agent or the Revolver Agent, shall confirm such agreement in a writing in form and substance acceptable to the Administrative Agent or the Revolver Agent). Section 2.12, Section 3.01, Section 4.08, this Article X, Section 11.02, Section 11.06, Section 11.07, Section 11.08, Section 11.13, Section 11.14 and Section 11.15 (and, solely with respect to L/C Issuers, Section 2.03), all terms and provisions contained herein applicable to Swap Banks or Treasury Management Banks, as applicable, and the decisions and actions of the Administrative Agent, the Revolver Agent and the Required Lenders (or, where expressly required by the terms of this Agreement, a greater proportion of the Lenders or other parties hereto as required herein) to the same extent a Lender is bound; provided, however, that, notwithstanding the foregoing, (a) such Secured Party shall be bound by Section 10.08 only to the extent of liabilities, costs and expenses with respect to or otherwise relating to the Collateral held for the benefit of such Secured Party, in which case the obligations of such Secured Party thereunder shall not be limited by any concept of pro rata share or similar concept, (b) each of the Administrative Agent, the Revolver Agent, the Lenders and the L/C Issuers party hereto shall be entitled to act at its sole discretion, without regard to the interest of such Secured Party, regardless of whether any Obligation to such Secured Party thereafter remains outstanding, is deprived of the benefit of the Collateral, becomes unsecured or is otherwise affected or put in jeopardy thereby, and without any duty or liability to such Secured Party or any such Obligation and (c) except as otherwise set forth herein, such Secured Party shall not have any right to be notified of, consent to, direct, require or be heard with respect to, any action taken or omitted in respect of the Collateral or under any Loan Document.

10.12 **Additional Titles.**

Notwithstanding any provision to the contrary contained elsewhere in this Agreement or in any other Loan Document, the Arrangers shall not have any duties or responsibilities, nor shall the Arrangers have or be deemed to have any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against the Arrangers.

10.13 **Credit Bid.**

Each of the Lenders hereby irrevocably authorizes (and by entering into a Swap Contract or Treasury Management Agreement, each Swap Bank or Treasury Management Bank, as the case may be, hereby authorizes and shall be deemed to authorize) Administrative Agent, on behalf of all Secured Parties to take any of the following actions upon the instruction of the Required Lenders:

(a) consent to the Disposition of all or any portion of the Collateral free and clear of the Liens securing the Obligations in connection with any Disposition pursuant to the applicable provisions of the applicable Debtor Relief Laws, including Section 363 of the Bankruptcy Code of the United States;

(b) credit bid all or any portion of the Obligations, or purchase all or any portion of the Collateral (in each case, either directly or through one or more acquisition vehicles), in connection with any Disposition of all or any portion of the Collateral pursuant to the applicable provisions of the applicable Debtor Relief Laws, including Section 363 of the Bankruptcy Code of the United States;

(c) credit bid all or any portion of the Obligations, or purchase all or any portion of the Collateral (in each case, either directly or through one or more acquisition vehicles), in connection with any Disposition of all or any portion of the Collateral pursuant to the applicable provisions of the Uniform Commercial Code or the PPSA, including pursuant to Sections 9-610 or 9-620 of the Uniform Commercial Code or Part V of the PPSA;

(d) credit bid all or any portion of the Obligations, or purchase all or any portion of the Collateral (in each case, either directly or through one or more acquisition vehicles), in connection with any foreclosure or other Disposition conducted in accordance with applicable Law following the occurrence of an Event of Default, including by power of sale, judicial action or otherwise; and/or

(e) estimate the amount of any contingent or unliquidated Obligations of such Lender or other Secured Party;

it being understood that no Lender shall be required to fund any amount (other than by means of offset) in connection with any purchase of all or any portion of the Collateral by Administrative Agent pursuant to the foregoing clauses (b), (c) or (d) without its prior written consent.

Each Secured Party agrees that Administrative Agent is under no obligation to credit bid any part of the Obligations or to purchase or retain or acquire any portion of the Collateral; *provided* that, in connection with any credit bid or purchase described under clauses (b), (c) or (d) of the preceding paragraph, the Obligations owed to all of the Secured Parties (other than with respect to contingent or unliquidated liabilities as set forth in the next succeeding paragraph) may be, and shall be, credit bid by Administrative Agent on a ratable basis.

With respect to each contingent or unliquidated claim that is an Obligation, Administrative Agent is hereby authorized, but is not required, to estimate the amount thereof for purposes of any credit bid or purchase described in the second preceding paragraph so long as the estimation of the amount or liquidation of such claim would not unduly delay the ability of Administrative Agent to credit bid the Obligations or purchase the Collateral in the relevant Disposition. In the event that Administrative Agent, in its sole and absolute discretion, elects not to estimate any such contingent or unliquidated claim or any such claim cannot be estimated without unduly delaying the ability of Administrative Agent to consummate any credit bid or purchase in accordance with the second preceding paragraph, then any contingent or unliquidated claims not so estimated shall be disregarded, shall not be credit bid, and shall not be entitled to any interest in the portion or the entirety of the Collateral purchased by means of such credit bid.

Each Secured Party whose Obligations are credit bid under clauses (b), (c) or (d) of the third preceding paragraph shall be entitled to receive interests in the Collateral or any other asset acquired in connection with such credit bid (or in the Equity Interests of the acquisition vehicle or vehicles that are used to consummate such acquisition) on a ratable basis in accordance with the percentage obtained by dividing (x) the amount of the Obligations of such Secured Party that were credit bid in such credit bid or other Disposition, by (y) the aggregate amount of all Obligations that were credit bid in such credit bid or other Disposition.

10.14 **ERISA Matters.**

(a) Each Lender (i) represents and warrants, as of the date such Person became a Lender party hereto, to, and (ii) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of the Parent Borrower or any other Loan Party, that at least one of the following is and will be true: (A) such Lender is not using "plan assets" (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments, or this Agreement; (B) the transaction exemption set forth in one or more PTEs, such as PTE 84–14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95–60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90–1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91–38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96–23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement; (C) (1) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84–14), (2) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (3) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84–14 and (4) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84–14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement; or (D) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless either (i) clause (A) in the immediately preceding clause (a) is true with respect to a Lender or (ii) a Lender has provided another representation, warranty and covenant in accordance with clause (D) in the immediately preceding clause (a), such Lender further (A) represents and warrants, as of the date such Person became a Lender party hereto, to, and (B) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of the Parent Borrower or any other Loan Party, that the Administrative Agent is not a fiduciary with respect to the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

ARTICLE XI.

MISCELLANEOUS

11.01 **Amendments, Etc.**

Except as provided in Section 3.08, no amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Parent Borrower or any other Loan Party therefrom, shall be effective unless in writing signed by the Required Lenders and the Parent Borrower or the applicable Loan Party, as the case may be, and acknowledged by the Administrative Agent, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, further, that no such amendment, waiver or consent shall:

(i) extend or increase the Commitment of a Lender (or reinstate any Commitment terminated pursuant to Section 9.02) without the written consent of such Lender whose Commitment is being extended or increased (it being understood and agreed that a waiver of any condition precedent set forth in Section 5.02 or of any Default or a mandatory reduction in Commitments is not considered an extension or increase in Commitments of any Lender);

(ii) postpone any date fixed by this Agreement or any other Loan Document for any payment of principal (excluding mandatory prepayments and the rescission of acceleration), interest, fees or other amounts due to the Lenders (or any of them) or any scheduled or mandatory reduction of the Commitments hereunder or under any other Loan Document without the written consent of each Lender entitled to receive such payment or whose Commitments are to be reduced;

(iii) reduce the principal of, or the rate of interest specified herein on, any Loan or L/C Borrowing, or (subject to clause (i) of the final proviso to this Section 11.01) any fees or other amounts payable hereunder or under any other Loan Document without the written consent of each Lender entitled to receive such payment of principal, interest, fees or other amounts; provided, however, that only the consent of the Required Lenders shall be necessary to amend the definition of "Default Rate" or to waive any obligation of any Borrower to pay interest or Letter of Credit Fees at the Default Rate;

(iv) (A) change any provision of this Section 11.01 or the definition of "Required Lenders" without the written consent of each Lender; or (B) change Section 2.13 or Section 9.03 in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender;

(v) release all or substantially all of the Collateral without the written consent of each Lender;

(vi) release any Borrower, the Guaranty by the Parent Borrower of the Canadian Obligations, or, except in connection with a merger, amalgamation or consolidation permitted under Section 8.04 or a Disposition permitted under Section 8.05, all or substantially all of the Guarantors without the written consent of each Lender;

(vii) change any provision, or waive any violation, of Section 8.18 without the written consent of each Lender;

(viii) [reserved];

(ix) without the consent of the Lenders (other than Defaulting Lenders) holding in the aggregate at least a majority of the outstanding Term Loan Commitments, (i) waive any Default or Event of Default for purposes of Section 5.02 for purposes of any Borrowing of the Term Loan or (ii) amend or change any provision of this Section 11.01(ix);

(x) unless also signed by the L/C Issuer, no amendment, waiver or consent shall affect the rights or duties of the L/C Issuer under this Agreement or any Issuer Document relating to any Letter of Credit issued or to be issued by it;

(xi) unless also signed by the Swing Line Lender, no amendment, waiver or consent shall affect the rights or duties of the Swing Line Lender under this Agreement;

(xii) unless also signed by the Applicable Agent, no amendment, waiver or consent shall affect the rights or duties of the Applicable Agent under this Agreement or any other Loan Document; and

(xiii) the consent of each Lender shall be required to waive a condition precedent in Section 5.01.

provided, however, that notwithstanding anything to the contrary herein, (i) the Fee Letter and any other letter agreement constituting a Loan Document may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto, (ii) no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (x) the Commitment of any Defaulting Lender may not be increased or extended without the consent of such Defaulting Lender and (y) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender more adversely than other affected Lenders shall require the consent of such Defaulting Lender, (iii) each Lender is entitled to vote as such Lender sees fit on any bankruptcy reorganization plan that affects the Loans, and each Lender acknowledges that the provisions of Section 1126(c) of the Bankruptcy Code of the United States supersede the unanimous consent provisions set forth herein and (iv) the Required Lenders shall determine whether or not to allow a Loan Party to use cash collateral in the context of a bankruptcy or insolvency proceeding and such determination shall be binding on all of the Lenders.

No amendment or waiver shall, unless signed by (i) the Revolver Agent and Required Revolving Lenders (or by the Revolver Agent with the consent of the Required Revolving Lenders) in addition to the Required Lenders (or by the Revolver Agent with the consent of the Required Lenders) and the Parent Borrower: (A) amend or waive compliance with the conditions precedent to the obligations of Lenders to make any Revolving Loan (or of any L/C Issuer to Issue any Letter of Credit) in Section 5.02 or the definitions of the terms used in Section 5.02 insofar as such definitions affect the substance of such Section, (B) waive any Default or Event of Default for the purpose of satisfying the conditions precedent to the obligations of Lenders to make any Revolving Loan (or of any L/C Issuer to Issue any Letter of Credit) in Section 5.02, (C) amend, waive or otherwise modify non-compliance with any provision of Section 2.01, 2.03, the last sentence of Section 9.03, 11.24 or 11.25 or (D) change or amend the definition of Trigger Event of Default, or (ii) all Revolving Lenders (or the Revolver Agent with the prior written approval of all Revolving Lenders), (A) amend or waive this paragraph or the definitions of the terms used in this paragraph insofar as the definitions affect the substance of this paragraph; (B) change the definition of the term Required Revolving Lenders or the percentage of the Lenders which shall be required for Required Revolving Lenders or any specific right of Required Revolving Lenders to grant or withhold consent to take or omit any action hereunder, or (C) change the percentage of Lenders which shall be required for Revolving Lenders to take any action hereunder, in each case, without the consent of all Revolving Lenders. For the purposes of determining whether proceeds of Collateral or payments must be applied pursuant to Section 9.03, no amendment or waiver of any Trigger Event of Default shall be taken into account unless such amendment or waiver shall have been signed by the Required Revolving Lenders (or by the Revolver Agent with the consent of the Required Revolving Lenders).

No amendment or waiver shall, unless signed by Required Term Lenders (or by the Administrative Agent with the consent of Required Term Lenders) in addition to the Required Lenders (or by the Administrative Agent with the consent of the Required Lenders): (i) amend or waive Section 11.24, (ii) change the definition of Trigger Event of Default, the definition of Required Term Lenders or this paragraph or (iii) increase the amount of Revolving Commitments from those in effect as of the Closing Date.

Notwithstanding any provision herein to the contrary, this Agreement may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent, the Revolver Agent and the Parent Borrower (i) to add one or more additional revolving credit or term loan facilities to this Agreement and to permit the extensions of credit and all related obligations and liabilities arising in connection therewith from time to time outstanding to share ratably (or in a subordinated position to the existing facilities hereunder) in the benefits of this Agreement and the other Loan Documents with the obligations and liabilities from time to time outstanding in respect of the existing facilities hereunder and (ii) in connection with the foregoing, to permit, as deemed appropriate by the Administrative Agent and the Revolver Agent and approved by the Required Lenders, the Lenders providing such additional credit facilities in any required vote or action required to be approved by the Required Lenders or by any other number or percentage of the Lenders hereunder.

In addition, notwithstanding the foregoing, the Parent Borrower may, by written notice to the Applicable Agent from time to time, make one or more offers (each, a "Loan Modification Offer") to all the Lenders to make one or more amendments or modifications to (A) allow the maturity of the Revolving Commitments or Loans of the accepting Lenders to be extended and (B) increase the Applicable Rate and/or fees payable with respect to the Loans and Revolving Commitments of the accepting Lenders ("Permitted Amendments") pursuant to procedures reasonably specified by the Applicable Agent and reasonably acceptable to the Parent Borrower. Such notice shall set forth (i) the terms and conditions of the requested Permitted Amendment and (ii) the date on which such Permitted Amendment is requested to become

effective. Permitted Amendments shall become effective only with respect to the Revolving Commitments and/or Loans of the Lenders that accept the applicable Loan Modification Offer (such Lenders, the "Accepting Lenders") and, in the case of any Accepting Lender, only with respect to such Lender's Revolving Commitments and/or Loans as to which such Lender's acceptance has been made. The Parent Borrower, each other Loan Party and each Accepting Lender shall execute and deliver to the Applicable Agent an amendment and such other documentation as the Applicable Agent shall reasonably specify to evidence the acceptance of the Permitted Amendments and the terms and conditions thereof, and the Loan Parties shall also deliver such resolutions, opinions and other documents as reasonably requested by the Applicable Agent. The Applicable Agent shall promptly notify each Lender as to the effectiveness of each such amendment. Each of the parties hereto hereby agrees that (1) upon the effectiveness of any such amendment, this Agreement shall be deemed amended to the extent (but only to the extent) necessary to reflect the existence and terms of the Permitted Amendment evidenced thereby and only with respect to the Revolving Commitments and Loans of the Accepting Lenders as to which such Lenders' acceptance has been made and (2) any applicable Lender who is not an Accepting Lender may be replaced by the Parent Borrower in accordance with Section 11.13.

In addition, notwithstanding anything to the contrary herein, (a) this Agreement may be amended and restated without the consent of any Lender (but with the consent of the Parent Borrower and the Agents) if, upon giving effect to such amendment and restatement, such Lender shall no longer be a party to this Agreement (as so amended and restated), the Commitments of such Lender shall have terminated, such Lender shall have no other commitment or other obligation hereunder and shall have been paid in full all principal, interest and other amounts owing to it or accrued for its account under this Agreement, and (b) the Agents may amend or modify this Agreement and any other Loan Document without the consent of any Lender (but with the consent of the Parent Borrower) to (i) to cure any ambiguity, omission, mistake, defect or inconsistency therein or (ii) grant a new Lien for the benefit of the holders of the Obligations, extend an existing Lien over additional property for the benefit of the holders of the Obligations or join additional Persons as Loan Parties.

11.02 **Notices and Other Communications; Facsimile Copies.**

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to the Parent Borrower or any other Loan Party, any Agent, the L/C Issuer or the Swing Line Lender, to the address, facsimile number, electronic mail address or telephone number specified for such Person on Schedule 11.02; and

(ii) if to any other Lender, to the address, facsimile number, electronic mail address or telephone number specified in its Administrative Questionnaire (including, as appropriate, notices delivered solely to the Person designated by a Lender on its Administrative Questionnaire then in effect for the delivery of notices that may contain material non-public information relating to the Parent Borrower).

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by facsimile or e-mail transmission shall be deemed to have been given when

sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (b).

(b) Electronic Communications. Notices and other communications to the Secured Parties hereunder may be delivered or furnished by electronic communication (including e-mail address and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, provided that the foregoing shall not apply to notices to any Secured Party pursuant to Article II if such Secured Party, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent, the Revolver Agent, the Swing Line Lender, the L/C Issuer or the Parent Borrower may each, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement) and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii), if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice, email or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(c) The Platform. THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to the Parent Borrower, any Lender, the L/C Issuer or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Parent Borrower's, any Loan Party's or the Administrative Agent's transmission of Borrower Materials or any other information through the internet or any telecommunications, electronic or other information transmissions system, except to the extent that such losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Agent Party; provided, however, that in no event shall any Agent Party have any liability to any Loan Party, any Lender, the L/C Issuer or any other Person for indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages).

(d) Change of Address, Etc. Each of the Parent Borrower, each Agent, the L/C Issuer and the Swing Line Lender may change its address, facsimile or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, facsimile, telephone number or e-mail address for notices and other communications hereunder by notice to the Parent Borrower, each Agent, the L/C Issuer and the Swing Line Lender. In addition, each Lender agrees to notify the Administrative Agent, and each Revolving Lender agrees to notify the Revolver Agent, from time to time to ensure that the Administrative Agent has on record (i) an effective address, contact name, telephone number, facsimile number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender. Furthermore, each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and applicable Law, including United States Federal and state securities Laws, to make reference to Borrower Materials that are not made available through the "Public Side Information" portion of the Platform and that may contain material non-public information with respect to the Parent Borrower or its securities for purposes of United States Federal or state securities laws.

(e) Reliance by Agents, L/C Issuer and Lenders. The Agents, the L/C Issuer and the Lenders shall be entitled to rely and act upon any notices (including telephonic or electronic Loan Notices, Letter of Credit Applications and Swing Line Loan Notices) purportedly given by or on behalf of any Loan Party even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Loan Parties shall indemnify the each Agent, the L/C Issuer, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of a Loan Party. All telephonic notices to and other telephonic communications with any Agent may be recorded by such Agent, and each of the parties hereto hereby consents to such recording.

11.03 **No Waiver; Cumulative Remedies; Enforcement.**

No failure by any Lender, the L/C Issuer, the Administrative Agent or the Revolver Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided and provided under each other Loan Document are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Loan Parties or any of them shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Administrative Agent in accordance with Section 9.02 for the benefit of all the Lenders and the L/C Issuer; provided, however, that the foregoing shall not prohibit (a) the Administrative Agent or Revolver Agent from exercising the rights and remedies that inure to its benefit (solely in its capacity as Administrative Agent or Revolver Agent, as the case may be) hereunder and under the other Loan Documents, (b) the L/C Issuer or the Swing Line Lender from exercising the rights and remedies that inure to its benefit (solely in its capacity as L/C Issuer or Swing Line Lender, as the case may be) hereunder and under the other Loan Documents, (c) any Lender from exercising setoff rights in accordance with Section 11.08 (subject to the terms of Section 2.13), or (d) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the

pendency of a proceeding relative to any Loan Party under any Debtor Relief Law; and provided, further, that if (x) at any time there is no Person acting as Administrative Agent hereunder and under the other Loan Documents, then (i) the Required Lenders shall have the rights otherwise ascribed to the Administrative Agent pursuant to Section 9.02 and (ii) in addition to the matters set forth in clauses (b), (c) and (d) of the preceding proviso and subject to Section 2.13, any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders or (y) at any time there is no Person acting as Revolver Agent hereunder and under the other Loan Documents, then (i) the Required Revolving Lenders shall have the rights otherwise ascribed to the Administrative Agent pursuant to Section 9.02 and (ii) in addition to the matters set forth in clauses (b), (c) and (d) of the preceding proviso and subject to Section 2.13, any Lender may, with the consent of the Required Revolving Lenders, enforce any rights and remedies available to it and as authorized by the Required Revolving Lenders.

11.04 **Expenses; Indemnity; and Damage Waiver.**

(a) Costs and Expenses. The Loan Parties shall pay (i) all reasonable out-of-pocket expenses incurred by each Agent and its Affiliates (including the reasonable fees, charges and disbursements of counsel for such Agent) (limited, in the case of legal counsel, to the reasonable fees, charges and disbursements of one primary counsel, and of a single local counsel in each relevant jurisdiction), in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out-of-pocket expenses incurred by the L/C Issuer in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all reasonable out-of-pocket expenses incurred by the Administrative Agent, the Revolver Agent, any Lender or the L/C Issuer (including the fees, charges and disbursements of one primary counsel for the Administrative Agent, Revolver Agent, any Lender or the L/C Issuer, and of a single local counsel in each relevant jurisdiction (and, in the case of an actual or perceived conflict of interest where the party affected by such conflict informs the Parent Borrower of such conflict and thereafter retains its own counsel, of one additional firm of counsel for all such affected parties taken as a whole)), and shall pay all reasonable fees and time charges for attorneys who may be employees of the Administrative Agent, the Revolver Agent, any Lender or the L/C Issuer, in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) Indemnification by the Loan Parties. The Loan Parties shall indemnify the each Agent (and any sub-agent thereof), each Arranger, each Lender and the L/C Issuer, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnitee, but excluding lost profits), and shall indemnify and hold harmless each Indemnitee from all fees and time charges and disbursements for attorneys who may be employees of any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by any third party or by the Parent Borrower or any other Loan Party arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, or, in the case of the each Agent (and any sub-agent thereof) and

its Related Parties only, the administration of this Agreement and the other Loan Documents, (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by the L/C Issuer to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or threatened release of Hazardous Materials on or from any property owned or operated by a Loan Party or any of its Subsidiaries in connection with the Businesses, or any Environmental Liability related in any way to a Loan Party's or any of its Subsidiaries' conducting of the Businesses, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Parent Borrower or any other Loan Party, and regardless of whether any Indemnitee is a party thereto, in all cases, whether or not caused by or arising, in whole or in part, out of the comparative, contributory or sole negligence of the Indemnitee; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined to have resulted from the gross negligence or willful misconduct of such Indemnitee or any of its Related Parties, (y) result from a claim brought by the Parent Borrower or any other Loan Party against an Indemnitee for a material breach of such Indemnitee's obligations hereunder or under any other Loan Document, if the Parent Borrower or such Loan Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction or (z) result from any dispute that is among Indemnitees (other than any dispute involving claims against the Administrative Agent or the L/C Issuer, in each case in their respective capacities as such) that a court of competent jurisdiction has determined in a final and nonappealable judgment did not involve actions or omissions of any direct or indirect parent or controlling person of the Parent Borrower or any of its Subsidiaries. Without limiting the provisions of Section 3.01(c), this Section 11.04(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) Reimbursement by Lenders. To the extent that the Loan Parties for any reason fail to indefeasibly pay any amount required under subsection (a) or (b) of this Section to be paid by them to each Agent (or any sub-agent thereof), the L/C Issuer, the Swing Line Lender or any Related Party of any of the foregoing, each Lender severally agrees to pay to each Agent (or any such sub-agent), the L/C Issuer, Swing Line Lender or such Related Party, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's share of the Total Credit Exposure at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender), such payment to be made severally among them based on such Lenders' Applicable Percentages (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against any Agent (or any such sub-agent) or the L/C Issuer or the Swing Line Lender in its capacity as such, or against any Related Party of any of the foregoing acting for each Agent (or any such sub-agent), the L/C Issuer or the Swing Line Lender in connection with such capacity. The obligations of the Lenders under this subsection (c) are subject to the provisions of Section 2.12(d).

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable Law, none of the Loan Parties, the Administrative Agent, the Revolver Agent, any other agent hereunder, any Lender, the L/C Issuer, the Swing Line Lender, any other party hereto or any Indemnitee shall assert, and each such Person hereby waives and acknowledges that no other Person shall have, any claim against any other such Person, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) (whether or not the claim therefor is based on contract, tort or duty imposed by any applicable legal requirement)

arising out of, in connection with, arising out of, as a result of, or in any way related to, this Agreement or any other Loan Document or any agreement or instrument contemplated hereby or referred to herein, the transactions contemplated hereby or thereby any Loan or Letter of Credit or the use of the proceeds thereof, or any act or omission or event occurring in connection therewith; provided that the foregoing shall in no event limit the Parent Borrower's indemnification obligations under clause (b) above to the extent such special, indirect, consequential or punitive damages are included in any third-party claim in connection with which such Indemnitee is otherwise entitled to indemnification hereunder. No Indemnitee referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Indemnitee or from a material breach of such Indemnitee's obligations under the Loan Documents as determined by a final and nonappealable judgment of a court of competent jurisdiction.

(e) Payments. All amounts due under this Section shall be payable not later than ten (10) Business Days after demand therefor.

(f) Survival. The agreements in this Section and the indemnity provisions of Section 11.02(e), shall survive the resignation of the Administrative Agent, the Revolver Agent, the L/C Issuer, and the Swing Line Lender, the replacement of any Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all the other Obligations.

11.05 **Payments Set Aside.**

To the extent that any payment by or on behalf of any Loan Party is made to the Administrative Agent, the Revolver Agent, the L/C Issuer or any Lender, or the Administrative Agent, the Revolver Agent, the L/C Issuer or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent, the Revolver Agent, the L/C Issuer or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender and the L/C Issuer severally agrees to pay to the Applicable Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by such Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the applicable Overnight Rate from time to time in effect, in the applicable currency of such recovery or payment. The obligations of the Lenders and the L/C Issuer under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

11.06 **Successors and Assigns.**

(a) Successors and Assigns Generally. The provisions of this Agreement and the other Loan Documents shall be binding upon and inure to the benefit of the parties hereto and thereto and their respective successors and assigns permitted hereby, except that the Parent Borrower may not assign or otherwise transfer any of its rights or obligations hereunder or thereunder without the prior written consent of the Agents and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of subsection (b) of this Section, (ii) by way of participation in accordance with the provisions of

subsection (d) of this Section or (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (f) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Agents, the L/C Issuer and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement and the other Loan Documents (including all or a portion of its Commitment and the Loans (including for purposes of this subsection (b), participations in L/C Obligations) at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and/or the Loans at the time owing to it or contemporaneous assignments to related Approved Funds that equal at least the amount specified in paragraph (b)(i)(B) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than $5,000,000 in the case of any assignment in respect of a Revolving Commitment (and the related Revolving Loans thereunder) and $1,000,000 in the case of any assignment in respect of the Term Loan or Incremental Term Loan, unless each of (x) the Administrative Agent (in the case of the Term Loan or Incremental Term Loan) or (y) the Revolver Agent and each L/C Issuer (in the case of a Revolving Commitment (and the related Revolving Loans thereunder)) and, so long as no Event of Default has occurred and is continuing, the Parent Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed); provided that this Section 11.06(b)(i)(B) shall not apply to assignments permitted pursuant to Section 10.13.

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's Loans and Commitments, and rights and obligations with respect thereto, assigned, except that this clause (ii) shall not (A) apply to the Swing Line Lender's rights and obligations in respect of Swing Line Loans or (B) prohibit any Lender from assigning all or a portion of its rights and obligations in respect of its Revolving Commitment (and the related Revolving Loans thereunder) and its outstanding portion of the Term Loan on a non-pro rata basis;

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition:

(A) the consent of the Parent Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (1) an Event of Default has occurred and is continuing at the time of such assignment or (2) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided, that, the Parent Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Applicable Agent within five (5) Business Days after having received notice thereof;

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of (1) any unfunded Incremental Term Loan Commitment if such assignment is to a Person that is not a Lender with a Term Loan Commitment, an Affiliate of such Lender or an Approved Fund with respect to such Lender and (2) any Term Loan or Incremental Term Loan to a Person that is not a Lender, an Affiliate of a Lender or an Approved Fund;

(C) the consent of the Revolver Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of any unfunded Revolving Commitment if such assignment is to a Person that is not a Lender with a Revolving Commitment, an Affiliate of such Lender or an Approved Fund with respect to such Lender; and

(D) the consent of the L/C Issuer (such consent not to be unreasonably withheld or delayed) and the Swing Line Lender shall be required for any assignment in respect of the Revolving Commitment**,**

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee in the amount of $3,500; provided, however, that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment; provided, further, that such processing and recordation fee shall not apply to any assignment permitted pursuant to Section 10.09. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) No Assignment to Certain Persons. No such assignment shall be made (A) to the Parent Borrower or any of the Parent Borrower's Affiliates or Subsidiaries, (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B) or (C) to a natural person.

(vi) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Parent Borrower and the

Applicable Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Applicable Agent, the L/C Issuer or any Lender hereunder (and interest accrued thereon) and (y) acquire (and fund as appropriate) its full pro rata share of all Loans and participations in Letters of Credit and Swing Line Loans in accordance with its Applicable Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

(vii) Disqualified Institutions. Assignments and participations to Disqualified Institutions shall be subject to the terms and conditions in Section 11.06(g).

Subject to acceptance and recording thereof by the Administrative Agent (and Revolver Agent, as applicable) pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 3.01, 3.04, 3.05 and 11.04 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided, that except to the extent otherwise expressly agreed to by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Upon request, the Parent Borrower (at its expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section.

(c) Register. (x) The Administrative Agent, acting solely for this purpose as an agent of each Borrower (and such agency being solely for tax purposes), shall maintain at Administrative Agent's Office a copy of each Assignment and Assumption delivered to it (or the equivalent thereof in electronic form) and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans and L/C Obligations owing to, each Lender pursuant to the terms hereof from time to time and (y) the Revolver Agent acting solely for this purpose as an agent of each Borrower (and such agency being solely for tax purposes), shall maintain at Revolver Agent's Office a copy of each Assignment and Assumption delivered to it (or the equivalent thereof in electronic form) and a register for the recordation of the names and addresses of the Revolving Lenders, and the Revolving Commitments of, and principal amounts (and stated interest) of the Revolving Loans and L/C Obligations owing to, each Revolving Lender pursuant to the terms hereof from time to time (collectively, the "Register"). The entries in the Register shall be conclusive absent manifest error, and Borrowers, the Agents, and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the any Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Parent Borrower or the Agents, sell participations to any Person (other than a natural Person, a Defaulting Lender or the Parent Borrower or any of the Parent Borrower's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans (including such Lender's participations in L/C Obligations and/or Swing Line Loans) owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Parent Borrower, the Agents, the Lenders and the L/C Issuer shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 11.04(c) without regard to the existence of any participation.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in clauses (i) through (vi) of Section 11.01 that affects such Participant. Each Borrower agrees that each Participant shall be entitled to the benefits of Sections 3.01, 3.04 and 3.05 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section (it being understood that the documentation required under Section 3.01(e) shall be delivered to the Lender who sells the participation) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Sections 3.06 and 11.13 as if it were an assignee under paragraph (b) of this Section and (B) shall not be entitled to receive any greater payment under Sections 3.01 or 3.04, with respect to any participation, than the Lender from whom it acquired the applicable participation would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Parent Borrower's request and expense, to use reasonable efforts to cooperate with the Parent Borrower to effectuate the provisions of Section 3.06 with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 11.08 as though it were a Lender; provided that such Participant agrees to be subject to Section 2.13 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as an agent of each Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under the Internal Revenue Code. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Applicable Agent (in its capacity as such Applicable Agent) shall have no responsibility for maintaining a Participant Register.

(e) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(f) Resignation as L/C Issuer or Swing Line Lender after Assignment. Notwithstanding anything to the contrary contained herein, if at any time Capital One assigns all of its Revolving Commitment and Revolving Loans pursuant to subsection (b) above, Capital One may, (i) upon thirty (30) days' notice to the Parent Borrower and the Lenders, resign as L/C Issuer and/or (ii) upon thirty days' notice to the Parent Borrower resign as Swing Line Lender. In the event of any such resignation as L/C Issuer or Swing Line Lender, the Parent Borrower shall be entitled to appoint from among the Lenders a successor L/C Issuer or Swing Line Lender hereunder; provided, however, that no failure by the Parent Borrower to appoint any such successor shall affect the resignation of Capital One as L/C Issuer or Swing Line Lender, as the case may be. If Capital One resigns as L/C Issuer, it shall retain all the rights, powers, privileges and duties of the L/C Issuer hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as L/C Issuer and all L/C Obligations with respect thereto (including the right to require the Lenders to make Base Rate Loans or fund risk participations in unreimbursed amounts pursuant to Section 2.03(c)). If Capital One resigns as Swing Line Lender, it shall retain all the rights of the Swing Line Lender provided for hereunder with respect to Swing Line Loans made by it and outstanding as of the effective date of such resignation including the right to require the Lenders to make Base Rate Loans or fund risk participations in outstanding Swing Line Loans pursuant to Section 2.04(c). Upon the appointment of a successor L/C Issuer and/or Swing Line Lender, (1) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer or Swing Line Lender, as the case may be, and (2) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to Capital One to effectively assume the obligations of Capital One with respect to such Letters of Credit.

(g) Disqualified Institutions.

(i) No assignment or participation shall be made to any Person that was a Disqualified Institution as of the date (the "**Trade Date**") on which the assigning or transferring Lender entered into a binding agreement to sell and assign, or grant a participation in, all or a portion of its rights and obligations under this Agreement, as applicable, to such Person unless Administrative Agent and the Parent Borrower (unless a Specified Event of Default has occurred and is continuing, in which case no consent from the Parent Borrower is required) have consented in writing in their sole and absolute discretion to such assignment or participation, in which case such Person will not be considered a Disqualified Institution for the purpose of such assignment or participation. For the avoidance of doubt, (x) no assignment or participation shall be retroactively invalidated pursuant to this Section 11.06(g) if the Trade Date therefor occurred prior to the assignee's or participant's becoming a Disqualified Institution (including as a result of the delivery of a notice pursuant to, and/or the expiration of the notice period referred to in, the definition of "Disqualified Institution"), and (y) the execution by the Parent Borrower or Administrative Agent of an Assignment with respect to such an assignment will not by itself result in such assignee no longer being considered a Disqualified Institution.

(ii) Administrative Agent and each assignor of a Loan or seller of a participation hereunder shall be entitled to rely conclusively on a representation of the assignee Lender or Participant in the relevant Assignment and Assumption or participation agreement, as

applicable, that such assignee or purchaser is not a Disqualified Institution. Administrative Agent shall have the right, and the Borrowers hereby expressly authorize Administrative Agent, to (A) post the list of Disqualified Institutions provided by the Parent Borrower and any updates thereto from time to time (collectively, the "**DQ List**") on a Platform, including that portion of such Platform that is designated for "public side" Lenders and/or (B) provide the DQ List to each Lender requesting the same. Any assignment to a Disqualified Institution or grant or sale of participation to a Disqualified Institution in violation of this Section 11.06(g) shall not be void, but the other provisions of this Section 11.06(g) shall apply.

(iii) If any assignment or participation is made to any Disqualified Institution without the consents required by this Section 11.06(g) and/or Section 11.06(b)(iii), or if any Person becomes a Disqualified Institution after the applicable Trade Date, the Parent Borrower may, at its sole expense and effort, upon notice to the applicable Disqualified Institution and Administrative Agent, (1) terminate the Revolving Commitment of such Disqualified Institution and pay or cause to be paid all Obligations of the Borrowers owing to such Disqualified Institution in connection with such Revolving Commitment, (2) in the case of outstanding Term Loans held by Disqualified Institutions, purchase or prepay (or cause to be purchased or prepaid) such Term Loan by paying the lesser of (x) the principal amount thereof and (y) the amount that such Disqualified Institution paid to acquire such Term Loans, in each case plus accrued interest, accrued fees and all other amounts (other than principal amounts) payable to it hereunder and/or (3) require such Disqualified Institution to assign, without recourse (in accordance with and subject to the restrictions and conditions contained in this Section 11.06), all of its interest, rights and obligations under this Agreement and the other Loan Documents to one or more assignees at the lesser of (x) the principal amount thereof and (y) the amount that such Disqualified Institution paid to acquire such interests, rights and obligations of such Term Loans, in each case plus accrued interest, accrued fees and all other amounts (other than principal amounts) payable to it hereunder. Any Term Loan so purchased by a Borrower under this Section 11.06(g) shall upon such purchase be deemed to be irrevocably prepaid, terminated, extinguished, cancelled and of no further force and effect.

(iv) Notwithstanding anything to the contrary contained in this Agreement, Disqualified Institutions (1) will not have the right to (x) receive information, reports or other materials provided to Agents or Lenders by the Borrowers, any other Agent or any other Lender, (y) attend or participate (including by telephone) in meetings attended by any of the Lenders and/or Agents, or (z) access any electronic site established for the Lenders or confidential communications from counsel to or financial advisors of Agents or the Lenders and (2) (x) for purposes of any consent to any amendment, waiver or modification of, or any action under, and for the purpose of any direction to any Agent or any Lender to undertake any action (or refrain from taking any action) under this Agreement or any other Loan Document, each Disqualified Institution will be deemed to have consented in the same proportion as the Lenders that are not Disqualified Institutions consented to such matter, and (y) for purposes of voting on any plan of reorganization pursuant to Section 1126 of the Bankruptcy Code of the United States or any similar plan, each Disqualified Institution party hereto hereby agrees (1) not to vote on such plan, (2) if such Disqualified Institution does vote on such plan notwithstanding the restriction in the immediately foregoing clause (1), such vote will be deemed not to be in good faith and shall be "designated" pursuant to Section 1126(e) of the Bankruptcy Code of the United States (or any similar provision in any other similar federal, state or foreign law affecting creditor's rights, including any Debtor Relief Laws), and such vote shall not be counted in determining whether the applicable class has accepted or rejected such plan in accordance with Section 1126(c) of the Bankruptcy Code of the United States (or any similar provision in any other similar federal, state or foreign law affecting creditor's rights, including any Debtor Relief Laws) and (3) not to contest any request by any party for a determination by the Bankruptcy Court of the United States of America (or other applicable court of competent jurisdiction) effectuating the foregoing clause (2).

(v) No Disqualified Institution shall (i) be entitled to bring actions against any Agent, in its role as such, (ii) receive advice of counsel or other advisors to any Agent or any other Lenders or (iii) challenge the attorney client privilege of any Agent or any Lender and their respective counsel.

11.07 **Treatment of Certain Information; Confidentiality.**

Each of the Agents, the Lenders and the L/C Issuer agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to their respective Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable Laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective party (or its Related Parties) to any swap or derivative or other transaction under which payments are to be made by reference to a Loan Party and its obligations, this Agreement or payments hereunder, (g) on a confidential basis to (i) (A) any rating agency in connection with rating the Parent Borrower or its Subsidiaries or the credit facilities provided hereunder, (B) the provider of any Platform or other electronic delivery service used by the Agents, the L/C Issuer and/or the Swing Line Lender to deliver Borrower Materials or notices to the Lenders or (C) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers or other market identifiers with respect to the credit facilities provided hereunder, (h) with the consent of the Parent Borrower or (i) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to any Agent, any Lender, the L/C Issuer or any of their respective Affiliates on a nonconfidential basis from a source other than the Parent Borrower.

For purposes of this Section, "Information" means all information received from a Loan Party or any Subsidiary relating to the Loan Parties or any Subsidiary or any of their respective businesses, other than any such information that is available to any Agent, any Lender or the L/C Issuer on a nonconfidential basis prior to disclosure by such Loan Party or any Subsidiary. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Each of the Agents, the Lenders and the L/C Issuer acknowledges that (a) the Information may include material non-public information concerning a Loan Party or a Subsidiary, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information in accordance with applicable Law, including United States Federal and state securities Laws.

The Loan Parties acknowledge and agree that the DQ List does not constitute Information and may be posted to all Lenders by Administrative Agent (including any updates thereto).

11.08 **Set-off.**

If an Event of Default shall have occurred and be continuing, each Lender, the L/C Issuer and each of their respective Affiliates is hereby authorized at any time and from time to time, after obtaining the prior written consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed), to the fullest extent permitted by applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency, but specifically excluding accounts used for payroll, trust and tax withholdings and other Excluded Accounts (as defined in the Security Agreement and the Canadian Security Agreement, as applicable)) at any time held and other obligations (in whatever currency) at any time owing by such Lender, the L/C Issuer or any such Affiliate to or for the credit or the account of the Parent Borrower or any other Loan Party against any and all of the obligations of the Parent Borrower or such Loan Party now or hereafter existing under this Agreement or any other Loan Document then due and owing to such Lender or the L/C Issuer or their respective Affiliates, irrespective of whether or not such Lender or the L/C Issuer or Affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Parent Borrower or such Loan Party are owed to a branch or office or Affiliate of such Lender or the L/C Issuer different from the branch or office or Affiliate holding such deposit or obligated on such indebtedness; provided, that, in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Agents for further application in accordance with the provisions of Section 2.15 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Agents, the L/C Issuer and the Lenders and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender, the L/C Issuer and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, the L/C Issuer or their respective Affiliates may have. Each Lender and the L/C Issuer agrees to notify the Parent Borrower and the Agents promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

11.09 **Interest Rate Limitation.**

Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (including the Criminal Code (Canada)) (the "Maximum Rate"). If any Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the applicable Borrower. In determining whether the interest contracted for, charged, or received by any Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

11.10 **Counterparts; Integration; Effectiveness.**

This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent, Revolver Agent or the L/C Issuer constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 5.01, this Agreement shall become effective when it shall have been executed by the

Agents and when the Agents shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by facsimile, E-Signature or other electronic imaging means (e.g., ".pdf" or ".tif") shall be effective as delivery of a manually executed counterpart of this Agreement.

11.11 **Survival of Representations and Warranties.**

All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Agents and each Lender, regardless of any investigation made by any Agent or any Lender or on their behalf and notwithstanding that any Agent or any Lender may have had notice or knowledge of any Default at the time of any Credit Extension, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied or any Letter of Credit shall remain outstanding.

11.12 **Severability.**

If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Without limiting the foregoing provisions of this Section 11.12, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by the Applicable Agent, the L/C Issuer or the Swing Line Lender, as applicable, then such provisions shall be deemed to be in effect only to the extent not so limited.

11.13 **Replacement of Lenders.**

If the Parent Borrower is entitled to replace a Lender pursuant to the provisions of Section 3.06 or if any Lender is a Defaulting Lender or a Non-Consenting Lender, then the Parent Borrower may, at its sole expense and effort, upon notice to such Lender and the Agents, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 11.06), all of its interests, rights and obligations under this Agreement (other than its existing rights to payments pursuant to Sections 3.01 and 3.04) and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

(a) the Parent Borrower shall have paid to the Applicable Agent the assignment fee specified in Section 11.06(b);

(b) such Lender shall have received payment of an amount equal to one hundred percent (100%) of the outstanding principal of its Loans and Issued Letters of Credit, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 3.05) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Parent Borrower (in the case of all other amounts);

(c) in the case of any such assignment resulting from a claim for compensation under Section 3.04 or payments required to be made pursuant to Section 3.01, such assignment will result in a reduction in such compensation or payments thereafter;

(d) such assignment does not conflict with applicable Laws**;** and

(e) in the case of any such assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Parent Borrower to require such assignment and delegation cease to apply.

11.14 **Governing Law; Jurisdiction; Etc.**

(a) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK (INCLUDING SECTION 5-1401 AND SECTION 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK) WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES THAT WOULD REQUIRE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

(b) SUBMISSION TO JURISDICTION. THE PARENT BORROWER AND EACH OTHER LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT ANY AGENT, ANY LENDER OR THE L/C ISSUER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST THE PARENT BORROWER OR ANY OTHER LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) WAIVER OF VENUE. EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 11.02. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

11.15 **Waiver of Right to Trial by Jury.**

EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

11.16 **Electronic Execution of Assignments and Certain Other Documents.**

The words "delivery," "execute," "execution," "signed," "signature" and words of like import in any Loan Document or any other document executed in connection herewith, shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Agents, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided, that, notwithstanding anything contained herein to the contrary, neither the Administrative Agent, Revolver Agent, the L/C Issuer nor any Lender is under any obligation to agree to accept electronic signatures in any form or in any format unless expressly agreed to by the Administrative Agent, Revolver Agent, the L/C Issuer or such Lender pursuant to procedures approved by it; provided, further, that without limiting the foregoing, upon the request of any party, any electronic signature shall be promptly followed by such manually executed counterpart.

11.17 **USA PATRIOT Act and Canadian AML Acts Notice.**

Each Lender that is subject to the PATRIOT Act (as hereinafter defined) or any Canadian AML Act and each Agent (for itself and not on behalf of any Lender) hereby notifies the Parent Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "PATRIOT Act") and the Canadian AML Acts, it is required to obtain, verify and record information that identifies each Loan Party, which information includes the name and address of such Loan Party, information concerning its direct and indirect holders of Equity Interests and other Persons exercising Control over it and other information that will allow such Lender or such Agent, as applicable, to identify

such Loan Party in accordance with the PATRIOT Act and the Canadian AML Acts. Each Loan Party shall, promptly following a request by any Agent or any Lender, provide all documentation and other information that such Agent or such Lender requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the PATRIOT Act, the Canadian AML Acts and the Beneficial Ownership Regulation.

11.18 **No Advisory or Fiduciary Relationship.**

In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), each of the Loan Parties acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (i) (A) the arranging and other services regarding this Agreement provided by the Agents, the Arrangers and the Lenders are arm's-length commercial transactions between the Loan Parties and their respective Affiliates, on the one hand, and the Agents, the Arrangers and the Lenders, on the other hand, (B) each of the Loan Parties has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) each of the Loan Parties is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) the Agents, the Arrangers and the Lenders each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Loan Parties or any of their respective Affiliates, or any other Person and (B) neither any Agent, any Arranger nor any Lender has any obligation to the Loan Parties or any of their respective Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Agents, the Arrangers and the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Loan Parties and their respective Affiliates, and neither any Agent, any Arranger nor any Lender has any obligation to disclose any of such interests to the Loan Parties and their respective Affiliates. To the fullest extent permitted by Law, each of the Loan Parties hereby waives and releases any claims that it may have against any Agent, any Arranger or any Lender with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

11.19 **Appointment of Parent Borrower.**

Each of the Canadian Borrower and the Guarantors hereby appoints the Parent Borrower to act as its agent for all purposes of this Agreement, the other Loan Documents and all other documents and electronic platforms entered into in connection herewith and agrees that (a) the Parent Borrower may execute such documents and provide such authorizations on behalf of the Canadian Borrower and such Guarantors as the Parent Borrower deems appropriate in its sole discretion and the Canadian Borrower and each Guarantor shall be obligated by all of the terms of any such document and/or authorization executed on its behalf, (b) any notice or communication delivered by any Agent, the L/C Issuer or a Lender to the Parent Borrower shall be deemed delivered to each Loan Party and (c) the Agents, the L/C Issuer, the Swing Line Lender or the Lenders may accept, and be permitted to rely on, any document, authorization, instrument or agreement executed by the Parent Borrower on behalf of each of the Canadian Borrower and the Guarantors.

11.20 **Reserved.**

11.21 **Acknowledgement and Consent to Bail-In of Affected Financial Institutions.**

Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Lender that is an Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(i) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any Lender that is an Affected Financial Institution; and

(ii) the effects of any Bail-in Action on any such liability, including, if applicable:

(A) a reduction in full or in part or cancellation of any such liability;

(B) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(C) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of the applicable Resolution Authority.

11.22 **Acknowledgement Regarding Any Supported QFCs.**

To the extent that the Loan Documents provide support, through a guarantee or otherwise, for any Swap Contract or any other agreement or instrument that is a QFC (such support, "QFC Credit Support", and each such QFC, a "Supported QFC"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "U.S. Special Resolution Regimes") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

In the event a Covered Entity that is party to a Supported QFC (each, a "Covered Party") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under such U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under such U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

11.23 **Judgment Currency.**

If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder or any other Loan Document in one currency into another currency, the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase the first currency with such other currency on the Business Day preceding that on which final judgment is given. The obligation of each Loan Party in respect of any such sum due from it to any Agent or any Lender hereunder or under the other Loan Documents shall, notwithstanding any judgment in a currency (the "Judgment Currency") other than that in which such sum is denominated in accordance with the applicable provisions of this Agreement (the "Agreement Currency"), be discharged only to the extent that on the Business Day following receipt by such Agent or such Lender, as the case may be, of any sum adjudged to be so due in the Judgment Currency, such Agent or such Lender, as the case may be, may in accordance with normal banking procedures purchase the Agreement Currency with the Judgment Currency. If the amount of the Agreement Currency so purchased is less than the sum originally due to any Agent or any Lender from any Loan Party in the Agreement Currency, such Loan Party agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Administrative Agent or such Lender, as the case may be, against such loss. If the amount of the Agreement Currency so purchased is greater than the sum originally due to any Agent or any Lender in such currency, such Agent or such Lender, as the case may be, agrees to return the amount of any excess to such Loan Party (or to any other Person who may be entitled thereto under applicable Law).

11.24 **Purchase Option.**

(a) Termination Notice; Purchase Notice. Solely as among the Administrative Agent, the Revolver Agent, the Revolving Lenders and the Term Lenders (and whether or not the Administrative Agent is directed to terminate the Revolving Commitments by the Required Revolving Lenders), the Administrative Agent shall, absent Exigent Circumstances give to the Term Lenders, at least five (5) Business Days prior written notice, or, should Exigent Circumstances arise or exist, such prior or contemporary notice as may be practicable under the circumstances before terminating the Revolving Commitments pursuant to Section 9.02. On one occasion exercised at any time, at the election by the Required Term Lenders, the Term Lenders shall have the option, but not the obligation, to (x) purchase from the Revolving Lenders all, but not less than all, of the Revolving Loan Obligations, all Obligations under Treasury Management Agreements and all Swap Obligations owing to any Lender that is a Revolving Lender or any of its Affiliates (collectively, the "Revolver Purchase Obligations"), (y) assume all, but not less than all, of the then existing Revolving Commitments, and (z) name a successor Revolver Agent and, if the Administrative Agent and Revolver Agent are the same Person, a successor Administrative Agent, that is or are acceptable to the Required Term Lenders and, if no Event of Default is continuing, to the Parent Borrower. Such right shall be exercised by the Required Term Lenders giving a written notice (the "Purchase Notice") to the Agents. A Purchase Notice once delivered shall be irrevocable and must contain the name of the successor Revolver Agent. Upon delivery of the Purchase Notice, each Term Lender shall have the right to purchase its pro rata share of the Revolver Purchase Obligations and assume its pro rata share of the Revolving Commitments, and Term Lenders exercising such rights may exercise the rights of non-exercising Term Lenders, in each case on a pro rata basis as among exercising Term Lenders until such rights have been exercised as to all Revolver Purchase Obligations and all Revolving Commitments (in any case, prior to issuance of the Purchase Notice).

(b) Purchase Option Closing. On the date specified in the Purchase Notice (which shall not be less than 3 Business Days nor more than 5 Business Days, after delivery to the Agents of the Purchase Notice), the Revolving Lenders shall sell to the exercising Term Lenders, and the exercising Term Lenders shall purchase from the Revolving Lenders, all, but not less than all, of the Revolver Purchase Obligations, and the Revolving Lenders shall assign to the exercising Term Lenders, and the exercising Term Lenders shall assume from the Revolving Lenders all, but not less than all, of the then existing Revolving Commitments and, with the effect and as more particularly provided in Section 10.09, the Revolver Agent and L/C Issuer shall resign and shall be succeeded by the successor Revolver Agent and L/C Issuer nominated by the exercising Term Lenders, who shall assume the duties of Revolver Agent as a successor Revolver Agent.

(c) Purchase Price. The purchase, sale and assumption pursuant to this Section 11.24 shall be made by execution and delivery by the Administrative Agent, the Revolver Agent, Revolving Lenders, and exercising Term Lenders of an Assignment. Upon the date of such purchase and sale, the exercising Term Lenders shall (a) pay to the Revolver Agent for the benefit of the Revolving Lenders as the purchase price therefor the sum of (i) the full amount of all the Revolving Loan Obligations, Obligations under Treasury Management Agreements and Swap Obligations owing to any Lender that is a Revolving Lender or one of its Affiliates then outstanding and unpaid (including principal, interest, fees, indemnities and expenses, including reasonable attorneys' fees and legal expenses), (b) furnish Cash Collateral to the Revolver Agent with respect to (i) the outstanding L/C Reimbursement Obligations in such amounts as are required under Section 2.14 (to the same extent as if an Event of Default were continuing) and (ii) any unreimbursed contingent obligations with respect to indemnification obligations, Swap Obligations, and Obligations under Treasury Management Agreements in such amount as the Revolver Agent shall determine is reasonably necessary to secure such Obligations and (c) agree to reimburse the Revolving Lenders for any loss, cost, damage or expense (including reasonable attorneys' fees and legal expenses) in connection with any commissions, fees, costs or expenses related to any issued and outstanding L/C Reimbursement Obligations as described above and any checks or other payments provisionally credited to the Revolving Loan Obligations, and/or as to which the Revolving Lenders have not yet received final payment. Such purchase price and cash collateral shall be remitted by wire transfer of immediately available funds to the Revolver Agent in accordance with Section 2.12, solely for the account of the Revolving Lenders. Interest and fees shall be calculated to but excluding the Business Day on which such purchase and sale shall occur if the amounts so paid by the Term Lenders are received by the Revolver Agent prior to 1:00 p.m., New York City time and interest and fees may, at the Revolver Agent's discretion, be calculated to and including such Business Day if the amounts so paid by the Term Lenders are received by the Revolver Agent later than 1:00 p.m., New York City time.

(d) Nature of Sale. The purchase and sale pursuant to this Section 11.24 shall be expressly made without representation or warranty of any kind by the Revolving Lenders as to the Revolving Loan Obligations or otherwise and without recourse to the Revolving Lenders, except for representations and warranties as to the following: (a) the amount of the Revolving Loan Obligations being purchased (including as to the principal of and accrued and unpaid interest on such Revolving Loan Obligations, fees and expenses thereof), (b) that the Revolving Lenders own the Revolving Loan Obligations free and clear of any Liens and (c) each Revolving Lender has the full right and power to assign its Revolving Loan Obligations and such assignment has been duly authorized by all necessary corporate action by such Revolving Lender.

11.25 **Separate Obligations.**

Each Term Creditor acknowledges and agrees that because of their differing rights in proceeds of the Collateral, the Term Loan Obligations are fundamentally different from the Revolving Loan Obligations and must be separately classified in any plan of reorganization proposed or confirmed in any Insolvency Proceeding involving any Borrower or Guarantor as a debtor. No Term Creditor shall seek in any such

Insolvency Proceeding to be treated as part of the same class of creditors as the Revolving Creditors or shall oppose any pleading or motion by the Revolving Creditors for the Revolving Creditors and the Term Creditors to be treated as separate classes of creditors. Notwithstanding the foregoing, and regardless of whether the Term Loan Obligations and the Revolving Loan Obligations are separately classified in any such plan of reorganization, the Term Creditors hereby acknowledge and agree that to the extent that the aggregate value of the Collateral exceeds the amount of the Revolving Loan Obligations, the Revolving Creditors shall be entitled to receive, in addition to amounts distributed to them in respect of principal, pre-petition interest and other claims, all amounts owing in respect of interest, and fees, costs and charges incurred subsequent to the commencement of the applicable Insolvency Proceeding (regardless of whether such interest, and fees, costs and charges incurred subsequent to the commencement of the applicable Insolvency Proceeding is allowed as part of the claims of the Revolving Creditors under section 506(b) of the Bankruptcy Code of the United States or otherwise) before any distribution (whether pursuant to a plan of reorganization or otherwise) is made in respect of any of the claims held by the Term Creditors. The Term Creditors hereby acknowledge and agree to hold in trust for the benefit of the Revolving Creditors and to turn over to the Revolving Creditors all distributions received or receivable by them in any Insolvency Proceeding (whether pursuant to a plan of reorganization or otherwise) to the extent necessary to effectuate the intent of the preceding sentence, even if such turnover has the effect of reducing the claim or recovery of the Term Creditors.

11.26 **Québec Security.**

Without limiting the generality of any provisions of this Agreement, each Lender hereby appoints and designates the Administrative Agent (or any successor thereto), as part of its duties as Administrative Agent, to act on behalf of each of the Lenders as the hypothecary representative within the meaning of article 2692 of the Civil Code of Québec in order to hold any hypothec granted under the laws of the Province of Québec as security for any of the Obligations pursuant to any Deed of Hypothec and to exercise such rights and duties as are conferred upon a hypothecary representative under the relevant Deed of Hypothec and applicable Laws (with the power to delegate any such rights or duties). Any Person who becomes a Lender or any successor Administrative Agent shall be deemed to have consented to and ratified the foregoing appointment of the Administrative Agent as hypothecary representative, on behalf of all Lenders. For greater certainty, the Administrative Agent, acting as hypothecary representative, shall have the same rights, powers, immunities, indemnities and exclusions from liability as are prescribed in favor of the Administrative Agent in this Agreement, which shall apply mutatis mutandis.

11.27 **Joint and Several Liability of Borrowers**

(a) Applicability of Terms. Each Borrower and each Person comprising a Borrower hereby acknowledges and agrees that all of the representations, warranties, covenants, obligations, conditions, agreements, and other terms contained in this Agreement are applicable to and binding upon each Person comprising a Borrower unless expressly otherwise stated in this Agreement.

(b) Joint and Several Liability. Each Borrower is jointly and severally and solidarily liable for all of the Obligations of each other Borrower, regardless of which Borrower actually receives the proceeds or other benefits of the Loans or other extensions of credit under this Agreement or the manner in which Borrowers, Administrative Agent, or any Lender accounts therefor in their respective books and records.

(c) Benefits and Best Interests. Each Borrower acknowledges that it will enjoy significant benefits from the business conducted by each other Borrower because of, *inter alia*, their combined ability to bargain with other Persons including without limitation their ability to receive the Loans and other credit extensions under this Agreement and the other Loan Documents which would not have been available to any Borrower acting alone. Each Borrower has determined that it is in its best interest to procure the credit facilities contemplated under this Agreement, with the credit support of each other Borrower as contemplated by this Agreement and the other Loan Documents.

(d) Accommodations. Each of Administrative Agent and the Lenders have advised each Borrower that it is unwilling to enter into this Agreement and the other Loan Documents and make available the credit facilities extended hereby or thereby to any Borrower unless each Borrower agrees, among other things, to be jointly and severally for the due and proper payment of the Obligations of each other Borrower. Each Borrower has determined that it is in its best interest and in pursuit of its purposes that it so induce the Lenders to extend credit pursuant to this Agreement and the other documents executed in connection with this Agreement (a) because of the desirability to each Borrower of the credit facilities under this Agreement and the interest rates and the modes of borrowing available under this Agreement and under those other documents; (b) because each Borrower might engage in transactions jointly with other Borrowers; and (c) because each Borrower might require, from time to time, access to funds under this Agreement for the purposes set forth in this Agreement. Each Borrower, individually, expressly understands, agrees, and acknowledges that the credit facilities contemplated under this Agreement would not be made available on the terms of this Agreement in the absence of the collective credit of all the Borrowers, and the joint and several and solidarity liability of all the Borrowers. Accordingly, each Borrower acknowledges that the benefit of the accommodations made under this Agreement to the Borrowers, as a whole, constitutes reasonably equivalent value, regardless of the amount of the indebtedness actually borrowed by, advanced to, or the amount of credit provided to, or the amount of collateral provided by, any one Borrower.

(e) Maximum Amount. To the extent that applicable law otherwise would render the full amount of the joint and several obligations of any Borrower under this Agreement and under the other Loan Documents invalid or unenforceable, that Person's obligations under this Agreement and under the other Loan Documents will be limited to the maximum amount that does not result in any such invalidity or unenforceability, but each Borrower's obligations under this Agreement and under the other Loan Documents will be presumptively valid and enforceable to their fullest extent in accordance with the terms hereof or thereof, as if this Section 11.27 were not a part of this Agreement.

(f) Joint Liability Payments. To the extent that any Borrower makes a payment under this Section 11.27 of all or any of the Obligations (a "Joint Liability Payment") that, taking into account all other Joint Liability Payments then previously or concurrently made by any other Borrower, exceeds the amount that Borrower would otherwise have paid if each Borrower had paid the aggregate Obligations satisfied by those Joint Liability Payments in the same proportion that that Person's Allocable Amount (as determined immediately prior to those Joint Liability Payments) bore to the aggregate Allocable Amounts of each Borrower as determined immediately prior to the making of those Joint Liability Payments, then, following payment in full in cash of the Obligations (other than contingent indemnification Obligations not then asserted), the expiration, termination, or Cash Collateralization of all Letters of Credit, and the termination of the Commitments, that Borrower will be entitled to receive contribution and indemnification payments from, and be reimbursed by, each other Borrower for the amount of that excess, pro rata based upon their respective Allocable Amounts in effect immediately prior to the applicable Joint Liability Payments. As of any date of determination, the "Allocable Amount" of any Borrower is equal to the maximum amount of the claim that could then be recovered from that Borrower under this Section 11.27 without rendering that claim voidable or avoidable under § 548 of Chapter 11 of the United States Bankruptcy Code (or other similar provision as in effect under the Bankruptcy Code effective in Canada) or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act, or similar statute or common law in Canada or other applicable jurisdiction.

(g) Financial Condition. Each Borrower assumes responsibility for keeping itself informed of the financial condition of each other Borrower, and any and all endorsers and/or guarantors of any instrument or document evidencing all or any part of each other Borrower's Obligations, and of all other circumstances bearing upon the risk of nonpayment by each other Borrower of its Obligations, and each Borrower agrees that neither Administrative Agent nor any Lender has or will have any duty to advise that Borrower of information known to Administrative Agent or any Lender regarding any such condition or any such circumstances or to undertake any investigation not a part of its regular business routine. If Administrative Agent or any Lender, in its sole discretion, undertakes at any time or from time to time to provide any such information to a Borrower, neither Administrative Agent nor any Lender will be under any obligation to update any such information or to provide any such information to that Borrower or any other Person on any subsequent occasion.

(h) Administrative Agent Authorizations. Subject to Article X, Administrative Agent is hereby authorized to, at any time and from time to time, to do any and all of the following: (a) in accordance with the terms of this Agreement, renew, extend, accelerate, or otherwise change the time for payment of, or other terms relating to, Obligations incurred by any Borrower or any other Loan Party, otherwise modify, amend or change the terms of any promissory note or other agreement, document or instrument now or hereafter executed by any Borrower or any other Loan Party and delivered to Administrative Agent or any Lender; (b) accept partial payments on an Obligation incurred by any Borrower; (c) take and hold security or collateral for the payment of an Obligation incurred by any Borrower under this Agreement or for the payment of any guaranties of an Obligation incurred by any Borrower or other liabilities of any Borrower and exchange, enforce, waive, and release any such security or collateral; (d) apply any such security or collateral and direct the order or manner of sale thereof as Administrative Agent, in its sole discretion, determines; and (e) settle, release, compromise, collect, or otherwise liquidate an Obligation incurred by any Borrower and any security or collateral therefor in any manner, without affecting or impairing the obligations of any other Borrower. In accordance with the terms of this Agreement, Administrative Agent has the exclusive right to determine the time and manner of application of any payments or credits, whether received from a Borrower or any other source, and any such determination will be binding on each Borrower. In accordance with the terms of this Agreement, all such payments and credits may be applied, reversed and reapplied, in whole or in part, to any of an Obligation incurred by any Borrower as Administrative Agent determines in its sole discretion without affecting the validity or enforceability of the Obligations of any other Borrower. Nothing in this Section 11.27 modifies any right of any Borrower or any Lender to consent to any amendment or modification of this Agreement or the other Loan Documents in accordance with the terms hereof or thereof.

(i) Unconditional Obligations. Each Borrower hereby agrees that, except as otherwise expressly provided in this Agreement, its obligations under this Agreement are and will be unconditional, irrespective of (a) the absence of any attempt to collect an Obligation incurred by any Borrower from any Borrower or any guarantor or other action to enforce the same; (b) failure by Administrative Agent to take any steps to perfect and maintain its security interest in, or to preserve its rights to, any security or collateral for an Obligation incurred by any Borrower; (c) any Insolvency Proceeding by or against any Borrower or any other Loan Party, or Administrative Agent's or any Lender's election in any such proceeding of the application of § 1111(b)(2) of the Bankruptcy Code in the United States (or similar provision under the Bankruptcy Code as in effect in Canada); (d) any borrowing or grant of a security interest by any Borrower as debtor-in-possession under § 364 of the Bankruptcy Code in the United States (or similar provision under the Bankruptcy Code as in effect in Canada); (e) the disallowance, under § 502 of the Bankruptcy Code in the United States (or similar provision under the Bankruptcy Code as in effect in Canada), of all or any portion of Administrative Agent's or any Lender's claim(s) for repayment of any of an Obligation incurred by any Borrower; or (f) any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor unless that legal or equitable discharge or defense is that of a Borrower in its capacity as a Borrower.

(j) No Impairment of Obligations or Limitation of Liability. This Section 11.27 is intended only to define the relative rights of Borrowers and nothing set forth in this Section 11.27 is intended to or will impair the obligations of Borrowers, jointly and severally, to pay any amounts as and when the same become due and payable in accordance with the terms of this Agreement or any other Loan Documents. Nothing contained in this Section 11.27 limits the liability of any Borrower to pay the credit facilities made directly or indirectly to that Borrower and accrued interest, fees, and expenses with respect thereto for which that Borrower is primarily liable.

(k) Rights of Contribution and Indemnification. The parties to this Agreement acknowledge that the rights of contribution and indemnification under this Section 11.27 constitute assets of each Borrower to which any such contribution and indemnification is owing. The rights of any indemnifying Borrower against the other Borrowers under this Section 11.27 will be exercisable upon the full and payment of the Obligations, the expiration or termination of the Letters of Credit, and the termination of the Commitments.

(l) Subrogation. No payment made by or for the account of a Borrower, including, without limitation, (a) a payment made by that Borrower on behalf of an Obligation of another Borrower or (b) a payment made by any other Person under any guaranty, will entitle that Borrower, by subrogation or otherwise, to any payment from that other Borrower or from or out of property of that other Borrower and that Borrower shall not exercise any right or remedy against that other Borrower or any property of that other Borrower by reason of any performance of that Borrower of its joint and several and solidarity obligations under this Agreement, until, in each case, the termination of the Commitments, the expiration, termination, or Cash Collateralization of all Letters of Credit, and payment in full of all Obligations (other than contingent indemnification Obligations not then asserted).

[signature pages follow]

Each of the parties hereto has caused a counterpart of this Agreement to be duly executed and delivered as of the date first above written.

PARENT BORROWER: MONTROSE ENVIRONMENTAL GROUP, INC.,
a Delaware corporation

By: /s/ Allan Dicks

Name: Allan Dicks
Title: Chief Financial Officer

CANADIAN BORROWER: 1203524 B.C. LTD., a company incorporated
under the laws of the Province of British Columbia

By: /s/ Allan Dicks

Name: Allan Dicks
Title: Treasurer

GUARANTORS:

ANALYTICAL ENVIRONMENTAL SERVICES a California corporation
ADVANCED GEOSERVICES CORP. a Pennsylvania corporation
ENTHALPY ANALYTICAL, LLC a Delaware limited liability company
ENVIRONMENTAL PLANNING SPECIALISTS, INC. a Georgia corporation
ENVIROSYSTEMS, INCORPORATED a New Hampshire corporation
ES ENGINEERING SERVICES, LLC a Delaware limited liability company
FRS ENVIRONMENTAL REMEDIATION, INC. a Florida corporation
LEYMASTER ENVIRONMENTAL CONSULTING, LLC a California limited liability company
MONTROSE AIR QUALITY SERVICES, LLC a Delaware limited liability company
MONTROSE WATER AND SUSTAINABILITY SERVICES, INC. a Delaware corporation
NAUTILUS ENVIRONMENTAL, INC. a California corporation
PARS ENVIRONMENTAL, INC. a New Jersey corporation
TARGET EMISSION SERVICES USA, LLC a Texas limited liability company
MONTROSE PLANNING & PERMITTING, LLC a Delaware limited liability company
MONTROSE WASTE-TO-RESOURCES, LLC a Delaware limited liability company
TARGET EMISSION SERVICES INC. a company incorporated under the laws of the Province of Alberta
AIR, WATER AND SOIL LABORATORIES, INC. a Virginia corporation
LEHDER ENVIRONMENTAL SERVICES LIMITED a subsisting under the laws of the Province of Ontario
EMERGING COMPOUNDS TREATMENT TECHNOLOGIES, INC. a Massachusetts corporation
MONTROSE FOREIGN HOLDINGS, INC. a Delaware corporation
THE CENTER FOR TOXICOLOGY AND ENVIRONMENTAL HEALTH, L.L.C. an Arkansas limited liability company
CTEH LEASING, L.L.C an Arkansas limited liability company
CTEH PROPERTIES, L.L.C. an Arkansas limited liability company
CTEH GOVERNMENT SERVICES, LLC an Arkansas limited liability company

CTEH IT SERVICES, LLC an Arkansas limited liability company

By: /s/ Allan Dicks
Name: Allan Dicks
Title: Treasurer

MONTROSE ENVIRONMENTAL SOLUTIONS, LLC a Delaware limited liability company
MONTROSE MEASUREMENTS AND ANALYTICS, LLC a Delaware limited liability company
MONTROSE SERVICES, LLC a Delaware limited liability company

By: Montrose Environmental Group, Inc.
Its: Member

By: /s/ Allan Dicks
Name: Allan Dicks
Title: Chief Financial Officer

ADMINISTRATIVE AGENT
AND REVOLVER AGENT:

CAPITAL ONE, NATIONAL ASSOCIATION,
as Administrative Agent and Revolver Agent

By: /s/ Alfredo Wang
Name: Alfredo Wang
Title: Duly Authorized Signatory

LENDERS: CAPITAL ONE, NATIONAL ASSOCIATION as a Lender, Swing Line Lender and L/C Issuer

By: /s/ Alfredo Wang
Name: Alfredo Wang
Title: Duly Authorized Signatory

UNITRANCHE LOAN TRANSACTION, LLC as a Lender

By: Capital One, National Association, as Manager

By: /s/ Christopher Essen
Name: Christopher Essen
Title: Duly Authorized Signatory

By: HPS Investment Partners, LLC, as Manager

By: /s/ Michael Fenstermacher
Name: Michael Fenstermacher
Title: Managing Director

SCHEDULE 7.20

POST-CLOSING COVENANTS

1. No later than 45 days after the Closing Date, the Loan Parties shall have delivered stock certificates and stock powers to the Administrative Agent (and, in the case of the stock certificates evidencing the Equity Interests of Montrose Water and Sustainability Services, Inc.; Analytical Environmental Services; Environmental Planning Specialists, Inc.; Advanced Geoservices Corp.; FRS Environmental Remediation, Inc.; PARS Environmental, Inc.; Envirosystems, Incorporated; Nautilus Environmental, Inc. and Montrose Foreign Holdings, Inc., delivered amended stock certificates removing the restricted legend requiring delivery of a legal opinion with the transfer thereof in a manner reasonably acceptable to Administrative Agent and the accompanying stock power).

2. No later than 30 days after the Closing Date, the Loan Parties shall cause Montrose Environmental Group AB to become a Guarantor under the Loan Documents and have satisfied the requirements set forth in Section 7.12 with respect thereto.

3. No later than 30 days after the Closing Date, the Loan Parties shall have delivered to the Administrative Agent insurance endorsements as required by Section 7.07(c) to the Administrative Agent in form and substance satisfactory to the Administrative Agent.

4. No later than 10 Business Days after the Closing Date, the Loan Parties shall have delivered to the Administrative Agent (a) true and correct copies of the current charters of each of the following Loan Parties certified by the applicable secretary of state (or other applicable governing body) of the state of organization or formation of such Loan Party: Analytical Environmental Services; Leymaster Environmental Consulting, LLC; Nautilus Environmental, Inc.; and Air, Water and Soil Laboratories, Inc. and (b) good standing certificates of each of the following Loan Parties: Analytical Environmental Services; Leymaster Environmental Consulting, LLC; Nautilus Environmental, Inc.; and Emerging Compounds Treatment Technologies, Inc.

5. No later than 90 days after the Closing Date, the Loan Parties shall deliver or cause to be delivered to the Administrative Agent the following, in each case in form and substance reasonably satisfactory to the Administrative Agent, with respect to the owned real property located at 5120 Northshore Drive, North Little Rock, AR, 72118: (x) a fully executed Mortgage, together with an A.L.T.A. lender's title insurance policy issued by a title insurer reasonably satisfactory to the Administrative Agent, in an amount not to exceed the fair market value of the property, as determined by the Parent Borrower in its reasonable discretion, and (y) then current A.L.T.A. surveys, certified to the Administrative Agent by a licensed surveyor sufficient to allow the issuer of the lender's title insurance policy to issue such policy without a survey exception.

6. No later than 14 days after the Closing Date, the Loan Parties shall deliver or cause to be delivered to the Administrative Agent written evidence that the Lien evidenced by personal property security Base Reg. # 12012608537 under the Personal Property Security Act against Target Emission Services Inc. in favor of Royal Bank of Canada has been discharged.

7. No later than 45 days after the Closing Date, the Loan Parties shall have caused PARS-LATA JV LLC, a New Jersey limited liability company to file its annual reports with the Secretary of the State of New Jersey and pay its overdue franchise taxes.

8. No later than 10 Business Days after the Closing Date, the Administrative Agent shall have received (a) FAA/IR lien searches regarding the propellers on the Aircraft and (b) to the extent required, releases of all Liens (other than Permitted Liens or such Liens waived by Administrative Agent in its sole discretion) on such propellers, in each case, to the extent reasonably satisfactory to Administrative Agent.

Exhibit 10.5

July 13, 2015

Vijay P. Manthripragada

RE: Vijay P. Manthripragada – Montrose Offer Letter

Dear Mr. Manthripragada:

It is with great pleasure that I confirm our offer to join Montrose Services, LLC, a subsidiary of Montrose Environmental Group, Inc. ("Montrose" or "Company"), in the position of President. You will report to Nina Prasad and Jeremiah Yu and will be based out of Irvine, CA. Please carefully read the terms and conditions of this offer.

Compensation

Your compensation will be $300,000 per annum (currently paid in bi-weekly installments, minus applicable taxes and deductions). This position is considered an exempt position for purposes of federal wage- hour law, which means that you will not be eligible for overtime pay in accordance with local labor laws. You will be eligible for a bonus opportunity of up to 30% of your base salary pro-rated for 2015. Additionally, you will be issued 6,950 stock options upon commencement of your employment with Montrose. You will be provided with a moving expense reimbursement of up to $25,000 upon commencement of your employment with Montrose.

Trial Period

During the first 90 days of employment, you are in your trial period with the Company. This means that you or we may end your employment at any time, with or without notice. After successful completion of 90 days, you will be considered a regular, at-will employee and will be given 50 hours of Paid-Time-Off (PTO). In addition, you will begin accruing PTO based on your hours worked up to a maximum of five (5) weeks. You will accrue a total of five (5) weeks of PTO annually.

Benefits

In addition to your compensation, you will be eligible to receive the benefits which are offered to Montrose employees. These benefits are described in the enclosed materials.

Start Date of Employment

You should expect to commence employment no later than September 1, 2015.

Global Headquarters
1 Park Plaza
Suite 1000
Irvine, CA 92614

T: 949.988.3500
F: 949.988.3514
info@montrose-env.com
www.montrose-env.com

Employment Policies

On your first day of employment, you will receive a copy of the employee handbook, which describes the Company's policies and procedures that will govern certain aspects of your employment. Please be sure to review the handbook and sign and return the acknowledgement of receipt page at the end of the handbook. These policies may be updated from time to time.

Job Offer Contingencies

This offer of employment is conditional upon the following:

I. You providing Montrose with evidence of your U.S. citizenship or proof of your legal right to live and work in this country. (See enclosed list of appropriate documents as described on the Department of Homeland Security, Form I-9.) We are required by federal law to examine documentation of your employment eligibility. Note: This Company participates in e-verify.

II. Because driving of company vehicles may be a requirement of the job, you must present to the Company your current driver's license. The license and your driving record must be acceptable to our insurance company.

III. Successful passing of a pre-employment drug screening will be required. Successful passing of reference, background or credit checks, and a physical capacity examination may be required. Montrose must receive a full release to work or set of limitations, if applicable, in writing, by the examining physician stating that you can fulfill all essential job duties with or without reasonable accommodation.

It is important that you bring the correct documents, listed in items I and II, on your first day of active service with Montrose. You cannot begin your employment until requirements I-III outlined above are satisfied.

Please be aware that the Company is an at-will employer and neither this letter nor any other oral or written representations may be considered a contract for any specific period of time.

We look forward to welcoming you to Montrose. This offer of employment, if not previously accepted by you, **will expire seven days from the date of this letter**. Please confirm your acceptance of this offer by signing and returning a copy of this letter to:

Yvonne Senouci
Vice President, Human Resources
Montrose Environmental Group, Inc.
1 Park Plaza, Suite 1000
Irvine, CA 92614
***

Global Headquarters 1 Park Plaza Suite 1000 Irvine, CA 92614	T: 949.988.3500 F: 949.988.3514 info@montrose-env.com www.montrose-env.com

Should you have any questions about starting with the Company, please do not hesitate to contact me or a representative from the Human Resources Department (hr@montrose-env.com).

Sincerely,

/s/ Nina Prasad

Nina Prasad
Co-Chief Executive Officer
Montrose Environmental Group, Inc.

Agreed and acceptance of Montrose Offer Letter
Dated July 13, 2015:

Signature: /s/ Vijay P. Manthripragada
Vijay P. Manthripragada

Date: July 16, 2015

Note: slight modification discussed with Jeremiah and Nina

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Exhibit 10.6

June 23, 2016

Vijay Manthripragada
Chief Executive Officer

Re: Executive Compensation Package

Dear Vijay:

The board of directors (the "Board") of Montrose Environmental Group, Inc (the "Company") has approved an executive compensation package for you which is summarized herein. In addition to company benefit plans offered to you from time to time by the Company, you shall be eligible for the following compensation package:

Base Compensation: $300,000 per year

Cash Bonus Program: The cash bonus program you are eligible for has been separately approved by the Board and all payments thereunder remain subject to Board approval.

IPO/Change in Control Cash Bonus Amount: $2,000,000 shall be payable to you in cash upon the occurrence of a change in control or effectiveness of an Initial Public Offering of the Company. A change in control shall be defined as set forth in the Company's equity incentive plan.

Equity Incentive Award: You will be granted 25,045 new options under the Company's equity incentive program, which shall be updated upon approval by the Board and requisite shareholders to increase the number of options available for grant. The options shall vest over a four year period, with 50% vesting at the second anniversary of the vesting start date and the remaining 50% vesting at the fourth anniversary of the vesting start date. The vesting start date shall be the vesting start date of options you received in 2015. The options shall fully accelerate upon a change in control of the Company (not including an Initial Public Offering) as set forth in the Montrose Environmental Group, Inc. 2013 Amended and Restated Stock Option Plan. All options previously granted to you in 2015 shall be cancelled.

Severance Upon Termination Without Cause Following a Change in Control: If you are terminated without cause or terminate your employment for good reason within twelve (12) months following a change in control of the Company, you shall be entitled to receive severance in the amount of one year of your then-current base salary, which may be payable in lump sum or as continued compensation during the 12 month severance period, as determined by the Company.

We look forward to your continued success with Montrose.

Regards,

/s/ Richard Perlman
Richard Perlman
Chairman of the Board
Montrose Environmental Group, Inc.

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August 8, 2016

Allan Dicks

RE: Allan Dicks – Montrose Offer Letter

Dear Allan:

It is with great pleasure that I confirm our offer to join Montrose Services, LLC, a subsidiary of Montrose Environmental Group, Inc. ("Montrose" or "Company"), in the position of Chief Financial Officer, subject to the terms set forth herein. You will report to Vijay Manthripragada, Chief Executive Officer, and will be based out of Irvine, CA. Please carefully read the terms and conditions of this offer.

Compensation

Base Compensation: Your compensation will be $200,000 per annum (currently paid in bi-weekly installments, minus applicable taxes and deductions). This position is considered an exempt position for purposes of federal and state wage-hour law, which means that you will not be eligible for overtime pay. Your salary will be subject to periodic review and may be adjusted by the Company at its sole discretion from time to time. You are expected to be available at least forty (40) hours per week: however, you do not have a fixed weekly work period and, therefore you will need to adjust your hours to meet the needs of the business. Your salary is intended to compensate you for all hours worked.

Cash Bonus Program: You will be eligible to receive a cash bonus of up to $100,000 per year. Your bonus amount will be predicated upon on the Company achieving its fiscal year budget for each eligible year and other specific milestones to be agreed upon between you and the Company's Chief Executive Officer.

IPO/Change in Control Cash Bonus Amount: In addition to any other cash bonuses you may be eligible for, $1,000,000 shall be payable to you in cash upon the occurrence of a change in control or effectiveness of an Initial Public Offering of the Company. A change in control shall be defined as set forth in the Company's equity incentive plan.

Equity Incentive Award: You will be granted 5,000 options to acquire Montrose common stock under the Company's equity incentive program following the first quarterly board meeting after your commencement date. The options shall vest over a four year period, with 50% vesting at the second anniversary of the vesting start date and the remaining 50% vesting at the fourth anniversary of the vesting start date. The options shall fully accelerate upon a change in control of the Company as set forth in the Montrose Environmental Group, Inc. 2013 Amended and Restated Stock Option Plan.

Trial Period

During the first three (3) months of employment, you are in your trial period with the Company. This means that you or we may end your employment at any time, with or without notice. Upon commencement of your employment with the Company, you will be eligible for paid time off from the Company for rest and relaxation, vacation travel

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and other personal and family needs per the guidelines set forth in the Routine Time Off Policy. Because this "flex" time policy does not have pre-determined limits or caps on the amount of routine time off an employee can take (subject to the satisfaction of job duties), you will no longer be accruing a fixed amount of PTO or vacation. The goal of this policy is to foster a culture of mutual trust, flexibility and accountability.

In addition to participating in the Routine Time Off Policy, you will receive a lump-sum grant of 56 hours of paid sick leave for the 2016 calendar year on July 1, 2016. Any days of sick leave you have not utilized by December 31, 2016 will be eliminated and you will be issued a new lump sum grant of 56 hours on January 1, 2017 for calendar year 2017.

Please refer to the Company's description of the Routine Time Off and paid sick leave policies for additional details.

Benefits

In addition to your compensation, you will be eligible to receive the benefits which are offered to Montrose employees. These benefits are described in the enclosed materials.

Start Date of Employment

You should expect to commence employment no later than August 29, 2016.

Employment Policies

On your first day of employment, you will receive a copy of the employee handbook, which describes the Company's policies and procedures that will govern certain aspects of your employment. Please be sure to review the handbook and sign and return the acknowledgement of receipt page at the end of the handbook. These policies may be updated from time to time.

Job Offer Contingencies

This offer of employment is conditional upon the following:

I. You providing Montrose with evidence of your U.S. citizenship or proof of your legal right to live and work in this country. (See enclosed list of appropriate documents as described on the Department of Homeland Security, Form 1-9.) We are required by federal law to examine documentation of your employment eligibility. Note: This Company participates in e-verify.

II. Because driving of company vehicles may be a requirement of the job, you must present to the Company your current driver's license. The license and your driving record must be acceptable to our insurance company.

III. Passing of the following screenings and checks, subject to Montrose's discretion, will be required:

   a. A pre-employment drug screening;

   b. Montrose receiving references which it determines are satisfactory; and

   c. Background or credit checks.

IV. Depending on your job-specific requirements, a physical capacity examination may be required. Montrose must receive a full release to work or set of limitations, if applicable, in writing, by the examining physician stating that you can fulfill all essential job duties with or without reasonable accommodation.

Global Headquarters
1 Park Plaza
Suite 1000
Irvine, CA 92614

T: 949.988.3500
F: 949.988.3514
info@montrose-env.com
www.montrose-env.com

It is important that you bring the correct documents, listed in items I and II, on your first day of active service with Montrose. You cannot begin your employment until requirements I-III outlined above are satisfied.

Please be aware that, as permitted by applicable law, the Company is an at-will employer and neither this letter nor any other oral or written representations may be considered a contract for any specific period of time.

We look forward to welcoming you to Montrose. This offer of employment, if not previously accepted by you, **will expire seven days from the date of this letter**. Please confirm your acceptance of this offer by signing and returning a copy of this letter to:

Human Resources
Montrose Environmental Group, Inc.
1 Park Plaza, Suite 1000
Irvine, CA 92614
hr@montrose-env.com

Should you have any questions about starting with the Company, please do not hesitate to contact me or a representative from the Human Resources Department (hr@montrose-env.com).

Sincerely,

/s/ Yvonne Senouci
Yvonne Senouci
Vice President, Human Resources
Montrose Environmental Group, Inc.

Agreed and acceptance of Montrose Offer Letter

Signature: /s/ Allan Dicks
Allan Dicks

Date: 8/8/2016

Exhibit 10.8

August 8, 2016

Allan Dicks

Re: Executive Compensation Package

Dear Allan:

The following summarizes the terms of your executive compensation package, which is conditioned upon the commencement of your employment with Montrose Environmental Group, Inc. In addition to company benefit plans offered to you from time to time by the Company, you shall be eligible for the following compensation package:

Title: Chief Financial Officer

Base Compensation: $200,000 per year

Cash Bonus Program: The cash bonus program you are eligible for will be separately determined based on criteria set by the board of directors of Montrose and Vijay Manthripragada, Chief Executive Officer, and all payments thereunder remain subject to board approval.

IPO/Change in Control Cash Bonus Amount: $1,000,000 shall be payable to you in cash upon the occurrence of a change in control or effectiveness of an Initial Public Offering of the Company. A change in control shall be defined as set forth in the Company's equity incentive plan.

Equity Incentive Award: You will be granted 5,000 options under the Company's equity incentive program. The options shall vest over a four year period, with 50% vesting at the second anniversary of the vesting start date and the remaining 50% vesting at the fourth anniversary of the vesting start date. The options shall fully accelerate upon a change in control of the Company (not including an Initial Public Offering) as set forth in the Montrose Environmental Group, Inc. 2013 Amended and Restated Stock Option Plan.

Severance Upon Termination Without Cause Following a Change in Control: If you are terminated without cause or terminate your employment for good reason within twelve (12) months following a change in control of the Company, you shall be entitled to receive severance in the amount of one year of your then-current base salary, which may be payable in lump sum or as continued compensation during the 12 month severance period, as determined by the Company.

We look forward to your future success with Montrose.

Regards,

/s/ Vijay Manthripragada

Vijay Manthripragada
Chief Executive Officer
Montrose Environmental Group, Inc.

Global Headquarters
1 Park Plaza
Suite 1000
Irvine, CA 92614

T: 949.988.3500
F: 949.988.3514
info@montrose-env.com
www.montrose-env.com

October 14, 2014

Ms. Nasym Afsari

RE: Nasym Afsari – Montrose Offer Letter

Dear Ms. Afsari:

It is with great pleasure that I confirm our offer to join Montrose Services, LLC, a subsidiary of Montrose Environmental Group, Inc. ("Montrose" or "Company"), as General Counsel. You will report to Jeremiah Yu, Co-Chief Executive Officer, and Nina Prasad, Co-Chief Executive Officer, and will be based out of Irvine, California. Please carefully read the terms and conditions of this offer.

Compensation

Your annual base salary will be $175,000 (currently paid in bi-weekly installments, minus applicable taxes and deductions). This position is considered an exempt position for purposes of federal wage-hour law, which means that you will not be eligible for overtime pay in accordance with local labor laws. You will have the opportunity to be awarded a discretionary bonus and a $5,000 sign on bonus paid at the end of the year.

Additionally, you will be awarded upon your start date the option to acquire up to 1,250 shares of Montrose. The option to acquire these shares will vest 1/3 at the first anniversary of your award date, 1/3 at the second anniversary of your award date, and 1/3 at the third of your award date.

Trial Period

During the first 90 days of employment, you are in your trial period with the Company. This means that you or we may end your employment at any time, with or without notice. After successful completion of 90 days, you will be considered a regular, at-will employee and will be given 50 hours of Paid-Time Off (PTO). In addition, you will begin accruing PTO based on your hours worked up to a maximum of five (5) weeks. You will accrue a total of five (5) weeks of PTO annually.

Benefits

In addition to your compensation, you will be eligible to receive the benefits which are offered to Montrose employees. These benefits are described in the enclosed materials.

Expense Reimbursements

All employee work related expenses will be reimbursed through company Employee Business Expense Reports process.

Start Date of Employment

You should expect to commence employment no later than November 3, 2014.

Employment Policies

On your first day of employment, you will receive a copy of the employee handbook, which describes the Company's policies and procedures that will govern certain aspects of your employment. Please be sure to review the handbook and sign and return the acknowledgement of receipt page at the end of the handbook. These policies may be updated from time to time.

Job Offer Contingencies

This offer of employment is conditional upon the following:

I. You providing Montrose with evidence of your U.S. citizenship or proof of your legal right to live and work in this country. (See enclosed list of appropriate documents as described on the Department of Homeland Security, Form 1-9.) We are required by federal law to examine documentation of your employment eligibility. Note: This Company participates in e-verify.

II. Because driving of company vehicles may be a requirement of the job, you must present to the Company your current driver's license. The license and your driving record must be acceptable to our insurance company.

III. Successful passing of a pre-employment drug screening will be required. Successful passing of reference, background or credit checks, and a physical capacity examination may be required. Montrose must receive a full release to work or set of limitations, if applicable, in writing, by the examining physician stating that you can fulfill all essential job duties with or without reasonable accommodation.

It is important that you bring the correct documents, listed in items I and II, on your first day of active service with Montrose. You cannot begin your employment until requirements I-III outlined above are satisfied.

This offer of employment, if not previously accepted by you, **will expire seven days from the date of this letter**. If you wish to accept the offer, please sign in the place provided below and return it to. Please be aware that the Company is an at-will employer and neither this letter nor any other oral or written representations may be considered a contract for any specific period of time.

We look forward to welcoming you to Montrose. Please confirm your acceptance of this offer by signing and returning a copy of this letter to:

Yvonne Senouci
Vice President, Human Resources
Montrose Environmental Group, Inc.
2 Park Plaza, Suite 1120
Irvine, CA 92614
***

Should you have any questions about starting with the Company, please do not hesitate to contact me or a representative from the Human Resources Department (hr@montrose-env.com).

Sincerely,

/s/ Jeremiah Yu

Jeremiah Yu
Co-Chief Executive Officer
Montrose Environmental Group, Inc.

Agreed and acceptance of Montrose Offer Letter
Dated October 10, 2014:

Signature: /s/ Nasym Afsari
Nasym Afsari

Date: 10/14/2014

Exhibit 10.10

June 23, 2016

Nasym Afsari
General Counsel

Re: Executive Compensation Package

Dear Nasym:

The board of directors (the "Board") of Montrose Environmental Group, Inc (the "Company") has approved an executive compensation package for you which is summarized herein. In addition to company benefit plans offered to you from time to time by the Company, you shall be eligible for the following compensation package:

Base Compensation: $225,000 per year

Cash Bonus Program: The cash bonus program you are eligible for has been separately approved by the Board and all payments thereunder remain subject to Board approval.

IPO/Change in Control Cash Bonus Amount: $500,000 shall be payable to you in cash upon the occurrence of a change in control or effectiveness of an Initial Public Offering of the Company. A change in control shall be defined as set forth in the Company's equity incentive plan.

Equity Incentive Award: You will be granted 6,265 new options under the Company's equity incentive program, which shall be updated upon approval by the Board and requisite shareholders to increase the number of options available for grant. The options shall vest over a four year period, with 50% vesting at the second anniversary of the vesting start date and the remaining 50% vesting at the fourth anniversary of the vesting start date. The vesting start date shall be the vesting start date of options you received in 2015. The options shall fully accelerate upon a change in control of the Company (not including an Initial Public Offering) as set forth in the Montrose Environmental Group, Inc. 2013 Amended and Restated Stock Option Plan. All options previously granted to you in 2015 shall be cancelled. Any options previously granted to you in 2014 shall remain in place, subject to the terms thereof (including acceleration upon change of control or Initial Public Offering of the Company).

Severance Upon Termination Without Cause Following a Change in Control: If you are terminated without cause or terminate your employment for good reason within twelve (12) months following a change in control of the Company, you shall be entitled to receive severance in the amount of one year of your then-current base salary, which may be payable in lump sum or as continued compensation during the 12 month severance period, as determined by the Company.

We look forward to your continued success with Montrose.

Regards,

/s/ Richard Perlman
Richard Perlman
Chairman of the Board
Montrose Environmental Group, Inc.

Global Headquarters
1 Park Plaza
Suite 1000
Irvine, CA 92614

T: 949.988.3500
F: 949.988.3514
info@montrose-env.com
www.montrose-env.com

Exhibit 10.11

September 14, 2017

Nasym Afsari
General Counsel

Re: Executive Compensation Package Update

Dear Nasym:

The board of directors (the "Board") of Montrose Environmental Group, Inc (the "Company") has approved an update to your executive compensation package which was previously summarized for you in a letter dated June 23, 2016 ("Original Letter"). The Board has authorized the change set forth below to the terms of your Original Letter:

IPO/Change in Control Cash Bonus Amount: $1,000,000 shall be payable to you in cash upon the occurrence of a change in control or effectiveness of an Initial Public Offering of the Company. A change in control shall be defined as set forth in the Company's equity incentive plan.

All other terms of your Original Letter remain in effect and unchanged as of the date hereof.

We look forward to your continued success with Montrose.

Regards,

/s/ Vijay Manthripragada

Vijay Manthripragada
Chief Executive Officer
Montrose Environmental Group, Inc.

Global Headquarters
1 Park Plaza
Suite 1000
Irvine, CA 92614

T: 949.988.3500
F: 949.988.3514
info@montrose-env.com
www.montrose-env.com

Exhibit 10.12

July 2, 2015

Josh LeMaire

RE: Josh LeMaire – Montrose Offer Letter

Dear Mr. LeMaire:

It is with great pleasure that I confirm our offer to join Montrose Services, LLC, a subsidiary of Montrose Environmental Group, Inc. ("Montrose" or "Company"), in the position of Vice President, Business Development and Marketing. You will report to the President of Montrose and will be based out of Ohio. Please carefully read the terms and conditions of this offer.

Compensation

Your compensation will be $200,000 per annum (currently paid in bi-weekly installments, minus applicable taxes and deductions). This position is considered an exempt position for purposes of federal wage-hour law, which means that you will not be eligible for overtime pay in accordance with the local labor laws. You will be eligible this year for a bonus opportunity of up to 30% of your base salary. Finally, you will be issued 3,500 stock options upon commencement of your employment with Montrose.

Trial Period

During the first 90 days of employment, you are in your trial period with the Company. This means that you or we may end your employment at any time, with or without notice. After successful completion of 90 days, you will be considered a regular, at-will employee and will be given 50 hours of Paid-Time-Off (PTO). In addition, you will begin accruing PTO based on your hours worked up to a maximum of five (5) weeks. You will accrue a total of five (5) weeks of PTO annually.

Benefits

In addition to your compensation, you will be eligible to receive the benefits which are offered to Montrose employees. These benefits are described in the enclosed materials.

Global Headquarters
1 Park Plaza
Suite 1000
Irvine, CA 92614

T: 949.988.3500
F: 949.988.3514
sales@montrose-env.com
www.montrose-env.com

Start Date of Employment

You should expect to commence employment no later than July 20, 2015.

Employment Policies

On your first day of employment, you will receive a copy of the employee handbook, which describes the Company's policies and procedures that will govern certain aspects of your employment. Please be sure to review the handbook and sign and return the acknowledgement of receipt page at the end of the handbook. These policies may be updated from time to time.

Job Offer Contingencies

This offer of employment is conditional upon the following:

I. You providing Montrose with evidence of your U.S. citizenship or proof of your legal right to live and work in this country. (See enclosed list of appropriate documents as described on the Department of Homeland Security, Form I-9.) We are required by federal law to examine documentation of your employment eligibility. Note: This Company participates in e-verify.

II. Because driving of company vehicles may be a requirement of the job, you must present to the Company your current driver's license. The license and your driving record must be acceptable to our insurance company.

III. Successful passing of a pre-employment drug screening will be required. Successful passing of reference, background or credit checks, and a physical capacity examination may be required. Montrose must receive a full release to work or set of limitations, if applicable, in writing, by the examining physician stating that you can fulfill all essential job duties with or without reasonable accommodation.

It is important that you bring the correct documents, listed in items I and II, on your first day of active service with Montrose. You cannot begin your employment until requirements I-III outlined above are satisfied.

Global Headquarters
1 Park Plaza
Suite 1000
Irvine, CA 92614

T: 949.988.3500
F: 949.988.3514
sales@montrose-env.com
www.montrose-env.com

Please be aware that the Company is an at-will employer and neither this letter nor any other oral or written representations may be considered a contract for any specific period of time.

We look forward to welcoming you to Montrose. This offer of employment, if not previously accepted by you, **will expire seven days from the date of this letter**. Please confirm your acceptance of this offer by signing and returning a copy of this letter to:

Yvonne Senouci
Vice President, Human Resources
Montrose Environmental Group, Inc.
1 Park Plaza, Suite 1000
Irvine, CA 92614
***

Should you have any questions about starting with the Company, please do not hesitate to contact me or a representative from the Human Resources Department (hr@montrose-env.com).

Sincerely,

/s/ Yvonne Senouci

Yvonne Senouci
Vice President, Human Resources
Montrose Environmental Group, Inc.

Agreed and acceptance of Montrose Offer Letter
Dated July 15, 2015:

Signature: /s/ Josh LeMaire
Josh LeMaire

Date: 7-4-15

Exhibit 10.13

June 23, 2016

Joshua LeMaire
Executive Vice President, Marketing & Operations

Re: Executive Compensation Package

Dear Josh:

The board of directors (the "Board") of Montrose Environmental Group, Inc (the "Company") has approved an executive compensation package for you which is summarized herein. In addition to company benefit plans offered to you from time to time by the Company, you shall be eligible for the following compensation package:

Base Compensation: $200,000 per year

Cash Bonus Program: The cash bonus program you are eligible for has been separately approved by the Board and all payments thereunder remain subject to Board approval.

IPO/Change in Control Cash Bonus Amount: $1,000,000 shall be payable to you in cash upon the occurrence of a change in control or effectiveness of an Initial Public Offering of the Company. A change in control shall be defined as set forth in the Company's equity incentive plan.

Equity Incentive Award: You will be granted 7,515 new options under the Company's equity incentive program, which shall be updated upon approval by the Board and requisite shareholders to increase the number of options available for grant. The options shall vest over a four year period, with 50% vesting at the second anniversary of the vesting start date and the remaining 50% vesting at the fourth anniversary of the vesting start date. The vesting start date shall be the vesting start date of options you received in 2015. The options shall fully accelerate upon a change in control of the Company (not including an Initial Public Offering) as set forth in the Montrose Environmental Group, Inc. 2013 Amended and Restated Stock Option Plan. All options previously granted to you in 2015 shall be cancelled.

Severance Upon Termination Without Cause Following a Change in Control: If you are terminated without cause or terminate your employment for good reason within twelve (12) months following a change in control of the Company, you shall be entitled to receive severance in the amount of one year of your then-current base salary, which may be payable in lump sum or as continued compensation during the 12 month severance period, as determined by the Company.

We look forward to your continued success with Montrose.

Regards,

/s/ Richard Perlman
Richard Perlman
Chairman of the Board
Montrose Environmental Group, Inc.

Global Headquarters
1 Park Plaza
Suite 1000
Irvine, CA 92614

T: 949.988.3500
F: 949.988.3514
info@montrose-env.com
www.montrose-env.com

March 4, 2014

Mr. Jose Revuelta

RE: Jose Revuelta – Montrose Offer Letter

Dear Mr. Revuelta:

It is with great pleasure that I confirm our offer to join Montrose Services, LLC, a subsidiary of Montrose Environmental Group, Inc. ("Montrose" or "Company"), in the position of Vice President in the Corporate division. You will report to Jeremiah Yu and Nina Prasad, Co-Chief Executive Officers of Montrose, and will be based in the Anaheim, California office, Please carefully read the terms and conditions of this offer.

About Montrose Environmental Group, Inc.

Montrose Environmental Group, Inc. is a high-growth, national environmental company offering Air Quality and Environmental Laboratory services to a diverse range of clients in industry and government. Headquartered in Orange County, California, Montrose Environmental Group, Inc. has 13 offices and approximately 200 employees nationwide. Montrose aims to become the premier provider of environmental sampling and testing nationwide.

Compensations

Your compensation will be an annual base salary of $100,000 (currently paid in bi-weekly installments, minus applicable taxes and deductions).

Equity Participation

As Vice President of Montrose you will have the opportunity to participate in Montrose's management equity plan. You will receive an initial equity award of 20 options upon commencement of your employment with Montrose. Further equity awards will be granted at the discretion of Montrose's Board of Directors.

Trial Period

During the first 90 days of employment you are in your trial period with the Company. This means that you or we may end your employment at any time, with or without notice. After successful completion of 90 days, you will be considered a regular, at-will employee and will be given 50 hours of Paid-Time-Off (PTO). In addition, you will begin accruing PTO based on your hours worked up to a maximum of five (5) weeks. You will accrue a total of five (5) weeks of PTO annually.

Benefits

In addition to your compensation, you will be eligible to receive the benefits which are offered to Montrose employees. These benefits are described in the enclosed materials.

Start Date of Employment

You should expect to commence employment on March 17, 2014

Employment Policies

On your first day of employment, you will receive a copy of the employee handbook, which describes the Company's policies and procedures that will govern certain aspects of your employment. Please be sure to review the handbook and sign and return the acknowledgement of receipt page at the end of the handbook. These policies may be updated from time to time.

Job Offer Contingencies

This offer of employment is conditional upon the following:

I. You provide Montrose with evidence of your U.S. citizenship or proof of your legal right to live and work in this country. (See enclosed list of appropriate documents as described on the Department of Homeland Security, Form I-9.) We are required by federal law to examine documentation of your employment eligibility. Note: This Company participates in e-verify.

II. Because driving of company vehicles may be a requirement of the job, you must present to the Company your current driver's license. The license and your driving record must be acceptable to our insurance company.

Ill. Successful passing of a pre-employment drug screening will be required. Successful passing of reference, background or credit checks, and a physical capacity examination may be required. Montrose must receive a full release to work or set of limitations, if applicable, in writing, by the examining physician stating that you can fulfill all essential job duties with or without reasonable accommodation.

It is important that you bring the correct documents, listed in items I and II, on your first day of active service with Montrose. You cannot begin your employment until requirements I-III outlined above are met.

This offer of employment will expire seven days from today. If you wish to accept the offer, please sign in the place provided below and return it to me within the prescribed time. Please be aware that the Company is an at-will employer and neither this letter nor any other oral or written representations may be considered a contract for any specific period of time.

We look forward to welcoming you to Montrose. Please confirm your acceptance of this offer by signing and returning a copy of this letter to:

Nina Prasad
Montrose Environmental Group, Inc.
1582-1 N. Batavia Street
Orange, CA 92867
***

Should you have any questions about starting with the Company, please do not hesitate to contact me or a representative from the Human Resources Department (hr@montrose-env.com).

Sincerely,

/s/ Nina Prasad
Nina Prasad
Co-Chief Executive Officer
Montrose Environmental Group, Inc.

Agreed and accepted:

Signature: /s/ Jose Revuelta
Jose Revuelta

Date: 04/08/2014

Exhibit 10.15

June 23, 2016

Jose Revuelta
COO/Interim CFO

Re: Executive Compensation Package

Dear Jose:

The board of directors (the "Board") of Montrose Environmental Group, Inc (the "Company") has approved an executive compensation package for you which is summarized herein. In addition to company benefit plans offered to you from time to time by the Company, you shall be eligible for the following compensation package:

Base Compensation: $250,000 per year

Cash Bonus Program: The cash bonus program you are eligible for has been separately approved by the Board and all payments thereunder remain subject to Board approval.

IPO/Change in Control Cash Bonus Amount: $1,000,000 shall be payable to you in cash upon the occurrence of a change in control or effectiveness of an Initial Public Offering of the Company. A change in control shall be defined as set forth in the Company's equity incentive plan.

Equity Incentive Award: You will be granted 5,515 new options under the Company's equity incentive program, which shall be updated upon approval by the Board and requisite shareholders to increase the number of options available for grant. The options shall vest over a four year period, with 50% vesting at the second anniversary of the vesting start date and the remaining 50% vesting at the fourth anniversary of the vesting start date. The vesting start date shall be the vesting start date of options you received in 2015. The options shall fully accelerate upon a change in control of the Company (not including an Initial Public Offering) as set forth in the Montrose Environmental Group, Inc. 2013 Amended and Restated Stock Option Plan. All options previously granted to you in 2015 shall be cancelled. Any options previously granted to you in 2014 shall remain in place, subject to the terms thereof (including acceleration upon change of control or Initial Public Offering of the Company).

Severance Upon Termination Without Cause Following a Change in Control: If you are terminated without cause or terminate your employment for good reason within twelve (12) months following a change in control of the Company, you shall be entitled to receive severance in the amount of one year of your then-current base salary, which may be payable in lump sum or as continued compensation during the 12 month severance period, as determined by the Company.

We look forward to your continued success with Montrose.

Regards,

/s/ Richard Perlman
Richard Perlman
Chairman of the Board
Montrose Environmental Group, Inc.

Global Headquarters
1 Park Plaza
Suite 1000
Irvine, CA 92614

T: 949.988.3500
F: 949.988.3514
info@montrose-env.com
www.montrose-env.com

MONTROSE ENVIRONMENTAL GROUP, INC.
AMENDED AND RESTATED
2013 STOCK OPTION PLAN

1. Purposes of the Plan. The purposes of the Montrose 2013 Stock Option Plan are to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentive to Employees, Directors and Consultants and to promote the success of the Company's business. Options granted under the Plan may be Incentive Stock Options or Non-Qualified Stock Options, as determined by the Administrator at the time of grant.

2. Definitions. As used herein, the following definitions shall apply:

(a) "Administrator" means the Board or the Committee responsible for conducting the general administration of the Plan, as applicable, in accordance with Section 4 hereof.

(b) "Applicable Laws" means the requirements relating to the administration of stock option plans under U.S. state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws of any foreign country or jurisdiction where Options are granted under the Plan.

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

(d) "Beneficial Owner" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular "person" (as that term is used in Section 13(d)(3) of the Exchange Act), such "person" will be deemed to have beneficial ownership of all securities that such "person" has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition. The terms "Beneficial Ownership", "Beneficially Owns" and "Beneficially Owned" have meanings correlative to the foregoing.

(e) "Board" means the Board of Directors of the Company.

(f) "Cause" shall include but not be limited to:

(i) indictment for, or conviction of, a felony, a crime involving theft, fraud, dishonesty or moral turpitude, or any violation of any federal or state securities law (whether by plea of *nolo contendere* or otherwise) or the Holder's enjoinment from violating any federal or state securities law or being determined to have violated any such law.

(ii) refusal to follow the Company's lawful directions;

(iii) engaging in conduct constituting embezzlement, willful assistance to a competitor, fraud, misappropriation, material violation of the Company's anti-discrimination,

equal employment opportunity, prohibition against harassment or similar policies or material violation of the Company's insider trading policy, corporate code of business conduct and ethics or other material policy, as applicable;

(iv) failure (including, but not limited to, the Holder's refusal to be deposed or to provide testimony at any trial or inquiry) to cooperate, if requested by the Board or designee of the Board, with any investigation or inquiry, whether internal or external, into the Holder's actions (or inactions) or the Company's business practices, as applicable;

(v) possession on Company premises of any prohibited drug or substance that constitutes a criminal offense;

(vi) gross misconduct or gross negligence in connection with the business of the Company or any affiliate;

(vii) public conduct by the Holder that in the good faith opinion of the Board harms the Holder's or the Company's reputation or standing in the community;

(viii) material breach of the Holder's employment or consulting agreement with the Company; Holder's breach of any covenants he or she has made not to compete with the Company, not to solicit business customers of the Company and not to disclose the Company's confidential information and trade secrets;

(ix) in the case of a Holder who holds a license or permit necessary or required for the Company or a Subsidiary to conduct their respective businesses, revocation or suspension of such license or permit in any jurisdiction or limitation of such license or permit;

(x) in the case of an Employee, the Employee's material failure to perform the Employee's duties (other than by reason of physical or mental illness, injury, or condition), after the Employee has been given written notice of the Employee's default and has failed to cure such default within five (5) business days of the Employee's receipt of such written notice; and

(xi) in the case of a Consultant, failure to discharge Consultant's duties to the reasonable satisfaction of the Company.

(g) "Change of Control" means the closing of a transaction that is (i) a sale of all or substantially all of the assets of the Company (other than in connection with financing transactions, or sale and leaseback transactions) to a Person that is not a Controlled Affiliate (a "Third Party"), (ii) a sale, series of sales or merger or other transactions resulting in more than 50% of the voting stock of the Company or of any company directly or indirectly controlling the Company being held by a Third Party, (iii) a transaction or provision that gives a Third Party the right to appoint a majority of the Board of Directors of the Company or of any company directly or indirectly controlling the Company, (iv) an Initial Public Offering or (v) the liquidation or dissolution of the Company with respect to which there are or were distributable assets.

(h) "Code" means the Internal Revenue Code of 1986, as amended.

(i) "Committee" means a committee appointed by the Board in accordance with Section 4 hereof.

(j) "Common Stock" means the Common Stock of the Company, par value $.0001 per share.

(k) "Company" means Montrose Environmental Group, Inc., a Delaware corporation.

(l) "Continuous Service" means the absence of any interruption or termination of service as an Employee, Director, or Consultant. Continuous Service shall not be considered interrupted in the case of: (i) sick leave; (ii) military leave; (iii) any other leave of absence approved by the Administrator, provided that such leave is for a period of not more than 90 days, unless reemployment upon the expiration of such leave is guaranteed by contract or statute, or unless provided otherwise pursuant to Company policy adopted from time to time; (iv) changes in status from Director to advisory director or emeritus status; or (v) in the case of transfers between locations of the Company or between the Company and its Affiliates. Changes in status between service as an Employee, Director, or Consultant will constitute an interruption of Continuous Service if the Administrator determines that the individual has not continued or will not continue to perform bona fide services for the Company or determines that the relationship will or may result in adverse accounting consequences.

(m) "Consultant" means any person who is an independent consultant of the Company who has a written contract for independent consulting services with the Company or Subsidiary of the Company or, for purposes of granting Incentive Stock Options only, any Parent of the Company.

(n) "Controlled Affiliate" means any other Person which, directly or indirectly is in control of, is controlled by, or is under common control with the Company. For purposes of identifying the "Controlled Affiliate" relationship, a Person shall be deemed to control another Person if the controlling Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of the other Person, whether through the ability to exercise voting power, by contract or otherwise.

(o) "Director" means a member of the Board, or a member of the board of directors of an Affiliate.

(p) "Disability" means

(i) for an Employee covered by the Company's long term disability plan, disability as defined in such plan; and

(ii) for all other Holders, a physical or mental condition of the Holder resulting from bodily injury, disease or mental disorder which renders the Holder incapable of continuing the Holder's usual or customary employment, duties or consulting services with the Company. The Disability of the Holder shall be determined by the Administrator in good faith after reasonable medical inquiry, including consultation with a licensed physician as chosen by the Administrator, and a fair evaluation of the Holder's ability to perform the Holder's duties.

(q) "Employee" means any person who is an employee (as defined in accordance with Section 3401(c) of the Code) of the Company or Subsidiary of the Company or, for purposes of granting Incentive Stock Options only, any Parent of the Company. An Employee shall not cease to be an Employee in the case of (i) any leave of absence approved by the Company or (ii) transfers between locations of the Company or between the Company, its Parent, any Subsidiary, or any successor. For purposes of Incentive Stock Options, no such leave may exceed ninety (90) days, unless reemployment upon expiration of such leave is guaranteed by statute or contract. Neither service as a member of the Board nor payment of a director's fee by the Company shall be sufficient, by itself, to constitute "employment" by the Company.

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

(s) "Fair Market Value" means, as of any date, the value of a share of Common Stock determined as follows:

(i) If the Common Stock is listed on any established stock exchange or a national market system, including, without limitation, the Nasdaq National Market or The Nasdaq SmallCap Market of The Nasdaq Stock Market, its Fair Market Value shall be the closing sales price for a share of such stock (or the closing bid, if no sales were reported) as quoted on such exchange or system for the last market trading day prior to the time of determination, as reported in The Wall Street Journal or such other source as the Administrator deems reliable;

(ii) If the Common Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, its Fair Market Value shall be the mean between the high bid and low asked prices for a share of the Common Stock on the last market trading day prior to the day of determination; or

(iii) In the absence of an established market for the Common Stock, the Fair Market Value thereof shall be determined in good faith by the Administrator using any reasonable valuation method permitted by Section 409A of the Code and associated guidance issued by the Department of Treasury or Internal Revenue Service. Without limiting the foregoing, any or a combination of each of the following may be considered by the Administrator, among other factors, in determining the Fair Market Value of the Common Stock: (a) the most recent valuation of the Common Stock performed in conjunction with the most recent goodwill impairment analysis performed by the Company; (b) the most recent per share price of Common Stock sold by the Company; or (c) the valuation of the Common Stock used by the Company in connection with the most recent transaction where Company stock was issued as consideration for the purchase by the Company of the assets, stock or business of a Person.

(t) "Governmental Authority" means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

(u) "Grantee" means an Employee, Director, or a Consultant.

(v) "Holder" means a person who has been granted or awarded an Option or who holds Shares acquired pursuant to the exercise of an Option.

(w) "Incentive Stock Option" means an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code and which is designated as an Incentive Stock Option by the Administrator.

(x) "Independent Director" means a member of the Board who is not a Grantee.

(y) "Initial Public Offering" means a firm commitment underwritten public offering of Shares or other event the result of which is that Shares are tradable on the New York Stock Exchange, American Stock Exchange, NASDAQ Stock Market or similar public market system.

(z) "Joinder Agreement" means an instrument in such form as shall be acceptable to the Company, pursuant to which a Holder or Permitted Transferee agrees to be bound by the terms of the Stockholder Agreements.

(aa) "Non-Qualified Stock Option" means an Option (or portion thereof) that is not designated as an Incentive Stock Option by the Administrator, or which is designated as an Incentive Stock Option by the Administrator but fails to qualify as an incentive stock option within the meaning of Section 422 of the Code.

(bb) "Option" means a stock option granted pursuant to the Plan.

(cc) "Option Agreement" means a written agreement between the Company and a Holder evidencing the terms and conditions of an individual Option grant. The Option Agreement is subject to the terms and conditions of the Plan.

(dd) "Parent" means a "parent corporation," whether now or hereafter existing, as defined in Section 424(e) of the Code.

(ee) "Permitted Transferee" means the spouse, children, siblings, nieces, nephews, grandchildren or parents of such Holder, or any *inter vivos* or testamentary trust established solely for the benefit of any of the foregoing individuals and whose terms are not inconsistent with the terms of this Plan or the Shareholders Agreement.

(ff) "Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

(gg) "Plan" means this Montrose 2013 Stock Option Plan.

(hh) "Public Trading Date" means the first date upon which Common Stock of the Company is listed (or approved for listing) upon notice of issuance on any securities exchange or designated (or approved for designation) upon notice of issuance as a national market security on an interdealer quotation system.

(ii) "Rule 16b-3" means that certain Rule 16b-3 under the Exchange Act, as such Rule may be amended from time to time.

(jj) "Section 16(b)" means Section 16(b) of the Exchange Act.

(kk) "Securities Act" means the Securities Act of 1933, as amended.

(ll) "Share" means a share of Common Stock, as adjusted in accordance with Section 12 below.

(mm) "Stockholder Agreements" means the Company's Investors' Rights Agreement, Right of First Refusal and Co-Sale Agreement and Voting Agreement, all dated as of July 5, 2013, as amended from time to time.

(nn) "Subsidiary" means any corporation, whether now or hereafter existing (other than the Company), in an unbroken chain of corporations beginning with the Company if each of the corporations other than the last corporation in the unbroken chain owns stock possessing more than fifty percent of the total combined voting power of all classes of stock in one of the other corporations in such chain.

3. Stock Subject to the Plan. Subject to the provisions of Section 11 of the Plan, the shares of stock subject to Options shall be Common Stock, initially shares of the Company's Common Stock, par value $.0001 per share. Subject to the provisions of Section 11 of the Plan, the maximum aggregate number of Shares which may be issued upon exercise of such Options is Thirty Nine Thousand Nine Hundred Thirty Five (39,935) Shares. Shares issued upon exercise of Options may be authorized but unissued, or reacquired Common Stock. If an Option expires or becomes unexercisable without having been exercised in full, the unpurchased Shares which were subject thereto shall become available for future grant or sale under the Plan (unless the Plan has terminated). Shares which are delivered by the Holder or withheld by the Company upon the exercise of an Option under the Plan, in payment of the exercise price thereof or tax withholding thereon, may again be optioned, granted or awarded hereunder, subject to the limitations of this Section 3. Notwithstanding the provisions of this Section 3, no Shares may again be optioned, granted or awarded if such action would cause an Incentive Stock Option to fail to qualify as an Incentive Stock Option under Code Section 422.

4. Administration of the Plan.

(a) Administrator. Unless and until the Board delegates administration to a Committee as set forth below, the Plan shall be administered by the Board. The Board may delegate administration of the Plan to a Committee or Committees of one or more members of the Board, and the term "Committee" shall apply to any person or persons to whom such authority has been delegated. If administration is delegated to a Committee, the Committee shall have, in connection with the administration of the Plan, the powers theretofore possessed by the Board, including the power to delegate to a subcommittee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board shall thereafter be

to the Committee or subcommittee), subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board. Notwithstanding the foregoing, however, from and after the Public Trading Date, a Committee of the Board shall administer the Plan and the Committee shall consist solely of two or more Independent Directors each of whom is both an "outside director," within the meaning of Section 162(m) of the Code, and a "non-employee director" within the meaning of Rule 16b-3. Within the scope of such authority, the Board or the Committee may (i) delegate to a committee of one or more members of the Board who are not Outside Directors the authority to grant awards under the Plan to eligible persons who are either (A) not then "covered employees," within the meaning of Section 162(m) of the Code and are not expected to be "covered employees" at the time of recognition of income resulting from such award or (B) not persons with respect to whom the Company wishes to comply with Section 162(m) of the Code and/or (ii) delegate to a committee of one or more members of the Board who are not "non-employee directors," within the meaning of Rule 16b-3, the authority to grant awards under the Plan to eligible persons who are not then subject to Section 16 of the Exchange Act. The Board may abolish the Committee at any time and revest in the Board the administration of the Plan. Appointment of Committee members shall be effective upon acceptance of appointment. Committee members may resign at any time by delivering written notice to the Board. Vacancies on the Committee may be filled by the Board.

(b) Powers of the Administrator. Subject to the provisions of the Plan and the specific duties delegated by the Board to such Committee, and subject to the approval of any relevant authorities, the Administrator shall have the authority in its discretion:

(i) to determine the Fair Market Value;

(ii) to select the Grantees to whom Options may from time to time be granted hereunder;

(iii) to determine the number of Shares to be covered by each Option granted hereunder;

(iv) to approve forms of agreement for use under the Plan;

(v) to determine the terms and conditions of any Option granted hereunder (such terms and conditions include, but are not limited to, the exercise price, the time or times when Options may vest or be exercised (which may be based on performance criteria), any vesting acceleration or waiver of forfeiture restrictions, and any restriction or limitation regarding any Option or the Common Stock relating thereto, based in each case on such factors as the Administrator, in its sole discretion, shall determine);

(vi) to determine whether to offer to buy-out a previously granted Option as provided in subsection 10(i) and to determine the terms and conditions of such offer and buy-out (including whether payment is to be made in cash or Shares);

(vii) to prescribe, amend and rescind rules and regulations relating to the Plan, including rules and regulations relating to sub-plans established for the purpose of qualifying for preferred tax treatment under foreign tax laws;

(viii) to allow Holders to satisfy withholding tax obligations by electing to have the Company withhold from the Shares to be issued upon exercise of an Option that number of Shares having a Fair Market Value equal to the minimum amount required to be withheld based on the statutory withholding rates for federal and state tax purposes that apply to supplemental taxable income. The Fair Market Value of the Shares to be withheld shall be determined on the date that the amount of tax to be withheld is to be determined. All elections by Holders to have Shares withheld for this purpose shall be made in such form and under such conditions as the Administrator may deem necessary or advisable;

(ix) to amend the Plan or any Option granted under the Plan as provided in Section 13; and

(x) to construe and interpret the terms of the Plan and Options granted pursuant to the Plan and to exercise such powers and perform such acts as the Administrator deems necessary or desirable to promote the best interests of the Company which are not in conflict with the provisions of the Plan.

(c) Effect of Administrator's Decision. All decisions, determinations and interpretations of the Administrator shall be final and binding on all Holders.

5. Eligibility. The Administrator shall select those Grantees to whom the Company will grant Options. If otherwise eligible, a Grantee who has been granted an Option may be granted additional Options.

6. Limitations.

(a) Each Option shall be designated by the Administrator in the Option Agreement as either an Incentive Stock Option or a Non-Qualified Stock Option. However, notwithstanding such designations, to the extent that the aggregate Fair Market Value of Shares subject to a Holder's Incentive Stock Options and other incentive stock options granted by the Company, any Parent or Subsidiary, which become exercisable for the first time during any calendar year (under all plans of the Company or any Parent or Subsidiary) exceeds $100,000, such excess Options or other options shall be treated as Non-Qualified Stock Options.

For purposes of this Section 6(a), Incentive Stock Options shall be taken into account in the order in which they were granted, and the Fair Market Value of the Shares shall be determined as of the time of grant.

(b) Neither the Plan nor any Option shall confer upon a Holder any right with respect to continuing the Holder's employment or independent contractor relationship with the Company, nor shall they interfere in any way with the Holder's right or the Company's right to terminate such relationship at any time, with or without Cause.

(c) No Grantee shall be granted, in any calendar year, Options to purchase more than five-hundred thousand (500,000) Shares; *provided, however,* that the foregoing limitation shall not apply prior to the Public Trading Date and, following the Public Trading Date, the foregoing limitation shall not apply until the earliest of: (i) the first material modification of the Plan (including any increase in the number of Shares reserved for issuance

under the Plan in accordance with Section 3); (ii) the issuance of all of the Shares of Common Stock reserved for issuance under the Plan; (iii) the expiration of the Plan; (iv) the first meeting of stockholders at which directors of the Company are to be elected that occurs after the close of the third calendar year following the calendar year in which occurred the first registration of an equity security of the Company under Section 12 of the Exchange Act; or (v) such other date required by Section 162(m) of the Code and the rules and regulations promulgated thereunder. The foregoing limitation shall be adjusted proportionately in connection with any change in the Company's capitalization as described in Section 11. For purposes of this Section 6(c), if an Option is canceled in the same fiscal year of the Company it was granted (other than in connection with a transaction described in Section 11), the canceled Option will be counted against the limit set forth in this Section 6(c). For this purpose, if the exercise price of an Option is reduced, the transaction shall be treated as a cancellation of the Option and the grant of a new Option.

7. **Term of Plan**. The Plan shall become effective upon its initial adoption by the Board and shall continue in effect until it is terminated under Section 13 of the Plan. No Options may be issued under the Plan after the tenth (10th) anniversary of the earlier of (i) the date upon which the Plan is adopted by the Board or (ii) the date the Plan is approved by the stockholders.

8. **Term of Option**. The term of each Option shall be stated in the Option Agreement; *provided, however*, that the term shall be no more than ten (10) years from the date of grant thereof. In the case of an Incentive Stock Option granted to a Holder who, at the time the Option is granted, owns (or is treated as owning under Code Section 424) stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary, the term of the Option shall be five (5) years from the date of grant or such shorter term as may be provided in the Option Agreement.

9. **Option Exercise Price and Consideration**.

(a) The per share exercise price for the Shares to be issued upon exercise of an Option shall be such price as is determined by the Administrator, but shall be subject to the following:

(i) In the case of an Incentive Stock Option granted to a Grantee who, at the time of grant of such Option, owns (or is treated as owning under Code Section 424) stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary, the per Share exercise price shall be no less than one hundred and ten percent (110%) of the Fair Market Value per Share on the date of grant.

(ii) In the case of an Option granted to any other Grantee, the per Share exercise price shall be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

(iii) Notwithstanding the foregoing, Options may be granted with a per Share exercise price other than as required above pursuant to a merger or other corporate transaction, provided the requirements of Treasury Regulation § 1.424-1 (in the case of an Incentive Stock Option) and Treasury Regulation § 1.409A-1(b)(5)(v)(D).

(b) The consideration to be paid for the Shares to be issued upon exercise of an Option, including the method of payment, shall be determined by the Administrator (and, in the case of an Incentive Stock Option, shall be determined on the date of grant). Such consideration may consist of (1) cash, (2) check, (3) with the consent of the Administrator, a full recourse promissory note bearing interest and payable upon such terms as may be prescribed by the Administrator), (4) with the consent of the Administrator, other Shares which (x) in the case of Shares acquired from the Company, have been owned by the Holder for more than six (6) months on the date of surrender, and (y) have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which such Option shall be exercised, (5) with the consent of the Administrator, delivery of a notice that the Holder has placed a market sell order with a broker with respect to Shares then issuable upon exercise of the Options and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the Option exercise price, *provided,* that payment of such proceeds is then made to the Company upon settlement of such sale, (6) with the consent of the Administrator, a cashless exercise whereby the Holder elects, by providing written notice to the Administrator, to exercise any vested portion of his or her Option by receiving the number of Shares equal to the difference between the aggregate Fair Market Value of the Shares for which such Option is exercised on the date of exercise by the Holder and the aggregate Option Exercise Price of such Shares divided by the Fair Market Value per share of the Company's Shares on the date of exercise by the Holder or (7) with the consent of the Administrator, any combination of the foregoing methods of payment.

10. Exercise of Option.

(a) Vesting; Fractional Exercises. Options granted hereunder shall be vested and exercisable according to the terms hereof at such times and under such conditions as determined by the Administrator and set forth in the Option Agreement. An Option may not be exercised for a fraction of a Share.

(b) Deliveries upon Exercise. All or a portion of an exercisable Option shall be deemed exercised upon delivery of all of the following to the Secretary of the Company or his or her office:

(i) A written or electronic notice complying with the applicable rules established by the Administrator stating that the Option, or a portion thereof, is exercised. The notice shall be signed by the Holder or other person then entitled to exercise the Option or such portion of the Option;

(ii) Such representations and documents as the Administrator, in its absolute discretion, deems necessary or advisable to effect compliance with Applicable Laws. The Administrator may, in its absolute discretion, also take whatever additional actions it deems appropriate to effect such compliance, including, without limitation, placing legends on share certificates and issuing stop transfer notices to agents and registrars; and

(iii) In the event that the Option shall be exercised pursuant to Section 10(f) by any person or persons other than the Holder, appropriate proof of the right of such person or persons to exercise the Option.

(c) Conditions to Delivery of Share Certificates. The Company shall not be required to issue or deliver any certificate or certificates for Shares purchased upon the exercise of any Option or portion thereof prior to fulfillment of all of the following conditions:

(i) The admission of such Shares to listing on all stock exchanges, if any, on which such class of stock is then listed;

(ii) The completion of any registration or other qualification of such Shares under any state or federal law, or under the rulings or regulations of the Securities and Exchange Commission or any other governmental regulatory body which the Administrator shall, in its absolute discretion, deem necessary or advisable;

(iii) The obtaining of any approval or other clearance from any state or federal governmental agency which the Administrator shall, in its absolute discretion, determine to be necessary or advisable;

(iv) The lapse of such reasonable period of time following the exercise of the Option as the Administrator may establish from time to time for reasons of administrative convenience;

(v) The receipt by the Company of full payment for such Shares, including payment of any applicable withholding tax, which in the discretion of the Administrator may be in the form of consideration used by the Holder to pay for such Shares under Section 9(b); and

(vi) The receipt by the Company of a Joinder Agreement duly executed by the Holder of such Shares.

To the extent that the Company is unable to issue Shares for any of the reasons set forth in clauses (i), (ii), or (iii) of this Section 10(c), the Company shall promptly take all commercially reasonable measures so that it is able to issue Shares to a Holder.

(d) Termination of Continuous Service other than upon Disability or Death. If a Holder's Continuous Service terminates other than by reason of the Holder's Disability or death, such Holder may exercise his or her Option within such period of time as is specified in the Option Agreement for such portion of the Option which is vested on the date of termination (but in no event later than the expiration of the term of the Option as set forth in the Option Agreement). If the Option Agreement specifies a period of time for post-termination exercise of the vested portion of the Option, the Option Agreement shall take precedence over the provisions of this Section 10(d). In the absence of a specified expiration date in the Option Agreement, the vested portion of the Option shall remain exercisable for two (2) months following the termination of the Holder's Continuous Service other than by reason of the Holder's Disability or Death. If, after the termination of Continuous Service, the Holder is not vested in a portion of the Option, unless otherwise specified in the Option Agreement, the Shares covered by the unvested portion of the Option immediately cease to be issuable under the Option and shall again become available for issuance under the Plan. If, after termination, the Holder does not exercise the vested portion of his or her Option prior to the expiration date as specified herein, the vested portion of the Option shall terminate, and the Shares covered by such Option shall again become available for issuance under the Plan.

(e) Disability of Holder. If a Holder's Continuous Service ceases as a result of the Holder's Disability, the Holder may exercise his or her Option within such period of time as is specified in the Option Agreement for such portion of the Option which is vested on the date of such termination (but in no event later than the expiration of the term of such Option as set forth in the Option Agreement). If the Option Agreement specifies a period of time for post-Disability termination exercise of the vested portion of the Option, the Option Agreement shall take precedence over the provisions of this Section 10(e). In the absence of a specified expiration date in the Option Agreement, the vested portion of the Option shall remain exercisable for twelve (12) months following the termination of the Holder as a result of the Holder's Disability. If such Disability is not a "disability" as such term is defined in Section 22(e)(3) of the Code, in the case of an Incentive Stock Option such Incentive Stock Option shall automatically cease to be treated as an Incentive Stock Option and shall be treated for tax purposes as a Non-Qualified Stock Option from and after the day which is three (3) months and one (1) day following such termination. If, on the date of termination of Continuous Service, the Holder is not vested as to his or her entire Option, unless otherwise specified in the Option Agreement, the Shares covered by the unvested portion of the Option shall immediately cease to be issuable under the Option and shall again become available for issuance under the Plan. If, after termination of Continuous Service, the Holder does not exercise the vested portion of his or her Option prior to the expiration date as specified herein or in the Option Agreement, as applicable, the vested portion of the Option shall terminate, and the Shares covered by such Option shall again become available for issuance under the Plan.

(f) Death of Holder. If a Holder's Continuous Service terminates as a result of the Holder's death, the Option may be exercised within such period of time as is specified in the Option Agreement for such portion of the Option which is vested on the date of death, (but in no event later than the expiration of the term of such Option as set forth in the Option Agreement), by the Holder's estate or by a person who acquires the right to exercise the Option by bequest or inheritance, but only to the extent that the Option is vested on the date of death. If the Option Agreement specifies a period of time for post-death exercise of the vested portion of the Option, the Option Agreement shall take precedence over the provisions of this Section 10(f). In the absence of a specified time in the Option Agreement, the vested portion of the Option shall remain exercisable for twelve (12) months following the Holder's death. If, at the time of death, the Holder is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option shall immediately cease to be issuable under the Option and shall again become available for issuance under the Plan. The vested portion of the Option may be exercised by the executor or administrator of the Holder's estate or, if none, by the person(s) entitled to exercise the vested portion of the Option under the Holder's will or the laws of descent or distribution. If the vested portion of the Option is not so exercised within the time specified herein or in the Option Agreement as applicable, the vested portion of the Option shall terminate, and the Shares covered by such Option shall again become available for issuance under the Plan.

(g) Regulatory Extension. A Holder's Option Agreement may provide that if the exercise of the vested portion of the Option following the termination of the Holder's Continuous Service (other than upon the Holder's death or Disability) would be prohibited at any

time solely because the issuance of shares would violate the registration requirements under the Securities Act, then the vested portion of the Option shall terminate on the earlier of (i) the expiration of the term of the Option set forth in Section 8 or (ii) the expiration of a period of three (3) months after the termination of the Holder's Continuous Service during which the exercise of the vested portion of the Option would not be in violation of such registration requirements.

(h) Buyout Provisions. The Administrator may at any time offer to buy out for a payment in cash or Shares, an Option previously granted, based on such terms and conditions as the Administrator shall establish and communicate to the Holder at the time that such offer is made.

(i) Expiration of Options. Notwithstanding the foregoing, any unexercised portion of the Option(s) held by a Holder, whether vested or not vested, shall immediately expire in the event the Holder's Continuous Service is terminated by the Company or its Affiliate for Cause, as defined herein or in a written employment or consulting agreement between the Company or its Affiliate and the Holder. In addition, if the Company or its Affiliate determines that, after termination of the Holder's Continuous Service with the Company or its Affiliate, the Holder during his or her Continuous Service committed any of the acts that would constitute "Cause," as defined herein or in the Holder's written employment or consulting agreement in effect at such time, all of the Holder's unexercised Options, whether vested or not vested, shall immediately expire. Notwithstanding the foregoing, the determination of whether a Holder's Continuous Service shall be terminated by reason of the foregoing, and the determination after the Holder's termination of Continuous Service that the Holder committed any of such acts, shall require a majority of the Board (other than the Holder if the Holder is a member of the Board).

(j) Transferability of Options and Shares. Except as otherwise provided in an Option Agreement, an Option may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the Holder, only by the Holder. The Administrator may permit a Holder to designate the beneficiary who will inherit an Option when the Holder dies. The Administrator may permit in an Option Agreement that a Holder may give a Non-Qualified Stock Option and Shares acquired pursuant to an Option to a Permitted Transferee, but only if the Permitted Transferee, if Shares are being transferred, executes and delivers a Joinder Agreement to the Company Stockholder Agreements. A transfer to a Permitted Transferee shall not relieve a Holder from his or her obligations under this Plan or the applicable Option Agreement with respect to the transferred Option or Option proceeds. Notwithstanding anything in this Section 10(j) to the contrary, with respect to Shares acquired pursuant to exercise of an Option, the provisions of this Section 10(j) shall be waived with respect to all Holders following an Initial Public Offering.

11. Adjustments upon Changes in Capitalization, Merger or Asset Sale.

(a) In the event that any dividend or other distribution (whether in the form of cash, Common Stock, other securities, or other property), recapitalization, reclassification, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, liquidation, dissolution, or sale, transfer, exchange or other disposition of all or

substantially all of the assets of the Company, or exchange of Common Stock or other securities of the Company, issuance of warrants or other rights to purchase Common Stock or other securities of the Company, or other similar corporate transaction or event, affects the Common Stock such that an adjustment is appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan or with respect to any Option, then the Administrator shall, in an equitable manner, adjust any or all of:

(i) the number and kind of shares of Common Stock (or other securities or property) with respect to which Options may be granted or awarded (including, but not limited to, adjustments of the limitations in Section 3 on the maximum number and kind of shares which may be issued and adjustments of the maximum number of Shares that may be purchased by any Holder in any fiscal year pursuant to Section 6(c));

(ii) the number and kind of shares of Common Stock (or other securities or property) subject to outstanding Options; and

(iii) the grant or exercise price with respect to any Option.

(b) In the event of any transaction or event described in Section 12(a), the Administrator, in its sole and absolute discretion, and on such terms and conditions as it deems appropriate, either by the terms of the Option or by action taken prior to the occurrence of such transaction or event and either automatically or upon the Holder's request, is hereby authorized to take any one or more of the following actions whenever the Administrator determines that such action is appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan or with respect to any Option granted or issued under the Plan or to facilitate such transaction or event:

(i) To provide for either the purchase of any such Option for an amount of cash equal to the amount that could have been obtained upon the exercise of such Option or realization of the Holder's rights had such Option been currently exercisable or payable or fully vested or the replacement of such Option with other rights or property selected by the Administrator in its sole discretion;

(ii) To provide that such Option shall be exercisable as to all shares covered thereby, notwithstanding anything to the contrary in the Plan or the provisions of such Option;

(iii) To provide that such Option be assumed by the successor or survivor corporation, or a parent or subsidiary thereof, or shall be substituted for by similar options, rights or awards covering the stock of the successor or survivor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and prices;

(iv) To make adjustments in the number and type of shares of Common Stock (or other securities or property) subject to outstanding Options and/or in the terms and conditions of (including the grant or exercise price), and the criteria included in, outstanding Options or Options that may be granted in the future; and

(v) To provide that immediately upon the consummation of such event, such Option shall not be exercisable and shall terminate; *provided,* that for a specified period of time prior to such event, such Option shall be exercisable as to all Shares covered thereby, and the restrictions imposed under an Option Agreement upon some or all Shares may be terminated, notwithstanding anything to the contrary in the Plan or the provisions of such Option Agreement.

(c) Subject to Section 3, the Administrator may, in its discretion, include such further provisions and limitations in any Option Agreement as it may deem equitable and in the best interests of the Company.

(d) If the Company undergoes a Change of Control, then any surviving corporation or entity or acquiring corporation or entity, or affiliate of such corporation or entity, may assume any Options outstanding under the Plan or may substitute similar stock options (including an award to acquire the same consideration paid to the stockholders in the transaction described in this subsection 11(d)) for those outstanding under the Plan. Unless otherwise specified in an Option Agreement, in the event any surviving corporation or acquiring corporation following a Change of Control does not assume such Options or does not substitute similar stock options for those outstanding under the Plan, then with respect to (i) Options held by Holders whose Continuous Service has not terminated prior to such event, the vesting of such Options and the time during which such Options may be exercised shall be accelerated and made fully exercisable and all restrictions thereon shall lapse at least ten (10) days prior to the closing of the Change of Control (and the Options terminated if not exercised prior to the closing of such Change of Control), and (ii) any other Options outstanding under the Plan, such Options shall be terminated if not exercised prior to the closing of the Change of Control.

(e) The existence of the Plan or any Option Agreement and the Options granted hereunder shall not affect or restrict in any way the right or power of the Board to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, any merger or consolidation of the Company, any issue of stock or of options, warrants or rights to purchase stock or of bonds, debentures, preferred or prior preference stocks whose rights are superior to or affect the Common Stock or the rights thereof or which are convertible into or exchangeable for Common Stock, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

12. Time of Granting Options. The date of grant of an Option shall, for all purposes, be the date on which the Administrator makes the determination granting such Option, or such other date as is determined by the Administrator. Notice of the determination shall be given to each eligible person to whom an Option is so granted within a reasonable time after the date of such grant.

13. Amendment and Termination of the Plan.

(a) Amendment and Termination. The Board may at any time wholly or partially amend, alter, suspend or terminate the Plan. However, without approval of the Company's stockholders given within twelve (12) months before or after the action by the

Board, no action of the Board may, except as provided in Section 11, increase the limits imposed in Section 3 on the maximum number of Shares which may be issued under the Plan or extend the term of the Plan under Section 7.

(b) Stockholder Approval. The Board shall obtain stockholder approval of any Plan amendment to the extent necessary and desirable to comply with Applicable Laws.

(c) Effect of Amendment or Termination. No amendment, alteration, suspension or termination of the Plan shall impair the rights of any Holder, unless mutually agreed otherwise between the Holder and the Administrator, which agreement must be in writing and signed by the Holder and the Company. Termination of the Plan shall not affect the Administrator's ability to exercise the powers granted to it hereunder with respect to Options granted or awarded under the Plan prior to the date of such termination.

14. Inability to Obtain Authority. The inability of the Company to obtain authority from any regulatory body having jurisdiction after putting forth commercially reasonable efforts to obtain such authority, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

15. Reservation of Shares. The Company, during the term of this Plan, shall at all times reserve and keep available such number of Shares as shall be sufficient to satisfy the requirements of the Plan.

16. Repurchase Provisions. The Administrator in its discretion may provide that the Company may repurchase Shares acquired upon exercise of an Option upon a Holder's termination as an Employee or Consultant.

17. Investment Intent. The Company may require a Holder, as a condition of exercising or acquiring stock under any Option, (i) to give written assurances satisfactory to the Company as to the participant's knowledge and experience in financial and business matters and/or to employ a purchaser representative reasonably satisfactory to the Company who is knowledgeable and experienced in financial and business matters and that he or she is capable of evaluating, alone or together with the purchaser representative, the merits and risks of exercising the Option; and (ii) to give written assurances satisfactory to the Company stating that the participant is acquiring the stock subject to the Option for the participant's own account and not with any present intention of selling or otherwise distributing the stock. The foregoing requirements, and any assurances given pursuant to such requirements, shall be inoperative if (A) the issuance of the shares upon the exercise or acquisition of stock under the applicable Option has been registered under a then currently effective registration statement under the Securities Act or (B) as to any particular requirement, a determination is made by counsel for the Company that such requirement need not be met in the circumstances under the then applicable securities laws. The Company may, upon advice of counsel to the Company, place legends on stock certificates issued under the Plan as such counsel deems necessary or appropriate in order to comply with applicable securities laws, including, but not limited to, legends restricting the transfer of the stock.

18. **Stockholder Rights**. No Shares shall be issued pursuant to an Option until the Holder or, if applicable, Permitted Transferee executes a Joinder Agreement. A Holder or, if applicable, Permitted Transferee shall not acquire any stockholder rights with respect to Shares subject to an Option until the Holder or, if applicable, Permitted Transferee is issued stock certificates with respect to the Shares and the Holder has executed the Shareholder Agreements.

19. **Governing Law**. The validity and enforceability of this Plan shall be governed by and construed in accordance with the laws of the State of Delaware without regard to principles of conflicts of law.

(Signature Page Follows)

* * * * * * *

I hereby certify that the Plan was duly adopted by the Board and stockholders of Montrose Environmental Group, Inc. on December 16, 2014.

/s/ Jeremiah Yu
Jeremiah Yu
President and Co-Chief Executive Officer, Montrose Environmental Group, Inc.

(Signature Page to Montrose 2013 Stock Option Plan)

Exhibit 10.17

AMENDMENT NO. 1
TO
AMENDED AND RESTATED
2013 STOCK OPTION PLAN

WHEREAS, the Montrose Environmental Group, Inc. (the "**Company**") maintains the Montrose Environmental Group, Inc. Amended and Restated 2013 Stock Option Plan (the "**Plan**"); and

WHEREAS, the board of directors and the shareholders of the Company have determined it in the best interests of the Company to amend the Plan pursuant to Section 13 thereof to provide for an additional number of Shares (as defined in the Plan) currently available under the Plan.

NOW THEREFORE, effective as of the date approved by the Company's shareholders, the Plan is hereby amended as follows:

1. **Defined Terms.** Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Plan.

2. **Stock Subject to the Plan.** The second sentence of Section 3 of the Plan shall be amended and restated in its entirety to reflect the Stock Split and the increase in available options to read as follows:

> "Subject to the provisions of Section 12 of the Plan, the maximum aggregate number of Shares which may be issued upon exercise of such Options is Fifty Three Thousand Four Hundred Twenty Nine (53,429) Shares."

Except as expressly set forth in this Amendment, all other terms and conditions set forth in the Plan shall remain in full force and effect.

This Amendment has been adopted by the Board of Directors and the majority stockholder of the Company as of May 1, 2015.

Exhibit 10.18

AMENDMENT NO. 2
TO
AMENDED AND RESTATED
2013 STOCK OPTION PLAN

WHEREAS, the Montrose Environmental Group, Inc. (the "**Company**") maintains the Montrose Environmental Group, Inc. Amended and Restated 2013 Stock Option Plan, as amended by that certain Amendment No. 1 (as amended, the "**Plan**"); and

WHEREAS, the Board of Directors of the Company have determined it in the best interests of the Company to amend the Plan pursuant to Section 13 thereof to amend and restate the definition of "Change of Control" (as defined in the Plan) set forth in Section 2(g) of the Plan.

NOW THEREFORE, effective as of the date approved by the Company's Board of Directors, the Plan is hereby amended as follows:

1. **Defined Terms.** Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Plan.

2. **Change of Control.** Section 2(g) of the Plan shall be amended and restated in its entirety to amend the definition of Change of Control as follows:

> ""Change of Control" means the closing of a transaction that is (i) a sale of all or substantially all of the assets of the Company (other than in connection with financing transactions, or sale and leaseback transactions) to a Person that is not a Controlled Affiliate (a "Third Party"), (ii) a sale, series of sales or merger or other transactions resulting in more than 50% of the voting stock of the Company or of any company directly or indirectly controlling the Company being held by a Third Party, (iii) a transaction or provision that gives a Third Party the right to appoint a majority of the Board of Directors of the Company or of any company directly or indirectly controlling the Company or (iv) the liquidation or dissolution of the Company with respect to which there are or were distributable assets."

Except as expressly set forth in this Amendment, all other terms and conditions set forth in the Plan shall remain in full force and effect.

This Amendment has been adopted by the Board of Directors as of June 9, 2015.

Exhibit 10.19

AMENDMENT NO. 3
TO
AMENDED AND RESTATED
2013 STOCK OPTION PLAN

WHEREAS, the Montrose Environmental Group, Inc. (the "**Company**") maintains the Montrose Environmental Group, Inc. Amended and Restated 2013 Stock Option Plan, as amended by Amendment No. 1 and Amendment No. 2 (as amended, the "**Plan**"); and

WHEREAS, the Board of Directors of the Company have determined it in the best interests of the Company to amend the Plan pursuant to Section 13 thereof to provide for an additional number of Shares (as defined in the Plan) currently available under the Plan.

NOW THEREFORE, effective as of the date approved by the Company's shareholders, the Plan is hereby amended as follows:

1. **Defined Terms.** Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Plan.

2. **Stock Subject to the Plan.** The second sentence of Section 3 of the Plan shall be amended and restated in its entirety to reflect the increase in available options to read as follows:

> "Subject to the provisions of Section 12 of the Plan, the maximum aggregate number of Shares which may be issued upon exercise of such Options is Fifty Nine Thousand Two Hundred Five (59,205) Shares."

Except as expressly set forth in this Amendment, all other terms and conditions set forth in the Plan shall remain in full force and effect.

This Amendment has been adopted by the Board of Directors as of September 11, 2015.

Exhibit 10.20

AMENDMENT NO. 4
TO
AMENDED AND RESTATED
2013 STOCK OPTION PLAN

WHEREAS, the Montrose Environmental Group, Inc. (the "**Company**") maintains the Montrose Environmental Group, Inc. Amended and Restated 2013 Stock Option Plan, as amended by Amendment No. 1, Amendment No. 2 and Amendment No. 3 (as amended, the "**Plan**"); and

WHEREAS, the Board of Directors of the Company have determined it in the best interests of the Company to amend the Plan pursuant to Section 13 thereof to provide for an additional number of Shares (as defined in the Plan) currently available under the Plan.

NOW THEREFORE, effective as of the date approved by the Company's shareholders, the Plan is hereby amended as follows:

1. **Defined Terms.** Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Plan.

2. **Stock Subject to the Plan.** The second sentence of Section 3 of the Plan shall be amended and restated in its entirety to reflect the increase in available options to read as follows:

> "Subject to the provisions of Section 12 of the Plan, the maximum aggregate number of Shares which may be issued upon exercise of such Options is Eighty Thousand Two Hundred Forty Seven (80,247) Shares."

Except as expressly set forth in this Amendment, all other terms and conditions set forth in the Plan shall remain in full force and effect.

This Amendment has been adopted by the Board of Directors as of June 23, 2016.

Exhibit 10.21

AMENDMENT NO. 5
TO
AMENDED AND RESTATED
2013 STOCK OPTION PLAN

WHEREAS, the Montrose Environmental Group, Inc. (the "**Company**") maintains the Montrose Environmental Group, Inc. Amended and Restated 2013 Stock Option Plan, as amended by Amendment Nos. 1-4 (as amended, the "**Plan**"); and

WHEREAS, the Board of Directors of the Company have determined it in the best interests of the Company to amend the Plan pursuant to Section 13 thereof to provide for an additional number of Shares (as defined in the Plan) currently available under the Plan.

NOW THEREFORE, effective as of the date approved by the Company's shareholders, the Plan is hereby amended as follows:

1. **Defined Terms.** Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Plan.

2. **Stock Subject to the Plan.** The second sentence of Section 3 of the Plan shall be amended and restated in its entirety to reflect the increase in available options to read as follows:

> "Subject to the provisions of Section 12 of the Plan, the maximum aggregate number of Shares which may be issued upon exercise of such Options is Eighty Five Thousand Five Hundred Forty Seven (85,547) Shares."

Except as expressly set forth in this Amendment, all other terms and conditions set forth in the Plan shall remain in full force and effect.

This Amendment has been adopted by the Board of Directors and the Majority Shareholder as of August 16, 2016.

Exhibit 10.22

AMENDMENT NO. 6
TO
AMENDED AND RESTATED
2013 STOCK OPTION PLAN

WHEREAS, the Montrose Environmental Group, Inc. (the "**Company**") maintains the Montrose Environmental Group, Inc. Amended and Restated 2013 Stock Option Plan, as amended by Amendment Nos. 1 – 5 (as amended, the "**Plan**"); and

WHEREAS, the Board of Directors of the Company have determined it in the best interests of the Company to amend the Plan pursuant to Section 13 thereof to provide for an additional number of Shares (as defined in the Plan) currently available under the Plan.

NOW THEREFORE, effective as of the date approved by the Company's shareholders, the Plan is hereby amended as follows:

1. **Defined Terms.** Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Plan.

2. **Stock Subject to the Plan.** The second sentence of Section 3 of the Plan shall be amended and restated in its entirety to reflect the increase in available options to read as follows:

> "Subject to the provisions of Section 12 of the Plan, the maximum aggregate number of Shares which may be issued upon exercise of such Options is Eighty Eight Thousand Ninety Four (88,094) Shares."

Except as expressly set forth in this Amendment, all other terms and conditions set forth in the Plan shall remain in full force and effect.

This Amendment has been adopted by the Board of Directors as of December 13, 2016.

Exhibit 10.23

AMENDMENT NO. 7
TO
AMENDED AND RESTATED
2013 STOCK OPTION PLAN

WHEREAS, the Montrose Environmental Group, Inc. (the "**Company**") maintains the Montrose Environmental Group, Inc. Amended and Restated 2013 Stock Option Plan, as amended by Amendment Nos. 1 – 6 (as amended, the "**Plan**"); and

WHEREAS, the Board of Directors of the Company have determined it in the best interests of the Company to amend the Plan pursuant to Section 13 thereof to provide for an additional number of Shares (as defined in the Plan) currently available under the Plan.

NOW THEREFORE, effective as of the date approved by the Company's shareholders, the Plan is hereby amended as follows:

1. **Defined Terms.** Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Plan.

2. **Stock Subject to the Plan.** The second sentence of Section 3 of the Plan shall be amended and restated in its entirety to reflect the increase in available options to read as follows:

> "Subject to the provisions of Section 12 of the Plan, the maximum aggregate number of Shares which may be issued upon exercise of such Options is Eighty Nine Thousand Four Hundred Twenty One (89,421) Shares."

Except as expressly set forth in this Amendment, all other terms and conditions set forth in the Plan shall remain in full force and effect.

This Amendment has been adopted by the Board of Directors as of April 3, 2017.

Exhibit 10.24

AMENDMENT NO. 8
TO
AMENDED AND RESTATED
2013 STOCK OPTION PLAN

WHEREAS, the Montrose Environmental Group, Inc. (the "**Company**") maintains the Montrose Environmental Group, Inc. Amended and Restated 2013 Stock Option Plan, as amended by Amendment Nos. 1 – 7 (as amended, the "**Plan**"); and

WHEREAS, the Board of Directors of the Company have determined it in the best interests of the Company to amend the Plan pursuant to Section 13 thereof to provide for an additional number of Shares (as defined in the Plan) currently available under the Plan.

NOW THEREFORE, effective as of the date approved by the Company's shareholders, the Plan is hereby amended as follows:

1. **Defined Terms.** Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Plan.

2. **Stock Subject to the Plan.** The second sentence of Section 3 of the Plan shall be amended and restated in its entirety to reflect the increase in available options to read as follows:

> "Subject to the provisions of Section 12 of the Plan, the maximum aggregate number of Shares which may be issued upon exercise of such Options is Ninety Two Thousand (92,000) Shares."

Except as expressly set forth in this Amendment, all other terms and conditions set forth in the Plan shall remain in full force and effect.

This Amendment has been adopted by the Board of Directors as of June 30, 2017.

Exhibit 10.25

MONTROSE ENVIRONMENTAL GROUP, INC.
AMENDED AND RESTATED
2013 STOCK OPTION PLAN

Option Award Agreement

Award No. ____

You (the "Holder") are hereby awarded the following stock option (the "Option") to purchase Shares of Montrose Environmental Group, Inc., a Delaware corporation (the "Company"), in accordance with the terms and conditions set forth in this Option Award Agreement (the "Option Agreement") and in the Company's Amended and Restated 2013 Stock Option Plan (as amended, the "Plan"), which is on file at the headquarters of the Company and is available to you for your review. You should carefully review the Plan, and consult with your personal financial advisor, before exercising this Option.

By executing this Option Agreement, you agree to be bound by all of the Plan's terms and conditions as if they had been set out verbatim in this Option Agreement. In addition, you recognize and agree that all determinations, interpretations, or other actions respecting the Plan and this Option Agreement will be made by the Board of Directors (the "Board") of the Company or any Committee appointed by the Board to administer the Plan, and shall (in the absence of manifest bad faith or fraud) be final, conclusive and binding on all parties, including you and your successors in interest. Capitalized terms are defined in the Plan or in this Option Agreement.

1. Variable Terms. This Option shall have, and be interpreted according to, the following terms:

In order for the Option to be effective and enforceable, the Company must receive a signed original of this Option Agreement and the Confidential Information, Non-Solicitation and Non-Competition Agreement between you and the Company by , .

Name of Holder:	
Type of Stock Option:	Incentive Stock Option
Number of Shares subject to Option (the "Number of Shares"):	
Option Exercise Price per Share:	
Grant Date (the "Grant Date"):	
Expiration Date:	10 years after Grant Date, unless earlier terminated as provided herein or in the Plan.

2. Vesting Schedule.

Fraction of Option	Vesting Date
1/2	
1/2	

The Holder shall become vested in the right to exercise this Option pursuant to the foregoing schedule; provided that upon the occurrence of a Change of Control, all rights to exercise this Option shall become immediately fully vested and exercisable. Otherwise, vesting shall only occur on a particular vesting date if the Holder's Continuous Service with the Company has not terminated prior to or on such vesting date. If the Holder's Continuous Service terminates for any reason prior to any vesting date other than upon the occurrence of a Change of Control, any unvested portion of the Option shall immediately expire. An Option may not be exercised for a fraction of a Share.

3. Term of Option. The term of the Option will expire at 5:00 p.m. Eastern time on the Expiration Date.

4. Special ISO Provisions. If designated as an ISO, this Option shall be treated as an ISO to the extent allowable under Section 422 of the Code, and shall otherwise be treated as a Non-ISO. If you sell or otherwise dispose of Shares acquired upon the exercise of an ISO within 1 year from the date such Shares were acquired or 2 years from the Grant Date, you agree to deliver a written report to the Company within 10 days following the sale or other disposition of such Shares detailing the net proceeds of such sale or disposition.

5. Manner of Exercise. The Option shall be exercised in the manner set forth in the Plan. The Exercise Price may be paid in the form of cash, check or, with the consent of the Administrator, a full recourse promissory note bearing interest and payable upon such terms as may be prescribed by the Administrator. The amount of Shares for which the Option may be exercised is cumulative; that is, if you fail to exercise the Option for all of the Shares vested under the Option during any period set forth above, then any Shares subject to the Option that are not exercised during such period may be exercised during any subsequent period, until the expiration or termination of the Option pursuant to the terms of this Option Agreement and the Plan. Fractional Shares may not be purchased.

6. Restrictions on Transfer. This Option may not be sold, pledged, or otherwise transferred except by the laws of descent and distribution. The Shares acquired pursuant to this Option shall be subject to the Stockholder Agreements.

7. Designation of Beneficiary. Notwithstanding anything to the contrary contained herein or in the Plan, following the execution of this Option Agreement, you may expressly designate a beneficiary (the "Beneficiary") to your interest in the Option awarded hereby. You shall designate

the Beneficiary by completing and signing a designation of beneficiary agreement substantially in the form attached hereto as Exhibit A (the "Designation of Beneficiary") and delivering a signed copy to the Company.

8. Company Repurchase Right. If your Continuous Service terminates for any reason before the Public Trading Date, the Company may repurchase any Shares issued pursuant to this Award. The Company's repurchase right shall have a term of one (1) year after the date your Continuous Service terminates. The repurchase price shall equal the Fair Market Value of the Shares as determined by the Committee as of any date within the thirty (30)-day period before the date of the repurchase. The Company may pay the repurchase price to you in cash (or equivalent readily available funds) or by issuance of a promissory note payable in equal annual installments over three years, with the outstanding principal of the note bearing interest at the rate of 3% per annum.

9. Securities Law Restrictions. Regardless of whether the offering and sale of Options or Shares under the Plan have been registered under the Securities Act of 1933, as amended (the "Securities Act"), or have been registered or qualified under the securities laws of any state, the Company at its discretion may impose restrictions upon the sale, pledge or other transfer of such Shares (including the placement of appropriate legends on stock certificates or the imposition of stop-transfer instructions) if, in the judgment of the Company, such restrictions are necessary or desirable in order to achieve compliance with the Securities Act or the securities laws of any state or any other law or to enforce the intent of this Award.

10. Restrictive Legends and Stop-Transfer Orders.

(a) Legends. Holder understands and agrees that the Company shall cause the legends set forth below or legends substantially equivalent thereto, to be placed upon any certificate(s) evidencing ownership of the Shares together with any other legends that may be required by state or federal securities laws:

> THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE FEDERAL AND STATE SECURITIES LAWS AND ARE BEING OFFERED AND SOLD IN RELIANCE UPON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE FEDERAL AND STATE SECURITIES LAWS. THESE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT AND MAY NOT BE OFFERED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED, EXCEPT IN A TRANSACTION WHICH IS REGISTERED UNDER, EXEMPT FROM, OR OTHERWISE IN COMPLIANCE WITH THE FEDERAL AND STATE SECURITIES LAWS, AS TO WHICH THE ISSUER HAS RECEIVED SUCH ASSURANCES AS THE ISSUER MAY REQUEST, WHICH MAY INCLUDE, A SATISFACTORY OPINION OF ITS COUNSEL.

ANY SALE, ASSIGNMENT, TRANSFER, PLEDGE OR OTHER DISPOSITION OF THE SHARES OF STOCK REPRESENTED BY THIS CERTIFICATE IS RESTRICTED BY, AND SUBJECT TO, THE TERMS AND PROVISIONS OF VARIOUS STOCKHOLDER AGREEMENTS BETWEEN THE COMPANY AND THE STOCKHOLDERS DATED JULY 5, 2013, AS SUCH AGREEMENT MAY BE AMENDED FROM TIME TO TIME. A COPY OF SAID AGREEMENT IS ON FILE WITH THE SECRETARY OF THE COMPANY AT THE PRINCIPAL OFFICE OF THE COMPANY. BY ACCEPTANCE OF THIS CERTIFICATE, THE HOLDER HEREOF AGREES TO BE BOUND BY THE TERMS OF SUCH AGREEMENT.

(b) Stop-Transfer Notices. Holder agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(c) Refusal to Transfer. The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Option Agreement or the Shareholders Agreement or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

11. Stockholder Agreements. No Shares shall be issued pursuant to an Option until the Holder executes a Joinder Agreement whereby the Holder agrees to be bound by the provisions of the Stockholder Agreements.

12. Notices. Any notice or communication required or permitted by any provision of this Option Agreement to be given to you shall be in writing and shall be delivered personally or sent by certified mail, return receipt requested, addressed to you at the last address that the Company had for you on its records. Each party may, from time to time, by notice to the other party hereto, specify a new address for delivery of notices relating to this Option Agreement. Any such notice shall be deemed to be given as of the date such notice is personally delivered or properly mailed.

13. Binding Effect. Except as otherwise provided in this Option Agreement or in the Plan, every covenant, term, and provision of this Option Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, legatees, legal representatives, successors, transferees, and assigns.

14. Modifications. This Option Agreement may be modified or amended at any time, provided that you must consent in writing to any modification that adversely alters or impairs any rights or obligations under the Option granted herein.

15. Headings. Section and other headings contained in this Option Agreement are for reference purposes only and do not describe, interpret, define or limit the scope or intent of this Option Agreement or any provision hereof.

16. Severability. Every provision of this Option Agreement and of the Plan is severable, except this Section 15. If this Section 15, or any portion of this Section is severed or declared illegal or invalid, this Option Agreement shall be null and void and any Shares issued hereunder shall be null and void and the Company shall promptly refund any money it received from the Holder with respect to any exercise of Options and cancel any such Shares. Except as set forth in the previous sentence, if any term hereof is illegal or invalid for any reason, such illegality or invalidity shall not affect the validity or legality of the remaining terms of this Option Agreement.

17. Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Agreement shall be binding upon Holder and his or her heirs, executors, administrators, successors and assigns.

18. Governing Law. The validity and enforceability of this Plan shall be governed by and construed in accordance with the laws of the State of Delaware without regard to principles of conflicts of law.

19. Counterparts. This Option Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

20. Plan Governs. By signing this Option Agreement, you acknowledge that you have received a copy of the Plan and that your Option is subject to all the provisions contained in the Plan, the provisions of which are made a part of this Option Agreement and your Award is subject to all interpretations, amendments, rules and regulations which from time to time may be promulgated and adopted pursuant to the Plan. In the event of a conflict between the provisions of this Option Agreement and those of the Plan, the provisions of the Plan shall control.

21. Taxes. By signing this Option Agreement, you acknowledge that you shall be solely responsible for the satisfaction of any taxes, penalties, or interest that may arise (including taxes, penalties, and interest arising under Sections 409A or 4999 of the Code), and that neither the Company nor the Administrator shall have any obligation whatsoever to pay such taxes.

(Signature Page Follows)

BY YOUR SIGNATURE BELOW, along with the signature of the Company's representative, you and the Company agree that the Option is awarded under and is governed by the terms and conditions of this Option Agreement and the Plan.

MONTROSE ENVIRONMENTAL GROUP, INC.

By: _____
[Name, Title]

HOLDER

The undersigned Holder hereby accepts the terms of this Option Agreement and the Plan.

By: _____
Name of Holder:

MONTROSE ENVIRONMENTAL GROUP, INC.
AMENDED AND RESTATED
2013 STOCK OPTION PLAN

Exhibit A

Designation of Beneficiary

In connection with the STOCK OPTION AGREEMENT (the "Option Agreement") entered into on August , 2015 between Montrose Environmental Group, Inc. (the "Company") and , an individual residing at (the "Holder"), the Holder hereby designates the person specified below as the beneficiary of the Holder's interest in a stock option to purchase Shares (as defined in the Company's Amended and Restated 2013 Stock Option Plan) of the Company awarded pursuant to the Option Agreement. This designation shall remain in effect until revoked in writing by the Holder.

Name of Beneficiary: _____

Address: _____

_____

_____

Social Security No.: _____

The Holder understands that this designation operates to entitle the above-named beneficiary to the rights conferred by the Option Agreement from the date this form is delivered to the Company until such date as this designation is revoked in writing by the Holder, including by delivery to the Company of a written designation of beneficiary executed by you on a later date.

Date: _____

By: _____
Signature of Holder

MONTROSE ENVIRONMENTAL GROUP, INC.
AMENDED AND RESTATED
2017 STOCK INCENTIVE PLAN
(as amended and restated effective January 11, 2019)

1. PURPOSE

The purpose of this Montrose Environmental Group, Inc. Amended and Restated 2017 Stock Incentive Plan (the "**Plan**") is to promote and closely align the interests of employees, officers, non-employee directors and other service providers of Montrose Environmental Group, Inc. (the "**Company**") and its stockholders by providing stock-based compensation and other performance-based compensation. The objectives of the Plan are to attract and retain the best available employees for positions of substantial responsibility and to motivate Participants to optimize the profitability and growth of the Company through incentives that are consistent with the Company's goals and that link the personal interests of Participants to those of the Company's stockholders.

The Plan provides for the grant of Options, Stock Appreciation Rights, Restricted Stock Units and Restricted Stock, any of which may be performance-based, as determined by the Committee.

2. DEFINITIONS

As used in the Plan, the following terms shall have the meanings set forth below:

(a) "**Affiliate**" means any entity in which the Company has a substantial direct or indirect equity interest, as determined by the Committee from time to time.

(b) "**Act**" means the Securities Exchange Act of 1934, as amended, or any successor thereto.

(c) "**Award**" means an Option, Stock Appreciation Right, Restricted Stock Unit, or Restricted Stock granted to a Participant pursuant to the provisions of the Plan, any of which may be subject to performance conditions.

(d) "**Award Agreement**" means a written or electronic agreement or other instrument as may be approved from time to time by the Committee and designated as such implementing the grant of each Award. An Award Agreement may be in the form of an agreement to be executed by both the Participant and the Company (or an authorized representative of the Company) or certificates, notices or similar instruments as approved by the Committee and designated as such.

(e) "**Beneficial Owner**" shall have the meaning set forth in Rule 13d-3 under the Act.

(f) "**Board**" means the board of directors of the Company.

(g) "**Cause**" has the meaning set forth in an Award Agreement or other written employment or services agreement between the Participant and the Company or an Affiliate thereof, or if no such meaning applies, means a Participant's Termination of Employment by the Company or an Affiliate by reason of the occurrence of any of the following events: (i) such Participant's commission of any felony or any crime involving fraud, dishonesty or moral turpitude under the laws of the United States or any state thereof; (ii) such Participant's attempted commission of, or participation in, a fraud or act of dishonesty against the Company; (iii) such Participant's material violation of any contract or agreement between the Participant and the Company or of any statutory duty owed to the Company or any lawful policy or code of conduct established by the Company; (iv) such Participant's unauthorized use or disclosure of the Company's confidential information or trade secrets; (v) such Participant's material failure to perform in a satisfactory manner the duties and responsibilities of his or her position with the Company; or (vi) such Participant's gross misconduct; provided, however, to the extent the conduct set forth in subsections (iii) or (iv) is reasonably susceptible to cure, the Participant shall have ten (10) business days to cure such violation after receiving written notice thereof. The determination that a Termination of Employment is either for Cause or without Cause shall be made by the Company in its sole discretion. Any determination by the Company that the Participant's Termination of Employment was by reason of dismissal without Cause for the purposes of outstanding Awards held by such Participant shall have no effect upon any determination of the rights or obligations of the Company or such Participant for any other purpose.

(h) "**Change in Control**" means the occurrence of any one of the following:

(i) any Person becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including any the securities beneficially owned by such Person or any securities acquired directly from the Company or its Affiliates) representing 50% or more of the combined voting power of the Company's then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction that would not be considered a Change in Control pursuant to paragraph (iii) below; or

(ii) the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the Effective Date (as defined below), constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved or recommended by a vote of at least a majority of the directors then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved or recommended; or

(iii) there is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation, other than a merger or consolidation which would result in the holders of the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of

the surviving entity or any parent thereof) at least 50% of the combined voting power of the securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation; or

(iv) the implementation of a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 50% of the combined voting power of the voting securities of which is owned by stockholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale.

(i) "**Code**" means the Internal Revenue Code of 1986, as amended from time to time, and the rulings and regulations issued thereunder.

(j) "**Committee**" means the Compensation Committee of the Board (or any successor committee), or such other committee as designated by the Board to administer the Plan under Section 6.

(k) "**Common Stock**" means the common stock of the Company, par value $0.0001 a share, or such other class or kind of shares or other securities as may be applicable under Section 14.

(l) "**Company**" means Montrose Environmental Group, Inc., a Delaware corporation, and except as utilized in the definition of Change in Control, any successor corporation.

(m) "**Disability**" means, as determined by the Committee in its discretion exercised in good faith, the inability of a Participant to engage in any substantially gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than twelve (12) months. A determination of Disability may be made by a physician selected or approved by the Company and, in this respect, Participants shall submit to an examination by such physician upon request by the Company.

(n) "**Dividend Equivalents**" mean an amount payable in cash or Common Stock, as determined by the Committee, with respect to a Restricted Stock Unit Award equal to the dividends that would have been paid to the Participant if the shares underlying the Award had been owned by the Participant.

(o) "**Effective Date**" means the date on which the Plan takes effect, as defined pursuant to Section 4 of the Plan.

(p) "**Eligible Person**" any current or prospective employee, officer, non-employee director or other service provider of the Company or any of its Subsidiaries; provided however that Incentive Stock Options may only be granted to employees.

(q) "**Fair Market Value**" means as of any date, the value of the Common Stock determined as follows: (i) if the Common Stock is listed on any established stock exchange, system or market, its Fair Market Value shall be the closing price for the Common Stock as quoted on such exchange, system or market as reported in the Wall Street Journal or such other source as the Committee deems reliable (or, if no sale of Common Stock is reported for such date, on the next preceding date on which any sale shall have been reported); and (ii) in the absence of an established market for the Common Stock, the Fair Market Value thereof shall be determined in good faith by the Committee by the reasonable application of a reasonable valuation method, taking into account factors consistent with Treas. Reg. § 409A-1(b)(5)(iv)(B) as the Committee deems appropriate.

(r) "**Incentive Stock Option**" means a stock option that is intended to qualify as an "incentive stock option" within the meaning of Section 422 of the Code.

(s) "**Nonqualified Stock Option**" means a stock option that is not intended to qualify as an "incentive stock option" within the meaning of Section 422 of the Code.

(t) "**Option**" means a right to purchase a number of shares of Common Stock at such exercise price, at such times and on such other terms and conditions as are specified in or determined pursuant to an Award Agreement. Options granted pursuant to the Plan may be Incentive Stock Options or Nonqualified Stock Options.

(u) "**Participant**" means any Eligible Person to whom Awards have been granted from time to time by the Committee and any authorized transferee of such individual.

(v) "**Person**" shall have the meaning given in Section 3(a)(9) of the Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its Affiliates, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Subsidiaries, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

(w) "**Plan**" means the Montrose Environmental Group, Inc. Amended and Restated 2017 Stock Incentive Plan as set forth herein and as amended from time to time.

(x) "**Prior Plan**" means the Montrose Environmental Group, Inc. Amended and Restated 2013 Stock Option Plan, as amended.

(y) "**Restricted Stock**" means an Award or issuance of Common Stock the grant, issuance, vesting and/or transferability of which is subject during specified periods of time to such conditions (including continued employment or engagement or performance conditions) and terms as the Committee deems appropriate.

(z) "**Restricted Stock Unit**" means an Award denominated in units of Common Stock under which the issuance of shares of Common Stock (or cash payment in lieu thereof) is subject to such conditions (including continued employment or engagement or performance conditions) and terms as the Committee deems appropriate.

(aa) "**Separation from Service**" or "Separates from Service" means the termination of Participant's employment with the Company and all Subsidiaries that constitutes a "separation from service" within the meaning of Section 409A of the Code.

(bb) "**Stock Appreciation Right**" means a right granted that entitles the Participant to receive, in cash or Common Stock or a combination thereof, as determined by the Committee, value equal to the excess of (i) the Fair Market Value of a specified number of shares of Common Stock at the time of exercise over (ii) the exercise price of the right, as established by the Committee on the date of grant.

(cc) "**Subsidiary**" means any business association (including a corporation or a partnership, other than the Company) in an unbroken chain of such associations beginning with the Company if each of the associations other than the last association in the unbroken chain owns equity interests (including stock or partnership interests) possessing 50% or more of the total combined voting power of all classes of equity interests in one of the other associations in such chain.

(dd) "**Substitute Awards**" means Awards granted or Common Stock issued by the Company in assumption of, or in substitution or exchange for, awards previously granted, or the right or obligation to make future awards, by a company acquired by the Company or any Subsidiary or with which the Company or any Subsidiary combines.

(ee) "**Termination of Employment**" means ceasing to serve as an employee of the Company and its Subsidiaries or, with respect to a non-employee director or other service provider, ceasing to serve as such for the Company and its Subsidiaries, except that with respect to all or any Awards held by a Participant (i) the Committee may determine that a leave of absence or employment on a less than full-time basis is considered a "**Termination of Employment**," (ii) the Committee may determine that a transition of employment to service with a partnership, joint venture or corporation not meeting the requirements of a Subsidiary in which the Company or a Subsidiary is a party is not considered a "**Termination of Employment**," (iii) service as a member of the Board or as another service provider shall constitute continued employment with respect to Awards granted to a Participant while he or she served as an employee, and (iv) service as an employee of the Company or a Subsidiary shall constitute continued employment with respect to Awards granted to a Participant while he or she served as a member of the Board or other service provider. The Committee shall determine whether any corporate transaction, such as a sale or spin-off of a division or subsidiary that employs or engages a Participant, shall be deemed to result in a Termination of Employment with the Company and its Subsidiaries for purposes of any affected Participant's Awards, and the Committee's decision shall be final and binding.

3. ELIGIBILITY

Any Eligible Person is eligible for selection by the Committee to receive an Award.

4. EFFECTIVE DATE AND TERMINATION OF PLAN

This Plan became effective on October 25, 2017 (the "**Effective Date**"). The Plan shall remain available for the grant of Awards until the tenth (10th) anniversary of the Effective Date. Notwithstanding the foregoing, the Plan may be terminated at such earlier time as the Board may determine. Termination of the Plan will not affect the rights and obligations of the Participants and the Company arising under Awards theretofore granted.

5. SHARES SUBJECT TO THE PLAN AND TO AWARDS

(a) Aggregate Limits. The aggregate number of shares of Common Stock issuable under the Plan shall be equal to Nine Hundred Eighty One Thousand Eight Hundred (981,800) plus any shares of Common Stock subject to outstanding awards under the Prior Plan as of the Effective Date that on or after such date cease for any reason to be subject to such awards (other than by reason of exercise or settlement of the awards to the extent they are exercised for or settled in vested and nonforfeitable shares).. As of the Effective Date, no new grants shall be made under the Prior Plan. The aggregate number of shares of Common Stock available for grant under this Plan and the number of shares of Common Stock subject to Awards outstanding at the time of any event described in Section 14 shall be subject to adjustment as provided in Section 14. The shares of Common Stock issued pursuant to Awards granted under this Plan may be shares that are authorized and unissued or shares that were reacquired by the Company, including shares purchased in the open market.

(b) Issuance of Shares. For purposes of Section 5(a), the aggregate number of shares of Common Stock issued under this Plan at any time shall equal only the number of shares of Common Stock actually issued upon exercise or settlement of an Award. Shares of Common Stock subject to Awards that have been canceled, expired, forfeited or otherwise not issued under an Award and shares of Common Stock subject to Awards settled in cash shall not count as shares of Common Stock issued under this Plan. The aggregate number of shares available for issuance under this Plan at any time shall not be reduced by (i) shares subject to Awards that have been terminated, expired unexercised, forfeited or settled in cash, (ii) shares subject to Awards that have been retained or withheld by the Company in payment or satisfaction of the exercise price, purchase price or tax withholding obligation of an Award, or (iii) shares subject to Awards that otherwise do not result in the issuance of shares in connection with payment or settlement thereof. In addition, shares that have been delivered (either actually or by attestation) to the Company in payment or satisfaction of the exercise price, purchase price or tax withholding obligation of an Award shall be available for issuance under this Plan.

(c) Substitute Awards. Substitute Awards shall not reduce the shares of Common Stock authorized for issuance under the Plan or authorized for grant to a Participant in any calendar year. Additionally, in the event that a company acquired by the Company or any Subsidiary, or with which the Company or any Subsidiary combines, has shares available under a pre-existing plan approved by stockholders and not adopted in contemplation of such acquisition or combination, the shares available for grant pursuant to the terms of such pre-existing plan (as adjusted, to the extent appropriate, using the exchange ratio or other adjustment or valuation ratio or formula used in such acquisition or combination to determine the consideration payable to the holders of common stock of the entities party to such acquisition or combination) may be used for Awards under the Plan and shall not reduce the shares of Common Stock authorized for issuance under the Plan; provided that Awards using such available shares shall not be made after the date awards or grants could have been made under the terms of the pre-existing plan, absent the acquisition or combination, and shall only be made to individuals who were employees of such acquired or combined company before such acquisition or combination.

(d) Tax Code Limits. The aggregate number of shares of Common Stock that may be issued pursuant to the exercise of Incentive Stock Options granted under this Plan shall be equal to Nine Hundred Eighty One Thousand Eight Hundred (981,800), which number shall be calculated and adjusted pursuant to Section 14 only to the extent that such calculation or adjustment will not affect the status of any option intended to qualify as an Incentive Stock Option under Section 422 of the Code. .

(e) Limits on Awards to Non-Employee Directors. Following the effectiveness of a registration statement filed with the Securities and Exchange Commission registering shares of the Company's Common Stock in connection with an initial public offering of the Company, the aggregate dollar value of equity-based (based on the grant date Fair Market Value of equity-based Awards) and cash compensation granted under this Plan or otherwise during any calendar year to any non-employee director shall not exceed $250,000; provided, however, that (i) in the calendar year in which a non-employee director first joins the Board or (ii) in any calendar year during which a non-employee director is designated as Chairman of the Board or Lead Director or Chair of a committee of the Board, the maximum aggregate dollar value of equity-based and cash compensation granted to the non-employee director may be up to One Hundred Twenty Five percent (125%) of the foregoing limit.

6. ADMINISTRATION OF THE PLAN

(a) Administrator of the Plan. The Plan shall be administered by the Committee. The Board shall fill vacancies on, and from time to time may remove or add members to, the Committee. The Committee shall act pursuant to a majority vote or unanimous written consent. Any power of the Committee may also be exercised by the Board, except to the extent that the grant or exercise of such authority would cause any Award or transaction to become subject to (or lose an exemption under) the short-swing profit recovery provisions of Section 16 of the Act. To the extent that any permitted action taken by the Board conflicts with action taken by the Committee, the Board action shall control. To the maximum extent permissible under applicable law, the Committee (or any successor) may by resolution delegate any or all of its authority to one or more subcommittees composed of one or more directors and/or officers of the Company, and any such subcommittee shall be treated as the Committee for all purposes under this Plan. Notwithstanding the foregoing, if the Board or the Committee (or any successor) delegates to a subcommittee comprised of one or more officers of the Company (who are not also directors) the authority to grant Awards, the resolution so authorizing such subcommittee shall specify the total number of shares of Common Stock such subcommittee may award pursuant to such delegated authority, and no such subcommittee shall designate any officer serving thereon or any executive officer or non-employee director of the Company as a recipient of any Awards granted under such delegated authority. The Committee hereby delegates to and designates the General Counsel and/or the Chief Financial Officer of the Company, and each one of them, and to his or her delegates or designees, the authority to assist the Committee in the day-to-day administration of the Plan and of Awards granted under the Plan, including without limitation those powers set forth in Section 6(b)(iv) through (ix) and to execute agreements evidencing Awards made under this Plan or other documents entered into under this Plan on behalf of the Committee or the Company.

The Committee may further designate and delegate to one or more additional officers or employees of the Company or any subsidiary, and/or one or more agents, authority to assist the Committee in any or all aspects of the day-to-day administration of the Plan and/or of Awards granted under the Plan.

(b) Powers of Committee. Subject to the express provisions of this Plan, the Committee shall be authorized and empowered to do all things that it determines to be necessary or appropriate in connection with the administration of this Plan, including, without limitation:

(i) to prescribe, amend and rescind rules and regulations relating to this Plan and to define terms not otherwise defined herein;

(ii) to determine which persons are Eligible Persons, to which of such Eligible Persons, if any, Awards shall be granted hereunder and the timing of any such Awards;

(iii) to prescribe and amend the terms of the Award Agreements, to grant Awards and determine the terms and conditions thereof;

(iv) to establish and verify the extent of satisfaction of any performance goals or other conditions applicable to the grant, issuance, retention, vesting, exercisability or settlement of any Award;

(v) to prescribe and amend the terms of or form of any document or notice required to be delivered to the Company by Participants under this Plan;

(vi) to determine the extent to which adjustments are required pursuant to Section 14;

(vii) to interpret and construe this Plan, any rules and regulations under this Plan and the terms and conditions of any Award granted hereunder, and to make exceptions to any such provisions if the Committee, in good faith, determines that it is appropriate to do so;

(viii) to approve corrections in the documentation or administration of any Award; and

(ix) to make all other determinations deemed necessary or advisable for the administration of this Plan.

Notwithstanding anything in this Plan to the contrary, with respect to any Award that is "deferred compensation" under Section 409A of the Code, the Committee shall exercise its discretion in a manner that causes such Awards to be compliant with or exempt from the requirements of such Code section. Without limiting the foregoing, the Committee shall not take any action with respect to any Award which constitutes (i) a modification of a stock right within the meaning of Treas. Reg. § 1.409A-1(b)(5)(v)(B) so as to constitute the grant of a new stock right, (ii) an extension of a stock right, including the addition of a feature for the deferral of compensation within the meaning of Treas. Reg. § 1.409A-1 (b)(5)(v)(C), or (iii) an impermissible acceleration of a payment date or a subsequent deferral of a stock right subject to Section 409A of the Code within the meaning of Treas. Reg. § 1.409A-1(b)(5)(v)(E).

The Committee may, in its sole and absolute discretion, without amendment to the Plan but subject to the limitations otherwise set forth in Section 18, waive or amend the operation of Plan provisions respecting exercise after termination of employment or service to the Company or an Affiliate. The Committee or any member thereof may, in its sole and absolute discretion and, except as otherwise provided in Section 18, waive, settle or adjust any of the terms of any Award so as to avoid unanticipated consequences or address unanticipated events (including any temporary closure of an applicable stock exchange, disruption of communications or natural catastrophe).

(c) Determinations by the Committee. All decisions, determinations and interpretations by the Committee or other authorized delegate regarding the Plan, any rules and regulations under the Plan and the terms and conditions of or operation of any Award granted hereunder, shall be final and binding on all Participants, beneficiaries, heirs, assigns or other persons holding or claiming rights under the Plan or any Award. The Committee or other authorized delegate shall consider such factors as it deems relevant, in its sole and absolute discretion, in making such decisions, determinations and interpretations including, without limitation, the recommendations or advice of any officer or other employee of the Company and such attorneys, consultants and accountants as it may select. Members of the Board, members of the Committee, and officers and other employees of the Company acting under the Plan shall be fully protected in relying in good faith upon the advice of counsel and shall incur no liability except for gross negligence or willful misconduct in the performance of their duties.

(d) Subsidiary Awards. In the case of a grant of an Award to any Participant employed by a Subsidiary, such grant may, if the Committee so directs, be implemented by the Company issuing any subject shares of Common Stock to the Subsidiary, for such lawful consideration as the Committee may determine, upon the condition or understanding that the Subsidiary will transfer the shares of Common Stock to the Participant in accordance with the terms of the Award specified by the Committee pursuant to the provisions of the Plan. Notwithstanding any other provision hereof, such Award may be issued by and in the name of the Subsidiary and shall be deemed granted on such date as the Committee shall determine.

7. PLAN AWARDS

(a) Terms Set Forth in Award Agreement. Awards may be granted to Eligible Persons as determined by the Committee at any time and from time to time prior to the termination of the Plan. The terms and conditions of each Award shall be set forth in an Award Agreement in a form approved by the Committee for such Award, which Award Agreement may contain such terms and conditions as specified from time to time by the Committee, provided such terms and conditions do not conflict with the Plan. The Award Agreement for any Award (other than Restricted Stock awards) shall include the time or times at or within which and the consideration, if any, for which any shares of Common Stock may be acquired from the Company. The terms of Awards may vary among Participants, and the Plan does not impose upon the Committee any requirement to make Awards subject to uniform terms. Accordingly, the terms of individual Award Agreements may vary.

(b) Rights of a Stockholder. A Participant shall have no rights as a stockholder with respect to shares of Common Stock covered by an Award (including voting rights) until the date the Participant becomes the holder of record of such shares of Common Stock. No adjustment shall be made for dividends or other rights for which the record date is prior to such date, except as provided in Section 10(b) or Section 14 of this Plan or as otherwise provided by the Committee.

8. OPTIONS

(a) Grant, Term and Price. The grant, issuance, retention, vesting and/or settlement of any Option shall occur at such time and be subject to such terms and conditions as determined by the Committee or under criteria established by the Committee, which may include conditions based on continued employment or engagement, passage of time, attainment of age and/or service requirements, and/or satisfaction of performance conditions. The term of an Option shall in no event be greater than ten years; provided, however, the term of an Option (other than an Incentive Stock Option) shall be automatically extended if, at the time of its scheduled expiration, the Participant holding such Option is prohibited by law or the Company's insider trading policy from exercising the Option, which extension shall expire on the thirtieth (30th) day following the date such prohibition no longer applies. The Committee will establish the price at which Common Stock may be purchased upon exercise of an Option, which, in no event will be less than the Fair Market Value of such shares on the date of grant; provided, however, that the exercise price per share of Common Stock with respect to an Option that is granted as a Substitute Award may be less than the Fair Market Value of the shares of Common Stock on the date such Option is granted if such exercise price is based on a formula set forth in the terms of the options held by such optionees or in the terms of the agreement providing for such merger or other acquisition that satisfies the requirements of (i) Section 409A of the Code, if such options held by such optionees are not intended to qualify as "incentive stock options" within the meaning of Section 422 of the Code, and (ii) Section 424(a) of the Code, if such options held by such optionees are intended to qualify as "incentive stock options" within the meaning of Section 422 of the Code. The exercise price of any Option may be paid in cash or such other method as determined by the Committee, including an irrevocable commitment by a broker to pay over such amount from a sale of the shares of Common Stock issuable under an Option, the delivery of previously owned shares of Common Stock or withholding of shares of Common Stock deliverable upon exercise.

(b) Termination of Employment. Unless an Option earlier expires upon the expiration date established pursuant to Section 8(a), upon a Participant's Termination of Employment, his or her rights to exercise an Option then held shall be only as follows, unless the Committee specifies otherwise (either in an Award Agreement or otherwise):

(i) Unvested Options. In the event of a Participant's Termination of Employment for any reason, all unvested Options shall remain unexercisable and shall terminate as of the date of Participant's Termination of Employment. Notwithstanding the foregoing, and unless otherwise set forth in an Award Agreement, in the event of a non-employee director's Termination of Employment, all unvested Options shall fully vest and become exercisable on the date of such Termination of Employment, provided that such non-employee director was in good standing at the time of such Termination of Employment, as determined in the good faith discretion of the Committee.

(ii) Vested Options – Death. In the event of a Participant's Termination of Employment due to Participant's death, the Participant's Options then held shall be exercisable by his or her estate, heir or beneficiary at any time during the one (1) year period commencing on the date of Participant's death to the extent that the Options are exercisable as of that date. Any and all of the deceased Participant's Options that are not exercised during the one (1) year period commencing on the date of Participant's death shall terminate as of the end of such one (1) year period.

(iii) Vested Options – Disability. In the event of a Participant's Termination of Employment due to Participant's Disability, the Participant's Options then held shall be exercisable by Participant at any time during the one (1) year period commencing on the date of Participant's Termination of Employment to the extent that the Options are exercisable as of that date. Any and all of the Participant's Options that are not exercised during the one (1) year period commencing on the date of Participant's Termination of Employment shall terminate as of the end of such one (1) year period.

(iv) Vested Options – Cause. In the event of a Participant's Termination of Employment for Cause, any Option that is unexercised prior to the date of Participant's Termination of Employment shall terminate as of such date.

(v) Vested Options - Other Reasons. Upon the date of a Participant's Termination of Employment for any reason other than those stated above in Sections 8(b)(ii), 8(b)(iii) or 8(b)(iv), the Participant's Options then held shall be exercisable by Participant at any time during the two (2) month period commencing on the date of Participant's Termination of Employment to the extent that the Options are exercisable as of that date. Any and all of the Participant's Options that are not exercised during the two (2) month period commencing on the date of Participant's Termination of Employment shall terminate as of the end of such two (2) month period.

(c) No Repricing without Stockholder Approval. Following the Company's Common Stock being listed on any established stock exchange, system or market, other than in connection with a change in the Company's capitalization (as described in Section 14), the Committee shall not, without stockholder approval, reduce the exercise price of a previously awarded Option and, at any time when the exercise price of a previously awarded Option is above the Fair Market Value of a share of Common Stock, the Committee shall not, without stockholder approval, cancel and re-grant or exchange such Option for cash or a new Award with a lower (or no) exercise price.

(d) No Reload Grants. Options shall not be granted under the Plan in consideration for and shall not be conditioned upon the delivery of shares of Common Stock to the Company in payment of the exercise price and/or tax withholding obligation under any other employee stock option.

(e) Incentive Stock Options. Notwithstanding anything to the contrary in this Section 8, in the case of the grant of an Incentive Stock Option, if the Participant owns stock possessing more than 10% of the combined voting power of all classes of stock of the Company (a "10% Stockholder"), the exercise price of such Option must be at least 110% of the Fair Market

Value of the shares of Common Stock on the date of grant and the Option must expire within a period of not more than five (5) years from the date of grant. Notwithstanding anything in this Section 8 to the contrary, options designated as Incentive Stock Options shall not be eligible for treatment under the Code as Incentive Stock Options (and will be deemed to be Nonqualified Stock Options) to the extent that either (a) the aggregate Fair Market Value of shares of Common Stock (determined as of the time of grant) with respect to which such Options are exercisable for the first time by the Participant during any calendar year (under all plans of the Company and any Subsidiary) exceeds $100,000, taking Options into account in the order in which they were granted, or (b) such Options otherwise remain exercisable but are not exercised within three (3) months (or such other period of time provided in Section 422 of the Code) of separation of service (as determined in accordance with Section 3401(c) of the Code and the regulations promulgated thereunder).

(f) No Stockholder Rights. Participants shall have no voting rights and will have no rights to receive dividends or Dividend Equivalents in respect of an Option or any shares of Common Stock subject to an Option until the Participant has become the holder of record of such shares.

9. STOCK APPRECIATION RIGHTS

(a) General Terms. The grant, issuance, retention, vesting and/or settlement of any Stock Appreciation Right shall occur at such time and be subject to such terms and conditions as determined by the Committee or under criteria established by the Committee, which may include conditions based on continued employment or engagement, passage of time, attainment of age and/or service requirements, and/or satisfaction of performance conditions. Stock Appreciation Rights may be granted to Participants from time to time either in tandem with or as a component of Options granted under the Plan ("tandem SARs") or not in conjunction with other Awards ("freestanding SARs"). Upon exercise of a tandem SAR as to some or all of the shares covered by the grant, the related Option shall be canceled automatically to the extent of the number of shares covered by such exercise. Conversely, if the related Option is exercised as to some or all of the shares covered by the grant, the related tandem SAR, if any, shall be canceled automatically to the extent of the number of shares covered by the Option exercise. Any Stock Appreciation Right granted in tandem with an Option may be granted at the same time such Option is granted or at any time thereafter before exercise or expiration of such Option, provided that the Fair Market Value of Common Stock on the date of the SAR's grant is not greater than the exercise price of the related Option. All freestanding SARs shall be granted subject to the same terms and conditions applicable to Options as set forth in Section 8 and all tandem SARs shall have the same exercise price as the Option to which they relate. Subject to the provisions of Section 8 and the immediately preceding sentence, the Committee may impose such other conditions or restrictions on any Stock Appreciation Right as it shall deem appropriate. Stock Appreciation Rights may be settled in Common Stock, cash, Restricted Stock or a combination thereof, as determined by the Committee and set forth in the applicable Award Agreement.

(b) No Repricing without Stockholder Approval. Following the Company's Common Stock being listed on any established stock exchange, system or market, other than in connection with a change in the Company's capitalization (as described in Section 14), the Committee shall not, without stockholder approval, reduce the exercise price of a previously

awarded Stock Appreciation Right and, at any time when the exercise price of a previously awarded Stock Appreciation Right is above the Fair Market Value of a share of Common Stock, the Committee shall not, without stockholder approval, cancel and re-grant or exchange such Stock Appreciation Right for cash or a new Award with a lower (or no) exercise price.

(c) No Stockholder Rights. Participants shall have no voting rights and will have no rights to receive dividends or Dividend Equivalents in respect of an Award of Stock Appreciation Rights or any shares of Common Stock subject to an Award of Stock Appreciation Rights until the Participant has become the holder of record of such shares.

10. RESTRICTED STOCK AND RESTRICTED STOCK UNITS

(a) Vesting and Performance Criteria. The grant, issuance, vesting and/or settlement of any Award of Restricted Stock or Restricted Stock Units shall occur at such time and be subject to such terms and conditions as determined by the Committee or under criteria established by the Committee, which may include conditions based on continued employment or engagement, passage of time, attainment of age and/or service requirements, and/or satisfaction of performance conditions. In addition, the Committee shall have the right to grant Restricted Stock or Restricted Stock Unit Awards as the form of payment for grants or rights earned or due under other stockholder-approved compensation plans or arrangements of the Company.

(b) Termination of Employment. Unless otherwise provided by the Committee (whether in an Award Agreement or otherwise), in the event of Participant's Termination of Employment for any reason, all unvested Restricted Stock Awards shall be forfeited, and all unvested Restricted Stock Units shall terminate as of the date of Participant's Termination of Employment. Notwithstanding the foregoing, and unless otherwise set forth in an Award Agreement, in the event of a non-employee director's Termination of Employment, provided that such non-employee director was in good standing at the time of such Termination of Employment, as determined in the good faith discretion of the Committee, (i) all unvested Restricted Stock Awards shall fully vest on the date of such Termination of Employment, and (ii) all unvested Restricted Stock Units shall fully vest on the date of such Termination of Employment, provided that such Termination of Employment constitutes a Separation from Service.

(c) Dividends and Distributions. Participants in whose name Restricted Stock is granted shall be entitled to receive all dividends and other distributions paid with respect to those shares of Common Stock, unless determined otherwise by the Committee. The Committee will determine whether any such dividends or distributions will be automatically reinvested in additional shares of Restricted Stock and/or subject to the same restrictions on transferability as the Restricted Stock with respect to which they were distributed or whether such dividends or distributions will be paid in cash. Shares underlying Restricted Stock Units shall be entitled to dividends or distributions only to the extent provided by the Committee. Notwithstanding anything herein to the contrary, in no event will dividends or Dividend Equivalents be paid during the performance period with respect to unearned Awards of Restricted Stock or Restricted Stock Units that are subject to performance-based vesting criteria. Dividends or Dividend Equivalents accrued on such shares shall become payable no earlier than the date the performance-based vesting criteria have been achieved and the underlying shares or Restricted Stock Units have been earned.

11. QUALIFYING PERFORMANCE-BASED COMPENSATION

(a) General. The Committee may establish performance criteria and level of achievement versus such criteria that shall determine the number of shares of Common Stock, or Restricted Stock Units to be granted, retained, vested, issued or issuable under or in settlement of or the amount payable pursuant to an Award, which criteria may be based on Performance Criteria or other standards of financial performance and/or personal performance evaluations, as determined in the sole discretion of the Committee. A Performance Award may be identified as "**Performance Share**," "**Performance Equity**," "**Performance Unit**" or other such term as chosen by the Committee.

(b) Performance Criteria. For purposes of this Plan, the term "**Performance Criteria**" shall mean any one or more of the following performance criteria, or derivations of such performance criteria, either individually, alternatively or in any combination, applied to either the Company as a whole or to a business division or unit or Subsidiary, either individually, alternatively or in any combination, and measured either annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, to previous years' results or to a designated comparison group, in each case as specified by the Committee: (i) cash flow (before or after dividends), (ii) earning or earnings per share (including earnings before interest, taxes, depreciation and amortization), (iii) stock price, (iv) return on equity, (v) total stockholder return, (vi) return on capital or investment (including return on total capital, return on invested capital, or return on investment), (vii) return on assets or net assets, (viii) market capitalization, (ix) economic value added, (x) debt leverage (debt to capital), (xi) revenue, (xii) income or net income, (xiii) operating income, (xiv) operating profit or net operating profit, (xv) operating margin or profit margin, (xvi) return on operating revenue, (xvii) cash from operations, (xviii) operating ratio, (xix) operating revenue, (xx) customer service, or (xxi) or such other Performance Criteria as determined by the Committee.

12. DEFERRAL OF PAYMENT

The Committee may, in an Award Agreement or otherwise, provide for the deferred delivery of Common Stock or cash upon settlement, vesting or other events with respect to Restricted Stock Units. Notwithstanding anything herein to the contrary, in no event will any election to defer the delivery of Common Stock or any other payment with respect to any Award be allowed if the Committee determines, in its sole discretion, that the deferral would result in the imposition of the additional tax under Section 409A(a)(1)(B) of the Code. No Award shall provide for deferral of compensation that does not comply with Section 409A of the Code. The Company, the Board and the Committee shall have no liability to a Participant, or any other party, if an Award that is intended to be exempt from, or compliant with, Section 409A of the Code is not so exempt or compliant or for any action taken by the Board or the Committee.

13. CONDITIONS AND RESTRICTIONS UPON SECURITIES SUBJECT TO AWARDS

The Committee may provide that the Common Stock issued pursuant to an Award shall be subject to such further agreements, restrictions, conditions or limitations as the Committee in its discretion may specify prior to the exercise of such Option or Stock Appreciation Right or the

grant, vesting or settlement of such Award, including without limitation, conditions on vesting or transferability, forfeiture or repurchase provisions and method of payment for the Common Stock issued upon exercise, vesting or settlement of such Award (including the actual or constructive surrender of Common Stock already owned by the Participant) or payment of taxes arising in connection with an Award. Without limiting the foregoing, such restrictions may address the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any shares of Common Stock issued under an Award, including without limitation (i) restrictions under an insider trading policy or pursuant to applicable law, (ii) restrictions designed to delay and/or coordinate the timing and manner of sales by the Participant and holders of other Company equity compensation arrangements, (iii) restrictions as to the use of a specified brokerage firm for such resales or other transfers and (iv) provisions requiring Common Stock be sold on the open market or to the Company in order to satisfy tax withholding or other obligations.

14. ADJUSTMENT OF AND CHANGES IN THE STOCK

(a) The number and kind of shares of Common Stock available for issuance under this Plan (including under any Awards then outstanding), and the number and kind of shares of Common Stock subject to the limits set forth in Section 5 of this Plan, shall be equitably adjusted by the Committee to reflect any reorganization, reclassification, combination of shares, stock split, reverse stock split, spin-off, dividend or distribution of securities, property or cash (other than regular, quarterly cash dividends), or any other event or transaction that affects the number or kind of shares of Common Stock outstanding. Such adjustment may be designed to comply with Section 424 of the Code or may be designed to treat the shares of Common Stock available under the Plan and subject to Awards as if they were all outstanding on the record date for such event or transaction or to increase the number of such shares of Common Stock to reflect a deemed reinvestment in shares of Common Stock of the amount distributed to the Company's securityholders. The terms of any outstanding Award shall also be equitably adjusted by the Committee as to price, number or kind of shares of Common Stock subject to such Award, vesting, and other terms to reflect the foregoing events, which adjustments need not be uniform as between different Awards or different types of Awards. No fractional shares of Common Stock shall be issued or issuable pursuant to such an adjustment.

(b) In the event there shall be any other change in the number or kind of outstanding shares of Common Stock, or any stock or other securities into which such Common Stock shall have been changed, or for which it shall have been exchanged, by reason of a Change in Control, other merger, consolidation or otherwise, then the Committee shall determine the appropriate and equitable adjustment to be effected, which adjustments need not be uniform between different Awards or different types of Awards. In addition, in the event of such change described in this paragraph, the Committee may accelerate the time or times at which any Award may be exercised, consistent with and as otherwise permitted under Section 409A of the Code, and may provide for cancellation of such accelerated Awards that are not exercised within a time prescribed by the Committee in its sole discretion.

(c) Unless otherwise expressly provided in the Award Agreement or another contract, including an employment or services agreement, or under the terms of a transaction constituting a Change in Control, in the event of a Change in Control, any acquiring or surviving company in the transaction (the "**Successor**") may assume or continue any outstanding Award

under the Plan or may substitute awards with substantially equivalent economic value (including an award to acquire the same consideration paid to stockholders in the transaction by which the Change in Control occurs). In the event any Successor declines to assume or continue such outstanding Awards or to substitute similar stock awards for those outstanding under the Plan, then the Board in its sole discretion and without liability to any Person may (1) provide for the payment of a cash amount in exchange for the cancellation of an Award equal to its fair value (as determined in the good faith determination of the Board) which, in the case of certain Awards (i.e., Options), shall equal the product of (x) the excess, if any, of the Fair Market Value per share of Common Stock at such time over the exercise price, if any, times (y) the total number of shares then subject to such Award, (2) continue the Awards, or (3) provide for the cancellation of any outstanding and unexercised Awards upon or following the closing of the transaction by which the Change in Control occurs. The Board shall not be obligated to treat all Awards, even those that are of the same type, in the same manner.

(d) Notwithstanding anything in this Section 14 to the contrary, in the event of a Change in Control, the Committee may provide for the cancellation and cash settlement of all outstanding Awards upon such Change in Control.

(e) The Company shall notify Participants holding Awards subject to any adjustments pursuant to this Section 14 of such adjustment, but (whether or not notice is given) such adjustment shall be effective and binding for all purposes of the Plan.

(f) Notwithstanding anything in this Section 14 to the contrary, an adjustment to an Option or Stock Appreciation Right under this Section 14 shall be made in a manner that will not result in the grant of a new Option or Stock Appreciation Right under Section 409A of the Code.

15. TRANSFERABILITY

Each Award may not be sold, transferred for value, pledged, assigned, or otherwise alienated or hypothecated by a Participant other than by will or the laws of descent and distribution, and each Option or Stock Appreciation Right shall be exercisable only by the Participant during his or her lifetime. Notwithstanding the foregoing, (i) outstanding Options may be exercised following the Participant's death by the Participant's beneficiaries or as permitted by the Committee, (ii) a Participant may transfer or assign an Award as a gift to an entity wholly owned by such Participant (an "**Assignee Entity**"), provided that such Assignee Entity shall be entitled to exercise assigned Options and Stock Appreciation Rights only during lifetime of the assigning Participant (or following the assigning Participant's death, by the Participant's beneficiaries or as otherwise permitted by the Committee) and provided further that such Assignee Entity shall not further sell, pledge, transfer, assign or otherwise alienate or hypothecate such Award and (iii) an Award may be transferred pursuant to a domestic relations order, provided, however, that an Incentive Stock Option may be deemed to be a Nonqualified Stock Option as a result of such transfer.

16. COMPLIANCE WITH LAWS AND REGULATIONS

This Plan, the grant, issuance, vesting, exercise and settlement of Awards hereunder, and the obligation of the Company to sell, issue or deliver shares of Common Stock under such Awards, shall be subject to all applicable foreign, federal, state and local laws, rules and regulations, stock exchange rules and regulations, and to such approvals by any governmental or regulatory agency as may be required. The Company shall not be required to register in a Participant's name or deliver Common Stock prior to the completion of any registration or qualification of such shares under any foreign, federal, state or local law or any ruling or regulation of any government body which the Committee shall determine to be necessary or advisable. To the extent the Company is unable to or the Committee deems it infeasible to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any shares of Common Stock hereunder, the Company and its Subsidiaries shall be relieved of any liability with respect to the failure to issue or sell such shares of Common Stock as to which such requisite authority shall not have been obtained. No Option shall be exercisable and no Common Stock shall be issued and/or transferable under any other Award unless a registration statement with respect to the Common Stock underlying such Option is effective and current or the Company has determined, in its sole and absolute discretion, that such registration is unnecessary.

In the event an Award is granted to or held by a Participant who is employed or providing services outside the United States, the Committee may, in its sole discretion, modify the provisions of the Plan or of such Award as they pertain to such individual to comply with applicable foreign law or to recognize differences in local law, currency or tax policy. The Committee may also impose conditions on the grant, issuance, exercise, vesting, settlement or retention of Awards in order to comply with such foreign law and/or to minimize the Company's obligations with respect to tax equalization for Participants employed outside their home country.

17. WITHHOLDING

To the extent required by applicable federal, state, local or foreign law, the Committee may and/or a Participant shall make arrangements satisfactory to the Company for the satisfaction of any withholding tax obligations that arise with respect to any Award, or the issuance or sale of any shares of Common Stock. The Company shall not be required to recognize any Participant rights under an Award, to issue shares of Common Stock or to recognize the disposition of such shares of Common Stock until such obligations are satisfied. To the extent permitted or required by the Committee, these obligations may or shall be satisfied by the Company withholding cash from any compensation otherwise payable to or for the benefit of a Participant, the Company withholding a portion of the shares of Common Stock that otherwise would be issued to a Participant under such Award or any other award held by the Participant or by the Participant tendering to the Company cash or, if allowed by the Committee, shares of Common Stock.

18. AMENDMENT OF THE PLAN OR AWARDS

The Board may amend, alter or discontinue this Plan and the Committee may amend, or alter any agreement or other document evidencing an Award made under this Plan but, except as

provided pursuant to the provisions of Section 14, no such amendment shall, without the approval of the stockholders of the Company:

(a) increase the maximum number of shares of Common Stock for which Awards may be granted under this Plan;

(b) reduce the price at which Options may be granted below the price provided for in Section 8(a);

(c) reprice outstanding Options or SARs as described in 8(b) and 9(b);

(d) extend the term of this Plan;

(e) change the class of persons eligible to be Participants;

(f) increase the individual maximum limits in Section 5(d) or 5(e); or

(g) otherwise amend the Plan in any manner requiring stockholder approval by law or the rules of any stock exchange or market or quotation system on which the Common Stock is traded, listed or quoted.

No amendment or alteration to the Plan or an Award or Award Agreement shall be made which would materially impair the rights of the holder of an Award, without such holder's consent, provided that no such consent shall be required if the Committee determines in its sole discretion and prior to the date of any Change in Control that such amendment or alteration either (i) is required or advisable in order for the Company, the Plan or the Award to satisfy any law or regulation or to meet the requirements of or avoid adverse financial accounting consequences under any accounting standard, or (ii) is not reasonably likely to significantly diminish the benefits provided under such Award, or that any such diminishment has been adequately compensated.

19. NO LIABILITY OF COMPANY

The Company, any Subsidiary or Affiliate which is in existence or hereafter comes into existence, the Board and the Committee shall not be liable to a Participant or any other person as to: (a) the non-issuance or sale of shares of Common Stock as to which the Company has been unable to obtain from any regulatory body having jurisdiction the authority deemed by the Company's counsel to be necessary to the lawful issuance and sale of any shares of Common Stock hereunder; and (b) any tax consequence expected, but not realized, by any Participant or other person due to the receipt, vesting, exercise or settlement of any Award granted hereunder.

20. NON-EXCLUSIVITY OF PLAN

Neither the adoption of this Plan by the Board nor the submission of this Plan to the stockholders of the Company for approval shall be construed as creating any limitations on the power of the Board or the Committee to adopt such other incentive arrangements as either may deem desirable, including without limitation, the granting of Restricted Stock or stock options otherwise than under this Plan or an arrangement not intended to qualify under Code Section 162(m), and such arrangements may be either generally applicable or applicable only in specific cases.

21. GOVERNING LAW

This Plan and any agreements or other documents hereunder shall be interpreted and construed in accordance with the laws of the State of Delaware and applicable federal law. Any reference in this Plan or in the agreement or other document evidencing any Awards to a provision of law or to a rule or regulation shall be deemed to include any successor law, rule or regulation of similar effect or applicability.

22. NO RIGHT TO EMPLOYMENT, REELECTION OR CONTINUED SERVICE

Nothing in this Plan or an Award Agreement shall interfere with or limit in any way the right of the Company, its Subsidiaries and/or its Affiliates to terminate any Participant's employment, service on the Board or service at any time or for any reason not prohibited by law, nor shall this Plan or an Award itself confer upon any Participant any right to continue his or her employment or service for any specified period of time. Neither an Award nor any benefits arising under this Plan shall constitute an employment contract with the Company, any Subsidiary and/or its Affiliates. Subject to Sections 4 and 19, this Plan and the benefits hereunder may be terminated at any time in the sole and exclusive discretion of the Board without giving rise to any liability on the part of the Company, its Subsidiaries and/or its Affiliates.

23. SPECIFIED EMPLOYEE DELAY

To the extent any payment under this Plan is considered deferred compensation subject to the restrictions contained in Section 409A of the Code, such payment may not be made to a specified employee (as determined in accordance with a uniform policy adopted by the Company with respect to all arrangements subject to Section 409A of the Code) upon Separation from Service before the date that is six months after the specified employee's Separation form Service (or, if earlier, the specified employee's death). Any payment that would otherwise be made during this period of delay shall be accumulated and paid on the sixth month plus one day following the specified employee's Separation from Service (or, if earlier, as soon as administratively practicable after the specified employee's death).

24. NO LIABILITY OF COMMITTEE MEMBERS

No member of the Committee shall be personally liable by reason of any contract or other instrument executed by such member or on his or her behalf in his or her capacity as a member of the Committee nor for any mistake of judgment made in good faith, and the Company shall indemnify and hold harmless each member of the Committee and each other employee, officer or director of the Company to whom any duty or power relating to the administration or interpretation of the Plan may be allocated or delegated, against any cost or expense (including counsel fees) or liability (including any sum paid in settlement of a claim) arising out of any act or omission to act in connection with the Plan unless arising out of such person's own fraud or willful bad faith; provided, however, that approval of the Board shall be required for the payment of any amount in settlement of a claim against any such person. The foregoing right of indemnification shall not be

exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Certificate of Incorporation and Bylaws (as each may be amended from time to time), as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

25. SEVERABILITY

If any provision of the Plan or any Award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any Person or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, Person or Award and the remainder of the Plan and any such Award shall remain in full force and effect.

26. UNFUNDED PLAN

The Plan is intended to be an unfunded plan. Participants are and shall at all times be general creditors of the Company with respect to their Awards. If the Committee or the Company chooses to set aside funds in a trust or otherwise for the payment of Awards under the Plan, such funds shall at all times be subject to the claims of the creditors of the Company in the event of its bankruptcy or insolvency.

27. CLAWBACK/RECOUPMENT

Awards granted under this Plan will be subject to recoupment in accordance with any clawback policy that the Company adopts or is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law. In addition, the Board may impose such other clawback, recovery or recoupment provisions in an Award Agreement as the Board determines necessary or appropriate, including but not limited to a reacquisition right in respect of previously acquired shares of Common Stock or other cash or property upon the occurrence of misconduct. No recovery of compensation under such a clawback policy will be an event giving rise to a right to resign for "good reason" or be deemed a "constructive termination" (or any similar term) as such terms are used in any agreement between any Participant and the Company.

Exhibit 10.27

AMENDMENT NO. 1
TO
AMENDED AND RESTATED
2017 STOCK INCENTIVE PLAN

WHEREAS, Montrose Environmental Group, Inc. (the "**Company**") maintains the Montrose Environmental Group, Inc. Amended and Restated 2017 Stock Incentive Plan (as may be amended from time to time, the "**Plan**"); and

WHEREAS, the Board of Directors of the Company have determined it in the best interests of the Company to amend the Plan pursuant to Section 13 thereof to provide for an additional number of shares of Common Stock (as defined in the Plan) currently available for issuance under the Plan.

NOW THEREFORE, effective as of the date approved by the Company's shareholders, the Plan is hereby amended as follows:

1. **Defined Terms.** Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Plan.

2. **Stock Subject to the Plan.** The first sentence of Section 5(a) of the Plan shall be amended and restated in its entirety to reflect the increase in available shares of Common Stock to read as follows:

> "The aggregate number of shares of Common Stock issuable under the Plan shall be equal to One Million Forty One Thousand Eight Hundred (1,041,800) plus any shares of Common Stock subject to outstanding awards under the Prior Plan as of the Effective Date that on or after such date cease for any reason to be subject to such awards (other than by reason of exercise or settlement of the awards to the extent they are exercised for or settled in vested and nonforfeitable shares)."

Except as expressly set forth in this Amendment, all other terms and conditions set forth in the Plan shall remain in full force and effect.

This Amendment has been adopted by the Board of Directors as of February 24, 2020.

Exhibit 10.28

MONTROSE ENVIRONMENTAL GROUP, INC.
GRANT NOTICE FOR 2017 STOCK INCENTIVE PLAN
STOCK OPTION

FOR GOOD AND VALUABLE CONSIDERATION, MONTROSE ENVIRONMENTAL GROUP, INC. (the "**Company**"), hereby grants to Optionee named below the stock option (the "**Option**") to purchase up to the number of shares of its $0.0001 par value Common Stock (the "**Common Stock**") that are covered by this Option, as specified below, at the Exercise Price per share specified below and upon the terms and subject to the conditions set forth in this Grant Notice, the Montrose Environmental Group, Inc. 2017 Stock Incentive Plan (the "**Plan**") and the Standard Terms and Conditions (the "**Standard Terms and Conditions**") adopted under such Plan and provided to Participant, each as amended from time to time. This Option further is granted pursuant to the Plan and is subject to and qualified in its entirety by the Standard Terms and Conditions.

Name of Participant:	
Option Number:	
Grant Date:	
Number of Shares of Common Stock covered by Option:	
Exercise Price Per Share:	$
Expiration Date:	
Type of Option:	Incentive Stock Option Nonqualified Stock Option
Vesting Schedule:	
Change in Control Treatment:	The unvested portion of this Option shall vest in full and become exercisable immediately prior to the consummation of a Change in Control.

By accepting this Term Sheet, Participant acknowledges that he or she has received and read, and agrees that this Option shall be subject to, the terms of this Term Sheet, the Plan and the Standard Terms and Conditions applicable for awards subject to mandatory net share settlement.

MONTROSE ENVIRONMENTAL GROUP, INC.

By _____

Title: _____

_____
Participant Signature

Address (please print):

_____

_____

_____

MONTROSE ENVIRONMENTAL GROUP, INC.
STANDARD TERMS AND CONDITIONS FOR
STOCK OPTIONS

These Standard Terms and Conditions apply to the Award of restricted stock granted pursuant to the Montrose Environmental Group, Inc. 2017 Stock Incentive Plan (the "**Plan**"), which are evidenced by a Grant Notice. In addition to these Terms and Conditions, the Options shall be subject to the terms of the Plan, which are incorporated into these Standard Terms and Conditions by this reference. Capitalized terms not otherwise defined herein shall have the meaning set forth in the Plan.

1. TERMS OF OPTION

Montrose Environmental Group, Inc., a Delaware corporation (the "**Company**"), has granted to the Participant named in the Grant Notice provided to said Participant herewith (the "**Grant Notice**") a stock option (the "**Option**") to purchase up to the number of shares of the Company's Common Stock, $0.0001 par value per share (the "**Common Stock**"), set forth in Grant Notice, at the purchase price per share and upon the other terms and subject to the conditions set forth in the Grant Notice, these Standard Terms and Conditions (as amended from time to time), and the Plan specified in the Grant Notice (the "**Plan**"). For purposes of these Standard Terms and Conditions and the Grant Notice, any reference to the Company shall include a reference to any Subsidiary.

2. TYPE OF OPTION

If designated in the Grant Notice as an Incentive Stock Option and the Participant is an employee, the Option is intended to qualify as an Incentive Stock Option as defined in Section 422 of the Internal Revenue Code of 1986, as amended (the "**Code**"). However, to the extent that the Option exceeds the $100,000 limit in Section 422, such excess Option shall be treated as a Nonqualified Stock Option. Further, if for any reason this Option (or portion thereof) shall not qualify as an Incentive Stock Option, then, to the extent of such nonqualification, such Option (or portion thereof) shall be regarded as a Nonqualified Stock Option granted under the Plan. In no event shall the Company or any of its respective employees or directors have any liability to Participant (or any other person) due to the failure of the Option to qualify for any reason as an Incentive Stock Option.

If designated in the Grant Notice as a Nonqualified Stock Option, the Option is not intended to be an incentive stock Option under Section 422 of the Code and will be interpreted accordingly.

3. EXERCISE OF OPTION

The Option shall not be exercisable as of the Grant Date set forth in the Grant Notice. After the Grant Date, to the extent not previously exercised, and subject to Section 8 of the Plan, the Option shall be exercisable to the extent it becomes vested, as described in the Grant Notice, to purchase up to that number of shares of Common Stock as set forth

in the Grant Notice provided that Participant does not experience a Termination of Employment. If the Option is an Incentive Stock Option, Participant's Termination of Employment (or, to the extent applicable, change in relationship with the Company) may result in the Option no longer qualifying as an Incentive Stock Option, and therefore being taxed as a Nonqualified Stock Option, pursuant to applicable law.

To exercise the Option (or any part thereof), Participant shall deliver a "Notice of Exercise" to the Company specifying the number of whole shares of Common Stock Participant wishes to purchase and how Participant's shares of Common Stock should be registered (in Participant's name only or in Participant's and Participant's spouse's names as community property, as joint tenants with right of survivorship, or such other form of personal ownership allowed by the Company in the Participant's locality or state of residence).

The exercise price (the "**Exercise Price**") of the Option is set forth in the Grant Notice. The Company shall not be obligated to issue any shares of Common Stock until Participant shall have paid the total Exercise Price for that number of shares of Common Stock. The Exercise Price may be paid in cash or by certified or cashiers' check, or such other method as determined by the Committee.

Fractional shares may not be exercised. Shares of Common Stock will be issued as soon as practical after exercise. Notwithstanding the above, the Company shall not be obligated to deliver any shares of Common Stock during any period when the Company determines that the exercisability of the Option or the delivery of shares hereunder would violate any federal, state or other applicable laws.

4. TERMINATION OF EMPLOYMENT

The Participant's Option shall be treated pursuant to Section 8 of the Plan in the event of Termination of Employment.

Upon the Participant's Termination of Employment for any reason prior to the Company's Common Stock being listed on any established stock exchange, system or market, the Company may repurchase any shares of Common Stock issued pursuant to this Option. The Company's repurchase right shall have a term of ninety (90) days after the date of the Participant's Termination of Employment. The repurchase price shall equal the Fair Market Value of the Common Stock as of the date of the repurchase. The Company may pay the repurchase price to the Participant in cash (or equivalent readily available funds) or by issuance of a promissory note payable in equal annual installments over three years, with the outstanding principal of the note bearing interest at the rate of 3% per annum.

5. EXPIRATION OF OPTION

Except as provided in this Section 8 of the Plan, the Option shall expire and cease to be exercisable as of the Expiration Date set forth in the Grant Notice.

6. CONDITIONS AND RESTRICTIONS ON OPTION SHARES

The Company may impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any shares of Common Stock issued as a result of the exercise of the Option, including without limitation (a) restrictions under an insider trading policy or pursuant to applicable law, (b) restrictions designed to delay and/or coordinate the timing and manner of sales by Participant and holders of other Company equity compensation arrangements, (c) restrictions in connection with any underwritten public offering by the Company of the Company's securities pursuant to an effective registration statement filed under the Securities Act of 1933, (d) restrictions as to the use of a specified brokerage firm for such resales or other transfers, and (e) provisions requiring shares of Common Stock to be sold on the open market or to the Company in order to satisfy tax withholding or other obligations.

At no time will the Participant will have the right to require the Company to purchase from the Participant any shares of Common Stock acquired by the Participant under the Option.

7. INCOME TAXES

The Participant will be subject to federal and state income and other tax withholding requirements on the date (generally, the date of exercise) determined by applicable law, based on the excess of the fair market value of the shares of Common Stock underlying the portion of the Option that is exercised over the Exercise Price. The Participant will be solely responsible for the payment of all U.S. federal income and other taxes, including any state, local or non-U.S. income or employment tax obligation that may be related to the exercise of the Option, including any such taxes that are required to be withheld and paid over to the applicable tax authorities (the "**Tax Withholding Obligation**"). The Participant will be responsible for the satisfaction of such Tax Withholding Obligation in a manner acceptable to the Company in its sole discretion.

The Company may refuse to issue any shares of Common Stock to the Participant until the Participant satisfies the Tax Withholding Obligation. The Participant acknowledges that the Company has the right to retain without notice from shares issuable upon exercise of the Option (or any portion thereof) or from salary or other amounts payable to the Participant, shares or cash having a value sufficient to satisfy the Tax Withholding Obligation.

The Participant is ultimately liable and responsible for all taxes owed by the Participant in connection with the Option, regardless of any action the Company takes or any transaction pursuant to this Section 7 with respect to any tax withholding obligations that

arise in connection with the Option. The Company makes no representation or undertaking regarding the treatment of any tax withholding in connection with the grant, issuance, vesting or exercise of the Option or the subsequent sale of any of the shares of Common Stock acquired upon exercise of the Option. The Company does not commit and is under no obligation to structure the Option to reduce or eliminate the Participant's tax liability.

8. NON-TRANSFERABILITY OF OPTION

Unless otherwise provided by the Administrator, the Participant may not assign or transfer the Option to anyone other than by will or the laws of descent and distribution and the Option shall be exercisable only by the Participant during his or her lifetime. The Company may cancel the Participant's Option if the Participant attempts to assign or transfer it in a manner inconsistent with this Section 8.

9. LIMITATION OF INTEREST IN SHARES SUBJECT TO OPTION

Neither the Participant (individually or as a member of a group) nor any beneficiary or other person claiming under or through the Participant shall have any right, title, interest, or privilege in or to any shares of Common Stock allocated or reserved for the purpose of the Plan or subject to the Grant Notice or these Standard Terms and Conditions except as to such shares of Common Stock, if any, as shall have been issued to such person upon exercise of the Option or any part of it. Nothing in the Plan, in the Grant Notice, these Standard Terms and Conditions or any other instrument executed pursuant to the Plan shall confer upon the Participant any right to continue in the Company's employ or service nor limit in any way the Company's right to terminate the Participant's employment at any time for any reason.

10. NOTIFICATION OF DISPOSITION

If the Option is designated as an Incentive Stock Option in the Grant Notice, Participant shall give prompt notice to the Company of any disposition or other transfer of any shares of Common Stock purchased pursuant to these Standard Terms and Conditions if such disposition or transfer is made (a) within two (2) years from the Grant Date with respect to such shares of Common Stock or (b) within one (1) year after the transfer of such shares of Common Stock. Such notice shall specify the date of such disposition or other transfer and the amount realized, in cash, other property, assumption of indebtedness or other consideration, by Participant in such disposition or other transfer.

11. NOTICES

All notices, requests, demands and other communications pursuant to these Standard Terms and Conditions shall be in writing and shall be deemed to have been duly given if personally delivered, telexed or telecopied to, or, if mailed, when received by, the other party at the following addresses (or at such other address as shall be given in writing by either party to the other):

If to the Company to:

Montrose Environmental Group, Inc.
1 Park Plaza #1000
Irvine, CA 92614
Attention: _____

If to the Participant, to the address set forth below the Participant's signature on the Grant Notice.

12. GENERAL

In the event that any provision of these Standard Terms and Conditions is declared to be illegal, invalid or otherwise unenforceable by a court of competent jurisdiction, such provision shall be reformed, if possible, to the extent necessary to render it legal, valid and enforceable, or otherwise deleted, and the remainder of these Standard Terms and Conditions shall not be affected except to the extent necessary to reform or delete such illegal, invalid or unenforceable provision.

The headings preceding the text of the sections hereof are inserted solely for convenience of reference, and shall not constitute a part of these Standard Terms and Conditions, nor shall they affect its meaning, construction or effect.

These Standard Terms and Conditions shall inure to the benefit of and be binding upon the parties hereto and their respective permitted heirs, beneficiaries, successors and assigns.

These Standard Terms and Conditions shall be construed in accordance with and governed by the laws of the State of Delaware, without regard to principles of conflicts of law.

In the event of any conflict between the Grant Notice, these Standard Terms and Conditions and the Plan, the Grant Notice and these Standard Terms and Conditions shall control. In the event of any conflict between the Grant Notice and these Standard Terms and Conditions, the Grant Notice shall control.

All questions arising under the Plan or under these Standard Terms and Conditions shall be decided by the Committee in its total and absolute discretion.

13. ELECTRONIC DELIVERY

By executing the Grant Notice, the Participant hereby consents to the delivery of information (including, without limitation, information required to be delivered to the Participant pursuant to applicable securities laws) regarding the Company and the Subsidiaries, the Plan, and the Option via Company web site or other electronic delivery.

Exhibit 10.29

MONTROSE ENVIRONMENTAL GROUP, INC.
GRANT NOTICE FOR 2017 STOCK INCENTIVE PLAN
RESTRICTED STOCK

FOR GOOD AND VALUABLE CONSIDERATION, MONTROSE ENVIRONMENTAL GROUP, INC. (the "**Company**"), hereby grants to Participant named below the number of restricted shares of the Company's common stock, par value $0.0001 (the "**Common Stock**") specified below (the "**Award**"), upon the terms and subject to the conditions set forth in this Grant Notice, the Montrose Environmental Group, Inc. 2017 Stock Incentive Plan (the "**Plan**") and the Standard Terms and Conditions (the "**Standard Terms and Conditions**") adopted under such Plan and provided to Participant, each as amended from time to time. This Award is granted pursuant to the Plan and is subject to and qualified in its entirety by the Standard Terms and Conditions.

Name of Participant:

Grant Number:

Grant Date:

Number of shares of restricted stock:

Vesting Schedule:

Change in Control Treatment: The shares of restricted stock shall vest in full upon a Change in Control (as defined in the Plan), subject Participant's continued service through such date.

By accepting this Grant Notice, Participant acknowledges that he or she has received and read, and agrees that this Award shall be subject to, the terms of this Grant Notice, the Plan and the Standard Terms and Conditions.

MONTROSE ENVIRONMENTAL GROUP, INC.

By _____

Title: _____

_____
Participant Signature

Address (please print):

_____

_____

_____

MONTROSE ENVIRONMENTAL GROUP, INC.
STANDARD TERMS AND CONDITIONS FOR
RESTRICTED STOCK

These Standard Terms and Conditions apply to the Award of restricted stock granted pursuant to the Montrose Environmental Group, Inc. 2017 Stock Incentive Plan (the "**Plan**"), which are evidenced by a Grant Notice. In addition to these Terms and Conditions, the restricted stock shall be subject to the terms of the Plan, which are incorporated into these Standard Terms and Conditions by this reference. Capitalized terms not otherwise defined herein shall have the meaning set forth in the Plan.

1. TERMS OF RESTRICTED STOCK

Montrose Environmental Group, Inc., a Delaware corporation (the "**Company**"), has granted to the Participant named in the Grant Notice provided to said Participant herewith (the "**Grant Notice**") an award of a number of restricted shares (the "Award" or the "**Restricted Stock**") of the Company's common stock, par value $0.0001 (the "**Common Stock**") specified in the Grant Notice. The Award is subject to the conditions set forth in the Grant Notice, these Standard Terms and Conditions, and the Plan, each as amended from time to time. For purposes of these Standard Terms and Conditions and the Grant Notice, any reference to the Company shall include a reference to any Subsidiary.

2. VESTING OF RESTRICTED STOCK

The Award shall not be vested as of the Grant Date set forth in the Grant Notice and shall be forfeitable unless and until otherwise vested pursuant to the terms of the Grant Notice and these Standard Terms and Conditions. After the Grant Date, subject to termination or acceleration as provided in these Standard Terms and Conditions and the Plan, the Award shall become vested as described in the Grant Notice with respect to that number of shares of Restricted Stock as set forth in the Grant Notice. Shares of Restricted Stock that have vested and are no longer subject to forfeiture are referred to herein as "**Vested Shares**." Shares of Restricted Stock awarded hereunder that are not vested and remain subject to forfeiture are referred to herein as "**Unvested Shares**." Unless otherwise set forth in the Grant Notice, upon the Participant's Termination of Employment, any then Unvested Shares held by the Participant shall be forfeited and canceled as of the date of such Termination of Employment.

3. RIGHTS AS STOCKHOLDER

From and after the Grant Date, the Participant shall have all of the ownership, voting rights, dividend rights and all other rights of a stockholder of the Company with respect to the Restricted Stock, except that (i) such rights as to Unvested Shares shall terminate upon the forfeiture of such Unvested Shares as and to the extent specifically provided in

Section 2 above and (ii) dividends payable in cash shall, with respect to any Unvested Shares, be automatically reinvested in additional shares of Common Stock at a purchase price per share equal to the Fair Market Value of a share of Common Stock on the date such dividend is paid; provided, however that any fractional share shall be rounded up to a whole share. Any additional shares of Common Stock accrued for the Participant through dividends on Unvested Shares, whether through reinvestment or through a dividend paid in shares of Common Stock, shall be subject to the same restrictions on transferability and risk of forfeiture as the Unvested Shares with respect to which they were distributed.

4. RESTRICTIONS ON RESALES OF SHARES

The Company may impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any Vested Shares, including without limitation (i) restrictions under an insider trading policy, (ii) restrictions designed to delay and/or coordinate the timing and manner of sales by Participant and other holders and (iii) restrictions as to the use of a specified brokerage firm for such resales or other transfers.

5. INCOME TAXES

To the extent required by applicable federal, state, local or foreign law, the Participant shall make arrangements satisfactory to the Company for the satisfaction of any withholding tax obligations that arise by reason of the grant or vesting of the Restricted Stock. The Company shall not be required to issue shares or to recognize the disposition of such shares until such obligations are satisfied. Unless the Participant pays the withholding tax obligations to the Company by cash or check, withholding may be effected, at the Company's option, by withholding Common Stock issuable in connection with the Award (provided that shares of Common Stock may be withheld only to the extent that such withholding will not result in adverse accounting treatment for the Company). The Participant acknowledges that the Company shall have the right to deduct any taxes required to be withheld by law in connection with the Award from any amounts payable by it to the Participant (including, without limitation, future cash wages).

6. NON-TRANSFERABILITY OF UNVESTED SHARES

The Participant represents and warrants that the shares of Restricted Stock are being acquired by the Participant solely for the Participant's own account for investment and not with a view to or for sale in connection with any distribution thereof. The Participant further understands, acknowledges and agrees that, except as otherwise provided in the Plan or as permitted by the Committee, the Unvested Shares may not be sold, assigned, transferred, pledged or otherwise directly or indirectly encumbered or disposed of.

7. OTHER AGREEMENTS SUPERSEDED

The Grant Notice, these Standard Terms and Conditions and the Plan constitute the entire understanding between the Participant and the Company regarding the Restricted Stock. Any prior agreements, commitments or negotiations concerning the Restricted Stock are superseded.

8. LIMITATION OF INTEREST IN SHARES SUBJECT TO RESTRICTED STOCK

Neither the Participant (individually or as a member of a group) nor any beneficiary or other person claiming under or through the Participant shall have any right, title, interest, or privilege in or to any shares of Common Stock allocated or reserved for the purpose of the Plan or subject to the Grant Notice or these Standard Terms and Conditions except as to such shares of Common Stock, if any, as shall have been issued to such person in connection with the Award. Nothing in the Plan, in the Grant Notice, these Standard Terms and Conditions or any other instrument executed pursuant to the Plan shall confer upon the Participant any right to continue in the Company's employ or service nor limit in any way the Company's right to terminate the Participant's employment or service relationship at any time for any reason.

9. GENERAL

In the event that any provision of these Standard Terms and Conditions is declared to be illegal, invalid or otherwise unenforceable by a court of competent jurisdiction, such provision shall be reformed, if possible, to the extent necessary to render it legal, valid and enforceable, or otherwise deleted, and the remainder of these Standard Terms and Conditions shall not be affected except to the extent necessary to reform or delete such illegal, invalid or unenforceable provision.

The headings preceding the text of the sections hereof are inserted solely for convenience of reference, and shall not constitute a part of these Standard Terms and Conditions, nor shall they affect its meaning, construction or effect.

These Standard Terms and Conditions shall inure to the benefit of and be binding upon the parties hereto and their respective permitted heirs, beneficiaries, successors and assigns.

These Standard Terms and Conditions shall be construed in accordance with and governed by the laws of the State of Delaware, without regard to principles of conflicts of law.

In the event of any conflict between the Grant Notice, these Standard Terms and Conditions and the Plan, the Grant Notice and these Standard Terms and Conditions shall control. In the event of any conflict between the Grant Notice and these Standard Terms and Conditions, the Grant Notice shall control.

All questions arising under the Plan or under these Standard Terms and Conditions shall be decided by the Committee in its total and absolute discretion.

10. ELECTRONIC DELIVERY

By executing the Grant Notice, the Participant hereby consents to the delivery of information (including, without limitation, information required to be delivered to the Participant pursuant to applicable securities laws) regarding the Company and the Subsidiaries, the Plan, and the Restricted Stock via Company web site or other electronic delivery.

Exhibit 10.30

CALIFORNIA

Confidential Information, Assignment of Inventions and Non-Solicitation Agreement

This Confidential Information and Non-Solicitation Agreement ("Agreement") is entered into by and between Montrose Environmental Group, Inc., for and on behalf of itself and for the benefit and on behalf of its subsidiaries and affiliates (referred to collectively as "Company"), and the undersigned employee ("Employee"). In consideration for the promises made below, the Employee and Company agree as follows:

1. **Consideration.** Employee agrees that (i) Employee's receipt of an option to purchase shares of the Company pursuant to the Company's stock option plan, (ii) Employee's continued employment by the Company, (iii) Employee's receipt of highly confidential information and trade secrets about the Company's business and its customers, and (iv) the Company's investment in training Employee constitute sufficient consideration for the promises made herein by Employee. Employee acknowledges that the Company has a legitimate business interest in protecting the Company's investment in its confidential information and Trade Secrets, customer relationship and goodwill. Employee understands and acknowledges that this Agreement does not constitute an employment agreement between Employee and the Company and does not give the Company the right to require Employee to remain in its employ or give Employee the right to be employed by the Company. Employee further understands that Employee's employment relationship with the Company is at-will and may be terminated by either party at any time.

2. **Nondisclosure of Trade Secrets and Confidential Information**

(a) **Trade Secrets.** "Trade Secrets" refers to information, without regard to form, that is not generally known about the Company's business, that the Company has made reasonable efforts to maintain as secret or confidential, and from which the Company derives economic value because it is not generally known to others who can obtain economic value from its use or disclosure. Trade Secrets include, but are not limited to, concepts, ideas, customer lists, business lists, business and strategic plans, financial data, accounting procedures, secondary marketing and hedging models, trade secrets, and computer programs and plans. This definition shall not limit any definition of "trade secrets" or any equivalent term under applicable state, local, or federal law.

(b) **Confidential Information.** "Confidential Information" refers to business information or data of the Company that, although not a Trade Secret, is not generally known to the public and that the Company desires and makes reasonable efforts to keep confidential. Confidential Information includes, but is not limited to, concepts, ideas, customer lists, business lists, business and strategic plans, financial data, accounting procedures, secondary marketing and hedging models, trade secrets, computer programs and plans, information related to officers, directors, employees and agents, operations materials and memoranda, personnel records and information, pricing and financial information related to the Company and suppliers, and any information marked "Confidential" by the Company, and other proprietary information that does not rise to the level of a Trade Secret. Confidential Information does not include data or information that (i) the Company has voluntarily disclosed to the public, (ii) third parties have

independently developed and disclosed to the public, (iii) otherwise enters the public domain through lawful means, or (iv) is lawfully and rightfully disclosed to Employee following the date of this Agreement by another party without an obligation to keep the information confidential. This definition shall not limit any definition of "confidential information" or any equivalent term under any applicable state, local or federal law.

(c) **Non-Disclosure.** Employee hereby acknowledges and agrees that the Company and its affiliates have developed and own valuable information described above as Trade Secrets and Confidential Information. Employee acknowledges and agrees that all such Trade Secrets and Confidential Information are valuable assets of the Company, and if developed by Employee, are developed by Employee in the course of Employee's employment with the Company, the rights of which are assigned to the Company and are the sole property of the Company, pursuant and subject to Section 3 of this Agreement. Employee agrees that Employee will not divulge or otherwise disclose to any third party, directly or indirectly, any Confidential Information or Trade Secrets, except to the extent such use or disclosure is (i) required by applicable law or in response to a lawful inquiry from a governmental or regulatory authority, (ii) lawfully obtainable from other sources, or (iii) authorized by the Company. Employee acknowledges that this restriction on disclosure of Confidential Information is limited to the period during Employee's employment and for eighteen (18) months thereafter. The parties acknowledge and agree that this Agreement is not intended to, and does not, alter either the Company's rights or Employee's obligations under any state or federal statutory or common law regarding trade secrets or unfair trade practices.

(d) **Return of Information**. For purposes of complying with Employee's confidentiality obligations, Employee shall, prior to Employee's last day of employment with the Company or at the Company's earlier request, conduct a diligent search of Employee's personal computer(s), personal e-mail accounts, personal telephone(s) and other PDAs, USB flash drives, compact discs, DVDs, and any other electronic storage devices that Employee possesses, as well as any files Employee maintains in hard copy, for Confidential Information belonging to the Company. Employee will return or permanently delete any such information, data or other materials belonging to the Company that Employee may have in Employee's possession, custody or control, including, without limitation, memoranda, notes, records, reports, manuals, drawings, blueprints, and any other documents or materials belonging to the Company that are located in Employee's home, or on Employee's personal electronic storage devices.

3. **Assignment of Inventions**

(a) **Disclosure of Inventions**. Without further compensation, Employee will promptly disclose in confidence to Company all inventions, improvements, designs, original works of authorship, formulas, processes, compositions of matter, computer software programs, databases, mask works and Trade Secrets

that Employee makes or conceives or first reduces to practice or creates, either alone or jointly with others, during the period of Employee's employment with Company, whether or not in the course of employment, and whether or not patentable, copyrightable or protectable as trade secrets (the "Inventions").

(b) **Work for Hire; Assignment of Inventions**. Employee acknowledges and agrees that any copyrightable works prepared by Employee within the scope of Employee's employment are "works for hire" under the Copyright Act and that the Company will be considered the author and owner of such copyrightable works. Employee agrees that all Inventions that (i) are developed using equipment, supplies, facilities or trade secrets of Company, (ii) result from work performed by Employee for the Company, or (iii) relate to the Company's business or actual or demonstrably anticipated research and development (the "Assigned Inventions") will be the sole and exclusive property of the Company. Employee hereby irrevocably assigns, and agrees to assign, the Assigned Inventions to the Company. Employee understands that this assignment is intended to, and does, extend to subject matters currently in existence, those in development, as well as those which have not yet been created. Attached hereto as Exhibit A is a list describing all inventions, original works of authorship, developments and trade secrets which were made by Employee prior to the date of this Agreement, which belong to Employee and which are not assigned to the Company ("Prior Inventions"). If no such list is attached, Employee agrees that it is because no such Prior Inventions exist. Employee acknowledges and agrees that if Employee uses any of Employee's Prior Inventions in the scope of Employee's employment with the Company, or include them in any product or service of the Company, Employee hereby grants to the Company a perpetual, irrevocable, nonexclusive, world-wide, royalty-free license to use, disclose, make, sell, copy, distribute, modify and create works based on, perform or display such Prior Inventions and to sublicense third parties with the same rights.

(c) **Labor Code Section 2870 Notice**. Employee has been notified and understands that the provisions of Sections 3(b) and 3(d) of this Agreement do not apply to any Assigned Invention that qualifies fully under the provisions of Section 2870 of the California Labor Code (or any comparable law of any other State), which states as follows:

ANY PROVISION IN AN EMPLOYMENT AGREEMENT WHICH PROVIDES THAT AN EMPLOYEE SHALL ASSIGN, OR OFFER TO ASSIGN, ANY OF HIS OR HER RIGHTS IN AN INVENTION TO HIS OR HER EMPLOYER SHALL NOT APPLY TO AN INVENTION THAT THE EMPLOYEE DEVELOPED ENTIRELY ON HIS OR HER OWN TIME WITHOUT USING THE EMPLOYER'S EQUIPMENT, SUPPLIES, FACILITIES, OR TRADE SECRET INFORMATION EXCEPT FOR THOSE INVENTIONS THAT EITHER: (1) RELATE AT THE TIME OF CONCEPTION OR REDUCTION TO PRACTICE OF THE INVENTION TO THE EMPLOYER'S BUSINESS, OR ACTUAL OR DEMONSTRABLY ANTICIPATED RESEARCH OR DEVELOPMENT OF THE EMPLOYER; OR

(2) RESULT FROM ANY WORK PERFORMED BY THE EMPLOYEE FOR THE EMPLOYER. TO THE EXTENT A PROVISION IN AN EMPLOYMENT AGREEMENT PURPORTS TO REQUIRE AN EMPLOYEE TO ASSIGN AN INVENTION OTHERWISE EXCLUDED FROM BEING REQUIRED TO BE ASSIGNED UNDER CALIFORNIA LABOR CODE SECTION 2870(a), THE PROVISION IS AGAINST THE PUBLIC POLICY OF THIS STATE AND IS UNENFORCEABLE.

(d) **Assignment of Other Rights**. In addition to the foregoing assignment of Assigned Inventions to the Company, Employee hereby irrevocably transfers and assigns to the Company: (i) all worldwide patents, patent applications, copyrights, mask works, trade secrets and other intellectual property rights, in any Assigned Inventions, along with any registrations of or applications to register such rights; and (ii) any and all "Moral Rights" (as defined below) that Employee may have in or with respect to any Assigned Inventions. Employee also hereby forever waives and agrees never to assert any and all Moral Rights Employee may have in or with respect to any Assigned Inventions, even after termination of Employee's work on behalf of the Company. "Moral Rights" mean any rights to claim authorship of or credit for an Assigned Inventions, to object to or prevent the modification or destruction of any Assigned Inventions or Prior Inventions licensed to the Company under Section 3, or to withdraw from circulation or control the publication or distribution of any Assigned Inventions or Prior Inventions licensed to the Company under Section 3, and any similar right, existing under judicial or statutory law of any country or subdivision thereof in the world, or under any treaty, regardless of whether or not such right is denominated or generally referred to as a "moral right."

(e) **Assistance/Power to Act**. Employee agrees to assist the Company in every proper way to obtain for the Company and enforce patents, copyrights, mask work rights, trade secret rights and other legal protections for the Company's Assigned Inventions in any and all countries. Employee will execute any documents that the Company may reasonably request for use in obtaining or enforcing such patents, copyrights, mask work rights, trade secrets and other legal protections. Employee's obligations under this paragraph will continue beyond the termination of employment with the Company, provided that the Company will compensate Employee at a reasonable rate after such termination for time or expenses actually spent by Employee at the Company's request on such assistance. Employee appoints the General Counsel of Company as Employee's attorney-in-fact to execute documents on Employee's behalf for this purpose.

4. **Non-Solicitation of Employees**. During employment and for a period of twelve (12) months after termination of employment, Employee shall not, directly or indirectly solicit for employment, offer, or cause to be offered employment, either on a full time, part-time or consulting basis, to any person who was employed by the Company or its affiliates on the date Employee's employment terminated and with whom Employee had regular contact with during the course of his employment by the Company, unless Employee shall have received the prior written consent of the Company.

5. **Miscellaneous.**

(a) **Severability**. The covenants set forth herein are separate and independent. If any portion of any covenant is held to be invalid, void or unenforceable in any court of competent jurisdiction, such defect shall not render invalid, void or unenforceable any other portion of this Agreement. If any portion of this Agreement is found to be invalid or unenforceable by a court of competent jurisdiction because its duration or the information covered is unreasonable, the unreasonable term shall be redefined or replaced such that the intent of the parties in entering this Agreement will not be impaired and the provision in question will be enforceable to the fullest extent of the applicable laws.

(b) **Waiver**. The waiver by the Company or Employee of a breach of any of the provisions of this Agreement will not operate or be construed as a waiver of any other provision or subsequent breach of the same or different provision. No waiver or modification of this Agreement or any covenant, condition or limitation contained herein shall be valid unless in writing and duly executed by both the Company and Employee.

(c) **Reasonableness and Relief**. Employee agrees that the covenants contained herein are reasonable and necessary means to protect the Company's interests in its goodwill, Trade Secrets, Confidential Information and intellectual property and that they will not unreasonably interfere with his/her ability to earn a living should his/her employment be terminated. Employee agrees that any breach by him/her of these covenants will cause irreparable harm and injury to the Company and will leave it with no adequate remedy at law. Employee agrees that such a breach will entitle the Company to, among other appropriate relief, injunctive relief in any appropriate court without the necessity of posting a bond.

(d) **Governing Law**. This Agreement will be deemed to be made in and will in all respects be governed by the laws of California. This Agreement will not be construed against any party by any court or authority by reason of such party having, or being deemed to have, structured or drafted such provision.

(e) **Remedies**. Employee acknowledges and agrees that Employee's violation of any of the terms of this Agreement would irreparably harm the Company. Accordingly, Employee acknowledges and agrees that if Employee violates or threatens to violate any covenant or agreement made by the Employee in this Agreement, the Company – in addition to all other rights it may have – shall be entitled to an injunction restraining Employee from breaching this Agreement, and to recover from Employee its reasonable attorneys' fees and costs incurred in obtaining such remedies. Employee further agrees that the time periods for the obligations set forth in this Agreement shall be tolled during any period in which Employee is in violation of any of the provisions set forth in this Agreement.

(f) **Assignment**. Employee acknowledges that the services to be rendered are unique and personal. Accordingly, Employee may not assign any of his or her rights or delegate any duties or obligations under this Agreement. The rights and obligations of the Company under this Agreement shall inure to the benefit of and be binding upon the successors and assigns of the Company.

(g) **Entire Agreement**. This Agreement is intended to be the final and complete expression of the parties' agreement with respect to its subject matter. This Agreement supersedes any former agreements governing the same subject matter and may be modified only by a written instrument signed by each of the parties hereto; *provided, however*, that this Agreement only supersedes other similar promises or agreements between Employee and the Company (or any affiliate of the Company) to the extent that the provisions of this Agreement are more protective of the Company's interests, as determined by the Company.

(h) **Amendment**. This Agreement may not be modified or amended except by an instrument or instruments in writing signed by the party against whom enforcement of such modification or amendment is sought.

The parties have duly executed this Agreement effective as of the date set forth below.

EMPLOYEE

_____ _____

Date

COMPANY

MONTROSE ENVIRONMENTAL GROUP, INC.

By: _____ _____

Name: Nasym Afsari Date

Title: General Counsel

EXHIBIT A

LIST OF PRIOR INVENTIONS

Title	Date	Identifying Number of Brief Description

_____ **No inventions or improvements**

Signature of Employee:

_____

Print Name of Employee:

Date:_____

Exhibit 10.31

OHIO

CONFIDENTIAL INFORMATION, NON-SOLICITATION, AND NON-COMPETE AGREEMENT

This Confidential Information, Non-Solicitation, and Non-Compete Agreement ("Agreement") is entered into by and between Montrose Environmental Group, Inc., for and on behalf of itself and for the benefit and on behalf of its subsidiaries and affiliates (referred to collectively as "Company") and the undersigned employee ("Employee"). In consideration for the promises made below, the Employee and Company agree as follows:

1. **Consideration.** Employee agrees that (i) Employee's receipt of an option to purchase shares of the Company pursuant to the Company's stock option plan, (ii) Employee's continued employment by the Company, (iii) Employee's receipt of highly confidential information and trade secrets about the Company's business and its customers, and (iv) the Company's investment in training Employee constitute sufficient consideration for the promises made herein by Employee. Employee acknowledges that the Company has a legitimate business interest in protecting the Company's investment in its confidential information and Trade Secrets, customer relationships and customer goodwill. Employee understands and acknowledges that this Agreement does not constitute an employment agreement between Employee and the Company and does not give the Company the right to require Employee to remain in its employ or give Employee the right to be employed by the Company. Employee further understands that Employee's employment relationship with the Company is at-will and may be terminated by either party at any time.

2. **Nondisclosure of Trade Secrets and Confidential Information**

(a) **Trade Secrets.** "Trade Secrets" means all information regarding the Company or its activities that fits within the definition of "trade secret" under the Ohio Uniform Trade Secrets Act, Ohio Rev. Code §§ 1333.61, *et seq*. This refers to information, without regard to form, that Company has made reasonable efforts under the circumstances to maintain as secret or confidential and from which Company derives economic value, actual or potential, because it is not generally known to others who can obtain economic value from its use or disclosure. Trade Secrets include, but are not limited to, the whole or any portion or phase of any scientific or technical information, designs, processes, procedures, formulae, patterns, compilations, programs, devices, methods, techniques, or improvements, or any business information or plans, financial information, or listing of names, addresses, or telephone numbers. This definition shall not limit any definition of "trade secrets" or any equivalent term under applicable state, local, or federal law.

(b) **Confidential Information.** "Confidential Information" refers to business information or data of the Company that, although not a Trade Secret, is not generally known to the public and that the Company desires and makes reasonable efforts to keep confidential. Confidential Information includes, but is not limited to, concepts, ideas, customer lists, business lists, business and strategic plans, financial data, accounting procedures, secondary marketing and hedging models, trade secrets, computer programs and plans, information related to officers, directors, employees and agents, operations materials and memoranda,

personnel records and information, pricing and financial information related to the Company and suppliers, and any information marked "Confidential" by the Company, and other proprietary information that does not rise to the level of a Trade Secret. Confidential Information does not include data or information that (i) the Company has voluntarily disclosed to the public, (ii) third parties have independently developed and disclosed to the public, (iii) otherwise enters the public domain through lawful means, or (iv) is lawfully and rightfully disclosed to Employee following the date of this Agreement by another party without an obligation to keep the information confidential. This definition shall not limit any definition of "confidential information" or any equivalent term under any applicable state, local or federal law.

(c) **Non-Disclosure.** Except as reasonably necessary to perform his/her duties for the Company, Employee will not, without the express written consent of the Company, directly or indirectly, disclose to any person or entity, or make use of for himself or any other person or entity, (i) any Confidential Information during his/her employment and for a period of two (2) years immediately following his/her termination for any reason; and (ii) any Trade Secrets during his/her employment and for so long as any particular Trade Secret retains its status as a trade secret under the Ohio Uniform Trade Secrets Act. Employee hereby acknowledges and agrees that the Company and its affiliates have developed and own valuable information described above as Trade Secrets and Confidential Information. Employee acknowledges and agrees that all such Trade Secrets and Confidential Information are valuable assets of the Company, and if developed by Employee, are developed by Employee in the course of Employee's employment with the Company, and are the sole property of the Company. Employee agrees that Employee will not divulge or otherwise disclose to any third party, directly or indirectly, any Confidential Information or Trade Secrets, except to the extent such use or disclosure is (i) required by applicable law or in response to a lawful inquiry from a governmental or regulatory authority, (ii) lawfully obtainable from other sources, or (iii) authorized by the Company. The protection afforded to Trade Secrets and/or Confidential Information by this provision is not intended to limit in any way any protection provided to any such information under any applicable federal, state or local law.

(d) **Return of Information**. For purposes of complying with Employee's confidentiality obligations, Employee shall, prior to Employee's last day of employment with the Company or at the Company's earlier request, conduct a diligent search of Employee's personal computer(s), personal e-mail accounts, personal telephone(s) and other PDAs, USB flash drives, compact discs, DVDs, and any other electronic storage devices that Employee possesses, as well as any files Employee maintains in hard copy, for Confidential Information belonging to the Company. Employee will return or permanently delete any such information, data or other materials belonging to the Company that Employee may have in Employee's possession, custody or control, including, without limitation, memoranda, notes, records, reports, manuals, drawings, blueprints, and any other documents or materials belonging to the Company that are located in Employee's home, or on Employee's personal electronic storage devices.

3. **Non-Competition**. Employee agrees that, during his/her employment and for a period of two (2) years immediately following his/her termination for any reason, he/she will not, in the Restricted Territory, on behalf of himself/herself or any other person or entity, engage in selling, marketing or providing air quality emission testing or lab services similar to those provided by the Company. For purposes of this provision, "Restricted Territory" means the area in which the Employee does business on the Company's behalf during the last year of the Employee's employment.

4. **Non-Solicitation**

   (a) **Non-Solicitation of Employees.** During employment and for a period of two (2) years immediately following his/her termination of employment for any reason, Employee shall not, directly or indirectly solicit for employment, offer, or cause to be offered employment, either on a full time, part-time or consulting basis, to any person who was employed by the Company or its affiliates on the date Employee's employment terminated and with whom Employee had regular contact during the course of his employment by the Company, unless Employee shall have received the prior written consent of the Company.

   (b) **Non-Solicitation of Customers.** Employee agrees that, during his/her employment and for a period of two (2) years immediately following his/her termination of employment for any reason, he/she will not solicit or take away, or attempt to solicit or take away, any Customer of the Company for the purpose of selling, marketing or providing air quality emission testing or lab services similar to those provided by the Company. For purposes of this paragraph, "Customer" means any customer or actively sought prospective customer with whom Employee had material contact during the one (1) year prior to his/her termination. Employee will be deemed to have had "material" contact with a person or entity if he/she had business dealings with such person or entity on behalf of the Company, he/she supervised the dealings between the person or entity and the Company, or he/she obtained confidential information about the person or entity as a result of his/her relationship with the Company.

5. **Miscellaneous.**

   (a) **Severability**. The covenants set forth herein are separate and independent. If any portion of any covenant is held to be invalid, void or unenforceable in any court of competent jurisdiction, such defect shall not render invalid, void or unenforceable any other portion of this Agreement. If any portion of this Agreement is found to be invalid or unenforceable by a court of competent jurisdiction because its duration, territory, or definition(s) of activities or information covered is unreasonable, the unreasonable term shall be redefined or replaced such that the intent of the parties in entering this Agreement will not be impaired and the provision in question will be enforceable to the fullest extent of the applicable laws.

(b) **Tolling**. The restricted periods referenced in this Agreement shall be tolled and shall not run during any such time that Employee is in breach of this Agreement and/or in violation of any of the covenants contained herein, and once tolled hereunder shall not begin to run again until such time as all such breaches and/or violations have ceased.

(c) **Waiver**. The waiver by the Company or Employee of a breach of any of the provisions of this Agreement will not operate or be construed as a waiver of any other provision or subsequent breach of the same or different provision. No waiver or modification of this Agreement or any covenant, condition or limitation contained herein shall be valid unless in writing and duly executed by both the Company and Employee.

(d) **Reasonableness and Relief**. Employee agrees that the covenants contained herein are reasonable and necessary means to protect the Company's interests in its goodwill, Trade Secrets, Confidential Information and intellectual property and that they will not unreasonably interfere with his/her ability to earn a living should his/her employment be terminated. Employee agrees that any breach by him/her of these covenants will cause irreparable harm and injury to the Company and will leave it with no adequate remedy at law. Employee agrees that such a breach will entitle the Company to, among other appropriate relief, injunctive relief in any appropriate court without the necessity of posting a bond.

(e) **Governing Law**. This Agreement will be deemed to be made in and will in all respects be governed by the laws of the state of Ohio. This Agreement will not be construed against any party by any court or authority by reason of such party having, or being deemed to have, structured or drafted such provision.

(f) **Remedies**. Employee acknowledges and agrees that Employee's violation of any of the terms of this Agreement would irreparably harm the Company. Accordingly, Employee acknowledges and agrees that if Employee violates or threatens to violate any covenant or agreement made by the Employee in this Agreement, the Company – in addition to all other rights it may have – shall be entitled to an injunction restraining Employee from breaching this Agreement, and to recover from Employee its reasonable attorneys' fees and costs incurred in obtaining such remedies. Employee further agrees that the time periods for the obligations set forth in this Agreement shall be tolled during any period in which Employee is in violation of any of the provisions set forth in this Agreement.

(g) **Assignment**. Employee acknowledges that the services to be rendered are unique and personal. Accordingly, Employee may not assign any of his or her rights or delegate any duties or obligations under this Agreement. The rights and obligations of the Company under this Agreement shall inure to the benefit of and be binding upon the successors and assigns of the Company.

(h) **Entire Agreement**. This Agreement is intended to be the final and complete expression of the parties' agreement with respect to its subject matter. This Agreement supersedes any former agreements governing the same subject matter and may be modified only by a written instrument signed by each of the parties hereto; *provided, however*, that this Agreement only supersedes other similar promises or agreements between Employee and the Company (or any affiliate of the Company) to the extent the provisions of this Agreement are more protective of the Company's interests, as determined by the Company.

(i) **Amendment**. This Agreement may not be modified or amended except by an instrument or instruments in writing signed by the party against whom enforcement of such modification or amendment is sought.

The parties have duly executed this Agreement effective as of the date set forth below.

EMPLOYEE

_____ _____

[Name] Date

COMPANY

MONTROSE ENVIRONMENTAL GROUP, INC.

By: _____ _____

Name: Nasym Afsari Date

Title: General Counsel

MONTROSE ENVIRONMENTAL GROUP, INC.
EXECUTIVE SEVERANCE POLICY

1. INTRODUCTION

This Montrose Environmental Group, Inc. Executive Severance Policy (the "Policy") is effective as of January 1, 2020 (the "Effective Date"). The purpose of the Policy is to provide for the payment of severance benefits to certain executives of Montrose Environmental Group, Inc. (the "Company") or one of its subsidiaries in connection with a termination of employment in certain circumstances.

2. DEFINITIONS

For purposes of the Policy, the terms below are defined as follows:

(a) "Base Salary" means the annual base salary payable to an Eligible Employee at the time of the Termination Date.

(b) "Cause" has the meaning set forth in a written employment or services agreement between the Eligible Employee and the Company or an Affiliate thereof, or if no such meaning applies, means a Eligible Employee's termination of employment by the Company by reason of the occurrence of any of the following events: (i) such Eligible Employee's commission of any felony or any crime involving fraud, dishonesty or moral turpitude under the laws of the United States or any state thereof; (ii) such Eligible Employee's attempted commission of, or participation in, a fraud or act of dishonesty against the Company; (iii) such Eligible Employee's material violation of any contract or agreement between the Eligible Employee and the Company or of any statutory duty owed to the Company or any lawful policy or code of conduct established by the Company; (iv) such Eligible Employee's unauthorized use or disclosure of the Company's confidential information or trade secrets; (v) such Eligible Employee's material failure to perform in a satisfactory manner the duties and responsibilities of his or her position with the Company; or (vi) such Eligible Employee's gross misconduct; provided, however, to the extent the conduct set forth in subsections (iii) or (iv) is reasonably susceptible to cure, the Eligible Employee shall have ten (10) business days to cure such violation after receiving written notice thereof.

(c) "Change in Control" has the meaning ascribed to such term in the Company's Amended and Restated 2017 Stock Incentive Plan.

(d) "Code" means the Internal Revenue Code of 1986, as amended.

(e) "Company" means Montrose Environmental Group, Inc. and its subsidiaries.

(f) "Disability" means inability of an Eligible Employee to engage in any substantially gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than twelve (12) months. The determination whether an Eligible Employee has suffered a Disability shall be made by the Company based upon such evidence as it deems necessary and appropriate.

(g) "Eligible Employee" means an executive officer or other key employee of the Company who has been designated by the Board of Directors of the Company or a committee thereof as eligible under the Policy.

(h) "Good Reason" means a termination of employment within sixty (60) days following: (i) a material reduction in the Eligible Employee's annual base salary or annual incentive opportunity, except for across-the-board reductions generally applicable to all Eligible Employees; (ii) a material reduction in the Eligible Employee's responsibilities, authorities or duties as compared to those in existence as of the date that the Eligible Employee became an Eligible Employee; (iii) the Company's requiring the Eligible Employee to be based at a location which is more than fifty (50) miles from the Eligible Executive's principal place of employment immediately prior to the change; or (iv) material failure of the Company to pay to Eligible Employee any amount otherwise vested and due under any agreement, plan or policy of the Company, which failure in either (i), (ii), (iii) or (iv) is not cured within thirty (30) days from receipt by the Company of written notice from Eligible Employee which specifies the details of the failure.

(i) "Involuntary Termination" means (i) at any time, any termination of an Eligible Employee's employment with the Company (or its successor) by the Company (or its successor) for any reason other than Cause, the Eligible Employee's death or Disability and (ii) a resignation by an Eligible Employee for Good Reason.

(j) "Termination Date" means the date specified in the written notice of termination that the Company delivers to the Eligible Employee, or, in the case of Good Reason, the effective date of the Eligible Employee's resignation.

3. SEVERANCE BENEFITS

In the event of an Involuntary Termination, the Eligible Employee shall be entitled to the following benefits:

(a) Accrued Rights. A payment of the accrued rights due to the Eligible Employee consisting of the sum of (i) Eligible Employee's Base Salary through the Termination Date not theretofore paid; (ii) any expenses owed to the Eligible Employee under the Company's expense reimbursement policy; and (iii) any amount arising from the Eligible Employee's participation in, or benefits under, any employee benefit plans, which amounts shall be payable in accordance with the terms and conditions of such employee benefits plans (clauses (i)-(iii) collectively shall be the "Accrued Rights"), which (except for amounts under clause (iii) which shall be paid pursuant to the applicable plan) shall be paid to the Eligible Employee promptly, but in all events within 30 days following the Termination Date.

(b) Severance. Severance pay as set forth in Exhibit A hereto, which amount shall be payable to the Eligible Employee in twelve (12) equal monthly installments commencing on the date that is thirty (30) days following the Termination Date; provided, however, that if the Involuntary Termination occurs within (2) two years following a Change in Control, payment will be made in a single lump sum on the date that is thirty days following the Termination Date, in each case, subject to the Eligible Employee's General Release (as provided in Section 3(d) hereof) becoming effective and irrevocable.

(c) Equity Acceleration. In the event of an Involuntary Termination that occurs within two (2) years following a Change in Control, all outstanding and unvested equity incentive awards previously granted to the Eligible Employee shall immediately vest in full, with performance-based awards vesting based upon the assumption that the target level of performance has been achieved.

(d) Release. Notwithstanding anything herein to the contrary, an Eligible Employee shall be entitled to the payments and benefits provided for in this Section 3 (other than the Accrued Rights) if and only if the Eligible Employee executes and delivers to the Company a general release of claims against the Company in a form reasonably satisfactory to the Company (the "General Release") within twenty-one (21) days following the Termination Date (which General Release shall be provided to the Eligible Employee on or about the Termination Date) and the General Release has become effective and irrevocable in accordance with its terms. For the avoidance of doubt, no payments shall be made to any Eligible Employee pursuant to Section 3(b) until the date that is thirty (30) days following the Termination Date, at which time any installments that should have been paid prior to that date shall be paid in lump sum.

4. LIMITATIONS ON BENEFITS

(a) Termination of Benefits. In the event an Eligible Employee, at any time, violates any proprietary information of confidentiality obligation to the Company, any other obligations of the Eligible Employee under an employment or other agreement with the Company or any of the Company's policies and procedures, (i) the Eligible Employee will be deemed in material breach of this Policy and (ii) the Company will be relieved of any ongoing obligation to comply with any of the terms of this Policy, including without limitation the obligation to make the payments described in Sections 3 (other than the Accrued Rights).

(b) Non-Duplication of Benefits. No Eligible Employee is eligible to receive benefits under the Policy more than one time.

(c) Indebtedness of Eligible Employees. If the Eligible Employee is indebted to the Company or an affiliate of the Company at his or her Termination Date, the Company reserves the right to offset any payments due under the Policy by the amount of such indebtedness.

5. MISCELLANEOUS

(a) Exclusive Discretion. The Board of Directors of the Company or a committee thereof will have the exclusive discretion and authority to establish rules, forms and procedures for the administration of the Policy and to construe and interpret the Policy and to decide any and all questions of fact, interpretation, definition, computation or administration arising in connection with the operation of the Policy, including, but not limited to, the eligibility to participate in the Policy and amount of benefits paid under the Policy. The rules, interpretations, computations and other actions of the administrator will be binding and conclusive on all persons.

(b) Amendment or Termination. The Company may amend or terminate the Policy at any time and from time to time prior to the occurrence of a Change in Control or at any time and from time to time more than two (2) years following a Change in Control. For the avoidance of doubt, this Policy may not be amended in any manner during the two-year period following a Change in Control. Termination or amendment of the Policy shall not affect any obligation of the Company under the Policy which has accrued and is unpaid as of the effective date of the termination or amendment (including, but not limited to, the obligation to make payments in respect of an Involuntary Termination that occurs prior to the effective date of the termination or amendment).

(c) No Right to Continued Employment or Service. Nothing herein shall confer upon an Eligible Employee any right to continue in the employ or service of the Company or any of its affiliates and this Policy shall not be deemed a contract of employment. If an Eligible Employee's employment terminates for any reason other than an Involuntary Termination, the Eligible Employee shall not be entitled to any benefits, damages, awards or compensation under this Policy, but may be entitled to payments or benefits in accordance with the Company's other established employee plans and practices or pursuant to other agreements with the Company.

(d) Successors. Any successor to the Company (whether direct or indirect and whether by purchase, merger, consolidation, liquidation or otherwise) or to all or substantially all of the Company's business and/or assets will assume the obligations under the Policy and agree expressly to perform the obligations under the Policy in the same manner and to the same extent as the Company would be required to perform such obligations in the absence of a succession. The terms of the Policy and all rights of the Eligible Employee hereunder will inure to the benefit of, and be enforceable by, the Eligible Employee's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

(e) Notice. Any and all notices, requests, demands and other communications provided for by this Policy shall be in writing and shall be effective when delivered in person, consigned to a reputable national courier service or deposited in the United States mail, postage prepaid, registered or certified, and addressed to the Eligible Employee at his or her last known address on the books of the Company or, in the case of the Company, at its principal place of business, attention of the General Counsel or to such other address as any party may specify by notice to the other actually received.

(f) No Waiver. The failure of a party to insist upon strict adherence to any term of the Policy on any occasion shall not be considered a waiver of such party's rights or to deprive such party of the right thereafter to insist upon strict adherence to that term or any other term of the Policy.

(g) Severability. In the event that any one or more of the provisions of the Policy shall be or become invalid, illegal or unenforceable in any respect or to any degree, the validity, legality and enforceability of the remaining provisions of the Policy shall not be affected thereby. The parties intend to give the terms of the Policy the fullest force and effect so that is any provision shall be found to be invalid or unenforceable, the court reaching such conclusion may modify or interpret such provision in a manner that shall carry out the parties' intent and shall be valid and enforceable.

(h) Headings. The headings of the sections hereof are inserted for convenience only and shall not be deemed to constitute a part hereof or to affect the meaning thereof.

(i) Creditor Status of Eligible Employees. In the event that any Eligible Employee acquires a right to receive payments from the Company under the Policy such right shall be no greater than the right of any unsecured general creditor of the Company.

(j) Withholding Taxes. The Company may withhold from any amounts payable under the Policy such federal, state and local taxes as may be required to be withheld pursuant to any applicable law or regulation.

(k) Section 409A Compliance. This Policy is intended to be interpreted and operated to the fullest extent possible so that the payments and benefits hereunder either shall be exempt from the requirements of Section 409A of the Code ("Section 409A") or shall comply with the requirements of Section 409A; provided, however, that notwithstanding anything to the contrary in this Policy, in no event shall the Company be liable to the Eligible Employee for or with respect to any taxes, penalties or interest which may be imposed upon the Eligible Employee pursuant to Section 409A. To the extent that any payment or benefit pursuant to this Policy constitutes a "deferral of compensation" subject to Section 409A (after taking into account to the maximum extent possible any applicable exemptions) (a "409A Payment") treated as payable upon a separation from service, then, if on the date of the Eligible Employee's separation from service, the Eligible Employee is a Specified Employee (as defined in Section 409A), then to the extent required for Eligible Employee not to incur additional taxes pursuant to Section 409A, no such 409A Payment shall be made to the Eligible Employee sooner than the earlier of (i) six (6) months after the Eligible Employee's separation from service; or (ii) the date of the Eligible Employee's death. Should this paragraph result in payments or benefits to the Eligible Employee at a later time than otherwise would have been made under this Policy, on the first day any such payments or benefits may be made without incurring additional tax pursuant to Section 409A (the "409A Payment Date"), the Company shall make such payments and provide such benefits as provided for in this Policy, provided that any amounts that would have been payable earlier but for the application of this paragraph shall be paid in lump-sum on the 409A Payment Date.

EXHIBIT A

Severance Formula

Position	Severance Benefit
Chief Executive Officer	2 times Base Salary
All other participants	1 times Base Salary

Exhibit 21.1

Subsidiaries of the Registrant

Name of the Subsidiary	State or Other Jurisdiction of Incorporation or Organization
Air, Water and Soil Laboratories, Inc.	Virginia
Enthalpy Analytical, LLC	Delaware
Montrose Environmental Solutions, LLC	Delaware
ES Engineering Services, LLC	Delaware
FRS Environmental Remediation, Inc.	Florida
Montrose Air Quality Services, LLC	Delaware
Montrose Measurements and Analytics, LLC	Delaware
Montrose Services, LLC	Delaware
Nautilus Environmental, Inc.	California
Envirosystems, Incorporated	New Hampshire
Leymaster Environmental Consulting, LLC	California
PARS ENVIRONMENTAL, Inc.	New Jersey
Advanced GeoServices Corp.	Pennsylvania
Montrose Planning & Permitting, LLC	Delaware
Analytical Environmental Services	California
Environmental Planning Specialists, Inc.	Georgia
Montrose Waste-to-Resources, LLC	Delaware
Montrose Water and Sustainability Services, Inc.	Delaware
Target Emission Services USA, LLC	Texas
1203524 B.C. Ltd.	British Columbia
Target Emission Services Inc.	Alberta
LEHDER Environmental Services Limited	Ontario
Emerging Compounds Treatment Technologies, Inc.	Massachusetts
Montrose Foreign Holdings, Inc.	Delaware
The Center for Toxicology and Environmental Health, L.L.C.	Arkansas

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the use in this Registration Statement on Form S-1 of our report dated June 3, 2020, relating to the financial statements of Montrose Environmental Group, Inc. We also consent to the reference to us under the heading “Experts” in such Registration Statement.

/s/ Deloitte & Touche LLP

Costa Mesa, California

June 29, 2020

Exhibit 23.2

Consent of Independent Registered Public Accounting Firm

We consent to the inclusion in this Registration Statement on Form S-1 of Montrose Environmental Group, Inc. of our report dated February 12, 2020, relating to our audit of the financial statements of Emerging Compounds Treatment Technologies, Inc. as of and for the period ended August 30, 2019, which report appears in the Prospectus, which is part of this Registration Statement. We also consent to the reference to our firm under the heading "Experts" in this Registration Statement on Form S-1.

/s/ DiCicco, Gulman & Company LLP

Boston, MA
June 29, 2020

DICICCO, GULMAN & COMPANY LLP
155 Federal Street, Suite 200, Boston, MA 02110 781.937.5300 dgccpa.com

Exhibit 23.3

CONSENT OF INDEPENDENT AUDITOR

We consent to the inclusion in Registration Statement on Form S-1 of Montrose Environmental Group, Inc. of our report dated February 27, 2020, relating to the consolidated financial statements of CTEH Holdings, LLC and Subsidiaries, appearing in the Prospectus, which is part of the Registration Statement.

We also consent to the reference of our firm under the heading “Experts” in such Registration Statement.

/s/ HOGANTAYLOR LLP

Little Rock, Arkansas
June 29, 2020